

**LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.**

**Financial Statements  
with Supplemental Information**

**December 31, 2021**

**(With Independent Accountants' Report Thereon)**

**LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.**

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—  
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### **Independent Accountants' Review Report**

**To the Board of Directors  
Lake Pontchartrain Basin Maritime Museum, Inc.  
Mandeville, Louisiana**

We have reviewed the accompanying financial statements of Lake Pontchartrain Basin Maritime Museum, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

#### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Lake Pontchartrain Basin Maritime Museum, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

*Accountants' Conclusion*

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Supplementary Information*

The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head for the year ended December 31, 2021 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule 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 schedule has been subjected to the review procedures applied in our review of the basic financial statements. We not aware of any material modifications that should be made to the schedule. We have not audited the schedule and do not express an opinion on it.

*Griffin & Furman, LLC*

June 20, 2022

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Statement of Financial Position

December 31, 2021

(See Independent Accountants' Review Report)

Assets

Cash & cash equivalents:		
Unrestricted	164,978	
Restricted	<u>31,659</u>	
Total cash & cash equivalents		196,637
Accounts receivable, net		5,439
Prepaid expenses		11,793
Inventory		16,027
Property & equipment, net		<u>1,393,699</u>
Total assets		\$ <u><u>1,623,595</u></u>

Liabilities & Net Assets

Liabilities:

Accounts payable	\$ 2,985	
Current portion of long-term debt	-	
Accrued expenses	2,517	
Payroll tax payable	7,707	
Sales tax payable	507	
Deposits	8,485	
Accrued interest	6,329	
Deferred revenue	41,776	
Long-term debt, net of current portion	<u>150,000</u>	
Total liabilities		220,306

Net Assets:

Without donor restriction	1,371,630	
With donor restriction	<u>31,659</u>	
Total net assets		<u>1,403,289</u>
Total liabilities & net assets		\$ <u><u>1,623,595</u></u>

See accompanying notes to the financial statements.

**LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.**

**Statement of Activities**

**For the Year Ended December 31, 2021**

**(See Independent Accountants' Review Report)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support &amp; Revenues:</b>			
Wooden boat festival	\$ -	-	-
Facility event room rental	88,463	-	88,463
Wooden boat building classes	13,792	-	13,792
Gift shop sales	5,898	-	5,898
Museum admission fees and membership dues	22,339	-	22,339
Contributions	26,842	503	27,345
Fundraising income	52,321	-	52,321
Research and educational programs	6,900	-	6,900
Grant income	-	112,903	112,903
PPP loan revenue	73,810	-	73,810
Other income	42,071	-	42,071
Net assets released from restrictions	<u>107,903</u>	<u>(107,903)</u>	<u>-</u>
<b>Total support &amp; revenues</b>	<u><b>440,339</b></u>	<u><b>5,503</b></u>	<u><b>445,842</b></u>
<b>Expenses:</b>			
Program services	336,886	-	336,886
Support services:			
Management and general	68,495	-	68,495
Fundraising	<u>71,873</u>	<u>-</u>	<u>71,873</u>
<b>Total supporting services</b>	<u><b>140,368</b></u>	<u><b>-</b></u>	<u><b>140,368</b></u>
<b>Total expenses</b>	<u><b>477,254</b></u>	<u><b>-</b></u>	<u><b>477,254</b></u>
<b>Change in net assets</b>	<u><b>(36,915)</b></u>	<u><b>5,503</b></u>	<u><b>(31,412)</b></u>
Net assets - beginning of year	1,456,888	26,156	1,483,044
Prior period adjustment	<u>(48,343)</u>	<u>-</u>	<u>(48,343)</u>
Net assets - beginning of year, as restated	<u>1,408,545</u>	<u>26,156</u>	<u>1,434,701</u>
Net assets - end of year	<u><u><b>\$ 1,371,630</b></u></u>	<u><u><b>31,659</b></u></u>	<u><u><b>1,403,289</b></u></u>

See accompanying notes to the financial statements.

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Statement of Cash Flows

For the Year Ended December 31, 2021

(See Independent Accountants' Review Report)

<b>Cash flows from operating activities:</b>		
<b>Change in net assets</b>	\$	(31,412)
<b>Adjustments to reconcile decrease in net assets     to net cash provided by operating activities:</b>		
<b>Depreciation</b>		76,422
<b>Noncash contributions</b>		(13,000)
<b>PPP loan revenue</b>		(73,810)
<b>(Increases) decreases in assets:</b>		
<b>Account receivable</b>		(4,389)
<b>Inventory</b>		(1,726)
<b>Increases (decreases) in liabilities:</b>		
<b>Accounts payable</b>		1,299
<b>Accrued expenses</b>		(712)
<b>Payroll tax payable</b>		2,844
<b>Sales tax payable</b>		55
<b>Deposits</b>		1,285
<b>Accrued interest</b>		6,329
<b>Deferred revenue</b>		41,776
<b>Net cash provided by operating activities</b>		<u>4,961</u>
<b>Cash flows from financing activities:</b>		
<b>Proceeds from issuance of long-term debt</b>		<u>36,905</u>
<b>Net cash provided by financing activities</b>		<u>36,905</u>
<b>Net increase in cash &amp; cash equivalents</b>		<b>41,866</b>
<b>Cash &amp; cash equivalents, beginning of year</b>		<u>154,771</u>
<b>Cash &amp; cash equivalents, end of year</b>	\$	<u><u>196,637</u></u>

See accompanying notes to the financial statements.

**LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.**

**Statement of Functional Expenses**

**For the Year Ended December 31, 2021**

**(See Independent Accountants' Review Report)**

	<u>Program Services</u>					<u>Supporting Services</u>			
	<u>Wooden Boat Festival</u>	<u>Museum &amp; Exhibits</u>	<u>Wooden Boat Building Classes</u>	<u>Maritime Research &amp; Education</u>	<u>Lighthouse Recreation</u>	<u>Total Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 23,005	27,321	13,660	27,321	13,660	104,967	34,151	20,491	159,609
Payroll taxes & employee benefits	1,877	2,229	1,115	2,229	1,115	8,565	2,787	1,672	13,024
<b>Total salaries &amp; related benefits</b>	<b>24,882</b>	<b>29,550</b>	<b>14,775</b>	<b>29,550</b>	<b>14,775</b>	<b>113,532</b>	<b>36,938</b>	<b>22,163</b>	<b>172,633</b>
Janitorial and cleaning	-	740	-	-	-	740	-	-	740
Merchandise purchases	-	2,374	-	-	-	2,374	-	16,023	18,397
Volunteer support	-	421	200	345	-	966	-	497	1,463
Printing and graphic design	-	100	-	-	-	100	-	104	204
Materials and supplies	-	151	5,230	250	8,205	13,836	-	4,918	18,754
Contract labor	-	600	-	-	-	600	-	4,137	4,737
Repairs and maintenance	-	58,018	326	-	-	58,344	-	-	58,344
Office expense	-	804	500	1,509	800	3,613	4,650	1,540	9,803
Postage and delivery	-	3,857	-	-	-	3,857	31	1,900	5,788
Insurance	-	31,713	-	-	-	31,713	-	-	31,713
Professional fees	-	1,999	-	-	-	1,999	2,000	1,200	5,199
Advertising	1,765	8,500	765	370	-	11,400	-	3,954	15,354
Dues and subscriptions	-	1,928	401	642	-	2,971	742	671	4,384
Bank charges	-	3,319	-	-	-	3,319	-	2,212	5,531
Travel	-	-	30	-	-	30	-	-	30
Utilities	-	11,376	5,690	5,690	3,793	26,549	7,585	3,793	37,927
Taxes and licenses	-	-	-	-	-	-	-	95	95
Miscellaneous expenses	700	1,092	1,175	(10)	-	2,957	-	390	3,347
Interest	1,266	693	949	949	633	4,490	1,266	633	6,389
<b>Total expenses before depreciation</b>	<b>28,613</b>	<b>157,235</b>	<b>30,041</b>	<b>39,295</b>	<b>28,206</b>	<b>283,390</b>	<b>53,212</b>	<b>64,230</b>	<b>400,832</b>
Depreciation	15,284	7,643	11,463	11,463	7,643	53,496	15,283	7,643	76,422
<b>Total expenses</b>	<b>\$ 43,897</b>	<b>164,878</b>	<b>41,504</b>	<b>50,758</b>	<b>35,849</b>	<b>336,886</b>	<b>68,495</b>	<b>71,873</b>	<b>477,254</b>

See accompanying notes to the financial statements.



# LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

## Notes to Financial Statements

December 31, 2021

### (1) Summary of Significant Accounting Policies

#### (a) Nature of Activities

The Lake Pontchartrain Basin Maritime Museum, Inc. (the Museum) was created as a not-for-profit corporation in July 1991 to operate an educational maritime museum which preserves the marine, naval, and maritime history, and cultural heritage of the Lake Pontchartrain Basin. The largest single source of income is from the annual Wooden Boat Festival held each fall on the Tchefuncte River.

The Museum is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

#### (b) Basis of Accounting

The financial statements of the Museum have been prepared on the accrual basis of accounting and accordingly revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

#### (c) Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, The Museum is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets with donor restrictions - The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net assets without donor restrictions - The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

#### (d) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### (e) Cash and Cash Equivalents

The Museum considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Notes to Financial Statements

December 31, 2021

(f) Accounts and Grants Receivable

Accounts receivable consist of amounts due for tuition in the wooden boat building classes and facility event room rental services. The Museum routinely reviews its accounts receivable balances and makes provision for doubtful accounts as necessary. Grants receivable consists of grant reimbursements. There were no grants receivable as of December 31, 2021. Management monitors the receivables and assesses the collectability of accounts on a monthly basis. Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. There were no bad debts during the year ended December 31, 2021.

(g) Inventory

The Museum gift shop inventory consists of items purchased for resale and is carried at cost.

(h) Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 whose useful lives extend beyond a one-year period and betterments which naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Property and equipment are stated at historical cost or estimated fair value at the date of donation.

Depreciation is provided on the straight-line basis over the following estimated useful lives of the assets:

Buildings and improvements	39 Years
Museum exhibits	5-10 Years
Furniture and equipment	5-7 Years
Bulkhead and dock	15 Years
Land and improvements	7-10 Years
Sign	5 Years

(i) Collections of Art

Many of the works of art on exhibit at the Museum are on loan from private parties and, thus, are not recorded in the financial statements of the Museum. Collections, which include works of art, historic treasures, and assets of similar nature, that are donated without restrictions to the Museum are recorded as in-kind revenue on the statements of activities and changes in net assets. Collections are not depreciated, rather they are reviewed each year for the impairment and value is decreased if deemed necessary. The Museum does not believe impairment is necessary as of December 31, 2021. Collections of the Museum are (a) held for exhibition to the public, for educational purposes or for research in furtherance of public services and not financial gain, and (b) are protected, cared for, and preserved.

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Notes to Financial Statements

December 31, 2021

(j) Public Support and Revenue

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(k) Functional Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for overall support and direction of the Museum.

(l) Advertising Expense

The Museum uses advertising to promote its programs among the audiences it serves. During 2021, advertising costs, which are expensed as incurred, totaled \$15,354.

(m) Income Tax Status

The Museum is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Museum qualifies for the charitable contribution deduction under the Section 170(b)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Museum's evaluation as of December 31, 2021 revealed no tax positions that would have a material impact on the financial statements. The 2018 through 2020 tax years remain subject to examination by the IRS. The Museum does not believe that any reasonably possible changes will occur withing the next twelve months that will have a material impact on the financial statements.

(n) Operations

The Museum has entered into grant agreements and reimbursement contracts with various local, state, and federal governmental entities. Noncompliance with the terms of these agreements and contracts could have a significant adverse effect on the operations of the Museum.

(o) Donated Assets and Services

The Museum records noncash donations as contributions at their estimated fair value at the date of donation. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing these skills and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Notes to Financial Statements

December 31, 2021

The Museum also receives donated services from unpaid volunteers who perform a variety of tasks that support the Museum's activities. However, no amounts have been reflected in the financial statements as these services do not meet the criteria for revenue recognition under GAAP.

(p) Recent Accounting Pronouncements Issued Not Yet Effective

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires the recognition of a "right to use" asset and a lease liability, initially measured at the present value of the lease payments, on all of the Museum's lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. Management does not expect this ASU to have a significant impact on the Museum's financial statements.

(2) Statement of Cash Flows and Supplementary Disclosure

Supplemental disclosures of cash flow information:

Cash paid for interest \$ 60

*Non-Cash Investing and Financing Activities*

During the year ended December 31, 2021, the Museum received noncash contributions of property and equipment of \$13,000.

During the year ended December 31, 2021, the Museum had paycheck protection loans forgiven in the amount of \$73,810.

(3) Liquidity and Availability of Financial Assets

The Museum strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments.

The following table reflects the Museum's financial assets as of December 31, 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

Financial assets, and year end	\$ 202,076
Less those unavailable for general expenditure within one year due to:	
Funds set aside for donor restricted purposes	<u>(31,659)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>170,417</u>

The Museum's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date.

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Notes to Financial Statements

December 31, 2021

(4) Donated Materials, Facilities, and Services

The Museum receives donated items, services, and facilities from the public and sponsors who assist in fundraising and the Wooden Boat Festival. In accordance with FASB ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made*, these amounts have been recorded in the statements of activities as contributions and assets or expenses.

The value of donated items was \$13,000 for the year ended December 31, 2021 and is recorded as property and equipment.

The value of donated facilities was \$4,848 for the year ending December 31, 2021 and is recorded as fundraising expense.

The Museum did not receive any donated services for the year ended December 31, 2021.

(5) Property and Equipment

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

Land and improvements	\$ 22,968
Furniture and equipment	182,329
Buildings and improvements	2,791,858
Museum exhibits	509,043
Bulkhead and dock	91,726
Sign	<u>11,776</u>
	3,609,700
Less: Accumulated depreciation	<u>(2,216,001)</u>
Property and equipment, net	<u>\$ 1,393,699</u>

Depreciation expense for the year ended December 31, 2021 was \$76,422.

(6) Deferred Revenue

During the year, the Museum received funds totaling \$41,776 for sponsorships and other related revenue associated with the Wooden Boat Festival (the Festival) which was scheduled to be held during 2021. Due to the continued effects of the COVID19 global pandemic, the Festival was not held during the year and sponsors and donors agreed to apply the amounts paid to the 2022 Festival. Accordingly, these funds were recorded as deferred revenue and will be recognized as revenue when the Festival is held in 2022.

(7) Debt

*Economic Injury Disaster Loan*

On June 19, 2021, the Museum received loan proceeds in the amount of \$150,000 under the Small Business Administration's Economic Injury Disaster Loan program. This program provided low interest fixed rate loans to help businesses overcome the effects of the COVID-19 global pandemic by

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Notes to Financial Statements

December 31, 2021

providing working capital to meet operating expenses of the borrowers. The loan bears interest at 2.75% and is due in monthly installments of \$641 through June 2050 and is secured by property of the Museum.

A summary of future maturities of this loan for next five years and thereafter are as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ -
2023	-
2024	1,296
2025	3,649
2026	3,750
Thereafter	<u>141,305</u>
	<u>\$ 150,000</u>

*Paycheck Protection Loans*

On June 22, 2021, the Museum received loan proceeds in the amount of \$36,905 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. In the event of default, all amounts due under the note become due.

On October 29, 2021, the Museum received loan proceeds in the amount of \$36,905 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. In the event of default, all amounts due under the note become due.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments to either (1) the date that Small Business Administration remits the borrower's loan forgiveness amount to the lender or (2) if the borrower does not apply for loan forgiveness, ten months after the end of the borrower's loan forgiveness covered period. The Museum used the proceeds for purposes consistent with the PPP and both loans were forgiven during the year.

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Notes to Financial Statements

December 31, 2021

**(8) Commitments and Contingencies**

*Management Agreement for Museum Building*

The land on which the Museum is built is owned by the Town of Madisonville (the Town). On May 31, 1996, the Town and the Museum entered into a management agreement allowing the Museum to establish, occupy, administer, manage, supervise, maintain, and exercise operational control and custody over the museum building once construction was complete. The term of this agreement is for 99 years and expires on May 31, 2095. The Museum assumes the obligations of the day-to-day operations and upkeep of the buildings in lieu of other considerations to the Town (i.e. rent expense). In addition, the agreement states that the building contents and all furniture, fixtures, equipment, supplies, vessels, exhibits, artifacts, objects of art, paintings and all other movable things acquired by or donated to the Museum are the property of the Museum.

*Management Agreement of the Tchefuncte River Range Rear Light Property*

The Tchefuncte River Range Rear Light Property (the Property) is owned by the Town. On May 24, 2000, the Town and the Museum entered into a management agreement allowing the Museum to restore, develop, preserve, manage, and administer the Property, including its use as a tourist attraction. The term of this agreement is for 99 years and expires on May 24, 2099. The Museum assumes the obligation to maintain and exercise operation control and custody over the Property before and after the restoration of the lighthouse in lieu of other considerations to the Town. In addition, the agreement states that the Museum shall retain title to and possession of all contents, fixtures, equipment, supplies, vessels, boats, exhibits, artifacts, objects of art, paintings, and all other movable things acquired by or donated to the Museum for the use and benefit of the property during the period of the agreement.

**(9) Concentration of Credit Risk**

The Museum maintains its cash balances at several financial institutions located in Southeast Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured portion of cash balances as of December 31, 2021.

None of the Museum's sources of revenue presented itself as a concentration risk for the year ended December 31, 2021.

**(10) Grants from Governmental Agencies**

Grants from governmental agencies include the following for the year ended December 31, 2021:

Total funds in the amount of \$78,903 was awarded under a grant agreement with the United States, Small Business Administration for the year ended December 31, 2021. The contract is part of the Shuttered Venue Operators Grant, SBAHQ21SV008882.

Total funds in the amount of \$12,000 was awarded under two contracts with Louisiana Endowment for the Humanities. The grant was used to support general operations.

LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.

Notes to Financial Statements

December 31, 2021

Funds in the amount of \$10,000 was received under contract with the Northshore Weather Relief Fund with the Northshore Community Foundation. These grants were used to repair the Museum and stabilize the Lighthouse Keepers Cottage from hurricane damage.

Funds in the amount of \$5,000 was received in the fiscal year ended December 31, 2021, under a contract with the Louisiana Endowment for the Humanities. This grant was used for the project entitled Museums on Main Street Water/Ways 21-22.

Funds in the amount of \$7,000 was received in the fiscal year ended December 31, 2021, under a contract with the Louisiana Endowment for the Humanities. This grant was used for the project entitled Full Steam Ahead: James Rumsey; Man and Myths.

(11) Accrued Unpaid Leave

The Museum's full-time employees accrue annual leave as follows:

Year 0-0.5	5 days/year
Year 1-5	15 days/year
Year 6+	20 days/year

Annual leave is not cumulative and normally must be taken in the year earned. Exceptions for carrying over annual leave are limited to five days and require the approval of the Executive Director. Days accumulated beyond five days without prior approval will not be paid or carried over. Sick leave is earned by regular full-time employees at the rate of five days per year. In the event of resignation or termination, there is no payment for unused sick leave.

The Museum has no accrued unpaid leave as of December 31, 2021.

(12) Related Party Transactions

During the year ended December 31, 2021, there were no related party transactions.

(13) Prior Period Adjustments

The Museum recorded the following prior period adjustments:

	Increase (Decrease) <u>In Net Assets</u>
To adjust for certain asset and liability accounts that were excluded from previous year financial statement	\$ 27,576
To record previous year depreciation expense	<u>(75,919)</u>
Total	<u>\$ (48,343)</u>



**LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.**

**Notes to Financial Statements**

**December 31, 2021**

**(14) Evaluation of Subsequent Events**

The Museum has evaluated subsequent events through June 20, 2022, the date which the financial statements were available to be issued. On April 12, 2022, the Museum's Economic Injury Disaster Loan was modified to increase the note amount from \$150,000 to \$225,000 and increase the monthly payment \$641 to \$994.

**LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.**

**Schedule of Compensation, Benefits, and Other  
Payments to Agency Head**

**For the Year Ended December 31, 2021**

**Agency Head Name: James MacPherson, Executive Director**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 45,000
Reimbursements	<u>132</u>
	\$ <u><u>45,132</u></u>

**LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.**

**Schedule of Findings**

**For the Year Ended December 31, 2021**

**Not applicable.**

**LAKE PONTCHARTRAIN BASIN MARITIME MUSEUM, INC.**

**Status of Prior Year Findings**

**For the Year Ended December 31, 2021**

**Not applicable.**



Stephen M. Griffin, CPA  
Robert J. Furman, CPA

Jessica S. Benjamin, Director  
Racheal D. Alvey, Director

—  
Members

American Institute of  
Certified Public Accountants  
Society of LA CPA's

**Independent Accountants' Report on**  
**Applying Agreed-Upon Procedures**

To the Board of Directors  
Lake Pontchartrain Basin Maritime Museum, Inc.  
Madisonville, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) agreed-upon procedures applicable to quasi-public agencies (AUPs) for the fiscal period January 1, 2021 through December 31, 2021. Lake Pontchartrain Basin Maritime Museum, Inc.'s management is responsible for those C/C areas identified in the AUPs.

Lake Pontchartrain Basin Maritime Museum, Inc. (the Museum) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's AUPs for the fiscal January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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**Federal, State, and Local Awards**

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

***Finding:*** Procedure performed without exception.

***Corrective Action:*** Not applicable.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

***Finding:*** Procedure performed without exception.

***Corrective Action:*** Not applicable.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

***Finding:*** Procedure performed without exception.

***Corrective Action:*** Not applicable.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

***Finding:*** Procedure performed without exception.

***Corrective Action:*** Not applicable.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

***Finding:*** Procedure performed without exception.

***Corrective Action:*** Not applicable.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

***Finding:*** Procedure performed without exception.

***Corrective Action:*** Not applicable.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

***Finding:*** Procedure performed without exception.

***Corrective Action:*** Not applicable.

**Open Meetings**

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

**Finding:** Not applicable. Louisiana Revised Statutes 42:11 through 42:28 do not apply to the Museum.

**Corrective Action:** Not applicable.

**Budget**

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

**Finding:** Procedure performed without exception.

**Corrective Action:** Not applicable.

**State Audit Law**

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

**Finding:** Procedure performed without exception.

**Corrective Action:** Not applicable.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

**Finding:** Procedure performed without exception. The Museum did not enter into any contracts that required to be public bid law.

**Corrective Action:** Not applicable.

**Prior-Year Comments**

12. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

**Finding:** Procedure performed without exception. There were no prior year suggestions, recommendations, and/or comments.

**Corrective Action:** Not applicable.

We were engaged by the Museum to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the AUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Museum and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the AUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Griffin & Furman, LLC*

June 20, 2022