
NEW ORLEANS MUSEUM OF ART
FINANCIAL STATEMENTS AND SCHEDULES
DECEMBER 31, 2020

NEW ORLEANS MUSEUM OF ART

Financial Statements and Schedules

December 31, 2020

With Independent Auditors' Report Thereon

NEW ORLEANS MUSEUM OF ART

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Independent Auditors' Report

The Board of Trustees
New Orleans Museum of Art:

We have audited the accompanying financial statements of the New Orleans Museum of Art (a nonprofit organization) (the Museum), which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

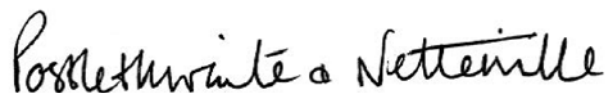
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Orleans Museum of Art as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included on pages 26 and 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021 on our consideration of the Museum's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Museum's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum's internal control over financial reporting and compliance.



Metairie, Louisiana
June 28, 2021

NEW ORLEANS MUSEUM OF ART

Statements of Financial Position

December 31, 2020 and 2019

Assets		2020	2019
Current assets:			
Cash and cash equivalents	\$	562,149	\$ 564,840
Promises to give (note 5)		2,798,672	2,616,210
Accounts receivable		247,587	89,968
Inventories		158,840	353,519
Prepaid expenses		192,810	151,253
Total current assets		3,960,058	3,775,790
Restricted cash		1,585,420	2,226,805
Restricted account receivable		133,663	-
Promises to give, long-term (note 5)		1,382,587	4,029,833
Investments, long-term and real property (note 3)		60,575,339	57,252,809
Buildings, improvements and equipment, net (note 4)		31,928,395	26,856,810
Total assets	\$	99,565,462	\$ 94,142,047
Liabilities			
Current liabilities:			
Accounts payable	\$	174,229	\$ 235,040
Construction payable		664,615	363,319
Accrued payroll and related expenses		483,340	374,306
Deferred revenue (note 10)		547,907	395,372
Lines of credit - current portion		2,748,672	866,210
Total current liabilities		4,618,763	2,234,247
Lines of credit (note 6)		3,465,913	3,968,375
Deferred revenue (note 10)		1,057,426	-
Total liabilities		9,142,102	6,202,622
Net assets			
Without donor restrictions:			
Programming, general operations and improvements		31,176,721	25,914,978
Board designated quasi-endowment		16,848,828	15,289,541
Total net assets without donor restrictions		48,025,549	41,204,519
With donor restrictions			
Temporarily restricted		14,513,682	18,950,776
Permanently restricted		27,884,130	27,784,130
Total net assets		90,423,360	87,939,425
Total liabilities and net assets	\$	99,565,462	\$ 94,142,047

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

NEW ORLEANS MUSEUM OF ART

Statements of Activities

Years ended December 31, 2020 and 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and revenue:						
Support:						
Individual contributions	\$ 288,506	\$ 879,689	\$ 1,168,195	\$ 189,438	\$ 2,360,461	\$ 2,549,899
City, state, and federal grants	1,201,914	278,513	1,480,427	157,731	68,347	226,078
Corporate support	74,093	100,000	174,093	72,405	141,972	214,377
Affiliate memberships	299,336	-	299,336	384,721	-	384,721
Fundraising events (net of direct costs)	476,624	-	476,624	551,347	-	551,347
Legacies and bequests	154,220	-	154,220	1,024,087	1,001,000	2,025,087
Foundations	701,027	2,165,319	2,866,346	506,355	6,732,897	7,239,252
Total support	3,195,720	3,423,521	6,619,241	2,886,084	10,304,677	13,190,761
Revenue:						
Memberships	452,329	-	452,329	463,674	-	463,674
Admissions	338,772	-	338,772	741,657	-	741,657
Programs	19,381	-	19,381	91,247	-	91,247
Auxiliary activities	286,283	-	286,283	573,831	-	573,831
Investment income (loss), net	2,315,727	2,299,502	4,615,229	4,428,310	4,325,069	8,753,379
Miscellaneous	122,978	-	122,978	21,830	24,783	46,613
Deaccessions	-	120	120	-	511	511
Total revenue	3,535,470	2,299,622	5,835,092	6,320,549	4,350,363	10,670,912
Total support and revenue before net assets released from restrictions	6,731,190	5,723,143	12,454,333	9,206,633	14,655,040	23,861,673
Net assets released from restrictions (note 7)	10,060,240	(10,060,240)	-	10,796,259	(10,796,259)	-
Total support and revenue	16,791,430	(4,337,097)	12,454,333	20,002,892	3,858,781	23,861,673

NEW ORLEANS MUSEUM OF ART

Statements of Activities

Years ended December 31, 2020 and 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Expenses:						
Art and education:						
Exhibitions and programming	\$ 3,996,849	\$ -	\$ 3,996,849	\$ 4,939,076	\$ -	\$ 4,939,076
Art accessions not capitalized	1,479,301	-	1,479,301	4,317,791	-	4,317,791
Support services:						
Management and general:						
Management and general	2,254,703	-	2,254,703	1,740,269	-	1,740,269
Building and security	1,221,235	-	1,221,235	1,446,647	-	1,446,647
Fundraising and membership	1,018,314	-	1,018,314	1,294,749	-	1,294,749
Total expenses	9,970,402	-	9,970,402	13,738,532	-	13,738,532
Change in net assets	6,821,028	(4,337,097)	2,483,931	6,264,360	3,858,781	10,123,141
Net assets at beginning of year, as previously reported				35,253,527	42,876,125	78,129,652
Impact of accounting change				(313,368)		
Net assets at beginning of year, as adjusted	41,204,519	46,734,904	87,939,423	34,940,159	42,876,125	77,816,284
Net assets at end of year	\$ 48,025,547	\$ 42,397,813	\$ 90,423,360	\$ 41,204,519	\$ 46,734,906	\$ 87,939,425

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

NEW ORLEANS MUSEUM OF ART

Statements of Cash Flow

Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from or used in operating activities		
Cash received from government entities	\$ 1,045,576	\$ 226,078
Cash received from contributors and private grantors	2,167,430	3,660,428
Cash received from sales of memberships	428,626	554,069
Cash received from admissions and auxiliaries	756,394	1,446,988
Interest and dividends received	800,557	919,986
Payments to employees and suppliers	(6,595,135)	(8,878,588)
Net cash used in operating activities	(1,396,552)	(2,071,039)
Cash flows from or used in investing activities		
Investment purchases	(8,433,238)	(5,130,767)
Investment sales and maturities	8,910,074	9,083,042
Proceeds from deaccessioned art	121	511
Art purchases	(1,468,962)	(4,317,791)
Project payments for the Auditorium, Sculpture Garden and other	(6,683,256)	(5,551,049)
Net cash used in investing activities	(7,675,261)	(5,916,054)
Cash from or used in financing activities		
Contributions for Sculpture Garden Art purchases	1,001,572	2,931,887
Contributions for Sculpture Garden construction	1,719,113	3,112,260
Contributions for Auditorium Construction	1,950,000	700,000
Contract advances for Café Noma construction	1,137,000	-
Draws on line of credit	2,393,000	1,084,623
Principal repayments on line of credit	(1,013,000)	(2,430,420)
Proceeds from other restricted contributions	1,240,052	2,391,500
Net cash from financing activities	8,427,737	7,789,850
Net decrease in cash and cash equivalents	(644,076)	(197,243)
Cash and cash equivalents beginning of year	2,791,645	2,988,888
Cash and cash equivalents end of year	\$ 2,147,569	\$ 2,791,645
Composition of cash and cash equivalents at end of year		
Cash and cash equivalents	\$ 562,149	\$ 564,840
Restricted cash	1,585,420	2,226,805
	\$ 2,147,569	\$ 2,791,645
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY		
Accounts payable for Auditorium and Sculpture Garden construction	\$ 348,987	\$ (475,556)

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

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(1) Summary of Significant Accounting Policies

(a) *History and Organization*

The New Orleans Museum of Art (the Museum) opened in 1911 and has become an iconic presence synonymous with the City of New Orleans. The Museum is a cultural convener and destination in the South and is recognized internationally for an excellent collection, innovative education initiatives, a strong commitment to diverse audiences, and a renowned sculpture garden. 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 49-member Board of Trustees, serving staggered three-year terms. The Museum is affiliated with the City of New Orleans with an unattached board. The building occupied by the Museum is owned by the City of New Orleans, and the Museum has had full use of the facility at no charge since 1911. The eleven acre Sydney and Walda Besthoff Sculpture Garden at the Museum is one of the most important sculpture garden installations in the United States. All works of art are owned by the aforementioned nonprofit corporation, the New Orleans Museum of Art. The art collection is maintained for public exhibition, education, and research in furtherance of public service rather than for financial gain.

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the Museum's operational and financial performance continues to depend on certain developments, including the continued duration and spread of the outbreak and the impact on its investments, customers, employees and vendors, all of which are uncertain and cannot be predicted or reasonably estimated at this time. In 2020 museum operations were largely curtailed as to group events, museum visitors and auxiliary activities. On April 15, 2020, the Museum was advanced \$933,600 under the CARES Act Payroll Protection Program (which is included within "City, state, and federal grants" on the Statement of Activities. Museum revenues exclusive of investment income declined by approximately \$672,000 or 35.5% in 2020 compared to 2019. Accordingly, Museum management acted to decrease operating expenses in 2020. Operating expenses exclusive of art accessions declined by approximately \$930,000, or 9.8%.

(b) *Financial Statement Presentation*

The financial statements of the Museum are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board designated quasi-endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(1) Summary of Significant Accounting Policies (continued)

(b) *Financial Statement Presentation (continued)*

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

(c) *Cash and Cash Equivalents*

For the purposes of the statements of cash flows, cash and cash equivalents include bank deposits and money market accounts. The Museum considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents. Restricted cash includes amounts restricted for Auditorium Renovations, art acquisition, and donor financed programs.

(d) *Promises to Give*

Contributions are recognized when the donor makes a promise to give to the Museum that is, in substance, unconditional. The Museum provides for an allowance for uncollectible unconditional promises receivable when necessary based on prior years' experience and management's analysis of specific promises made. At December 31, 2020 and 2019, the allowance was \$-0-. Promises to give that are expected to be collected in future years are considered long-term and are recorded at the net realizable value of estimated future cash flows. No discount was recorded by management for the years ended December 31, 2020 and 2019 as the amounts were considered to be immaterial.

(e) *Inventory*

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

(f) *Investments*

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment income/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

(g) *Buildings, Improvements and Equipment*

Buildings, improvements and equipment are recorded at cost if purchased or fair value if donated. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Maintenance and repairs are expensed as incurred and major improvements are capitalized. When items of equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statements of activities.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(1) Summary of Significant Accounting Policies (continued)

(g) *Buildings, Improvements and Equipment (continued)*

Impairment of long-lived assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using appraisals. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the cost to dispose. There were no impairments of long-lived assets recorded by management during the years ended December 31, 2020 and 2019.

(h) *Art Collections*

In conformity with the practice followed by many museums, art purchased and donated is not capitalized. During 2020 and 2019, the cost of collection items purchased and reported by the Museum as a decrease in net assets without donor restriction was \$1,479,301 and \$4,317,791, respectively. When not on display in the permanent collection galleries, the objects are maintained in climate controlled storage. The Museum maintains policies and procedures addressing the maintenance and conservation of the collections, as well as other aspects of its management, including accession/deaccession policies.

The Museum employs a professional curatorial staff whose function is to care for its collections; carry out research on the objects in the collections; 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 collections; 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 implement educational programs such as lectures, symposiums, films, concerts, family festivals on specific themes, studio art classes, and other outreach methods; family and teacher workshops for designated public schools.

(i) *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 of annual leave shall not exceed twenty-five (25) days for employees. Five (5) days of sick leave are accrued at the beginning of the year and employees may accumulate up to thirty (30) days. There is no payout of sick leave available to employees upon separation from the Museum.

(j) *Revenue Recognition*

The Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers* ("Topic 606"), to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard was applied as a cumulative-effect adjustment as of January 1, 2019, the date of adoption.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(1) Summary of Significant Accounting Policies (continued)

(j) Revenue Recognition (continued)

The adoption resulted in a decrease to beginning net assets without donor restriction of \$313,368 as of January 1, 2019. The cumulative effect adjustment was related to membership fees and event revenue recognition.

Under Topic 606, revenue is recognized in accordance with the transfer of services to customers at an amount that reflects the consideration that the Museum expects to be entitled to for those services.

The Museum recognizes revenue from ticket sales at the time of admission. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Museum recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. The Museum records fundraising events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

(k) Contributions, Donated Services and In-Kind Contributions

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions and promises to give are not recognized until the conditions on which they depend have been substantially met.

Volunteers contribute significant time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP.

(l) Income Taxes

The Museum is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Museum has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Museum has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

(m) 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 financial statements in conformity with U.S. GAAP. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets, the valuation of fixed assets, and investments.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(1) Summary of Significant Accounting Policies (continued)

(n) *Financial Instruments and Credit Risk*

The Museum manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Museum has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members and foundations supportive of the Museum's mission. Investments are made by diversified investment managers whose performance is monitored by staff and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, staff and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

(o) *Reclassification*

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented.

(q) *Recent Accounting Pronouncements – Not Yet Adopted*

Contributed Nonfinancial Assets

On September 17, 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting non-profit gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Museum's fiscal year ending December 31, 2022.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Museum's fiscal year ending December 31, 2023.

The Museum is currently assessing the impact of this pronouncement on its financial statements.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(2) Liquidity and Availability

The Museum receives significant contributions with donor restrictions, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs and operations. In addition, the Museum receives support without donor restrictions; such support has historically represented approximately 60% of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Museum manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term obligations will continue to be met.

The following tables show the total financial assets held by the Museum and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,147,569	\$ 2,791,645
Promises to give	4,181,259	6,686,043
Accounts receivable	381,250	89,968
Investments	<u>60,575,339</u>	<u>56,816,549</u>
Total financial assets at year-end	<u>\$ 67,285,417</u>	<u>\$ 66,384,205</u>
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	\$ 562,149	\$ 564,840
Accounts receivable	247,587	83,792
Donor-restricted endowment appropriation over next 12 months	1,601,555	1,510,018
Board restricted quasi-endowment appropriations over next 12 months	<u>798,445</u>	<u>885,720</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 3,209,736</u>	<u>\$ 3,044,370</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(3) Investments

The market values of investments are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Cash equivalents	\$ 429,603	\$ 254,895
Mutual funds	46,480,590	36,261,913
Corporate stocks	301,407	335,184
Real property	436,260	436,260
Alternative investments/hedge funds	12,644,654	19,706,275
Other	282,825	258,282
	<u>\$ 60,575,339</u>	<u>\$ 57,252,809</u>
	<u>2020</u>	<u>2019</u>
Short-term investments	\$ -	\$ -
Long-term investments	60,575,339	57,252,809
	<u>\$ 60,575,339</u>	<u>\$ 57,252,809</u>

Investments are held for the following purposes:

	<u>2020</u>	<u>2019</u>
Without donor restrictions, substantially board designated	\$ 16,082,961	\$ 14,225,717
With donor restrictions:		
Operating:		
Capital	1,817,607	2,199,585
Curatorship, functioning as endowments	6,601,985	6,316,410
Directorship, functioning as endowments	1,854,296	1,701,970
Education programs	1,231,614	1,181,183
Gallery maintenance	1,139,827	1,140,226
Exhibitions and programming	16,749,316	15,938,656
Scholar programs	396,786	396,299
	<u>29,791,431</u>	<u>28,874,329</u>
Art Accessions	14,700,947	14,152,763
	<u>\$ 60,575,339</u>	<u>\$ 57,252,809</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(4) Buildings, Improvements, and Equipment

Buildings, improvements, and equipment consist of the following at December 31:

2020					
		Cost	Accumulated Depreciation	Net	Estimated useful lives
Building improvements	\$	18,339,112	\$ (11,973,543)	\$ 6,365,569	39-40 years
Equipment		1,145,529	(944,855)	200,674	5-7 years
Vehicles		94,246	(76,463)	17,783	5 years
Land improvements		450,076	(213,786)	236,290	40 years
Sculpture garden		20,386,391	(2,266,284)	18,120,107	40 years
Construction in progress		6,987,972	-	6,987,972	N/A
	\$	47,403,326	\$ (15,474,931)	\$ 31,928,395	
2019					
		Cost	Accumulated Depreciation	Net	Estimated useful lives
Building improvements	\$	18,339,112	\$ (11,504,713)	\$ 6,834,399	39-40 years
Equipment		1,145,529	(866,735)	278,794	5-7 years
Vehicles		94,246	(66,764)	27,482	5 years
Land improvements		450,076	(202,534)	247,542	40 years
Sculpture garden		20,386,391	(1,736,201)	18,650,190	40 years
Construction in progress		818,403	-	818,403	N/A
	\$	41,233,757	\$ (14,376,947)	\$ 26,856,810	

Construction in progress for the years ended December 31, 2020 and 2019 represent construction costs related to the renovation of the auditorium/courtyard/café and expansion of the Sydney and Walda Besthoff Sculpture Garden.

On May 15, 2019 the Museum opened the expansion of the renowned Sydney and Walda Besthoff Sculpture Garden. The expansion is privately funded, with sites for sculptures, an outdoor amphitheater and stage, pedestrian bridges and walkways, a new gallery and an outdoor learning center.

On April 27, 2021 the Museum dedicated The Lapis Center for the Arts, formerly the museum auditorium.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(5) Promises to Give

Promises to give are dedicated by the donors for the Museum's Endowments, Sculpture Garden, or other operating purposes and represent a promise by the donors to pay after the year end. Promises to give were \$4,181,259 and \$6,646,043 at December 31, 2020 and 2019, respectively, and due in the following installments at December 31:

		2020		2019
2020	\$	-		\$ 2,616,210
2021		2,798,672		2,756,500
2022		877,587		663,587
2023		405,000		509,746
2024		100,000		100,000
	\$	4,181,259		\$ 6,646,043
Current portion		2,798,672		2,616,210
Noncurrent portion	\$	1,382,587		\$ 4,029,833

(6) Lines of Credit

On April 22, 2020, the Museum modified and combined its lending arrangements dated February 2, 2018 and October 10, 2018 so that the revised loan capacity is \$9,634,585. The loan due date was extended to April 21, 2025. Amounts drawn under this arrangement were used to complete construction and to carry pledges until such pledges are collected. The loan is expected to be repaid with pledge payments outstanding from the Sculpture Garden Expansion project and the Auditorium project, and proceeds from additional fundraising. The loan bears interest at one-month LIBOR plus 206 basis points and is secured by \$4.4 million in pledge values and \$3.4 million in investment values at December 31, 2020. At December 31, 2020, the amount outstanding under this arrangement was \$6,214,585. For the years ended December 31, 2020 and 2019, interest expense totaled \$139,511 and \$262,139, respectively.

On April 22, 2020, the Museum entered into a working capital credit line arrangement with a regional bank that allows for draws of up to \$4,000,000 and accrues interest at LIBOR plus 206 basis points. The arrangement is secured by investment with values of \$5.7 million and matures on April 20, 2021 (see Note 16). No draws were made during 2020.

(7) Net Assets Released

Assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the years ended December 31 were:

		2020		2019
Purpose accomplished:				
Exhibitions, programming and capital	\$	8,554,949	\$	6,478,468
Art accessions		1,505,291		4,317,791
	\$	10,060,240	\$	10,796,259

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(8) Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	<u>2020</u>	<u>2019</u>
Art accessions	\$ 15,017,422	\$ 14,391,197
Curatorship	6,601,985	6,316,410
Exhibitions and programming	17,405,394	17,387,563
Directorship	1,774,111	1,701,970
Gallery maintenance	1,026,308	1,116,660
Education	1,731,610	1,252,638
Capital	(1,555,810)	4,172,169
Scholar program	396,792	396,299
	<u>\$ 42,397,812</u>	<u>\$ 46,734,906</u>

The net deficit in the capital account will be partially filled as the advances from the Café operator are amortized to operations over a 7-year period. The cash from these advances is \$1,206,420. Future annual amortization is expected to be approximately \$172,000.

(9) Pension Plan

The Museum sponsors a defined contribution 401(k) Profit Sharing Plan for the benefit of its employees. Employees, who are at least age 21 and have completed one year of service (1,000 hours) are eligible to participate in the Plan. Participants may begin making deferrals the first day of the month following the date on which they meet the eligibility requirements. The Museum makes annual contributions to the Plan in the form of a 3% Safe Harbor non-elective contribution, a matching contribution (up to 3%) and a discretionary non-elective contribution (profit sharing, up to 2%). To receive the matching and discretionary non-elective contribution, participants must have worked 1,000 hours in the Plan Year and be employed on the last day of the Plan Year. Matching contributions vest after 3 years of service. Employees covered under the City of New Orleans Service Retirement Plan are not eligible. The Museum accrued and later paid annual contributions of from 6% to 8% of eligible participating employees' wages for the 2020 and 2019 Plan Years. These amounted to \$161,600 and \$106,400 in Safe Harbor and profit-sharing contributions and \$66,000 and \$70,316 in employer matching for the years ended December 31, 2020 and 2019, respectively.

Civil service employees of the Museum are eligible for membership in the City of New Orleans Employees' Retirement System. The report on the City of New Orleans Employees' Retirement System can be obtained from the City of New Orleans, Perdido Street, New Orleans, Louisiana. The actuarially computed value of vested benefits of the Museum's employees in the City's pension plan is not available. However, pension payments for these employees are the responsibility of the Museum and amounted to \$22,300 and \$29,000 for the years ended December 31, 2020 and 2019, respectively.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(10) Deferred revenue:

Deferred revenue as of December 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Museum memberships	\$ 216,645	\$ 263,872
Deposits for private events	155,025	131,500
Construction advances made by the café/catering operator	<u>1,233,663</u>	<u>-</u>
Total	1,605,333	395,372
Current portion	<u>547,907</u>	<u>395,372</u>
Noncurrent portion	\$ <u><u>1,057,426</u></u>	\$ <u><u>-</u></u>

The café operator's construction advances were received/receivable under a contract to modernize the museum's café wherein the operator received exclusive rights to operate the café and provide certain services relative to private events for 7 years. The advances will be amortized to operations over the 7-year period.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(11) Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, certain expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of usage, time, and effort.

Expenses by natural classification and function have been incurred for the following for the years ended December 31:

	2020				
	Program Services		Support Services		Total
	Art and Education Activities		Management and General	Fundraising and Membership	
Salaries, wages, and benefits	\$ 1,762,815	\$ 2,189,888	\$ 717,013	\$ 4,669,716	
Occupancy	111,089	76,069	-	187,158	
Telephone	356	7,233	-	7,589	
Shipping & postage	230,773	17,725	5,850	254,348	
Insurance	14,635	52,838	-	67,473	
Repairs & maintenance	52,489	100,678	-	153,167	
Rentals	149,625	12,013	21,071	182,709	
Dues & publications	14,618	18,762	40,412	73,792	
Design & printing	48,401	429	36,132	84,962	
Advertising	14,072	5,988	62,003	82,063	
Fundraising	-	-	137,116	137,116	
Professionals services	403,934	297,157	104,907	805,998	
Travel & entertainment	33,867	15,002	22,912	71,781	
Supplies and materials	65,397	124,407	24,980	214,784	
Other expenses	129,786	221,307	100	351,193	
Equipment	15,043	126,627	3,826	145,496	
Cost of goods sold	-	91,236	-	91,236	
Depreciation	949,949	118,579	29,425	1,097,953	
Art accessions	1,479,301	-	-	1,479,301	
	<u>5,476,150</u>	<u>3,475,938</u>	<u>1,205,747</u>	<u>10,157,835</u>	
Fundraising expense netted with revenues on the Statement of Activities			187,433	187,433	
	\$ <u>5,476,150</u>	\$ <u>3,475,938</u>	\$ <u>1,018,314</u>	\$ <u>9,970,402</u>	

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(11) Expenses (continued)

	2019			
	Program Services	Support Services		
	Art and Education Activities	Management and General	Fundraising and Membership	Total
Salaries, wages, and benefits	\$ 2,119,068	\$ 2,402,149	\$ 778,868	\$ 5,300,085
Occupancy	98,585	91,570	-	190,155
Telephone	443	7,958	-	8,401
Shipping & postage	521,924	17,623	6,026	545,573
Insurance	15,175	53,706	-	68,881
Repairs & maintenance	45,616	74,710	-	120,326
Rentals	105,610	14,651	22,747	143,008
Dues & publications	40,668	49,469	40,616	130,753
Design & printing	84,844	23,024	43,657	151,525
Advertising	57,834	2,224	96,443	156,501
Fundraising	-	2,149	373,809	375,958
Professionals services	467,957	37,285	110,607	615,849
Travel & entertainment	171,057	28,218	132,909	332,184
Supplies and materials	192,694	101,418	30,284	324,396
Other expenses	44,036	1,721	4,789	50,546
Equipment	125,006	5,357	1,448	131,811
Cost of goods sold	-	167,761	70	167,831
Depreciation	848,560	105,923	26,285	980,768
Art accessions	4,317,790	-	-	4,317,790
	<u>9,256,867</u>	<u>3,186,916</u>	<u>1,668,558</u>	<u>14,112,341</u>
Fundraising expense netted with revenues on the Statement of Activities			373,809	373,809
	\$ <u>9,256,867</u>	\$ <u>3,186,916</u>	\$ <u>1,294,749</u>	\$ <u>13,738,532</u>

(12) Commitments

The Museum participated in a number of state and federally-assisted grant programs in fiscal years 2020 and 2019. The programs are subject to compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Museum believes that the amount of disallowances, if any, which may arise from future audits, will not be material to the financial statements.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(13) Fair Value Measurements

Fair value measurement standards established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Museum has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds and corporate stocks: Valued at fair value by using quoted prices for identical securities.

Hedge funds: Valued at fair value by using quoted prices for identical securities or discounted cash flow techniques or valued using net asset value (NAV) as a practical expedient.

Real property: Valued at cost which approximates the fair value of the Museum's interest in the property.

Private equity: Values are estimated at the fair values of the underlying assets owned by the partnership. Fair values for investments in operating companies are made with Level 3 information. Fair values of investments in investment companies are made at net asset values or NAV. The partnership interest cannot be redeemed but distributions are made as properties are sold. The partnership follows a growth strategy in the oil and gas service sector.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(13) Fair Value Measurements (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Museum believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Museum's assets at fair value as of December 31, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 429,663			\$ 429,663
Mutual funds				-
Pooled equity funds	38,338,951			38,338,951
Fixed income fund	8,141,640			8,141,640
Corporate stocks	301,407			301,407
Private equity	-		\$ 847,073	847,073
Other	-	\$ 267,485	-	267,485
Total assets in fair value hierarchy	<u>\$ 47,211,661</u>	<u>\$ 267,485</u>	<u>\$ 847,073</u>	<u>\$ 48,326,219</u>
Investments (hedge funds) measured at net asset value				\$ 11,812,860
Real property				436,260
Investments at fair value				<u>\$ 60,575,339</u>

There were unfunded commitments of \$626,000 on the private equity partnership as of December 31, 2020.

The following table sets forth by level, within the fair value hierarchy, the Museum's assets at fair value as of December 31, 2019.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 254,895	\$ -	\$ -	\$ 254,895
Mutual funds				
Pooled equity funds	30,566,156	-	-	30,566,156
Fixed income fund	5,695,757	-	-	5,695,757
Corporate stocks	335,184	-	-	335,184
Hedge funds	5,563,095	-	-	5,563,095
Private equity	-	-	842,733	842,733
Other	-	\$ 258,282	-	258,282
Total assets in fair value hierarchy	<u>\$ 42,415,087</u>	<u>\$ 258,282</u>	<u>\$ 842,733</u>	<u>\$ 43,516,102</u>
Investments (hedge funds) measured at net asset value				\$ 13,300,447
Real property				436,260
Investments at fair value				<u>\$ 57,252,809</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(13) Fair Value Measurements (continued)

The hedge funds include investments in funds that invest in both long and short primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. The redemptions of hedge equity fund investments are limited to 25% of an investor's shares on a quarterly basis. The entire balance may be redeemed over 4 quarters with 90 days advance notice.

The following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3).

		<u>Hedge funds and Private Equity fund</u>
Balance, January 1, 2019	\$	583,275
Investment income (loss), net		23,349
Purchases, sales, issuances and settlements, net		<u>236,109</u>
Balance, December 31, 2019	\$	<u><u>842,733</u></u>
Balance, January 1, 2020	\$	842,733
Investment income (loss), net		4,340
Purchases, sales, issuances and settlements, net		<u>-</u>
Balance, December 31, 2020	\$	<u><u>847,073</u></u>

<u>Instrument</u>	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Range of Significant Input Values</u>
Hedge Funds	\$ 847,073	Side pocket residual investment	Not applicable

(14) Endowment Net Assets

In accordance with the requirement established by the FASB, for endowment funds, the Museum shall provide information about the net assets of its endowment funds. The Museum's Board of Trustees (the Board) is of the belief they have a strong fiduciary duty to manage the assets of the Museum endowments in the most prudent manner possible. The Board recognizes the intent is to protect donor intent with respect to expenditures from endowments. If this intent is clearly expressed by the donor, whether the intent is in a written gift instrument or not, the intent of the donor is followed. If the intent is not expressed, the Board ensures the assets of the endowment are spent in a prudent manner which considers the purpose of the fund, current economic conditions, and preservation of the fund.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(14) Endowment Net Assets (continued)

The investment goal is to ensure that the funds are invested for the exclusive benefit of the Museum in a prudent manner so that they will be available to meet the current and future needs of the Museum. It is the objective of this policy to generate long term growth coupled with sufficient income to support the current operating requirements of the Museum. An annual real total return (net of fees) of at least 5% measured over rolling five-year periods is expected. The goals and objectives of the Museum's investment policy are to 1) provide investment earnings adequate to fulfill the desires of donors as stated in the gift instruments, 2) achieve a total return adequate to fund the spending rate plus corpus growth to ensure future benefits to new generations, and 3) invest in a variety of diversified categories so that the diversity of the performance characteristics will reduce the volatility of returns from year to year.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Museum to retain as a fund of perpetual duration.

The composition of the Museum's endowments by net asset class as of December 31, 2020 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, by type			
Board-designated endowment funds	\$ 16,848,828	\$ -	\$ 16,848,828
Donor-restricted endowment funds	-	40,114,283	40,114,283
Total funds	\$ 16,848,828	\$ 40,114,283	\$ 56,963,111
Changes in endowment net assets			
Endowment net assets, beginning of year	\$ 15,289,541	\$ 38,749,194	\$ 54,038,735
Investment income, net	2,312,660	2,142,251	4,454,911
Contributions	-	100,000	100,000
Subtotal	2,312,660	2,242,251	4,554,911
Other changes:			
Art purchases	-	(302,661)	(302,661)
Operating	(48,333)	(64,379)	(112,712)
Appropriations	(705,040)	(510,122)	(1,215,162)
Subtotal	(753,373)	(877,162)	(1,327,874)
Endowment net assets, end of year	\$ 16,848,828	\$ 40,114,283	\$ 56,963,111

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(14) Endowment Net Assets (continued)

The composition of the Museum's endowments by net asset class as of December 31, 2019 was:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, by type			
Board-designated endowment funds	\$ 15,289,541	\$ -	\$ 15,289,541
Donor-restricted endowment funds	-	38,749,194	38,749,194
Total funds	\$ 15,289,541	\$ 38,749,194	\$ 54,038,735
Changes in endowment net assets			
Endowment net assets, beginning of year	\$ 14,045,081	\$ 34,715,758	\$ 48,760,839
Investment income, net	4,553,200	4,061,479	8,614,679
Legacies and bequests	1,024,087	1,000,000	2,024,087
Contributions	-	319,090	319,090
Subtotal	5,577,287	5,380,569	10,957,856
Other changes:			
Art purchases	-	(492,790)	(492,790)
Operating	(2,814,529)	(75,060)	(2,889,589)
Appropriations	(1,518,298)	(779,283)	(2,297,581)
Subtotal	(4,332,827)	(1,347,133)	(5,187,170)
Endowment net assets, end of year	\$ 15,289,541	\$ 38,749,194	\$ 54,038,735

The Operating change of (\$2,814,529) as presented above includes a transfer of bequests received in 2019 to the Museum's operating fund of \$1,024,000 and a transfer of \$1,800,000 from this category to cover a project account deficit incurred by December 31, 2019. Management is working to secure permanent funding for the deficit.

(15) Expenses Paid by Related Party

The City of New Orleans pays certain costs on behalf of the Museum, including fine arts insurance, property insurance, phone and internet services, and electric utilities. These expenses have been estimated at \$675,000 for each of the years ended December 31, 2020 and 2019. These costs are not reflected on the statements of activities of the Museum.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2020 and 2019

(16) Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2021, and determined that there were no other subsequent events requiring disclosure except as noted below. No other events occurring after this date have been evaluated for inclusion in these financial statements.

On April 22, 2020, the Museum entered into a working capital credit line arrangement with a regional bank that allowed for draws of up to \$4,000,000 and accrues interest at LIBOR plus 206 basis points. The arrangement matured on April 20, 2021 and was renewed on April 21, 2021. The total available for draw is \$500,000. At May 31, 2021, the amount outstanding under this arrangement was \$0.

On March 16, 2021 the Museum was advanced an additional \$913,000 under the CARES Act Payroll Protection Program.

NEW ORLEANS MUSEUM OF ART
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NEW ORLEANS MUSEUM OF ART

Schedules of Endowment Funds
December 31, 2020 and 2019

Endowment Funds include both donor and board restricted funds and earnings thereon which have not yet been expended for the purposes stipulated by the donor or board. The Endowment Funds are comprised of the following as of December 31:

	2020	2019
	Total	Total
	Net Assets	Net Assets
Acquisitions Endowment Funds		
William McDonald and Eva Carol Boles Endowment Fund	\$ 4,682,596	\$ 4,440,002
George Frierson Art Purchase Fund	1,654,162	1,531,370
Robert Gordy Art Purchase Fund	1,214,227	1,214,708
Russell Albright Photography Fund	1,080,184	1,000,000
Carmen Donaldson Art Purchase Fund	850,001	824,727
Carrie Heiderich Acquisition Fund	747,842	692,329
Elise Mayer Bestoff Endowment Fund	508,320	470,586
Mervin G. Morais Endowment for Decorative Arts	498,431	472,084
Tina Freeman Photography Art Purchase Fund	389,701	377,036
P.R. and Sunny Norman Art Purchase Fund	355,609	343,098
Joel Weinstock Art Purchase Fund	330,468	322,601
Francoise Billion Richardson African Art Acquisition Fund	295,341	273,418
Augusta M. Jourdan Art Purchase Fund	20,717	19,179
Benjamin J. Harrod Art Purchase Fund	24,048	22,263
Total Acquisitions Endowment Funds	12,651,647	12,003,401
Exhibition and Program Endowment Funds		
Favrot Architecture and Design Endowment Fund	534,488	416,980
Azby Endowment Fund	368,553	351,478
Charlotte Mann & Joshua Mann Paillet Endowment Fund	303,952	291,675
Elise M. Besthoff Charitable Foundation Gallery	295,058	281,418
George F. Lapeyre Fund	259,600	248,656
Chapman H. Hyams 1951 Trust Fund	258,573	292,846
Chapman H. Hyams 1952 Trust Fund	22,644	25,631
Total Exhibition and Program Endowment Funds	2,042,868	1,908,684
Position Endowment Funds		
RosaMary Foundation Curator of Decorative Arts and Design	1,834,640	1,760,031
Zemurray Foundation Curatorial Fellow for Spanish Colonial Art	2,619,145	2,495,552
Ella West Freeman Foundation Director's Fund	1,774,111	1,701,970
Freeman Family Curator of Photography	1,511,961	1,450,459
Francoise Billion Richardson Curator of African Art Endowment Fund	636,239	610,368
Total Position Endowment Funds	8,376,096	8,018,380
Education Endowment Funds		
Taylor Education Endowment Fund	718,960	689,989
Patrick F. Taylor Scholar Fund	396,787	396,299
MD Van Horn Education Fund	221,834	212,815
Janice Parmelee & Bill Hammack Early Education Fund	240,816	228,378
David & Sara Kelso Early Education Fund	104,009	100,000
Total Education Endowment Funds	1,682,406	1,627,481
Operating Endowment Funds		
General Operating Endowment Fund	28,662,515	27,103,228
Besthoff Operating Endowment Fund	1,594,429	1,529,590
Helis Operating Endowment Fund	1,356,629	1,290,881
Collins Diboll Endowment Fund	596,521	557,090
Total Operating Endowment Funds	32,210,094	30,480,789
Total Endowment Funds	\$ 56,963,111	\$ 54,038,735
Reconciliation with Statements of Financial Position		
Net assets:		
Without donor restrictions		
Net assets without donor restrictions, in operating fund	\$ 31,176,720	\$ 25,914,978
Board designated, functioning as operating endowments	16,848,828	15,289,541
Total net assets without donor restrictions	48,025,548	41,204,519
With donor restrictions	42,397,812	46,734,906
Total net assets	90,423,359	87,939,425
Less items not included in endowments:		
Net assets without donor restrictions in operating fund	(31,176,721)	(25,914,978)
Net assets with donor restrictions in funds for specified purposes	(2,283,527)	(7,985,712)
	(33,460,248)	(33,900,690)
Total Endowment Funds	\$ 56,963,111	\$ 54,038,735

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART

**Schedule of Compensation, Benefits,
and Other Payments to Agency Head
For the Year Ended December 31, 2020**

Agency Head Name: Susan M. Taylor, The Montine McDaniel Freeman Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - Long term disability	-
Benefits - Life Insurance	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<u>\$ -</u>

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

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

See accompanying independent auditors' report.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards

To the Board of Trustees
New Orleans Museum of Art
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Orleans Museum of Art (a nonprofit organizations) (the Museum), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2021.

Internal Control Over Financial Reporting

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

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

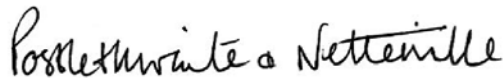
Our consideration of internal control was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Metairie, Louisiana
June 28, 2021