

EISNER&ER

NEW ORLEANS MUSEUM OF ART
FINANCIAL STATEMENTS AND SCHEDULES
DECEMBER 31, 2025



NEW ORLEANS MUSEUM OF ART

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
New Orleans Museum of Art

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New Orleans Museum of Art (a nonprofit organization) (the "Museum"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Museum and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Museum's 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules as listed in the table of contents are 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 other 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 30, 2026 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 on 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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026

EISNERAMPER
LLP



NEW ORLEANS MUSEUM OF ART**Statements of Financial Position****December 31, 2025 and 2024**

Assets		2025	2024
Current assets:			
Cash and cash equivalents	\$	531,611	\$ 765,236
Promises to give (note 5)		301,750	351,000
Accounts receivable		118,384	157,171
Inventories		231,327	272,162
Prepaid expenses		136,013	191,926
Total current assets		<u>1,319,085</u>	<u>1,737,495</u>
Restricted cash		1,284,511	688,008
Restricted accounts receivable		11,886	397,099
Promises to give, long-term (note 5)		626,413	165,000
Investments, long-term and real property (note 3)		81,498,110	75,356,332
Buildings, improvements and equipment, net (note 4)		<u>26,418,384</u>	<u>27,462,424</u>
Total assets	\$	<u><u>111,158,389</u></u>	<u><u>\$ 105,806,358</u></u>
Liabilities			
Current liabilities:			
Accounts payable	\$	312,812	\$ 627,689
Accrued payroll and related expenses		420,488	427,204
Deferred revenue (note 10)		526,114	760,844
Notes payable - current portion (note 6)		251,880	239,107
Total current liabilities		<u>1,511,294</u>	<u>2,054,844</u>
Long-term liabilities:			
Deferred revenue (note 10)		180,345	344,691
Notes payable (note 6)		1,786,753	2,037,023
Other noncurrent liabilities (note 9)		284,847	187,944
Total long-term liabilities		<u>2,251,945</u>	<u>2,569,658</u>
Total liabilities		<u>3,763,239</u>	<u>4,624,502</u>
Net assets			
Without donor restrictions:			
Programming, general operations and improvements		27,266,736	28,570,639
Board designated quasi-endowment		22,925,697	20,259,779
Total net assets without donor restrictions		<u>50,192,433</u>	<u>48,830,418</u>
With donor restrictions (note 8)			
Temporarily restricted		25,261,448	21,679,702
Permanently restricted		31,941,269	30,671,736
Total net assets with donor restrictions		<u>57,202,717</u>	<u>52,351,438</u>
Total net assets		<u>107,395,150</u>	<u>101,181,856</u>
Total liabilities and net assets	\$	<u><u>111,158,389</u></u>	<u><u>\$ 105,806,358</u></u>

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

NEW ORLEANS MUSEUM OF ART

Statements of Activities and Changes in Net Assets

Years ended December 31, 2025 and 2024

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and revenue:						
Support:						
Individual contributions	\$ 206,396	\$ 761,979	\$ 968,375	\$ 237,534	\$ 180,100	\$ 417,634
City and state grants	295,851	-	295,851	318,226	-	318,226
Federal grants	-	231,666	231,666	-	281,224	281,224
Corporate support	167,041	403,626	570,667	20,600	214,846	235,446
Affiliate memberships	210,475	-	210,475	336,540	-	336,540
Fundraising events (net of direct costs)	392,098	-	392,098	928,719	-	928,719
Legacies and bequests	100,000	-	100,000	-	391	391
Foundations	1,110,372	1,164,879	2,275,251	616,029	2,292,615	2,908,644
Contributions of nonfinancial assets	792,772	-	792,772	797,754	-	797,754
Total support	3,275,005	2,562,150	5,837,155	3,255,402	2,969,176	6,224,578
Revenue:						
Memberships	335,296	-	335,296	432,700	-	432,700
Admissions	1,059,200	-	1,059,200	1,224,944	-	1,224,944
Programs	80,339	-	80,339	64,970	-	64,970
Auxiliary activities	1,311,746	-	1,311,746	1,006,295	-	1,006,295
Investment income (loss), net	4,243,654	5,013,626	9,257,280	3,963,894	4,371,358	8,335,252
Miscellaneous	262,446	24,912	287,358	370,561	137,500	508,061
Total revenue	7,292,681	5,038,538	12,331,219	7,063,364	4,508,858	11,572,222
Total support and revenue before net assets released from restrictions	10,567,686	7,600,688	18,168,374	10,318,766	7,478,034	17,796,800
Net assets released from restrictions (note 7)	2,749,409	(2,749,409)	-	4,982,802	(4,982,802)	-
Total support and revenue	\$ 13,317,095	\$ 4,851,279	\$ 18,168,374	\$ 15,301,568	\$ 2,495,232	\$ 17,796,800

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

(continued)

NEW ORLEANS MUSEUM OF ART**Statements of Activities and Changes in Net Assets****Years ended December 31, 2025 and 2024**

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Expenses:						
Art and education:						
Exhibitions and programming	\$ 5,356,407	\$ -	\$ 5,356,407	\$ 5,796,514	\$ -	\$ 5,796,514
Art accessions not capitalized	352,743	-	352,743	2,135,408	-	2,135,408
Support services:						
Management and general:						
Management and general	2,636,209	-	2,636,209	2,668,644	-	2,668,644
Building and security	2,119,002	-	2,119,002	2,007,029	-	2,007,029
Fundraising and membership	1,490,719	-	1,490,719	1,429,001	-	1,429,001
Total expenses	11,955,080	-	11,955,080	14,036,596	-	14,036,596
Change in net assets	1,362,015	4,851,279	6,213,294	1,264,972	2,495,232	3,760,204
Net assets at beginning of year	48,830,418	52,351,438	101,181,856	47,565,446	49,856,206	97,421,652
Net assets at end of year	\$ 50,192,433	\$ 57,202,717	\$ 107,395,150	\$ 48,830,418	\$ 52,351,438	\$ 101,181,856

(Concluded)

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

NEW ORLEANS MUSEUM OF ART**Statements of Cash Flows****Years ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from government entities	\$ 272,718	\$ 318,226
Cash received from contributors and private grantors	2,677,431	2,532,220
Cash received from sales of memberships	307,766	364,533
Cash received from admissions and auxiliaries	2,515,704	2,946,104
Interest and dividends received	1,792,613	1,430,679
Payments of interest	(115,407)	(128,046)
Payments to employees and suppliers	<u>(10,421,878)</u>	<u>(10,007,565)</u>
Net cash used in operating activities	<u>(2,971,053)</u>	<u>(2,543,849)</u>
Cash flows from investing activities:		
Investment purchases	(13,094,544)	(31,569,978)
Investment sales and maturities	14,639,346	33,704,786
Art purchases	(347,243)	(2,142,448)
Payments for Capital Projects	<u>(33,986)</u>	<u>(15,985)</u>
Net cash provided by (used in) investing activities	<u>1,163,573</u>	<u>(23,625)</u>
Cash flows from financing activities:		
Contributions for Sculpture Garden Art purchases	-	1,354,500
Contributions for Capital Projects	504,446	102,000
Principal repayments on line of credit	(237,497)	(224,858)
Proceeds from other restricted contributions	<u>1,903,409</u>	<u>927,202</u>
Net cash provided by financing activities	<u>2,170,358</u>	<u>2,158,844</u>
Net increase (decrease) in cash and cash equivalents	362,878	(408,630)
Cash and cash equivalents at beginning of year	<u>1,453,244</u>	<u>1,861,874</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,816,122</u></u>	<u><u>\$ 1,453,244</u></u>
Composition of cash and cash equivalents at end of year:		
Cash and cash equivalents	\$ 531,611	\$ 765,236
Restricted cash	<u>1,284,511</u>	<u>688,008</u>
	<u><u>\$ 1,816,122</u></u>	<u><u>\$ 1,453,244</u></u>

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

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) *History and Organization*

The New Orleans Museum of Art (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 45-member Board of Trustees, serving staggered three-year terms. The Museum is affiliated with the City of New Orleans with an unattached board. Both the building and storage facility occupied by the Museum are owned by the City of New Orleans. The Museum has had full use of the main building at no charge since 1911. 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.

(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.

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 in the year when restrictions expire or are satisfied.

(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.

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies (continued)

(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. There is no allowance considered necessary for the years ended December 31, 2025 and 2024. 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, 2025 and 2024 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 changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, and less external and direct internal investment expenses.

(g) *Buildings, Improvements and Equipment*

Buildings, improvements, and equipment are recorded at cost if purchased or at 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 and changes in net assets.

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, 2025 and 2024.

(h) *Art Collections*

In conformity with the practice followed by many museums, art purchased and donated is not capitalized. During 2025 and 2024, the cost of collection items purchased and reported by the Museum as a decrease in net assets without donor restriction was \$352,743 and \$2,135,408 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 and other aspects of its management, including accession and deaccession policies.

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies (continued)

(h) Art Collections (continued)

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. Sick leave is not paid out to employees upon separation from the Museum.

(j) 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. Nonrefundable membership dues include 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 occurs.

Rental income from operating leases is recognized over the terms of the related leases as the rent becomes due. Rental payments received in advance are deferred until earned. All leases between the Museum and the tenants of the property are operating leases. Tenant rent charges for the current month are generally due on the first of the month.

(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 the recognition criteria prescribed by U.S. GAAP.

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies (continued)

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

Contributions of nonfinancial assets are recorded on the accompanying statement of activities and changes in net assets at their estimated fair market values at the date of receipt.

(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.

(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) Leases

The Museum adopted Accounting Standard Update (ASU) No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. The Museum determined that the ASU did not have a material impact on its presentation of operating leases in which it is the lessee.

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(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>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,816,122	\$ 1,453,244
Promises to give	928,163	516,000
Accounts receivable	130,270	554,270
Investments	<u>81,498,110</u>	<u>75,356,332</u>
Total financial assets at year end	<u>\$ 84,372,665</u>	<u>\$ 77,879,846</u>
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	\$ 531,611	\$ 765,236
Accounts receivable	118,384	157,171
Donor restricted endowment appropriations over the next 12 months (note 14)	1,696,272	1,580,543
Board restricted quasi-endowment appropriations over the next 12 months (note 14)	<u>985,563</u>	<u>934,865</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 3,331,830</u>	<u>\$ 3,437,815</u>

NEW ORLEANS MUSEUM OF ART**Notes To Financial Statements****December 31, 2025 and 2024****(3) Investments**

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

	<u>2025</u>	<u>2024</u>
Cash equivalents	\$ 601,266	\$ 249,180
Mutual funds	67,873,870	63,279,537
Corporate stocks	468,955	406,390
Real property	436,260	436,260
Alternative investments/hedge funds	11,765,188	10,661,159
Other	352,571	323,806
	<u>\$ 81,498,110</u>	<u>\$ 75,356,332</u>
	<u>2025</u>	<u>2024</u>
Short-term investments	\$ -	\$ -
Long-term investments	81,498,110	75,356,332
	<u>\$ 81,498,110</u>	<u>\$ 75,356,332</u>

Investments are held for the following purposes:

	<u>2025</u>	<u>2024</u>
Without donor restrictions, substantially board designated	\$ 26,279,620	\$ 24,122,811
With donor restrictions:		
Operating:		
Capital	12,779	12,779
Curatorship, functioning as endowments	11,454,805	10,477,801
Directorship, functioning as endowments	2,117,161	1,962,237
Education programs	1,557,140	1,442,266
Gallery maintenance	1,420,369	1,294,708
Exhibitions and programming	19,050,381	18,133,237
Scholar programs	519,462	460,134
	<u>36,132,097</u>	<u>33,783,162</u>
Art accessions	<u>19,086,393</u>	<u>17,450,359</u>
	<u>\$ 81,498,110</u>	<u>\$ 75,356,332</u>

NEW ORLEANS MUSEUM OF ART**Notes To Financial Statements****December 31, 2025 and 2024****(4) Buildings, Improvements, and Equipment**

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

	2025			
	Cost	Accumulated Depreciation	Net	Estimated useful lives
Building improvements	\$ 25,274,735	\$ (15,146,737)	\$ 10,127,998	39-40 years
Equipment	1,823,411	(1,270,417)	552,994	5-7 years
Vehicles	94,246	(94,246)	-	5 years
Land improvements	450,076	(270,046)	180,030	40 years
Sculpture garden	20,386,391	(4,860,721)	15,525,670	40 years
Construction in progress	31,692	-	31,692	N/A
	<u>\$ 48,060,551</u>	<u>\$ (21,642,167)</u>	<u>\$ 26,418,384</u>	
	2024			
	Cost	Accumulated Depreciation	Net	Estimated useful lives
Building improvements	\$ 25,274,735	\$ (14,506,776)	\$ 10,767,959	39-40 years
Equipment	1,600,030	(1,161,710)	438,320	5-7 years
Vehicles	94,246	(94,246)	-	5 years
Land improvements	450,076	(258,794)	191,282	40 years
Sculpture garden	20,386,391	(4,353,220)	16,033,171	40 years
Construction in progress	31,692	-	31,692	N/A
	<u>\$ 47,837,170</u>	<u>\$ (20,374,746)</u>	<u>\$ 27,462,424</u>	

In 2024, the computerized mat cutter was delivered and placed into service. The ending balance of construction in progress for the years ended December 31, 2025 and 2024 represents the Green Space project.

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(5) Promises to Give

Promises to give are dedicated by the donors for the Museum's Endowments, capital projects, or other operating purposes and represent a promise by the donors to pay after year-end. Promises to give were \$928,163 and \$516,000 at December 31, 2025 and 2024, respectively, and due in the following installments at December 31:

	<u>2025</u>
2026	\$ 301,750
2027	201,413
2028	<u>425,000</u>
	\$ 928,163
Less current portion	<u>301,750</u>
Noncurrent portion	<u><u>\$ 626,413</u></u>

(6) Notes Payable

On November 22, 2022, the Museum converted the remaining principal balance of the construction loan, totaling \$2,731,585, to a fixed-term loan. The initial loan term is five years with a maturity date of November 22, 2027. The loan bears interest at 5.25% during this initial period. At December 31, 2025 and 2024, respectively, the principal amount outstanding was \$2,038,633 and \$2,276,130. For the year ended December 31, 2025 and 2024, interest expenses totaled \$115,407 and \$128,046. The loan is secured by a pledge of NOMA's Pledged Asset investment account, consisting primarily of pooled equity funds. Future principal and interest payments are estimated as follows:

<u>Year ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 251,880	\$ 101,024	\$ 352,904
2027	265,426	87,478	352,904
2028	279,701	73,203	352,904
2029	294,744	58,160	352,904
2030	310,596	42,308	352,904
2031-2032	<u>636,286</u>	<u>33,633</u>	<u>669,919</u>
	<u>\$ 2,038,633</u>	<u>\$ 395,806</u>	<u>\$ 2,434,439</u>

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(7) Net Assets Released

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

	<u>2025</u>	<u>2024</u>
Purpose accomplished		
Exhibitions, programming and capital	\$ 2,396,666	\$ 2,847,394
Art accessions	352,743	2,135,408
	<u>\$ 2,749,409</u>	<u>\$ 4,982,802</u>

(8) Net Assets with Donor Restrictions

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

	<u>2025</u>	<u>2024</u>
Art accessions	\$ 19,010,766	\$ 17,317,896
Curatorship	11,454,805	10,477,801
Exhibitions, programming and capital	21,098,306	19,468,606
Directorship	2,117,161	1,962,237
Gallery maintenance	1,445,077	1,222,498
Education	1,557,140	1,442,266
Scholar program	519,462	460,134
	<u>\$ 57,202,717</u>	<u>\$ 52,351,438</u>

(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 on 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 2 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 6% of eligible participating employees' wages for the 2025 and 2024 Plan Years. These amounted to \$120,659 and \$109,687 in Safe Harbor and profit-sharing contributions and \$70,311 and \$62,397 in employer matching for the years ended December 31, 2025 and 2024, respectively.

In December 2020, the Museum established a 457(f) plan to fulfill the Director's deferred compensation arrangement. Per the agreement, contributions totaling \$190,000 were made in 2021, 2022, and 2023. In 2024, \$50,000 was accrued during the year and subsequently paid in 2025. The plan account is payable in a lump sum on December 31, 2025. In 2025, \$50,000 was accrued during the year and subsequently paid in 2026.

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(9) Pension Plan (continued)

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 \$13,944 and \$14,685 for the years ended December 31, 2025 and 2024, respectively.

(10) Deferred revenue:

Deferred revenue at December 31 consisted of the following:

	<u>2025</u>	<u>2024</u>
Museum memberships	\$ 145,083	\$ 172,613
Deposits for private events	197,360	389,085
Advance ticket sales & sponsorships for fundraising events	19,325	26,800
Construction advances made by the cafe'/catering operator	<u>344,691</u>	<u>517,037</u>
Total	\$ 706,459	\$ 1,105,535
Less current portion	<u>526,114</u>	<u>760,844</u>
Noncurrent portion	<u><u>\$ 180,345</u></u>	<u><u>\$ 344,691</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, ending January 31, 2027. The advances will be amortized to operations over the 7 years.

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(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:

	2025			
	Program Services	Support Services		
	Art and Education Activities	Management and General	Fundraising and Membership	Total
Salaries, wages, and benefits	\$ 2,397,146	\$ 2,754,744	\$ 701,989	\$ 5,853,879
Occupancy	84,860	629,727	-	714,587
Telephone	495	55,757	255	56,507
Shipping & postage	75,616	23,801	12,185	111,602
Insurance	124,334	156,835	-	281,169
Repairs and maintenance	26,881	270,636	-	297,517
Short-term rentals	168,516	12,020	64,378	244,914
Dues & publications	69,610	70,380	89,788	229,778
Design & printing	84,418	7,107	50,989	142,514
Advertising	5,493	390	153,654	159,537
Fundraising	16,925	-	160,356	177,281
Professional services	752,783	261,282	386,221	1,400,286
Travel & entertainment	134,091	38,294	122,105	294,490
Supplies and materials	101,614	94,982	50,011	246,607
Other expenses	124,868	25,473	107,594	257,935
Equipment	92,185	14,941	6,161	113,287
Cost of goods sold	-	201,961	-	201,961
Depreciation	1,096,572	136,881	33,967	1,267,420
Art accessions	352,743	-	-	352,743
	<u>\$ 5,709,150</u>	<u>\$ 4,755,211</u>	<u>\$ 1,939,653</u>	<u>\$ 12,404,014</u>
Fundraising expense net with revenues on the Statement of Activities	-	-	448,934	448,934
	<u>\$ 5,709,150</u>	<u>\$ 4,755,211</u>	<u>\$ 1,490,719</u>	<u>\$ 11,955,080</u>

NEW ORLEANS MUSEUM OF ART**Notes To Financial Statements****December 31, 2025 and 2024****(11) Expenses (continued)**

	2024			
	Program Services	Support Services		
	Art and Education Activities	Management and General	Fundraising and Membership	Total
Salaries, wages, and benefits	\$ 2,236,116	\$ 2,778,172	\$ 721,859	\$ 5,736,147
Occupancy	155,993	636,120	-	792,113
Telephone	495	50,529	715	51,739
Shipping & postage	178,835	23,753	14,555	217,143
Insurance	125,306	175,334	-	300,640
Repairs and maintenance	40,948	211,948	-	252,896
Short-term rentals	250,421	6,723	160,701	417,845
Dues & publications	78,619	71,830	79,569	230,018
Design & printing	212,416	17,651	55,663	285,730
Advertising	29,587	888	219,462	249,937
Fundraising	6,000	-	110,224	116,224
Professional services	854,496	189,558	377,818	1,421,872
Travel & entertainment	163,695	31,900	105,815	301,410
Supplies and materials	151,963	91,485	29,883	273,331
Other expenses	109,659	22,169	26,522	158,350
Equipment	125,245	22,294	1,177	148,716
Cost of goods sold	-	210,916	-	210,916
Depreciation	1,076,720	134,403	33,352	1,244,475
Art accessions	2,135,408	-	-	2,135,408
	<u>\$ 7,931,922</u>	<u>\$ 4,675,673</u>	<u>\$ 1,937,315</u>	<u>\$ 14,544,910</u>
Fundraising expense net with revenues on the Statement of Activities	-	-	508,314	508,314
	<u>\$ 7,931,922</u>	<u>\$ 4,675,673</u>	<u>\$ 1,429,001</u>	<u>\$ 14,036,596</u>

(12) Commitments

The Museum participated in several state and federally-assisted grant programs in fiscal years 2025 and 2024. The programs are subject to compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the 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, 2025 and 2024

(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 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, 2025 and 2024

(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, 2025.

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 601,266	\$ -	\$ -	\$ 601,266
Mutual funds				
Pooled equity fund	53,612,734	-	-	53,612,734
Fixed income fund	14,261,136	-	-	14,261,136
Corporate stocks	468,955	-	-	468,955
Private equity	-	-	384,350	384,350
Other	-	352,571	-	352,571
Total assets in fair value hierarchy	<u>\$68,944,091</u>	<u>\$352,571</u>	<u>\$ 384,350</u>	<u>\$69,681,012</u>
Investments (hedge funds) measured at net asset value				\$ 11,380,838
Real property				436,260
Investments at fair value				<u>\$81,498,110</u>

The following table sets forth by level, within the fair value hierarchy, the Museum's assets at fair value as of December 31, 2024.

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 249,180	\$ -	\$ -	\$ 249,180
Mutual funds				
Pooled equity fund	49,086,186	-	-	49,086,186
Fixed income fund	14,193,351	-	-	14,193,351
Corporate stocks	406,390	-	-	406,390
Private equity	-	-	537,315	537,315
Other	-	323,806	-	323,806
Total assets in fair value hierarchy	<u>\$63,935,107</u>	<u>\$323,806</u>	<u>\$ 537,315</u>	<u>\$64,796,228</u>
Investments (hedge funds) measured at net asset value				\$ 10,123,844
Real property				436,260
Investments at fair value				<u>\$75,356,332</u>

There were unfunded commitments of \$1,083,495 and \$122,632 for the years ended December 31, 2025 and 2024, respectively, on the private equity partnership.

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(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.

As required by U.S. GAAP, the following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3). Unrealized gains and/or losses are shown in the statements of activities and changes in net assets as "investment income, net".

	Private Equity fund
Balance, January 1, 2025	\$ 537,315
Investment income (loss), net	(150,751)
Purchases, sales, issuances and settlements, net	(2,214)
Balance December 31, 2025	<u>\$ 384,350</u>
Balance, January 1, 2024	\$ 844,206
Investment income (loss), net	664,494
Purchases, sales, issuances and settlements, net	(971,385)
Balance December 31, 2024	<u>\$ 537,315</u>

Instrument	Fair Value	Principal Valuation Technique	Range of Significant Input Values
Private Equity	\$384,350	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 that 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, 2025 and 2024

(14) Endowment Net Assets (continued)

The release of endowment funds which are intended to cover general operating expenses are budgeted for annually. A 12-quarter rolling average is used as the basis for this calculation. Total endowment funds released to operations in a given year will typically fall between 4%-6% of the 12-quarter average.

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, 2025 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, by type			
Board-designated endowment funds	\$ 22,925,697	\$ -	\$ 22,925,697
Donor-restricted endowment funds	-	52,668,433	52,668,433
Total funds	<u>\$ 22,925,697</u>	<u>\$ 52,668,433</u>	<u>\$ 75,594,130</u>
 Changes in endowment net assets			
Endowment net assets, beginning of year	<u>20,259,779</u>	<u>47,944,698</u>	<u>68,204,477</u>
 Investment income (loss), net	4,204,500	4,761,496	8,965,996
Legacies and bequests	100,000	-	100,000
Contributions	-	1,269,600	1,269,600
Subtotal	<u>4,304,500</u>	<u>6,031,096</u>	<u>10,335,596</u>
 Other changes:			
Art purchase	-	(299,825)	(299,825)
Operating	(53,965)	(76,748)	(130,713)
Appropriations	(1,584,617)	(930,788)	(2,515,405)
Subtotal	<u>(1,638,582)</u>	<u>(1,307,361)</u>	<u>(2,945,943)</u>
 Endowment net assets, end of year	<u>\$ 22,925,697</u>	<u>\$ 52,668,433</u>	<u>\$ 75,594,130</u>

NEW ORLEANS MUSEUM OF ART**Notes To Financial Statements****December 31, 2025 and 2024****(14) Endowment Net Assets (continued)**

The composition of the Museum's endowments by net asset class as of December 31, 2024 was:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, by type			
Board-designated endowment funds	\$ 20,259,779	\$ -	\$ 20,259,779
Donor-restricted endowment funds	-	47,944,698	47,944,698
Total funds	<u>\$ 20,259,779</u>	<u>\$ 47,944,698</u>	<u>\$ 68,204,477</u>
 Changes in endowment net assets			
Endowment net assets, beginning of year	<u>17,919,633</u>	<u>45,424,286</u>	<u>63,343,919</u>
 Investment income (loss), net	3,944,779	4,153,871	8,098,650
Legacies and bequests	-	391	391
Contributions	-	100,000	100,000
Subtotal	<u>3,944,779</u>	<u>4,254,262</u>	<u>8,199,041</u>
 Other changes:			
Art purchase	-	(661,632)	(661,632)
Operating	(54,556)	(135,502)	(190,058)
Appropriations	<u>(1,550,077)</u>	<u>(936,716)</u>	<u>(2,486,793)</u>
Subtotal	<u>(1,604,633)</u>	<u>(1,733,850)</u>	<u>(3,338,483)</u>
 Endowment net assets, end of year	<u>\$ 20,259,779</u>	<u>\$ 47,944,698</u>	<u>\$ 68,204,477</u>

NEW ORLEANS MUSEUM OF ART

Notes To Financial Statements

December 31, 2025 and 2024

(15) Contributed Nonfinancial Assets

For the year ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2025</u>	<u>2024</u>
Utilities	\$ 543,480	\$ 548,462
Insurance	213,292	213,292
Telephone	36,000	36,000
	<u>\$ 792,772</u>	<u>\$ 797,754</u>

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 recorded at \$792,772 and \$797,754 for the years ended December 31, 2025 and December 31, 2024. The electric utilities are based on actual costs billed during the year in 2025 and 2024. After the renewal of the fine arts insurance policy each year, a copy of the policy is provided to the Museum. Property insurance for the building is pooled with other City-owned properties and reported at the estimated fair value within the insurance category above. The telephone and internet services are estimated based on current rates for similar services.

(16) Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2026, and determined that there were no events that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

NEW ORLEANS MUSEUM OF ART
Schedules of Endowment Funds
December 31, 2025 and 2024

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:

	2025 Total Net Assets	2024 Total Net Assets
Acquisitions Endowment Funds		
William McDonald and Eva Carol Boles Endowment Fund	\$ 6,179,885	\$ 5,566,886
George Frierson Art Purchase Fund	2,293,564	2,185,940
Robert Gordy Art Purchase Fund	1,454,527	1,299,977
Carmen Donaldson Art Purchase Fund	1,076,544	953,291
Carrie Heiderich Acquisition Fund	1,094,566	969,251
Elise Mayer Bestoff Endowment Fund	774,267	685,622
Mervin G. Morais Endowment for Decorative Arts	685,260	606,211
P.R. and Sunny Norman Art Purchase Fund	468,624	414,087
Joel Weinstock Art Purchase Fund	500,614	443,303
Tina Freeman Photography Art Purchase Fund	409,424	375,832
Françoise Billion Richardson African Art Acquisition Fund	342,027	302,866
Benjamin J. Harrod Art Purchase Fund	36,690	32,489
Augusta M. Jourdan Art Purchase Fund	28,106	24,888
Total Acquisitions Endowment Funds	15,344,098	13,860,643
Exhibition and Program Endowment Funds		
Russell Albright Photography Fund	1,450,951	1,343,189
Favrot Architecture and Design Endowment Fund	712,218	659,537
Azby Endowment Fund	426,069	394,585
Charlotte Mann & Joshua Mann Paillet Endowment Fund	362,804	336,256
Elise M. Besthoff Charitable Foundation Gallery	350,356	324,828
Chapman H. Hyams 1951 Trust Fund	365,199	318,374
George F. Lapeyre Fund	310,138	287,441
William Fagaly Endowment Fund	138,792	122,902
Chapman H. Hyams 1952 Trust Fund	31,872	27,809
Total Exhibition and Program Endowment Funds	4,148,399	3,814,921
Position Endowment Funds		
Zemurray Foundation Curatorial Fellow for Spanish Colonial Art	3,535,288	3,268,620
Lapis Arts of the Americas Curator	3,166,223	2,803,727
RosaMary Foundation Curator of Decorative Arts and Design	2,189,400	2,029,189
Ella West Freeman Foundation Director's Fund	2,117,161	1,962,237
Freeman Family Curator of Photography	1,804,339	1,672,305
Françoise Billion Richardson Curator of African Art Endowment Fund	759,555	703,960
Total Position Endowment Funds	13,571,966	12,440,038
Education Endowment Funds		
Taylor Education Endowment Fund	857,011	794,566
Patrick F. Taylor Scholar Fund	519,462	460,134
Janice Parmelee & Bill Hammack Early Education Fund	290,368	269,102
MD Van Horn Education Fund	264,706	245,336
David & Sara Kelso Early Education Fund	145,055	133,262
Total Education Endowment Funds	\$ 2,076,602	\$ 1,902,400

(continued)

NEW ORLEANS MUSEUM OF ART
Schedules of Endowment Funds
December 31, 2025 and 2024

	2025	2024
	Total	Total
	Net Assets	Net Assets
Operating Endowment Funds		
General Operating Endowment Fund	\$ 34,739,384	\$ 32,073,466
Helis Operating Endowment Fund	1,911,598	1,672,286
Besthoff Operating Endowment Fund	1,902,738	1,763,504
2nd Century Endowment Fund	1,168,533	-
Collins Diboll Endowment Fund	730,812	677,219
Total Operating Endowment Funds	40,453,065	36,186,475
Total Endowment Funds	\$ 75,594,130	\$ 68,204,477
Reconciliation with Statements of Financial Position		
Net assets:		
Without donor restrictions		
Net assets without donor restrictions, in operating fund	\$ 27,266,736	\$ 28,570,639
Board designated, functioning as operating endowments	22,925,697	20,259,779
Total net assets without donor restrictions	50,192,433	48,830,418
With donor restrictions	57,202,717	52,351,438
Total net assets	107,395,150	101,181,856
Less items not included in endowments:		
Net assets without donor restrictions in operating fund	(27,266,736)	(28,570,639)
Net assets with donor restrictions in funds for specified purposes	(4,534,284)	(4,406,740)
	(31,801,020)	(32,977,379)
Total Endowment Funds	\$ 75,594,130	\$ 68,204,477

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, 2025**

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 of
New Orleans Museum of Art

We have audited, 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 (*Government Auditing Standards*), the financial statements of New Orleans Museum of Art (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, 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 30, 2026.

Report on 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 organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026

EISNERAMPER
LLP





NEW ORLEANS MUSEUM OF ART
AGREED-UPON PROCEDURES ON COMPLIANCE
AND CONTROL AREAS
FOR THE YEAR ENDED DECEMBER 31, 2025



NEW ORLEANS MUSEUM OF ART

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of New Orleans Museum of Art
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of New Orleans Museum of Art (the Museum) for the fiscal period January 1, 2025 through December 31, 2025. The Museum's management is responsible for those C/C areas identified in the SAUPs.

The Museum has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, the 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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 AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Museum for the fiscal period January 1, 2025 through December 31, 2025. 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.

The purpose of this report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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.



EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026

NEW ORLEANS MUSEUM OF ART

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

DECEMBER 31, 2025

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *"no exception noted" or for step 13 "we performed the procedure and discussed the results with management"*. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

- ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exception noted.

- iii. **Disbursements**, including processing, reviewing, and approving

No exception noted.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exception noted.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Exceptions noted for (2) standard terms and conditions, (3) legal review, and (5) monitoring process. No exceptions noted for (1) types of services requiring written contracts and (4) approval process.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exception noted.

NEW ORLEANS MUSEUM OF ART

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

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- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exception noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

This procedure is not applicable to nonprofit organizations. Thus, the procedure was not performed.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This procedure is not applicable to nonprofit organizations. Thus, the procedure was not performed.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exception noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

This procedure is not applicable to nonprofit organizations. Thus, the procedure was not performed.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

NEW ORLEANS MUSEUM OF ART

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- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

This attribute is not applicable for this non-for-profit entity. Thus, the procedure was not performed.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No audit findings noted. Thus, this attribute is not applicable, and the procedure was not performed.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of nine bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected five bank accounts (one main operating and four randomly) and obtained the bank reconciliations for the month ending June 30, 2025, resulting in five bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exception noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

No exception noted.

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- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of two deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the two deposit sites and performed the procedures below.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of three collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exception noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

No exception noted.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exception noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

No exception noted.

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- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for each of the five bank accounts selected in procedure #3. For one bank account selected, there were no deposits made, and for another, only one deposit made. We obtained supporting documentation for each of the seven deposits and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

No exception noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exception noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Exceptions noted. For six out of the seven deposits selected for our procedures, the deposit was not made within one business day of receipt. No exception noted for the one other deposit.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the one location and performed the procedures below.

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- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exception noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Exceptions noted. The same employee who processed the payment can mail the payment.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected five disbursements and performed the procedures below.

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- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exception noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Exceptions noted. For five out of the five disbursements selected for our procedures, the check signer did not mail check or give to someone other than payment processor to mail check.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exception noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we randomly selected five credit cards used in the fiscal period. We randomly selected one monthly statement for each of the five cards selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exception noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exception noted.

NEW ORLEANS MUSEUM OF ART

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- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exception noted.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees’ authorization has been removed.

No exception noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Of the five reimbursements selected for our procedures, none used a per diem. Thus, the procedure was not performed.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exception noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by “Written Policies and Procedures”, procedure #1A(vii); and

No exception noted.

NEW ORLEANS MUSEUM OF ART

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- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five contracts and performed the procedures below.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exception noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

No exception noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exception noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exception noted.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five employees/officials and performed the specified procedures. No exceptions noted.

NEW ORLEANS MUSEUM OF ART

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- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exception noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exception noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exception noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exception noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exception noted.

10) Ethics – This step is not applicable.

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service – This step is not applicable.

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management represented that there we no misappropriations of public funds or assets during the fiscal period. Thus, the procedure was not performed.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

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- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment – This step is not applicable.

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.



**Corrective Action Plan for the Statewide Agreed Upon Procedures for the year ended
December 31, 2025**

Submitted to:

EisnerAmper LLP
One Galleria Blvd, Suite 2100
Metairie, LA 70001

New Orleans Museum of Art respectfully submits the following corrective action plan for the year ended December 31, 2025 for the corrective action implemented.

RESPONSE TO EXCEPTIONS IN STATEWIDE AUP RESULTS:

We have completed a preliminary review of the recommendations identified in the AUP report and are in agreement with the report as presented by EisnerAmper LLP. New Orleans Museum of Art is committed to maintaining strong internal controls and will evaluate each recommendation to determine the most appropriate and practical approach for our operations. Where appropriate, we will update policies and procedures, implement process improvements, and strengthen existing controls while taking into consideration the Museum's size, staffing, and operational structure.

Signature:

A handwritten signature in blue ink, appearing to read "S. Rothman", is written over a light blue horizontal line.

Title:

Chief Financial Officer