

MARITIME MUSEUM LOUISIANA

**Financial Statements
with Supplemental Information**

December 31, 2023

(With Independent Accountants' Compilation Report Thereon)

MARITIME MUSEUM LOUISIANA

Table of Contents

	<u>Page</u>
Independent Accountants' Compilation Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to the Financial Statements	6 - 13
Supplemental Information:	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	14
Schedule of Findings	15
Status of Prior Year Findings	16



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

Jessica S. Benjamin, Director
Racheal D. Alvey, Director
Michael R. Choate, CPA, Director

American Society of Certified Public Accountants
Society of Louisiana CPAs

**To the Board of Directors
Maritime Museum Louisiana
Mandeville, Louisiana**

Management is responsible for the accompanying financial statements of Maritime Museum Louisiana (the Museum), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the representation of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Griffin & Furman, LLC

March 19, 2024

205 E. Lockwood St.
Covington LA 70433
(985) 727-9924 Phone
(985) 400-5026 Fax

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
(225) 292-7434 Phone
(225) 293-3651 Fax

4900 Cypress St. #15
West Monroe, LA 71291
(318) 397-2472 Phone

www.griffinandco.com

MARITIME MUSEUM LOUISIANA

Statement of Financial Position

December 31, 2023

(See Independent Accountants' Compilation Report)

Assets

Cash & cash equivalents:		
Unrestricted	\$	19,628
Restricted		<u>67,487</u>
Total cash & cash equivalents		87,115
Accounts receivable, net		15,909
Prepaid expenses		43,448
Inventory		14,696
Property & equipment, net		<u>1,306,848</u>
Total assets	\$	<u><u>1,468,016</u></u>

Liabilities & Net Assets

Liabilities:

Accounts payable	\$	12,498
Line of credit		19,894
Payroll tax payable		7,700
Deposits		4,221
Accrued interest		5,996
Long-term debt		<u>225,000</u>
Total liabilities		275,309

Net Assets:

Without donor restriction		1,125,220
With donor restriction		<u>67,487</u>
Total net assets		<u>1,192,707</u>
Total liabilities & net assets	\$	<u><u>1,468,016</u></u>

See accompanying notes to the financial statements.

MARITIME MUSEUM LOUISIANA

Statement of Activities

For the Year Ended December 31, 2023

(See Independent Accountants' Compilation Report)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support & Revenues:			
Wooden boat festival	\$ 309,275	-	309,275
Facility event room rental	133,479	-	133,479
Wooden boat building classes	6,225	-	6,225
Gift shop sales	13,265	-	13,265
Museum admission fees and membership dues	29,612	-	29,612
Contributions	15,106	1,837	16,943
Fundraising income	74,109	-	74,109
Research and educational programs	25,060	-	25,060
Grant income	-	48,433	48,433
State appropriations	-	46,154	46,154
Other income	78,690	-	78,690
Net assets released from restrictions	<u>120,882</u>	<u>(120,882)</u>	<u>-</u>
Total support & revenues	<u>805,703</u>	<u>(24,458)</u>	<u>781,245</u>
Expenses:			
Program services	<u>715,181</u>	<u>-</u>	<u>715,181</u>
Support services:			
Management and general	77,800	-	77,800
Fundraising	<u>182,235</u>	<u>-</u>	<u>182,235</u>
Total supporting services	<u>260,035</u>	<u>-</u>	<u>260,035</u>
Total expenses	<u>975,216</u>	<u>-</u>	<u>975,216</u>
Change in net assets	(169,513)	(24,458)	(193,971)
Net assets - beginning of year	<u>1,294,733</u>	<u>91,945</u>	<u>1,386,678</u>
Net assets - end of year	<u>\$ 1,125,220</u>	<u>67,487</u>	<u>1,192,707</u>

See accompanying notes to the financial statements.

MARITIME MUSEUM LOUISIANA

Statement of Cash Flows

For the Year Ended December 31, 2023

(See Independent Accountants' Compilation Report)

Cash flows from operating activities:		
Change in net assets	\$	(193,971)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation		80,403
(Increases) decreases in assets:		
Accounts receivable		111,754
Prepaid expenses		(31,655)
Inventory		8,255
Increases (decreases) in liabilities:		
Accounts payable		5,960
Accrued expenses		15,808
Payroll tax payable		1,823
Sales tax payable		(626)
Deposits		(829)
Accrued interest		(5,740)
Deferred revenue		(46,154)
Net cash used by operating activities		<u>(54,972)</u>
Cash flows from investing activities:		
Purchase of property & equipment		<u>(54,039)</u>
Net cash used by investing activities		<u>(54,039)</u>
Net decrease in cash & cash equivalents		(109,011)
Cash & cash equivalents, beginning of year		<u>196,126</u>
Cash & cash equivalents, end of year	\$	<u><u>87,115</u></u>

See accompanying notes to the financial statements.

MARITIME MUSEUM LOUISIANA

Statement of Functional Expenses

For the Year Ended December 31, 2023

	Program Services					Supporting Services			
	Wooden Boat Festival	Museum & Exhibits	Wooden Boat Building Classes	Maritime Research & Education	Lighthouse Restoration	Total Program Services	Management & General	Fundraising	Total
Salaries	\$ -	61,748	7,182	2,308	-	71,238	53,161	57,680	182,079
Payroll taxes & employee benefits	-	4,922	586	189	-	5,697	4,107	4,502	14,306
Total salaries & related benefits	-	66,670	7,768	2,497	-	76,935	57,268	62,182	196,385
Janitorial	-	133	-	-	-	133	-	960	1,093
Merchandise Purchases	10,457	7,588	-	-	-	18,045	-	7,464	25,509
Member Programing	-	-	-	-	-	-	-	-	-
Volunteer Support	89	-	-	2,509	-	2,598	-	693	3,291
Printing and graphic design	1,800	1,785	-	527	-	4,112	-	2,015	6,127
Security	21,326	-	-	-	-	21,326	951	2,506	24,783
Materials and supplies	17,426	1,431	14,429	300	-	33,586	-	3,065	36,651
Contract labor	5,113	1,906	1,260	40,464	-	48,743	-	39,584	88,327
Equipment rental	-	-	-	-	-	-	-	1,710	1,710
Exhibit Development	-	78,948	-	-	-	78,948	-	-	78,948
Repairs and maintenance	-	62,571	-	-	14,841	77,412	-	-	77,412
Office expense	-	29,536	-	-	-	29,536	-	-	29,536
Postage and delivery	-	2,295	-	-	-	2,295	-	-	2,295
Insurance	9,000	62,633	1,200	2,400	-	75,233	3,500	5,000	83,733
Professional fees	20,400	12,060	-	7,900	-	40,360	-	15,748	56,108
Advertising/Promotional	39,261	15,520	-	-	-	54,781	-	5,500	60,281
Dues and subscriptions	-	1,554	-	-	-	1,554	-	850	2,404
Bank charges	-	7,254	-	-	-	7,254	-	4,833	12,087
Travel/Transportation	16,731	261	-	574	-	17,566	-	240	17,806
Utilities	-	21,036	3,094	6,188	780	31,098	-	12,376	43,474
Taxes and licenses	-	-	-	-	-	-	-	185	185
Miscellaneous expenses	137	-	-	-	-	137	-	168	305
Rent expense	27,201	-	-	660	-	27,861	-	9,116	36,977
Interest	-	9,386	-	-	-	9,386	-	-	9,386
Total expenses before depreciation	168,941	382,567	27,751	64,019	15,621	658,899	61,719	174,195	894,813
Depreciation	16,081	8,040	12,060	12,060	8,040	56,282	16,081	8,040	80,403
Total expenses	\$ 185,022	390,607	39,811	76,079	23,661	715,181	77,800	182,235	975,216

See accompanying notes to the financial statements.

MARITIME MUSEUM LOUISIANA

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Compilation Report)

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

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

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

(b) Basis of Accounting

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

(c) Basis of Presentation

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

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

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

(d) Use of Estimates

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

(e) Cash and Cash Equivalents

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

MARITIME MUSEUM LOUISIANA

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Compilation Report)

(f) Accounts and Grants Receivable

Accounts receivable consist of amounts due for tuition in the wooden boat building classes and facility event room rental services. The Museum routinely reviews its accounts receivable balances and makes provision for doubtful accounts as necessary. Grants receivable consists of grant reimbursements. There were no grants receivable as of December 31, 2023. Management monitors the receivables and assesses the collectability of accounts on a monthly basis. Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. There were no bad debts during the year ended December 31, 2023.

(g) Inventory

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

(h) Property and Equipment

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

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

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

(i) Collections of Art

Many of the works of art on exhibit at the Museum are on loan from private parties and, thus, are not recorded in the financial statements of the Museum. Collections, which include works of art, historic treasures, and assets of similar nature, that are donated without restrictions to the Museum are recorded as in-kind revenue on the statements of activities and changes in net assets. Collections are not depreciated, rather they are reviewed each year for the impairment and value is decreased if deemed necessary. The Museum does not believe impairment is necessary as of December 31, 2023. Collections of the Museum are (a) held for exhibition to the public, for educational purposes or for research in furtherance of public services and not financial gain, and (b) are protected, cared for, and preserved.

MARITIME MUSEUM LOUISIANA

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Compilation Report)

(j) **Public Support and Revenue**

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(k) **Functional Expense Allocation**

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

(l) **Advertising Expense**

The Museum uses advertising to promote its programs among the audiences it serves. During 2023, advertising costs, which are expensed as incurred, totaled \$60,281.

(m) **Income Tax Status**

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

The Museum's evaluation as of December 31, 2023 revealed no tax positions that would have a material impact on the financial statements. The 2020 through 2022 tax years remain subject to examination by the IRS. The Museum does not believe that any reasonably possible changes will occur withing the next twelve months that will have a material impact on the financial statements.

(n) **Operations**

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

(o) **Donated Assets and Services**

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

MARITIME MUSEUM LOUISIANA

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Compilation Report)

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

(2) Statement of Cash Flows and Supplementary Disclosure

Supplemental disclosures of cash flow information:

Cash paid for interest	<u>\$ 15,126</u>
------------------------	------------------

(3) Liquidity and Availability of Financial Assets

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

The following table reflects the Museum's financial assets as of December 31, 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

Financial assets, and year end	\$ 103,024
Less those unavailable for general expenditure within one year due to:	
Funds set aside for donor restricted purposes	<u>(67,487)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 35,537</u>

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

(4) Donated Materials, Facilities, and Services

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

The Museum did not receive any donated items, facilities, or services for the year ended December 31, 2023.

MARITIME MUSEUM LOUISIANA

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Compilation Report)

(5) Property and Equipment

As of December 31, 2023, property and equipment consisted of the following:

Land and improvements	\$ 22,968
Furniture and equipment	203,557
Buildings and improvements	2,795,621
Museum exhibits	547,350
Bulkhead and dock	96,816
Sign	<u>11,776</u>
	3,678,088
Less: Accumulated depreciation	<u>(2,371,240)</u>
Property and equipment, net	\$ <u>1,306,848</u>

Depreciation expense for the year ended December 31, 2023 was \$80,403.

(6) Deferred Revenue

In May of 2022 the Louisiana Legislature signed into effect Act No. 170, which sends appropriations to state agencies based on their agency type. The Museum was eligible for a \$100,000 state appropriation. Per state law the Museum will recognize the full amount of the appropriation at the date the act was signed into effect as deferred revenue and will recognize \$7,692 as revenue each month until the end of the appropriation on June 30, 2023. The Museum did not receive any appropriations in the current year.

(7) Debt

Economic Injury Disaster Loan

On June 19, 2021, the Museum received loan proceeds in the amount of \$150,000 under the Small Business Administration's Economic Injury Disaster Loan program. On April 12, 2022, this loan was modified to increase the note amount from \$150,000 to \$225,000. This program provided low interest fixed rate loans to help businesses overcome the effects of the COVID-19 global pandemic by providing working capital to meet operating expenses of the borrowers. The loan bears interest at 2.75% and is due in monthly installments of \$994 beginning December 2022 through June 2050 and is secured by property of the Museum. Through December 31, 2023, all payments have been applied to interest that accrued from the loan date due to payment deferrals that delayed repayments of the loan. Once all accrued interest has been paid, loan payments will then be applied to loan interest and principal. As of December 31, 2023, accrued interest amounted to \$5,996.

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

MARITIME MUSEUM LOUISIANA

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Compilation Report)

<u>Years Ending</u>	<u>Amount</u>
2024	\$ -
2025	5,534
2026	5,968
2027	6,134
2028	6,289
Thereafter	<u>201,075</u>
	<u>\$ 225,000</u>

(8) Line of Credit

The Museum maintains a line of credit with Heritage Bank of St. Tammany. This unsecured line of credit, allows the Museum to borrow up to \$75,000 with an interest rate of 7.5% per annum. The line of credit matures on December 20, 2027. As of June 30, 2023, the Organization had draws on this line of credit leaving an unused amount of \$55,106.

(9) Commitments and Contingencies

Management Agreement for Museum Building

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

Management Agreement of the Tchefuncte River Range Rear Light Property

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

MARITIME MUSEUM LOUISIANA

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Compilation Report)

(10) Concentration of Credit Risk

The Museum maintains its cash balances at several financial institutions located in Southeast Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured portion of cash balances as of December 31, 2023.

None of the Museum's sources of revenue presented itself as a concentration risk for the year ended December 31, 2023.

(11) Grants from Governmental Agencies

Grants from governmental agencies include the following for the year ended December 31, 2023:

Funds in the amount of \$11,433 was awarded under a grant agreement with the State of Louisiana Department of Culture, Recreation, and Tourism for the year ended December 31, 2023. The grant funds are to be used for marketing the Wooden Boat Festival.

Funds in the amount of \$10,000 was awarded under contract with Louisiana Endowment for the Humanities. The grant funds are to be used for general operations.

Funds in the amount of \$5,000 was received under contract with the Louisiana Endowment for the Humanities. The grant funds are to be used for emergency planning efforts.

Funds in the amount of \$5,000 was received under contract with the Louisiana Division of Arts. The grant funds are to be used for a wooden boat-building workshop for high school students, specifically underserved public schools in St. Tammany Parish.

Funds in the amount of \$8,000 was awarded under contract with Louisiana Endowment for the Humanities. The grant funds are to be used for emergency recovery efforts.

Funds in the amount of \$9,000 was received in the fiscal year ended December 31, 2023, under a contract with FEMA. The grant funds are to be used for Architectural and Engineering services work at the Tchefuncte River Range Rear Light to assess damage from Hurricane Ida.

(12) Accrued Unpaid Leave

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

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

Annual leave is not cumulative and normally must be taken in the year earned. Exceptions for carrying over annual leave are limited to five days and require the approval of the Executive Director. Days accumulated beyond five days without prior approval will not be paid or carried over. Sick leave is

MARITIME MUSEUM LOUISIANA

Notes to the Financial Statements

December 31, 2023

(See Independent Accountants' Compilation Report)

earned by regular full-time employees at the rate of five days per year. In the event of resignation or termination, there is no payment for unused sick leave.

The Museum has no accrued unpaid leave as of December 31, 2023.

(13) Related Party Transactions

During the year ended December 31, 2023, there were no related party transactions.

(14) Evaluation of Subsequent Events

The Museum has evaluated subsequent events through March 19, 2024, the date which the financial statements were available to be issued.

MARITIME MUSEUM LOUISIANA

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

For the Year Ended December 31, 2023

(See Independent Accountants' Compilation Report)

Agency Head Name: James MacPherson, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ <u><u>53,161</u></u>

MARITIME MUSEUM LOUISIANA

Schedule of Findings

For the Year Ended December 31, 2023

Not applicable.

MARITIME MUSEUM LOUISIANA

Status of Prior Year Findings

For the Year Ended December 31, 2023

Not applicable.