

**SANTA BARBARA MARITIME MUSEUM**

**FINANCIAL STATEMENTS**

**June 30, 2019**

**GARY A. SMITH**  
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Santa Barbara Maritime Museum  
Santa Barbara, California

I have audited the accompanying financial statements of the Santa Barbara Maritime Museum which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Santa Barbara Maritime Museum as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Report on Summarized Comparative Information*

I have previously audited the Santa Barbara Maritime Museum's 2018 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated January 30, 2019. In my opinion, the summarized comparative information presented herein as of and for the year June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gary A. Smith*

Santa Barbara, California  
February 7, 2020

**SANTA BARBARA MARITIME MUSEUM**  
**Statement of Financial Position**  
**June 30, 2019**  
**(With comparative totals for 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 236,751	\$ 129,282
Accounts receivable	29,275	29,235
Grants, pledges, and bequests receivable (Note 3)	113,345	27,000
Inventory for resale	23,297	28,153
Prepaid expenses	30,481	20,707
Investments (Note 4)	397,631	435,046
Interest in charitable remainder trust (Note 5)	418,736	409,402
Property and equipment, net (Note 7)	2,037,389	2,164,700
Artifact collection	544,517	577,517
Deposits	2,064	2,064
Prepaid rent (Note 8)	<u>193,328</u>	<u>203,458</u>
Total assets	<u>\$4,026,814</u>	<u>\$4,026,564</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 35,334	\$ 28,764
Accrued salaries	42,923	37,659
Deferred revenue (Note 9)	69,210	31,456
Rental deposits	<u>20,000</u>	<u>16,850</u>
Total liabilities	<u>167,467</u>	<u>114,729</u>
Net assets:		
Without donor restrictions (Note 11)	2,814,531	2,950,247
With donor restrictions (Note 11)	<u>1,044,816</u>	<u>961,588</u>
Total net assets	<u>3,859,347</u>	<u>3,911,835</u>
Total liabilities and net assets	<u>\$4,026,814</u>	<u>\$4,026,564</u>

See notes to financial statements.

**SANTA BARBARA MARITIME MUSEUM**  
**Statement of Activities**  
**Year ended June 30, 2019**  
**(With comparative totals for 2018)**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	2019 <u>Totals</u>	2018 <u>Totals</u>
Revenues, gains and other support:				
Donations	\$ 575,028	\$ 162,372	\$ 737,400	\$ 762,245
Grants	109,500	206,400	315,900	231,150
Bequest income		112,570	112,570	
Memberships	33,470		33,470	37,611
Admissions	50,794		50,794	47,230
Retail sales	53,971		53,971	58,279
Education programs	28,841		28,841	45,496
Rental income, net of expenses of \$55,177 and \$48,797	25,973		25,973	50,396
Interest income	1,298	357	1,655	1,631
Change in value of charitable remainder trust		9,334	9,334	17,670
Impairment loss – artifact collection	(33,000)		(33,000)	
Special events, net of expenses of \$23,930 and \$23,838	87,001		87,001	121,502
Other income	1,390		1,390	4,516
Net assets released from restrictions (Note 12)	407,805	(407,805)		
Total	<u>1,342,071</u>	<u>83,228</u>	<u>1,425,299</u>	<u>1,377,726</u>
Expenses:				
Program services	970,894		970,894	906,334
Management and general	287,540		287,540	255,267
Fund raising	219,353		219,353	255,877
Total expenses	<u>1,477,787</u>	<u>--</u>	<u>1,477,787</u>	<u>1,417,478</u>
Change in net assets	(135,716)	83,228	(52,488)	(39,752)
Net assets, beginning of year	<u>2,950,247</u>	<u>961,588</u>	<u>3,911,835</u>	<u>3,951,587</u>
Net assets, end of year	<u>\$2,814,531</u>	<u>\$1,044,816</u>	<u>\$3,859,347</u>	<u>\$3,911,835</u>

See notes to financial statements.

**SANTA BARBARA MARITIME MUSEUM**  
**Statement of Functional Expenses**  
**Year ended June 30, 2019**  
**(With comparative totals for 2018)**

	Program <u>Services</u>	Management <u>and General</u>	Fund- <u>raising</u>	2019 <u>Total</u>	2018 <u>Total</u>
Salaries and benefits	\$ 380,677	\$ 149,003	\$ 131,283	\$ 660,963	\$ 615,950
Cost of goods sold	30,699			30,699	35,292
Computer operations	12,933	6,466	6,466	25,865	18,205
Office operations	26,352	3,294	3,294	32,940	28,005
Rent	84,177	5,857	5,857	95,891	96,582
Utilities	23,864	2,983	2,983	29,830	30,227
Insurance	17,953	3,990		21,943	19,046
Advertising and promotion	11,923	11,642	12,412	35,977	28,598
Repairs and maintenance	80,128	6,278	2,995	89,401	76,977
Operating supplies and services	190,190	77,130		267,320	272,370
Fund raising supplies and services			57,096	57,096	57,841
Depreciation and amortization	<u>167,175</u>	<u>20,897</u>	<u>20,897</u>	<u>208,969</u>	<u>211,020</u>
Total expenses	1,026,071	287,540	243,283	1,556,894	1,490,113
Less: expenses included with revenues on the statement of activities:					
Rental expenses	(55,177)			(55,177)	(48,797)
Special events expenses			(23,930)	(23,930)	(23,838)
Total expenses on the statement of activities	<u>\$ 970,894</u>	<u>\$ 287,540</u>	<u>\$ 219,353</u>	<u>\$ 1,477,787</u>	<u>\$ 1,417,478</u>

See notes to financial statements.

**SANTA BARBARA MARITIME MUSEUM**  
**Statement of Cash Flows**  
**Year ended June 30, 2019**  
**(With comparative totals for 2018)**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (52,488)	\$ (39,752)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	208,969	211,020
Change in value of charitable remainder trust	(9,334)	(17,670)
Impairment loss – artifact collection	33,000	
Contributions restricted for long-term purposes	(50,000)	(82,759)
Changes in assets and liabilities:		
Receivables	(86,385)	26,055
Inventory for resale	4,856	(2,602)
Prepaid expenses	(9,774)	(11,956)
Accounts payable	6,570	2,050
Accrued salaries	5,264	2,962
Deferred revenue	37,754	17,956
Rental deposits	<u>3,150</u>	<u>5,850</u>
Net cash provided by operating activities	<u>91,582</u>	<u>111,154</u>
Cash flows from investing activities:		
(Increase) decrease in cash held for investment purposes	105,960	(31,757)
Purchase of investments	(99,045)	(148,086)
Sales or maturities of investments	30,500	15,000
Purchase of property and equipment	<u>(71,528)</u>	<u>(3,425)</u>
Net cash used by investing activities	<u>(34,113)</u>	<u>(168,268)</u>
Cash flows from financing activities:		
Borrowings on line of credit	50,000	
Payments on line of credit	(50,000)	
Contributions restricted for long-term purposes:		
Endowment	20,000	10,000
Exhibits	<u>30,000</u>	<u>72,759</u>
Net cash provided by financing activities	<u>50,000</u>	<u>82,759</u>
Net increase in cash and cash equivalents	107,469	25,645
Cash and cash equivalents, beginning of year	<u>129,282</u>	<u>103,637</u>
Cash and cash equivalents, end of year	<u>\$ 236,751</u>	<u>\$ 129,282</u>
Supplemental disclosures:		
Cash paid for interest	<u>\$ 761</u>	<u>-</u>

See notes to financial statements.

**SANTA BARBARA MARITIME MUSEUM**  
**Notes to the Financial Statements**  
**June 30, 2019**

**Note 1: Organization**

The Santa Barbara Maritime Museum (the “Museum”) purpose is creating quality exhibits and educational experiences that celebrate the Santa Barbara Channel and illuminate our rich connections with the sea and to be the recognized flagship institution for information on the Santa Barbara Channel by showcasing our rich maritime history, presenting inspirational programs, and prompting insightful discussions about the future of our coastal community.

**Note 2 Summary of significant accounting policies**

**Basis of presentation**

The financial statements of the Museum have been prepared in accordance with U.S. generally accepted principles (GAAP). GAAP requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets and changes in net assets are categorized as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. This net asset classification includes amounts designated by the Board for special purposes.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Donor-imposed restrictions may be 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 may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**Cash and cash equivalents**

For financial statement purposes, all investments with maturities of three months or less are considered to be cash and cash equivalents.

**Inventory for resale**

Inventory purchased for resale in the Museum store is stated at the lower of cost (first-in, first out) or net realizable value.

**Property and equipment**

Purchased fixed assets are stated at cost. Donated fixed assets are stated at fair market value as of the date of the gift. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

**Artifact collection**

The Museum maintains a comprehensive maritime artifacts collection. The collection is used for the purposes of exhibition, education, study, research, publication and possible loans to other museums. The Museum recognizes donated collection items as contribution income. The income recognized is measured at the appraised fair market value of the artifact at the date of contribution. When events or changes occur that indicate that the carrying amount of an asset may not be recovered, the Museum reviews that asset for impairment. The Museum will record impairment losses when determined.



**SANTA BARBARA MARITIME MUSEUM**  
**Notes to the Financial Statements**  
**June 30, 2019**

Artifacts are considered inexhaustible and, therefore, are not being depreciated due to their historical value. The Museum's artifacts are held for exhibition to the public, for educational purposes or for research, with the intent of being protected, cared for and preserved. Any proceeds from the deaccessioning of collection items will be reinvested in the acquisition of or the protection, care, and preservation of other artifacts in accordance with a policy of the Museum's Board of Directors.

**Revenue recognition**

Revenue from an exchange transaction is recognized when earned. Fees from education programs or the rentals received in advance, if any, are recorded as deferred revenue and recognized in the applicable period in which the related services are performed. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Tax status**

The Museum is exempt from income taxes except for certain unrelated business income from the retail store operations. In 2019 store expenses exceeded revenues, resulting in no taxable income. Management believes that the tax positions taken are more likely than not to be sustained upon examination. The Museum's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

**Donated services**

A substantial number of unpaid volunteers have made contributions of their time estimated at 4,500 hours (unaudited) to the Museum's development. The value of this contributed time is not reflected in the financial statements since it does not meet the criteria for recognition.

**Advertising**

Advertising costs are expensed when incurred and are included in functional expenses.

**Functional expenses**

The costs of providing the Museum's various programs and supporting services have been summarized on a functional basis in the statement of activities. Certain costs, based upon estimates by management, have been allocated among the programs and supporting services benefited. The estimates by management take into consideration personnel and space utilization.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Recent accounting pronouncement**

**Not-for-profit Financial Statement Presentation**

During 2018, the Museum adopted ASU No.2016-14-*Not for Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. The main provisions of this guidance applicable to the Museum include: presentation of two classes of net assets versus the previously required three; liquidity and availability of financial assets; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, and expenses by both their natural and functional classification.

**SANTA BARBARA MARITIME MUSEUM**  
**Notes to the Financial Statements**  
**June 30, 2019**

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of June 30, 2018 is as follows:

<u>Net Assets classifications</u>	<u>ASU 2016-14 Classifications</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total Net Assets</u>
As previously presented			
Unrestricted	\$ 2,950,247	\$ -	\$2,950,247
Temporarily restricted		407,186	407,186
Permanently restricted		<u>554,402</u>	<u>554,402</u>
Net assets as reclassified	<u>\$ 2,950,247</u>	<u>\$ 961,588</u>	<u>\$3,911,835</u>

**Reclassifications**

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 presentation.

**Note 3: Grants, pledges, and bequests receivable**

These receivables are collectible within one year or less. Management periodically evaluates these receivables and records an allowance for any amounts estimated to be uncollectible. The evaluation is based upon a review of historical collections, current economic conditions, and an assessment of subsequent conditions. Management has determined these receivables are considered 100% collectible; therefore, no provision for uncollectible receivables is needed for the years ended June 30, 2019 and 2018.

**Note 4: Investments**

Investments consist of the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents restricted		
for long-term purposes	\$ 132,274	\$ 238,234
Certificate for deposit	<u>265,357</u>	<u>196,812</u>
	<u>\$ 397,631</u>	<u>\$ 435,046</u>

**Note 5: Interest in charitable remainder trust**

A charitable trust agreement naming the Museum as an irrevocable beneficiary is recorded on the books of the Museum. Since the Museum has not been named the trustee for the charitable remainder trust in which it is named as the remainderman, the trust was recorded as a contribution and an asset equivalent to the present value of the trust assets and estimated future income net of the present value of estimated future payouts to the income beneficiaries.

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Any change in subsequent years in the present value of the estimated future benefits to be received when the trust assets will be distributed is recorded in the statement of activities as a change in value of charitable remainder trust.

Charitable trust agreements are classified as temporarily restricted net assets unless the donor has permanently restricted the Museum's use of its interest in the asset. The donor has specified the assets are to add to the endowment.

The assets are recorded at approximate fair market value based upon the most recent tax return filed by the trust which is available to the Museum or current values provided by the settlor to the Museum. The present value of the estimated future value of assets to be received by the Museum is calculated using the IRS annuity tables and a discount rate based on the Museum's historic risk-free rate of return currently estimated at 5%.

**Note 6: Fair value measurements**

The Museum measures the fair value of financial instruments in accordance with ASC Topic 820, Fair Value Measurements and Disclosures. ASC 820 applies to financial instruments that are measured and reported on a fair value basis. The standard establishes a fair value hierarchy that prioritizes the inputs used to measure fair value as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices in active or inactive markets for the same or similar assets.
- Level 3: Inputs that are unobservable, with valuations based on cash flow models and similar techniques, and not based on market activity.

Level 1 and 2 inputs were not utilized in 2019 or 2018. Assets measured at fair value on a recurring basis as of June 30, 2019 and 2018 are as follows:

	Level 3	
	2019	2018
Interest in charitable remainder trust	\$ 418,736	\$ 409,402

The following is a reconciliation of the beginning and ending balances for assets measured as fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2019 and 2018:

	2019	2018
Level 3 balance at beginning of year	\$ 409,402	\$ 391,732
Change in value of charitable trust	9,334	17,670
Level 3 balance at end of year	\$ 418,736	\$ 409,402

**SANTA BARBARA MARITIME MUSEUM**  
**Notes to the Financial Statements**  
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**Note 7: Property and equipment**

Property and equipment consists of the following:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 535,095	\$ 529,759
Marine vessel exhibits	158,000	158,000
Exhibits	2,617,594	2,551,402
Leasehold improvements	<u>2,177,916</u>	<u>2,177,916</u>
	5,488,605	5,417,077
Less: accumulated depreciation	<u>(3,451,216)</u>	<u>(3,252,377)</u>
	<u>\$2,037,389</u>	<u>\$2,164,700</u>

**Note 8: Prepaid rent**

Prepaid rent represents the amount of base rent paid by the Museum in exercising a buyout option in its lease with the City of Santa Barbara in April 2013. The prepaid amount of \$255,800 is being amortized over the remaining life of the lease at the date of the buyout, or 25.25 years.

**Note 9: Deferred revenue**

Deferred revenue consists of advance payments for use of Museum facilities for events such as weddings and meetings.

**Note 10: Line of credit**

The Museum has a line of credit in the amount of \$150,000 with a bank. The line expires in April 2020 and bears interest at an index of the prime rate plus 1% with a floor of 6.5%. There were no borrowings as of June 30, 2019.

**Note 11: Net assets**

Net assets consist of the following:

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Board designated for:		
Operating reserve	\$ 28,442	\$ 31,113
Undesignated	<u>2,786,089</u>	<u>2,919,134</u>
Total without donor restrictions	2,814,531	2,950,247
With donor restrictions:		
Temporarily restricted:		
For exhibits	195,423	276,704
For education programs	151,955	103,482
Subject to appropriation and spending policy	357	
Subject to passage of time	<u>113,345</u>	<u>27,000</u>
Sub-total	461,080	407,186
Permanently restricted:		
Held in perpetuity	<u>583,736</u>	<u>554,402</u>
Total with donor restrictions	<u>1,044,816</u>	<u>961,588</u>
Total net assets	<u>\$3,859,347</u>	<u>\$3,911,835</u>

**SANTA BARBARA MARITIME MUSEUM**  
**Notes to the Financial Statements**  
**June 30, 2019**

**Note 12 Net assets released from restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

Satisfaction of time restrictions	\$ 26,225
Satisfaction of program restrictions	212,430
For exhibits	<u>169,150</u>
	<u>\$ 407,805</u>

**Note 13: Endowment**

The Museum's endowment consists of funds provided by donors to be invested in perpetuity, the income from which is expendable to support activities of the organization.

**Interpretation of relevant law**

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds. The portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

**Investment policy**

The endowment assets are invested in a manner that is intended to produce results that preserve the gifts while assuming a low level of investment risk.

**Spending policy**

The Museum has a policy of appropriating for distribution endowment earnings when received and available to distribute. Some earnings may be retained at the discretion of the Board of Directors in order to maintain purchasing power of the endowment assets.

Endowment net asset composition by type for the year ended June 30, 2019 is as follows:

	<u>With donor restrictions</u>		
	<u>Investment</u>	<u>Held in</u>	
	<u>Appreciation</u>	<u>Perpetuity</u>	<u>Total</u>
Donor-restricted endowment	<u>\$ 357</u>	<u>\$583,736</u>	<u>\$584,093</u>

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	<u>With donor restrictions</u>		
	<u>Investment</u>	<u>Held in</u>	
	<u>Appreciation</u>	<u>Perpetuity</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$554,402	\$554,402
Interest income	357		357
Donations		20,000	20,000
Change in value of charitable trust		<u>9,334</u>	<u>9,334</u>
Endowment net assets, end of year	<u>\$ 357</u>	<u>\$583,736</u>	<u>\$584,093</u>

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**June 30, 2019**

Funds with deficiencies

From time to time, the fair value of assets associated with the donor-restricted endowment funds may fall below the value of the initial and subsequent gift amounts. In accordance with GAAP, deficiencies of this nature are reported as net assets with donor restrictions. As values recover, the increases are reported as restricted gains. At the reporting date, the Museum had no such declines in values.

**Note 14: Leases**

The Museum has a lease agreement with the City of Santa Barbara for its facilities in the harbor area of Santa Barbara. The lease, which commenced in July 1998, has an initial term of five years and options to extend for seven consecutive five year terms. The rent includes base rent, store rent and percentage rent, as well as common area charges. The base rent was prepaid in April 2013. The store rent at June 30, 2019 was \$1,105 per month and is adjusted annually for increases in the Consumer Price Index. The percentage rent is the amount by which 10% of the gross receipts from the store operations exceeds store rent paid. No percentage rent was paid for the year ended June 30, 2019.

Rent expense for the years ended June 30, 2019 and 2018 was \$95,891 and \$96,582 respectively.

**Note 15: Concentration of credit risk**

Financial instruments which potentially subject the Museum to concentrations of credit risk include cash and equivalents and pledges receivable. The cash and equivalents may, at times, exceed the federally insured limits. The Museum has not experienced any losses in such accounts. Regarding pledges receivable, the Museum performs ongoing evaluations of collectability and writes off uncollectible amounts as they become known.

**Note 16: Concentration in amount of revenue from donors**

In the year ended 2019, approximately 23% of the Museum's total revenue came from donations made by four donors.

**Note 17: Related party transactions**

The Museum has a contract for telecommunications services with monthly payments of approximately \$540. A board member has a family relationship with an individual who has an economic interest in the service provider.

**SANTA BARBARA MARITIME MUSEUM**  
**Notes to the Financial Statements**  
**June 30, 2019**

**Note 18. Financial assets and liquid resources**

Financial assets and liquid resources that are available within one year of June 30, 2019 to fund general expenditures and other obligations as they become due are as follows:

Financial assets:	
Cash and cash equivalents	\$ 102,607
Accounts receivables	29,275
Grants and pledges receivable due within one year	113,345
Board designations:	
Operating reserve	28,442
Payable to restricted funds	<u>(10,177)</u>
Total financial assets available within one year	263,492
Liquidity resources:	
Bank line of credit	<u>150,000</u>
Total financial assets and liquidity resources available within one year	<u>\$ 413,492</u>

The Museum may experience budgetary short-falls due to the unpredictability and timing of the receipt of grants and donations, and the seasonal nature of admissions and rentals. To manage liquidity the Museum maintains an operating reserve in the amount of \$28,442 and a line of credit in amount of \$150,000.

**Note 19: June 30, 2018 fiscal information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles

**Note 20: Subsequent events**

Subsequent events have been evaluated through February 7, 2020, which is the date the financial statements were available to be issued.