

**LOUISIANA
NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF
CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

Audit of Financial Statements

December, 31 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

10/13/10

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Independent Auditor's Report

**Board of Commissioners of the
Louisiana Naval War Memorial Commission**
Department of Culture, Recreation and Tourism
State of Louisiana
305 South River Road
Baton Rouge, Louisiana 70802

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Louisiana Naval War Memorial Commission, a component unit of the State of Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Louisiana Naval War Memorial Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Louisiana Naval War Memorial Commission as of December 31, 2009 and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2010 on our consideration of the Louisiana Naval War Commission'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule and schedule of funding progress for postemployment benefits on pages 3 through 9, 38 and 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Louisiana Naval War Commission's basic financial statements. The accompanying supplementary schedules, as listed in the table of contents (Other Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hienz & Macaluso, LLC

HIENZ & MACALUSO, L.L.C.

Metairie, LA

June 24, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis of the Louisiana Naval War Memorial Commission, Department of Culture, Recreation and Tourism of the State Louisiana (hereafter referred to as the Commission) presents a narrative overview and analysis of the commission's financial activities for the year ended December 31, 2009. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the Commission's financial statements.

Highlights of the Commission as a Whole:

The year 2009 was most notable for the various factors impacting tourism in general and specifically attendance at the USS KIDD. The recession has made many people less likely to make trips. However, in spite of this downturn in tourism statewide, the KIDD saw a drop of only 136 people in overall attendance from 2008. School tour and summer camp attendance was up by approximately 1,700 people and reunion attendance almost doubled from that of 2008. However, Overnight attendance fell by approximately 400 people.

Part of the increase in school tour attendance can be attributed to the fact that we conducted our postcard mail-out in August/September '08 (we had previously skipped the mail-out in 2007 as a cost cutting measure). Due to this increase, we continued the mail-out in August/September '09 (for the upcoming 2010 tour season) and expanded it to include schools in southern and southeastern Mississippi. School tour attendance was compromised somewhat in late April and early May '09 by the outbreak of swine flu when some parents and school administrators cancelled their visits. This also affected Overnight attendance during the busiest part of the year for that program.

The City-Parish of East Baton Rouge maintained the amount of our annual grant at \$224,395, which has helped greatly. In August '09, we applied for a \$5,000 grant from the Lupin Foundation. We were approved for and received a \$2,500 grant instead. The USS RICHARD P. LEARY Reunion Association disbanded in 2009 and voted to donate the funds remaining in their treasury to the KIDD. Additionally, Mr. Riley Etherridge—a destroyer sailor and longtime member of the Foundation—was found to have bequeathed the KIDD as the recipient of his military insurance, which amounted to \$10,000. This was later transferred to the Commission's operating account.

The major projects aboard ship for 2009 were the painting of the starboard side hull and the painting of the smokestacks and mast. A pontoon on our paint raft had developed a leak and sank in February '09. Mr. Z. David Deloach of Delaware Marine had a new pontoon raft built for us and donated it at no charge. They later retrieved the sunken raft for scrapping; again at no charge. A new type of paint was used for this two-year cycle of painting. This paint is an epoxy-type coating specifically designed for maritime environments. While it is more expensive than the previous type used, its design should allow for a longer lifespan: three to five years instead of the previous one to two years. This should result in savings in the long-term. Scaffolding Rental & Erection Service of Port Allen donated over \$30,000 of

scaffolding and labor to allow us to enclose both smokestacks and the mast. The same epoxy maritime paint was used in these difficult-to-reach areas as well.

While rainfall did not impact attendance at the Fourth of July Star-Spangled Celebration—our major fundraiser for the year—in 2009 as it has in previous years, extreme heat had the same effect. Revenue from the event was just \$200 more than that of 2008 in spite of expenses being approximately \$2,000 less.

A major milestone for the Commission in 2009 was successful lobbying to have Legislative Act 415 (1979) changed to allow for the possibility of state funding. Act 415 has previously always legally prevented the museum from receiving state funding, in spite of the organization existing as a state agency. Legislative Act 84 (2009) revised certain line items within Act 415, the major revision removing that funding prohibition. Should another Hurricane Katrina or Hurricane Gustav cause serious damage (physical or monetary) to the museum, the state is now legally allowed to assist us as it did with other state parks and tourist attractions in the wake of past hurricanes and natural disasters.

In addition to our regularly scheduled events each year (April 11th, Memorial Day, July 4th, Patriot Day, Veterans Day, Pearl Harbor Day, Fall Field Day), we had several additional events in 2009. The New Orleans Naval Reserve unit held a CPO Field Day aboard ship in August and the Freedom Walk (cancelled in 2008 due to Hurricane Gustav) returned in September. Congressman Bill Cassidy sponsored Military Service Academy Day in September. In October, Senator David Vitter and the Military Order of the Purple Heart held a Purple Heart Ceremony at the museum, presenting medals to veterans. In November, ExxonMobil celebrated their 100th anniversary at the River Center and having their employees and their families visit the downtown museums. This brought a revenue of \$6,000 in admissions alone for just that one day of visitation. The U.S. Coast Guard erected a permanent memorial to the crew of USCGC WHITE ALDER in December '09 and plan to hold a memorial service here on Pearl Harbor Day each year from now on.

The items listed below highlight certain financial statement amounts as of and for the year ended December 31, 2009:

- Operating revenues for the Commission increased by \$ 17,907 - a 3.90% increase from the prior year.
- Operating expenses for the Commission decreased by \$ 18,835 – approximately 2.03% increase from the prior year.
- Grant funding was increased from the City-Parish of East Baton Rouge in the amount of \$ 1,535 during 2009.

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements, which is comprised of government wide-financial statements, fund financial statements and notes to the financial statements. There is also other supplementary information contained in this report provided for additional information.

These statements include the Louisiana Veterans Memorial Foundation as a component unit. This fund is reported separately as a special revenue fund in the government-wide and fund financial statements. It is separately reported under standards for *non-profit organizations* in the supplementary information section.

Government-wide financial statements

The government-wide financial statements present financial information for all activities of the Commission from an economic resources measurement focus using the accrual basis of accounting. They present governmental activities, such as general government, separately from business-type activities. Government-wide financial statements for governmental activities include the Statement of Net Assets and the Statement of Activities. They provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

Statement of Net Assets.

This statement presents information on all of the Commission's assets and liabilities with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or not.

Statement of Activities.

This statement presents information showing how the Commission's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Commission's financial reliance on general revenues.

Both government-wide financial statements distinguish functions of the Commission that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Commission include activities related to its Foundation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission has two categories of funds: governmental and proprietary funds.

Governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Commission's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Budgetary comparison schedules are included for governmental funds under required supplementary information part II. These schedules indicate the Commission's compliance with its adopted and final revised budgets.

Proprietary funds.

These fund types report services for which fees are charged. The Commission has one proprietary fund classified as an enterprise fund. Enterprise funds encompass the same functions reported as business-type activities in the government-wide statements. For the Commission, this includes the operation of the museum, ship and gift shop.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail.

Notes to the Financial Statements and Other information.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the general-purpose financial statements and accompanying notes, this report also presents certain required supplementary information and other supplementary information including financial statements of the Louisiana Naval War Memorial Foundation.

Financial Analysis of the Commission

The following page presents condensed financial information on the operations of the Commission, with the Foundation broken out separately and total columns for the Commission as a whole (with prior year amounts for comparison):

LOUISIANA STATE DEPARTMENT OF CULTURE, RECREATION AND TOURISM
 STATE OF LOUISIANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 DECEMBER 31, 2009

SUMMARY OF NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	Change	2009	2008	Change
Assets:						
Current and other assets	\$ 116,998	\$ 110,636	\$ 420	\$ 67,717	\$ 68,515	\$ (1,798)
Restricted assets	100	28,158	(50,849)	248	248	-
Capital assets, net	-	-	-	2,422,821	2,527,629	(105,008)
Total Assets	116,698	138,794	(22,128)	2,490,586	2,597,392	(108,806)
Liabilities:						
Current liabilities	-	-	-	39,889	36,888	3,201
Long-term liabilities	-	-	-	223,539	179,670	43,869
Total Liabilities	-	-	-	263,428	216,358	47,070
Net Assets:						
Invested in capital assets, net of related debt	-	-	-	2,422,821	2,527,629	(105,008)
Restricted	100	110,636	(110,536)	248	248	-
Unrestricted	116,998	28,158	88,408	(156,711)	(148,843)	(48,868)
Total Net Assets	116,698	138,794	(22,128)	2,227,158	2,361,034	(153,876)

SUMMARY OF CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	Change	2009	2008	Change
Revenues:						
Charges for services	96,083	49,165	46,898	477,586	463,324	14,242
Operating grants/contributions	-	66,145	(66,145)	222,860	231,325	(8,465)
Capital grants/contributions	-	-	-	-	-	-
Investment & interest earnings	3,938	5,724	(1,786)	-	32	(32)
Total Revenues	100,001	121,034	(21,033)	700,428	694,681	5,745
Expenses:						
General government	12,362	15,353	(3,001)	-	-	-
Endowment	-	80	(80)	-	-	-
Culture/recreation	54,997	55,970	(1,373)	-	-	-
Gift shop	-	-	-	62,875	59,460	3,215
Camp/highlanders	-	-	-	13,667	16,216	(2,549)
Ship/historical center	-	-	-	833,140	852,641	(19,501)
Total Expenses	68,949	71,403	(4,454)	903,482	928,317	(18,835)
Changes in net assets	33,062	49,631	(16,579)	(209,056)	(233,636)	24,580
Transfers	(55,180)	(100,080)	44,880	55,180	100,080	(44,880)
Net assets - beginning, previously	138,794	189,223	(50,429)	2,381,034	2,611,712	(230,678)
Prior period adjustment	-	-	-	(97,102)	-	97,102
Net assets - beginning, as adjusted	138,794	189,223	(50,429)	2,381,034	2,611,712	(230,678)
Net assets - ending	\$ 116,698	\$ 138,794	\$ (22,128)	\$ 2,227,158	\$ 2,361,034	\$ (153,876)

The Commission reported positive balances in net assets for both governmental and business-type activities. Governmental activities reported a decrease in net assets for 2009 in the amount of \$ 22,128, which includes \$ 55,180 transferred to the business-type activities. Business-type activities reported a decrease in net assets in the amount of \$ 153,876. The Commission as a whole reported a decrease in net assets for the year ended December 31, 2009 in the amount of \$ 176,004.

Analysis of Budgeted Amounts

The commission realized approximately \$ 45,566 more in total revenues than budgeted for 2009, mostly due to admissions and other operating revenue. Budgeted amounts for total expenses were approximately \$ 287,734 less than actual due to higher than expected costs for personnel expenses, and repairs and maintenance, and administration.

Capital Assets and Long-Term Debt Administration

Capital Assets

As of December 31, 2009 the Commission had \$ 2,422,621 (net of depreciation) invested in a broad range of capital assets including land, the museum, furniture, equipment and the U.S.S. Kidd (destroyer). During the current year the Commission did not record any new capital acquisitions. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

Long Term Debt

The Commission currently has no long-term debt with the exception of compensated absences in the amount of \$ 28,765 other postemployment benefits of \$194,774.

Economic Factors & Next Year's Budgets:

For 2010, the Commission hopes to see continued recovery in attendance and revenue as tourism in south Louisiana recovers. Efforts continue in cost-cutting and fundraising through donations until such time as tourism throughout the state rebounds.

We plan to reapply for a \$5,000 grant from the Lupin Foundation in 2010. We will also apply for our annual grant from the City-Parish of East Baton Rouge. At this time, the Tin Can Sailors grant program remains in suspension.

Our efforts at designing packages for birthday parties, commissioning ceremonies, reenlistment ceremonies, retirement ceremonies, and building rentals has shown some results, though attendance in these areas remains low. We hope that word-of-mouth will help these programs grow and continue to seek opportunities to advertise them.

In late 2007, we launched *Operation Golden Years* with our Foundation: an effort to raise funds for the KIDD's Endowment Fund for her long-term preservation. This campaign continues indefinitely as the Endowment is the main hope for the KIDD's long-term survival.

Planning and fundraising continues for the acquisition of a UH-1 *Huey* helicopter for an exhibit on the Louisiana National Guard and medical evac units from the Vietnam, Desert Storm, Afghanistan, and Iraq eras. Fundraising for the acquisition of the *Huey* will bring us into contact with more modern-day veterans and servicemen and women and will not only present an opportunity for expanding our Foundation membership, but also our volunteer base. The remodeling will also spur a renovation of our storage areas and our Gift Shop, both of which have not been updated since the late 1980s. This project will be ongoing for the next several years.

In early 2010, we plan to paint the port side of the ship's hull and—with the financial assistance of the Office of the Mayor-President—replace the carpet on the 2nd floor of the museum. A council-wide Girl Scout Overnight is planned for January 2010 and is the first step to reconnecting with the Baton Rouge and New Orleans area councils which had seen a great deal of upheaval in the wake of the hurricanes (due to population shifts in the region).

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances, comply with finance related laws and regulations and demonstrate the Commission's commitment to public accountability. If you have any questions regarding this report, contact Mr. Maury Drummond at 305 South River Road, Baton Rouge, Louisiana 70808 (225-342-1942).

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 16,566	\$ 22,919	\$ 39,485
Investments	100,000	-	100,000
Inventory, at cost	-	15,094	15,094
Accounts receivable, net	-	9,611	9,611
Prepaid expenses	-	20,093	20,093
Restricted cash and cash equivalents:			
Special projects/programs	100	248	348
Capital assets, net	-	2,422,621	2,422,621
Total Assets	\$ 116,666	\$ 2,490,586	\$ 2,607,252
Liabilities:			
Accounts payable and accruals	\$ -	\$ 30,206	\$ 30,206
Deferred revenue	-	9,683	9,683
Compensated absences payable	-	28,765	28,765
Other Post-Employment Benefits	-	194,774	194,774
Total Liabilities	-	263,428	263,428
Net Assets:			
Invested in capital assets, net of related debt		2,422,621	2,422,621
Restricted for:			
Special projects/programs	100	-	100
Endowment	-	248	248
Unrestricted	116,566	(195,711)	(79,145)
Total Net Assets	\$ 116,666	\$ 2,227,158	\$ 2,343,824

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2009**

Function/Programs	Program revenues				Net revenues (expenses)		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 12,352	\$ 48,838	\$ -	\$ -	\$ 36,486	\$ -	\$ 36,486
Culture/recreation	54,597	47,225	-	-	(7,372)	-	(7,372)
Total governmental activities	66,949	96,063	-	-	29,114	-	29,114
Business-type Activities:							
Gift shop	62,675	137,523	-	-	-	74,848	74,848
Camping/reunions	13,667	97,863	-	-	-	84,196	84,196
Ship/nautical center	833,140	242,180	222,860	-	-	(368,100)	(368,100)
Total business-type activities	909,482	477,566	222,860	-	-	(209,056)	(209,056)
Total primary government	976,431	573,629	222,860	-	29,114	(209,056)	(179,942)
General revenues and transfers:							
Interest earnings					3,938	-	3,938
Transfers					(55,180)	55,180	-
Total general revenues and transfers					(51,242)	55,180	3,938
Change in net assets					(22,128)	(153,876)	(176,004)
Net assets - beginning					138,794	2,381,034	2,519,828
Net assets - ending					\$ 116,666	\$ 2,227,158	\$ 2,343,824

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

SPECIAL REVENUE FUND

Assets and other debits:

Cash and cash equivalents	\$	16,566
Investments		100,000
Restricted cash and cash equivalents:		
Special projects/programs		100
Restricted investment - endowment		-
Total assets and other debits		116,666

Liabilities, equity and other credits:

Liabilities:

Accounts payable and accruals		-
Total Liabilities		-

Equity and other credits:

Fund Balances:		
Restricted for:		
Special projects/programs		100
Endowment		-
Unrestricted/undesignated		116,566
Total equity and other credits		116,666
Total liabilities, equity and other credits	\$	116,666

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

Total fund balances - total governmental funds	\$ 116,666
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

There were no activities during the year that
were reported differently in preparing the
government wide financial statements.

Total net assets - governmental activities	<u>\$ 116,666</u>
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The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

SPECIAL REVENUE FUND

Revenues:

Memberships	\$ 48,838
Special projects/programs	47,225
Interest earned	3,938
Total Revenues	<u>100,001</u>

Expenses:

Endowment expenses	
Office expenses	461
Postage & printing	8,234
Professional Services	3,657
Special projects/programs	54,597
Total Expenses	<u>66,949</u>
Excess revenue over expenditures	<u>33,052</u>

Other financing sources (uses):

Operating transfers out	<u>(55,180)</u>
Excess or deficit	(22,128)
Fund balances - beginning of period	<u>138,794</u>
Fund balances - end of period	<u>\$ 116,666</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Net change in fund balances - total governmental funds	\$ (22,128)
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Amounts reported for governmental activities in the
Statement of Activities are different because:

There were no activities during the year that
were reported differently in preparing the
government wide financial statements.

Change in net assets - governmental activities	<u>\$ (22,128)</u>
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The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2009**

Assets:

Current Assets:

Cash and cash equivalents	\$ 22,919
Inventory, at cost	15,094
Accounts receivable, net	9,611
Prepaid Insurance	20,093
Restricted cash and cash equivalents:	
Special projects/programs	248
Total current assets	<u>67,965</u>

Noncurrent Assets:

Capital assets, net	<u>2,422,621</u>
Total noncurrent assets:	<u>2,422,621</u>

Total assets and other debits	<u><u>\$ 2,490,586</u></u>
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Liabilities and net assets:

Current Liabilities:

Accounts payable and accruals	\$ 30,206
Deferred revenues	9,683
Total current liabilities	<u>39,889</u>

Non Current Liabilities:

Compensated absences payable	28,765
Other Post-Employment Benefits	194,774
Total noncurrent liabilities	<u>223,539</u>

Total liabilities	<u>263,428</u>
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Net Assets:

Invested in capital assets, net of related debt	2,422,621
Restricted for:	
Special projects/programs	248
Unrestricted	(195,711)
Total net assets	<u>2,227,158</u>

Total liabilities and net assets	<u><u>\$ 2,490,586</u></u>
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The accompanying notes are an integral part of this statement.

**LOUISIANA WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

ENTERPRISE FUND

Operating Revenues:	
Admissions	\$ 197,615
Sales	137,523
Programs	97,863
Other operating revenues	44,565
Total Operating Revenues	<u>477,566</u>
Operating Expenses:	
Salaries and related benefits	499,551
Purchases	61,530
Administrative	102,864
Maintenance & supplies	107,265
Programs	20,218
Special events	13,046
Depreciation	105,008
Total Operating Expenses	<u>909,482</u>
Operating income (loss)	<u>(431,916)</u>
Non-operating revenues (expenses):	
Grant proceeds	222,860
Total non-operating revenues (expenses)	<u>222,860</u>
Income (loss) before operating transfers	<u>(209,056)</u>
Operating transfers:	
Operating transfers in (out)	<u>55,180</u>
Excess or (deficit)	(153,876)
Net assets - beginning	<u>2,381,034</u>
Net assets - ending	<u>\$ 2,227,158</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

ENTERPRISE FUND

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 473,677
Cash paid to employees for services	(448,721)
Cash paid to suppliers for goods and services	(313,691)
Net cash provided (used) for operating activities	<u>(288,735)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Grants received	222,860
Transfers	55,180
Net cash provided (used) by non-capital financing activities	<u>278,040</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received	<u> </u>
Net cash provided (used) for financing activities	<u> </u>
Net increase (decrease) in cash and cash equivalents	(10,695)
Cash and cash equivalents - beginning of the year	<u>33,862</u>
Cash and cash equivalents - end of the year	<u>\$ 23,167</u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED FOR OPERATING ACTIVITIES:**

Operating loss	\$ (431,916)
Adjustments to reconcile operating loss to net cash provided (used) for operating activities:	
Depreciation	105,008
(Increase) decrease in assets:	
Inventory	6,137
Prepaid insurance	(6,812)
Accounts receivable	(8,222)
Increase (decrease) in liabilities:	
Accounts payable	(1,132)
Other postemployment benefits payable	45,470
Compensated absences	(1,601)
Deferred revenue	4,333
Net cash provided (used) for operating activities	<u>\$ (288,735)</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
PROPRIETARY FUNDS
DECEMBER 31, 2009**

INTRODUCTION

The Louisiana Naval War Memorial Commission (the Commission) is a component unit of the State of Louisiana, created within the Louisiana Department of Culture, Recreation and Tourism, as provided by Louisiana Revised Statute 25:1000:1003. The Commission is composed of 17 members, one of whom is the Secretary of the Department of Culture, Recreation and Tourism or his designee, the Director of Veterans Affairs and 15 members appointed by the Governor. The commissioners are not paid for their service.

The Commission was given the authority to acquire, transport, berth, renovate, equip, operate, maintain and exhibit the destroyer U.S.S. Kidd and other property acquired for use as a permanent public naval and marine corps memorial and any improvements and exhibits located thereon and any additions constructed, created, leased, acquired or erected in connection herewith. The U.S.S. Kidd and museum are located in Baton Rouge, Louisiana. The Commission's primary revenues include admission fees, gift shop sales and grants.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Commission conforms to generally accepted accounting principles (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

In June 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*". The implementation of this statement has created additional statements, schedules, reports, and note disclosures as follows:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the overall financial position and results of operations.
- Financial Statements are prepared using the full accrual accounting methods:
 - Depreciation is recorded on depreciable assets and property and equipment (including infrastructure) is recorded net of accumulated depreciation.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The basic financial statements include Government-Wide Statements and Fund Financial Statements, as explained in the following note disclosures:

The following is a summary of certain significant accounting policies:

Financial Reporting Entity:

GASB *Codification of Governmental Accounting and Financial Reporting Standards* Section 2100 established criteria for determining which component units should be considered part of the reporting entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the State to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State.
2. Organizations for which the State does not appoint a voting majority but are fiscally dependent on the State.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the State of Louisiana, via the Governor, appoints the majority of the members of the Louisiana Naval War Memorial Commission's governing board and therefore has the ability to impose its will on the Commission, the Commission was determined to be a component unit of the State of Louisiana. The accompanying financial statements present the transactions of the Louisiana Naval War Memorial Commission and its blended component unit, the Louisiana Veterans Memorial Foundation (the Foundation), as required by generally accepted accounting principles. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the State of Louisiana, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

Policies specific to the government-wide financial statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations): Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Reporting of governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Assets used in operations with an initial useful life that extends beyond one year are capitalized. Buildings, equipment, furniture and fixtures and infrastructure (including the USS

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Kidd destroyer) are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements or construction in progress. Capital assets are reported net of accumulated depreciation in the Statements of Net Assets.

Using the requirements of GASB Codification Section 1400, the Commission is considered a Phase 3 government as its total annual revenues are less than \$ 10 million. Such governments are not required to report major general infrastructure assets retroactively. The Commission has opted not to retroactively report these types of capital assets.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. The Commission did not receive any capital grants or contributions.

Charges for services – are revenues from exchanges or exchange like transactions with external parties that purchase, use or directly benefit from goods, services, or privileges provided by the Commission.

Operating grants and contributions – are resources that are restricted for operating purposes of a program. They include grants and contributions with restrictions that permit the resources to be used for operating expenses or capital expenditures of the program at the recipient government's discretion.

Capital grants and contributions – consist of capital assets or resources that are restricted for capital purposes – to purchase, construct, or renovate capital assets associated with a specific program.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Commission has chosen not to do so.

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STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Commission's operation of the ship and nautical center are considered operation revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing are reported as non-operating revenues.

Restricted Net Assets

Restricted net assets are those for which a constraint has been imposed either externally or by law. The Commission recognized the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purpose for which they may or may not be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

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STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Commission reports the following major governmental funds:

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally reserved to expenditures of specific purposes.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which together with the maintenance of equity, is an important financial indicator.

The Commission reports the following major proprietary funds:

Enterprise Fund

Enterprise funds account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon thereafter to be used to pay the liabilities of the current fiscal year. For the Commission, available means expected to be

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

received within thirty-one days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the Commission receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements including timing requirements, which specify the year when resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Commission must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expenses/Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Other Financing Sources (Uses)

In governmental fund accounting, transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses). In those cases where repayment is expected, the advances are accounted for through the various "due from" and "due to" accounts. These amounts are eliminated in the government-wide financial statements.

Capital Assets:

Property and Equipment are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. All items purchased or donated that are valued above \$ 1,000 are capitalized. Infrastructure as listed below includes the USS KIDD destroyer.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

<u>Asset</u>	<u>Years</u>
Vehicles	7-10
Equipment	4-10
Furniture and Fixtures	5-7
Buildings	40
Infrastructure	40-50

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$ 10 million. As a result of this exception, the Commission has elected to not report its governmental infrastructure retroactively. From this point forward, the Commission will use the basic approach to infrastructure reporting for its governmental activities when applicable.

Under GASB Statement No. 34 the government-wide financial statements and the fund financial statements do not include the General Fixed Asset Account Group.

Long-Term Obligations:

In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. The Commission has no long term obligations other than compensated absences and other postemployment benefits.

Under GASB Statement No. 34 the government-wide financial statements and the fund financial statements do not include the General Long Term Debt Account Group.

Budget Practices:

The Commission adopts an annual budget for all of its funds. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the Board. Budgeted amounts shown are as originally

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

adopted and as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

Encumbrances:

Encumbrance accounting is not utilized by the Commission.

Cash, Cash Equivalents and Investments:

Cash and cash equivalents include demand deposits in banks and the State Treasury. The caption "cash in banks" on the Statement of Net Assets includes all cash on deposit at banks, including certificates of deposit with an original maturity of less than 90 days. If the original maturity exceeds 90 days they are classified at investments.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana.

Louisiana state law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision.

Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The market value of the demand deposits and certificates of deposit is equal to their cost (face value of the certificate).

Compensated Absences:

Employees accumulate annual and sick leave at various rates based on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay. The liability for leave privileges at December 31, 2009 is estimated to be \$ 28,765 which is recorded as a liability in the government-wide financial statements.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates:

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

Inventory:

Inventory is stated at cost (first-in, first-out) and is maintained through utilization of a perpetual system. A physical count is made at the end of each year. Any adjustments to ending inventory valuation are investigated and the appropriate adjustment is made.

Restricted Assets:

Certain proceeds of enterprise funds and special revenue funds are recorded as restricted because their use is limited (or restricted) by the donor.

Prepaid Items:

Prepaid items consist of payments made in advance for future expenditures.

Deferred Revenue:

Deferred revenue consists of amounts received in advance from customers for the overnight camping program. These amounts will be reclassified as program revenues after the Commission has provided the contracted service.

Interfund Transactions:

All interfund transactions except quasi-external transactions are reported as operating transfers. These are eliminated in the government-wide financial statements.

Net Assets/Fund Balances:

In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

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DEPARTMENT OF CULTURE, RECREATION AND TOURISM
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Invested in Capital Assets, Net of Related Debt* – This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvements of capital assets.
- *Restricted Net Assets* – This category includes net assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.
- *Unrestricted Net Assets* – This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance sheet of governmental funds, fund balances are segregated as follows:

- *Restricted Fund Balances* – These resources are segregated because their use is earmarked for a specific purpose.
- *Unrestricted/undesignated Fund Balances* – This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

NOTE 2. JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

The Commission is not aware of any litigation requiring disclosure or accrual in the financial statements.

The Commission is in a dispute with the State of Louisiana Division of Administration, Office of Risk Management over outstanding invoices. These invoices as reported on the Office of Risk Management Statement are for years ending 1997, 2000, 2001 and 2002 and amount to a total of \$ 21,008. The Commission contends that a prior arrangement was made with the former Commissioner of the Division of Administration regarding premium reductions for the years in question. The Commission believes that once communication is established between the Office of Risk Management and the appropriate individuals with the State of Louisiana Division of Administration this will be resolved in the Commission's favor. No amounts related to this dispute have been recorded in financial statements for the year ended December 31, 2009.

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STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2. JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES (Continued)

The Commission was billed \$ 15,315, \$ 19,162, \$ 17,665 and \$ 27,603 in 2006, 2007, 2008 and 2009 respectively for a "Katrina Assessment". This is also being disputed. The disputed amount of \$15,315 was recorded in the financial statements at December 31, 2006 and remains a payable at December 31, 2009.

NOTE 3. PENSION PLAN

All employees of the Commission are members of the Federal Social Security System in which they contribute 7.65% of their gross salaries and the Commission matches their contribution. Contributions made by the Commission to the Federal Social Security System were \$ 27,946, \$ 26,781, and 25,935 for the years ended December 31, 2009, 2008 and 2007 respectively.

Full time employees are also eligible to participate in the Louisiana Deferred Compensation Program adopted under the provisions of Internal Revenue Code Section 457. Through this plan, employees voluntarily contribute a percentage of their salary while the Commission matches it up to the first 5% of gross salaries. The benefit cost to the Commission was \$ 15,298, \$ 12,090, and \$ 12,266 for the years ended December 31, 2009, 2008 and 2007 respectively.

NOTE 4. PER DIEM PAID BOARD MEMBERS

The Commission members are not paid for their services.

NOTE 5. RELATED PARTY TRANSACTIONS

The Commission is not aware of any related party transactions for the year ended December 31, 2009. The Commission's policy is to not engage in any related party transactions.

NOTE 6. CAPITAL ASSETS

The Commission reports capital assets at historical cost in its enterprise fund (business-type activities). The following changes in capital assets were reported for the year ended December 31, 2009:

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	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009
<u>Capital Assets not being depreciated:</u>				
Land	\$ 268,500	\$ -	\$ -	\$ 268,500
Total capital assets not being depreciated	<u>268,500</u>	<u>-</u>	<u>-</u>	<u>268,500</u>
<u>Capital Assets being depreciated:</u>				
U.S.S. KIDD (destroyer)	1,905,725	-	-	1,905,725
Museum	2,805,696	-	-	2,805,696
Furniture and equipment	91,943	-	-	91,943
Total capital assets being depreciated	<u>4,803,364</u>	<u>-</u>	<u>-</u>	<u>4,803,364</u>
<u>Accumulated Depreciation:</u>				
	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009
U.S.S. KIDD (destroyer)	1,058,737	42,350	-	1,101,087
Museum	1,398,856	62,085	-	1,460,941
Furniture and equipment	86,642	573	-	87,215
Total accumulated depreciation	<u>2,544,235</u>	<u>105,008</u>	<u>-</u>	<u>2,649,243</u>
Total capital assets being depreciated, net	<u>2,259,129</u>	<u>(105,008)</u>	<u>-</u>	<u>2,154,121</u>
Total capital assets, net	\$ <u>2,527,629</u>	\$ <u>(105,008)</u>	\$ <u>-</u>	\$ <u>2,422,621</u>

Depreciation expense was recorded in the amount of \$ 105,008 for the year ended December 31, 2009. There were no new capital assets placed in service during 2009.

NOTE 7. LONG-TERM OBLIGATIONS

The Commission has no outstanding debt as of December 31, 2009. The Commission's only long-term obligations consist of compensated absences and other postemployment benefits.

Changes in Long-Term Liabilities

A summary of changes in long-term liabilities follows:

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	<u>1/1/2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2009</u>	<u>Amounts due within one year</u>
Other Post-Employment Benefits	\$ 149,304	\$ 53,400	\$ (7,930)	\$ 194,774	
Compensated Absences	\$ 30,366	\$ 6,364	\$ (7,965)	\$ 28,765	\$ -
	<u>\$ 179,670</u>	<u>\$ 59,764</u>	<u>\$ (15,895)</u>	<u>\$ 223,539</u>	<u>\$ -</u>

NOTE 8. CASH AND INVESTMENTS

Cash and cash equivalents:

The carrying amounts of the Commission's deposits are as follows for the year ended December 31, 2009:

Special Revenue Fund:

Interest bearing demand deposits	\$ 100
Money market savings	<u>16,566</u>
Total special revenue fund	<u>\$ 16,666</u>

Enterprise fund:

Demand deposits	\$ 20,467
Petty cash	<u>2,700</u>
Total enterprise fund	<u>\$ 23,167</u>

Cash and cash equivalents are stated at cost, which approximates market.

Under State law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Codification *Cash Deposits with Financial Institutions*, Section C50, only requires disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either:

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NOTE 8. CASH AND INVESTMENTS - continued

- 1) uninsured and uncollateralized,
- 2) uninsured and collateralized with securities held by the pledging financial institution or
- 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name

At December 31, 2009, the Commission had \$ 97,613 deposits, (collected bank balances), of which all are fully insured by federal deposit insurance.

At December 31, 2009, the Foundation (Special revenue fund) had \$ 5,918 in deposits, (collected bank balances), which are fully insured by federal deposit insurance.

At December 31, 2009, the Commission (Enterprise fund) had \$ 91,695 in deposits, (collected bank balances), which are fully insured by federal deposit insurance.

Investments (Certificates of Deposit):

At December 31, 2009 all "investments" reported in the Commission's financial statements are included in its special revenue fund.

At December 31, 2009 the Foundation held "investments", which are certificates of deposit at a financial institutions located in the Baton Rouge area. The certificates of deposits are located at Regions Bank and consist of four (4) separate certificates in the amount of \$ 25,000 each for a total of \$ 100,000 – these are insured by federal deposit insurance up to the amounts allowed as discussed in the preceding paragraphs. Interest rates range between 3% and 5% percent. The fair value and cost of each are equal to the each investment's carrying amount of \$ 100,000.

NOTE 9. DEFERRED REVENUE

For business-type activities, amounts received in advance from customers for the overnight camping program have been recorded as deferred revenue. The Commission will recognize revenue from these customers when services have been performed as contractually obligated. The total amount recorded as deferred revenue at December 31, 2009 is \$ 9,683.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 10. COOPERATIVE ENDEAVOR AGREEMENT

The Commission has signed a Cooperative Endeavor Agreement with its blended component unit, the Louisiana Veterans' War Memorial Foundation (the Foundation). Under this agreement the Foundation remits \$ 750 per month to the Commission for re-imbursment of expenses used to operate the Foundation. These amounts are recorded as transfers in the financial statements.

NOTE 11. ACCOUNTS RECEIVABLE

The Commission has recorded accounts receivable as of December 31, 2009 in the amount of \$ 9,611. This entire amount is recorded in the enterprise fund and is related to fees for admissions.

NOTE 12. ACCOUNTS PAYABLE

The Commission has recorded accounts payable as of December 31, 2009 in the following amounts:

<u>Special Revenue Fund:</u>	
Accounts payable - special revenue fund	\$ <u>0.00</u>
 <u>Enterprise fund:</u>	
Accounts payable	\$ 25,439
Sales taxes	380
Withholding and payroll taxes	<u>4,387</u>
Total enterprise fund	\$ <u>30,206</u>

NOTE 13. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan description

Louisiana State employees may participate in the State's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan (for FY 2009) that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The Office of Group Benefits administers the plan. LRS 42:801-883 provides the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 13. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS-continued

a publicly available financial report of the OPEB Plan; however, it is included in Louisiana Comprehensive Annual Financial Report (CAFR).

You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The plan is currently financed on a pay-as-you-go basis. The contribution requirements of plan members and the Louisiana Naval War Memorial Commission are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage.

Annual OPEB Cost

The Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period was used. For 2009, the Commission's annual other postemployment benefit (OPEB) cost of \$ 53,400 consisted of the following: (ARC \$ 53,100 plus interest of \$ 6,000 less ARC adjustment of \$ 5,700. The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for December 31, 2009, 2008 and 2007 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2007	\$ 107,600	9.75%	\$ 97,102
12/31/2008	\$ 62,700	16.74%	\$ 149,304
12/31/2009	\$ 53,400	14.85%	\$ 194,774

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009, was as follows (in thousands):

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

**NOTE 13. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS-
continued**

Actuarial accrued liability (AAL)	\$ 562,400
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	562,400
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employee covered by the plan)	\$ 199,300
UAAL as a percentage of covered payroll	282%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.0% and 9.1% for pre-Medicare and Medicare eligible's, respectively, scaling down to ultimate rates of 5% per year. The Levee District's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at December 31, 2009, was twenty-seven years.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 24, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 15. STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS

For purposes of the statement of cash flows of proprietary fund types, all highly liquid investments, including restricted assets, with an original maturity of three months or less are considered cash equivalents. The cash and cash equivalents as stated on the Statement of Cash Flows at December 31, 2009 are as follows:

Unrestricted cash and cash equivalents	\$ 22,919
Restricted cash and cash equivalents	<u>248</u>
Total cash for cash flow statement	<u>\$ 23,167</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART II

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
REQUIRED SUPPLEMENTAL INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES				
Memberships	\$ 50,000	\$ 50,000	\$ 48,838	\$ (1,162)
Special projects/programs	30,000	30,000	47,225	17,225
Endowment revenues	-	-	-	-
Investment earnings & Interest	3,160	3,160	3,938	778
Total Revenues	<u>83,160</u>	<u>83,160</u>	<u>100,001</u>	<u>16,841</u>
EXPENDITURES				
Endowment expenses	-	-	-	-
Office expense	122	122	461	(339)
Postage and printing	4,500	4,500	8,234	(3,734)
Professional fees	3,957	3,957	3,657	300
Special projects/programs	42,000	42,000	54,597	(12,597)
Miscellaneous	-	-	-	-
Total Expenditures	<u>50,579</u>	<u>50,579</u>	<u>66,949</u>	<u>(16,370)</u>
Excess of revenues over expenditures	<u>32,581</u>	<u>32,581</u>	<u>33,052</u>	<u>471</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	<u>(72,000)</u>	<u>(72,000)</u>	<u>(55,180)</u>	<u>16,820</u>
Total other financing sources (uses)	<u>(72,000)</u>	<u>(72,000)</u>	<u>(55,180)</u>	<u>16,820</u>
Excess of revenues and other financing sources over expenses and other financing uses	<u>(39,419)</u>	<u>(39,419)</u>	<u>(22,128)</u>	<u>17,291</u>
Fund balances - beginning of year	<u>141,683</u>	<u>141,683</u>	<u>138,794</u>	<u>2,889</u>
Fund balances - end of year	<u>\$ 102,264</u>	<u>\$ 102,264</u>	<u>\$ 116,666</u>	<u>\$ 20,180</u>

See Auditor's Report

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
REQUIRED SUPPLEMENTAL INFORMATION – PART II
SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAAL as a Percentage of Covered Payroll
7/1/2007	\$ 0	\$ 1,278,800	\$ 1,278,800	0.00%	\$ 240,173	532.44%
7/1/2008	\$ 0	\$ 771,300	\$ 771,300	0.00%	\$ 211,600	364.50%
7/1/2009	\$ 0	\$ 562,400	\$ 562,400	0.00%	\$ 199,300	282.19%

OTHER SUPPLEMENTARY INFORMATION



**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***

**Board of Commissioners of the
Louisiana Naval War Memorial Commission
Department of Culture, Recreation and Tourism
State of Louisiana
305 South River Road
Baton Rouge, Louisiana 70802**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Louisiana Naval War Memorial Commission (the Commission), a component unit of the state of Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Commission and its management, the audit committee, the Legislative Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC

HIENZ & MACALUSO, LLC

Metairie, LA

June 24, 2010

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

We have audited the basic financial statements of the Louisiana Naval War Memorial Commission (the "Commission") as of and for the year ended December 31, 2009, and have issued our report thereon dated June 24, 2010. We conducted our audit 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. Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements:

Internal Control:

Material Weakness - **NO**
Significant deficiency - **NO**

Compliance:

Compliance Material to the Financial Statements - **NO**

b. Federal Awards:

The Commission received no federal awards for the year ended December 31, 2009.

Section II - Financial Statement Findings

There were no findings related to the financial statements.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

Section IV - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2009.

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Section I – Internal Control and Compliance Material to the Financial Statements

None noted.

Section II – Internal Control and Compliance Material to Federal Awards

The Commission received no federal awards for the year ended December 31, 2008.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2008.

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2009**

Section I – Internal Control and Compliance Material to the Financial Statements

There were no findings related to internal control and compliance material to the financial statements for the year ended December 31, 2009.

Section II – Internal Control and Compliance Material to Federal Awards

The Commission received no federal awards for the year ended December 31, 2009.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2009.

LOUISIANA VETERANS MEMORIAL FOUNDATION

When a component unit is blended, it becomes a special revenue fund of the primary unit. Such is the presentation of the Louisiana Veterans Memorial Foundation in the accompanying financial statements prepared under generally accepted governmental accounting principles. The following statements of the Foundation have been prepared using principles set forth in FASB Statement No. 117 applicable to not-for-profit organizations. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

**LOUISIANA VETERANS MEMORIAL FOUNDATION
OTHER SUPPLEMENTARY INFORMATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009**

Assets:

Cash and cash equivalents	\$ 16,566
Investments	100,000
Restricted cash and cash equivalents:	
Special projects/programs	100
Restricted investment - endowment	-
Total assets	\$ <u>116,666</u>

Liabilities and net assets:

Liabilities:

Accounts payable and accruals	\$ -
Total liabilities	<u>-</u>

Net Assets:

Temporarily restricted for:	
Special projects/programs	\$ 100
Permanently restricted	-
Unrestricted	110,566
Total net assets	<u>110,666</u>
Total liabilities and net assets	\$ <u>110,666</u>

See auditor's report

**LOUISIANA VETERANS MEMORIAL FOUNDATION
OTHER SUPPLEMENTARY INFORMATION
STATEMENT OF ACTIVITIES
DECEMBER 31, 2009**

Unrestricted net assets:	
Support:	
Memberships	\$ 48,838
Interest earned	<u>3,938</u>
Total unrestricted support	52,776
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>47,225</u>
Total unrestricted support and reclassifications	100,001
Expenses:	
Program services:	
Activities	62,798
Communications	8,234
Supporting services:	
Management and general	4,118
Fund-raising	<u>46,979</u>
Total expenses	<u>122,129</u>
Increase (Decrease) in unrestricted net assets	(22,128)
Temporarily restricted net assets:	
Support from the 4th of July and Field Day	47,225
Net assets released from restrictions	<u>(47,225)</u>
Increase (decrease) in temporarily restricted net assets	-
Permanently restricted net assets:	
Investment earnings, net of charges	<u>-</u>
Increase (decrease) in permanently restricted net assets	<u>-</u>
Change in net assets	(22,128)
Net assets - beginning of the year	<u>138,794</u>
Net assets - end of the year	<u>\$ 116,666</u>

See auditor's report

LOUISIANA VETERANS MEMORIAL FOUNDATION
OTHER SUPPLEMENTARY INFORMATION
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2009

	Activities	Communications	Management & General	Fund-raising	Total
Fourth of July	\$ -	\$ -	\$ -	\$ 46,979	\$ 46,979
Printing	-	8,234	-	-	8,234
Audit and accounting	-	-	3,657	-	3,657
Consulting	-	-	-	-	-
Office	-	-	461	-	461
Museum/Ship	62,798	-	-	-	62,798
Total expenses	\$ 62,798	\$ 8,234	\$ 4,118	\$ 46,979	\$ 122,129

**LOUISIANA VETERANS MEMORIAL FOUNDATION
OTHER SUPPLEMENTARY INFORMATION
STATEMENT OF CASH FLOWS
DECEMBER 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$	48,838
Cash received from fund-raising		47,225
Cash received for interest, net		3,938
Cash paid to suppliers for goods and services		<u>(66,949)</u>
Net cash provided (used) for operating activities		33,052

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Cash paid for memorial		<u>(55,180)</u>
Net cash used by non-capital financing activities		(55,180)

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash received for certificate of deposit		<u>28,153</u>
Net cash provided (used) for investing activities		<u>28,153</u>
Net increase (decrease) in cash and cash equivalents		6,025
Cash and cash equivalents - beginning of the year		<u>10,641</u>
Cash and cash equivalents - end of the year	\$	<u><u>16,666</u></u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
USED FOR OPERATING ACTIVITIES:**

Operating income (loss)	\$	33,052
Adjustments to reconcile operating loss to net cash provided (used) for operating activities:		
Increase (decrease) in liabilities:		
Net cash provided (used) for operating activities	\$	<u><u>33,052</u></u>

See auditor's report.

**REPORTING PACKET – DIVISION OF ADMINISTRATION, OFFICE OF
STATEWIDE REPORTING AND ACCOUNTING POLICY**

ANNUAL FINANCIAL REPORT

As a component unit of the State of Louisiana, the financial statements of the Louisiana Naval War Memorial Commission are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. For purposes of these statements, the Commission and the Foundation will be reported as one entity.

LA NAVAL WAR MEMORIAL COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2009

C O N T E N T S

AFFIDAVIT

Statements

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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending December 31, 2009

LA NAVAL WAR MEMORIAL COMMISSION
305 SOUTH RIVER ROAD
BATON ROUGE, LA 70808

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

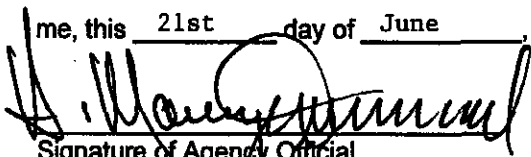
Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802


Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Maury Drummond, Executive Director of the Louisiana Naval War Memorial Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Naval War Memorial Commission at December 31, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before

me, this 21st day of June, 2010.


Signature of Agency Official
H. Maury Drummond


NOTARY PUBLIC
Sharon C. Ragusa #39606
Lifetime Commission

Prepared by: HIENZ & MACALUSO, CPA'S

Title: INDEPENDENT AUDITOR

Telephone No.: 504) 837-5434

Date: JUNE 18, 2010

**STATE OF LOUISIANA
LA NAVAL WAR MEMORIAL COMMISSION (BTA)
BALANCE SHEET
AS OF DECEMBER 31, 2009**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	<u>39,485</u>
Investments		<u>100,000</u>
Receivables (net of allowance for doubtful accounts)(Note U)		<u>9,611</u>
Due from other funds (Note Y)		
Due from federal government		
Inventories		<u>15,094</u>
Prepayments		<u>20,093</u>
Notes receivable		
Other current assets		
Total current assets		<u>184,283</u>

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		<u>348</u>
Investments		
Receivables		
Investments		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		<u>268,500</u>
Buildings and improvements		<u>1,344,755</u>
Machinery and equipment		<u>4,728</u>
U.S.S. KIDD (destroyer)		<u>804,638</u>
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		<u>2,422,969</u>
Total assets	\$	<u>2,607,252</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	<u>30,206</u>
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		<u>9,683</u>
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>39,889</u>

NONCURRENT LIABILITIES: (Note K)

Contracts payable		
Compensated absences payable		<u>28,765</u>
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Bonds payable		
OPEB payable		<u>194,774</u>
Other long-term liabilities		
Total noncurrent liabilities		<u>223,539</u>
Total liabilities		<u>263,428</u>

NET ASSETS

Invested in capital assets, net of related debt		<u>2,422,621</u>
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		<u>348</u>
Unrestricted		<u>(79,145)</u>
Total net assets		<u>2,343,824</u>
Total liabilities and net assets	\$	<u>2,607,252</u>

The accompanying notes are an integral part of this financial statement.

Statement A

**STATE OF LOUISIANA
LA NAVAL WAR MEMORIAL COMMISSION (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

OPERATING REVENUES	
Sales of commodities and services	\$ 573,629
Assessments	<u>3,938</u>
Use of money and property	<u> </u>
Licenses, permits, and fees	<u> </u>
Other	<u> </u>
Total operating revenues	<u>577,567</u>
OPERATING EXPENSES	
Cost of sales and services	<u>871,423</u>
Administrative	<u> </u>
Depreciation	<u>105,008</u>
Amortization	<u> </u>
Total operating expenses	<u>976,431</u>
Operating income(loss)	<u>(398,864)</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	<u> </u>
Intergovernmental revenues(expenses)	<u> </u>
Taxes	<u> </u>
Use of money and property	<u> </u>
Operating grants and contributions	<u>222,860</u>
Federal grants	<u> </u>
Interest expense	<u> </u>
Other revenue	<u> </u>
Other expense	<u> </u>
Total non-operating revenues(expenses)	<u>222,860</u>
Income(loss) before contributions, extraordinary items, & transfers	<u>(176,004)</u>
Capital contributions	<u> </u>
Extraordinary item - Loss on impairment of capital assets	<u> </u>
Transfers in	<u> </u>
Transfers out	<u> </u>
Change in net assets	<u>(176,004)</u>
Total net assets – beginning , as previously stated	2,519,828
Prior period adjustment	<u> </u>
Total net assets – beginning , as adjusted	<u>2,519,828</u>
Total net assets – ending	<u>\$ 2,343,824</u>

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA
 LA NAVAL WAR MEMORIAL COMMISSION (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2009**

See Appendix A for instructions

	<u>Program Revenues</u>			Net (Expense)	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Governmental	\$ 66,949	\$ 96,063	\$	\$	29,114
Business-type	909,482	477,566	222,860		(209,056)
Totals	\$ 976,431	\$ 573,629	\$ 222,860	\$ 0	\$ (179,942)
General revenues:					
Taxes					<u> </u>
State appropriations					<u> </u>
Grants and contributions not restricted to specific programs					<u> </u>
Interest					3,938
Miscellaneous					<u> </u>
Special items					
Extraordinary item - Loss on impairment of capital assets					<u> </u>
Transfers					
Total general revenues, special items, and transfers					3,938
Change in net assets					(176,004)
Net assets - beginning as previously stated					2,519,828
Prior period adjustment					<u> </u>
Net assets - beginning as previously stated					2,519,828
Net assets - ending					\$ 2,343,824

The accompanying notes are an integral part of this statement.

Statement C

**STATE OF LOUISIANA
LA NAVAL WAR MEMORIAL COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Statement D
(Continued)

Cash received from customers and fund-raising	\$	569,740	
Cash payments to suppliers for goods and services		(380,640)	
Cash payments to employees for services		(448,721)	
Payments in lieu of taxes			
Internal activity-payments to other funds			
Claims paid to outsiders			
Other operating revenues(expenses)		3,938	
Net cash provided(used) by operating activities			(255,683)
Cash flows from non-capital financing activities			
State appropriations			
Proceeds from sale of bonds			
Principal paid on bonds			
Interest paid on bond maturities			
Proceeds from issuance of notes payable			
Principal paid on notes payable			
Interest paid on notes payable			
Operating grants received		222,860	
Transfers in			
Transfers out			
Other			
Net cash provided(used) by non-capital financing			222,860
Cash flows from capital and related financing activities			
Proceeds from sale of bonds			
Principal paid on bonds			
Interest paid on bond maturities			
Proceeds from issuance of notes payable			
Principal paid on notes payable			
Interest paid on notes payable			
Acquisition/construction of capital assets			
Proceeds from sale of capital assets			
Capital contributions			
Other			
Net cash provided(used) by capital and related activities			-
Cash flows from investing activities			
Purchases of investment securities			
Proceeds from sale of investment securities		28,153	
Interest and dividends earned on investment securities			
Net cash provided(used) by investing activities			28,153
Net increase(decrease) in cash and cash equivalents			(4,670)
Cash and cash equivalents at beginning of year			44,503
Cash and cash equivalents at end of year	\$		39,833

**STATE OF LOUISIANA
 LA NAVAL WAR MEMORIAL COMMISSION (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER, 2009**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>(398,864)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>105,008</u>	
Provision for uncollectible accounts	<u> </u>	
Other	<u> </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>(8,222)</u>	
(Increase)decrease in due from other funds	<u> </u>	
(Increase)decrease in prepayments	<u>(6,812)</u>	
(Increase)decrease in inventories	<u>6,137</u>	
(Increase)decrease in other assets	<u> </u>	
Increase(decrease) in accounts payable and accruals	<u>(1,132)</u>	
Increase(decrease) in compensated absences payable	<u>(1,601)</u>	
Increase(decrease) in due to other funds	<u> </u>	
Increase(decrease) in deferred revenues	<u>4,333</u>	
Increase(decrease) in OPEB payable	<u>45,470</u>	
Increase(decrease) in other liabilities	<u> </u>	
 Net cash provided(used) by operating activities		 \$ <u><u>(255,683)</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
_____	_____
 Total noncash investing, capital, and financing activities:	 \$ <u><u> </u></u>

The accompanying notes are an integral part of this statement.

Statement D (concluded)

INTRODUCTION

The LA Naval War Memorial Commission (the Commission) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 25:1000:1003. The following is a brief description of the operations of the Commission (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana Naval War Memorial Commission (the Commission) is a component unit of the State of Louisiana, created within the Louisiana Department of Culture, Recreation and Tourism, as provided by Louisiana Revised Statute 25:1000:1003. The Commission is composed of 17 members, one of whom is the Secretary of the Department of Culture, Recreation and Tourism or his designee, the Director of Veterans Affairs and 15 members appointed by the Governor. The commissioners are not paid for their service.

The Commission was given the authority to acquire, transport, berth, renovate, equip, operate, maintain and exhibit the destroyer U.S.S. Kidd and other property acquired for use as a permanent public naval and marine corps memorial and any improvements and exhibits located thereon and any additions constructed, created, leased, acquired or erected in connection herewith. The U.S.S. Kidd and museum are located in Baton Rouge, Louisiana. The Commission's primary revenues include admission fees, gift shop sales and grants.

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Commission present information only as to the transactions of the programs of the Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING NOT APPLICABLE

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Commission (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at December 31, 2009, consisted of the following:

	<u>Cash</u>	Nonnegotiable <u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books	\$ 37,133	\$ 100,000	\$ _____	\$ 137,133
Deposits in bank accounts per bank	\$ 97,613	\$ 100,000	\$ _____	\$ 197,613
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$ _____	\$ _____	\$ _____	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency <u>but not in the entity's name.</u>	\$ _____	\$ _____	\$ _____	\$ -

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Regions Bank</u>	<u>USS KIDD - foundation</u>	\$ <u>5,918</u>
2. <u>Regions Bank</u>	<u>USS KIDD - commission</u>	<u>91,695</u>
4. _____	_____	_____
Total		\$ <u>97,613</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ <u>2,700.00</u>

2. **INVESTMENTS - NOT APPLICABLE**
3. **DERIVATIVES - NOT APPLICABLE**
4. **CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES - NOT APPLICABLE**
5. **POLICIES - NOT APPLICABLE**
6. **OTHER DISCLOSURES REQUIRED FOR INVESTMENTS - NOT APPLICABLE**

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended December 31, 2009						Balance 12/31/09
	Balance 12/31/08	Prior Period Adjustment	Adjusted Balance 12/31/08	Additions	Transfers*	Retirements	
Capital assets not being depreciated							
Land	\$ 268,500	\$	\$ 268,500	\$	\$	\$	\$ 268,500
Non-depreciable land improvements			--				--
Capitalized collections			--				--
Construction in progress			--				--
Total capital assets not being depreciated	<u>268,500</u>	<u>--</u>	<u>268,500</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>268,500</u>
Other capital assets							
Machinery and equipment	91,943		91,943				91,943
Less accumulated depreciation	(86,642)		(86,642)	(573)			(87,215)
Total Machinery and equipment	<u>5,301</u>	<u>--</u>	<u>5,301</u>	<u>(573)</u>	<u>--</u>	<u>--</u>	<u>4,728</u>
Buildings and improvements	2,805,696		2,805,696				2,805,696
Less accumulated depreciation	(1,398,856)		(1,398,856)	(62,085)			(1,460,941)
Total buildings and improvements	<u>1,406,840</u>	<u>--</u>	<u>1,406,840</u>	<u>(62,085)</u>	<u>--</u>	<u>--</u>	<u>1,344,755</u>
Depreciable land improvements			--				--
Less accumulated depreciation			--				--
Total depreciable land improvements	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
I USS KIDD (destroyer)	1,905,725		1,905,725				1,905,725
Less accumulated depreciation	(1,058,737)		(1,058,737)	(42,350)			(1,101,087)
Total infrastructure	<u>846,988</u>	<u>--</u>	<u>846,988</u>	<u>(42,350)</u>	<u>--</u>	<u>--</u>	<u>804,638</u>
Total other capital assets	<u>2,259,129</u>	<u>--</u>	<u>2,259,129</u>	<u>(105,008)</u>	<u>--</u>	<u>--</u>	<u>2,154,121</u>
Capital Asset Summary:							
Capital assets not being depreciated	268,500	--	268,500	--	--	--	268,500
Other capital assets, at cost	4,803,364	--	4,803,364	--	--	--	4,803,364
Total cost of capital assets	<u>5,071,864</u>	<u>--</u>	<u>5,071,864</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,071,864</u>
Less accumulated depreciation	(2,544,235)	--	(2,544,235)	(105,008)	--	--	(2,649,243)
Capital assets, net	<u>\$ 2,527,629</u>	<u>\$ --</u>	<u>\$ 2,527,629</u>	<u>\$ (105,008)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,422,621</u>

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

The BTA's inventories are valued using specific identification. These are perpetual inventories and are expensed when used.

F. RESTRICTED ASSETS

Restricted assets in the Commission at December 31, 2009, reflected at \$ 348 in the non-current assets section on Statement A, consisting of \$ 348 for special projects.

G. LEAVE

1. COMPENSATED ABSENCES

Employees accumulate annual and sick leave at various rates based on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay. The liability for leave privileges at December 31, 2009 is estimated to be \$ 28,765 which is recorded as a liability in the government-wide financial statements.

H. RETIREMENT SYSTEM

All employees of the Commission are members of the Federal Social Security System in which they contribute 7.65% of their gross salaries and the Commission matches their contribution. Contributions made by the Commission to the Federal Social Security System were \$ 27,946, \$ 26,781, and 25,935 for the years ended December 31, 2009, 2008 and 2007 respectively.

Full time employees are also eligible to participate in the Louisiana Deferred Compensation Program adopted under the provisions of Internal Revenue Code Section 457. Through this plan, employees voluntarily contribute a percentage of their salary while the Commission matches it up to the first 5% of gross salaries. The benefit cost to the Commission was \$ 15,298, \$ 12,090, and \$ 12,266 for the years ended December 31, 2009, 2008 and 2007 respectively.

I. OTHER POSTEMPLOYMENT BENEFITS

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

Fiscal year ending	Annual OPEB expense and net OPEB Obligation	12/31/2009
1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)		53,100
2. *NOO, beginning of year (see <i>OPEB Liability Spreadsheet of FYE 6/30/08</i> on OSRAP's website)		149,304
3. Amortization factor		26.17
4. Interest on NOO (4% x 2.)		6,000
5. ARC adjustment (2./3.)		5,705
6. Annual OPEB expense (1. + 4. - 5.)		53,400
7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums)		7,930
8. Adjustment to OGB billings for retirees' insurance 2009 premiums		0
9. **NOO, end of year (2. + 6. - 7 +or-8.)		194,774

* This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"

**This should be the same amount as that shown on the Balance Sheet for the year ended December 31, 2009 if your entity's only OPEB is administered by OGB.

J. LEASES - NOT APPLICABLE

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2009:

	Balance Dec 31, 2008	Year ended December 31, 2009		Balance Dec 31, 2009	Amounts due within one year
		Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ -	\$
Bonds payable				-	
Total notes and bonds	<u>-</u>	<u>--</u>	<u>-</u>	<u>-</u>	<u>--</u>
Other liabilities:					
Contracts payable				-	
Compensated absences payable	30,366	6,364	7,965	28,765	--
Capital lease obligations				-	
Claims and litigation				-	
OPEB payable	149,304	53,400	7,930	194,774	
Other long-term liabilities				-	
Total other liabilities	<u>179,670</u>	<u>59,764</u>	<u>15,895</u>	<u>223,539</u>	<u>--</u>
Total long-term liabilities	<u>\$ 179,670</u>	<u>\$ 59,764</u>	<u>\$ 15,895</u>	<u>\$ 223,539</u>	<u>\$ --</u>

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES - NOT APPLICABLE

M. RELATED PARTY TRANSACTIONS - NOT APPLICABLE

N. ACCOUNTING CHANGES - NOT APPLICABLE

O. IN-KIND CONTRIBUTIONS - NOT APPLICABLE

P. DEFEASED ISSUES - NOT APPLICABLE

Q. REVENUES - PLEDGED OR SOLD (GASB 48) - NOT APPLICABLE

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) - NOT APPLICABLE

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS - NOT APPLICABLE

T. SHORT-TERM DEBT - NOT APPLICABLE

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2009, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Commission - general	\$ 9,611.00	\$ -	\$ -	\$ -	\$ 9,611.00
					-
Gross receivables	\$ -	\$ -	\$ -	\$ -	\$ 9,611.00
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ -	\$ -	\$ 9,611.00
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Commission - general	\$ 30,206	\$ 9,683	\$ -	\$ -	\$ 39,889
					-
Total payables	\$ 30,206	\$ 9,683	\$ -	\$ -	\$ 39,889

W. SUBSEQUENT EVENTS -

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 24, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

X. SEGMENT INFORMATION - NOT APPLICABLE

Y. DUE TO/DUE FROM AND TRANSFERS - NOT APPLICABLE

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS - NOT APPLICABLE

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS - NOT APPLICABLE

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) - NOT APPLICABLE

CC. IMPAIRMENT OF CAPITAL ASSETS - NOT APPLICABLE

DD. EMPLOYEE TERMINATION BENEFITS - NOT APPLICABLE

EE. POLLUTION REMEDIATION OBLIGATIONS - NOT APPLICABLE

**STATE OF LOUISIANA
LA NAVAL WAR MEMORIAL COMMISSION
SCHEDULE OF NOTES PAYABLE
December 31, 2009 – NOT APPLICABLE**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>		<u>\$ _____</u>

*Send copies of new amortization schedules

**STATE OF LOUISIANA
 LA NAVAL WAR MEMORIAL COMMISSION
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended December 31, 2009 – NOT APPLICABLE**

Ending:	Payment	Interest	Principal	Balance
2009	\$ _____	\$ _____	\$ _____	\$ _____ --
2010	_____	_____	_____	_____ --
2011	_____	_____	_____	_____ --
2012	_____	_____	_____	_____ --
2013	_____	_____	_____	_____ --
2014-2018	_____	_____	_____	_____ --
2019-2023	_____	_____	_____	_____ --
2024-2028	_____	_____	_____	_____ --
2029-2033	_____	_____	_____	_____ --
 Total	 \$ <u> --</u>	 \$ <u> --</u>	 \$ <u> --</u>	 \$ <u> --</u>

**STATE OF LOUISIANA
 LA NAVAL WAR MEMORIAL COMMISSION
 SCHEDULE OF NOTES PAYABLE AMORTIZATION
 For the Year Ended December 31, 2009 – NOT APPLICABLE**

Fiscal Year Ending:	Principal	Interest
2009	\$ _____	\$ _____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014-2018	_____	_____
2019-2023	_____	_____
2024-2028	_____	_____
2029-2033	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA
LA NAVAL WAR MEMORIAL COMMISSION**

**SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended December 31, 2009- NOT APPLICABLE**

Fiscal Year	<u>Principal</u>	<u>Interest</u>
<u>Ending:</u>		
2009	\$ _____	\$ _____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
LOUISIANA NAVAL WAR MEMORIAL
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
DECEMBER 31, 2009
NOT APPLICABLE

Financial Statement	Adjustments	ISIS Appropriation Report-08/14/09	Revised Budget	Variance Positive/(Negative)
Revenues:				
Intergovernmental Revenues	\$	-	\$	-
Federal Funds				
Sales of Commodities and Services				
Other				
Total appropriated revenues	-	-	-	-
Expenses:				
Cost of goods sold	\$	-	\$	-
Personal services				
Travel				
Operating Services				
Supplies				
Professional services				
Other charges				
Capital outlay				
Interagency transfers				
Debt service				
Other:				
Bad debts				
Depreciation				
Compensated absences				
Interest expense				
Other (identify)				
Total appropriated expenses	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$	-	\$	-

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.
SCHEDULE 5

STATE OF LOUISIANA
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Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____

STATE OF LOUISIANA
LA NAVAL WAR MEMORIAL COMMISSION
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 800,427	\$ 815,715	\$ (15,288)	\$ (1.87%)
Expenses	976,431	999,720	(23,289)	(2.33%)
2) Capital assets	2,422,621	2,527,629	(105,008)	(4.15%)
Long-term debt	223,539	179,670	43,869	24.42%
Net Assets	2,343,824	2,519,828	(176,004)	(6.98%)

Explanation for change: _____

