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WEST BATON ROUGE MUSEUM
(A Component Unit of WEST BATON ROUGE PARISH COUNCIL)
Port Allen, Louisiana

Annual Financial Statements
Year Ended December 31, 2007

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 3/19/08

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Certified Public Accountant



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REPORT OF INDEPENDENT ACCOUNTANT

February 11, 2008

To the Board of Directors
West Baton Rouge Museum
Port Allen, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Museum as of and for the year ended December 31, 2007, which collectively comprises the West Baton Rouge Museum's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Baton Rouge Museum's management. My responsibility is to express an opinion of these basic financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Museum as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the West Baton Rouge Museum has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments, as of December 31, 2007.

The budgetary comparison information on page 25 is not a required part of the basis financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

The West Baton Rouge Museum has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, I have also issued a report dated February 11, 2008, on our consideration of West Baton Rouge Museum's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Wendell C. Hewitt

WEST BATON ROUGE MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2007

	<u>GENERAL</u>		<u>STATEMENT</u>
	<u>FUND</u>	<u>ADJUSTMENTS</u>	<u>OF</u>
			<u>NET ASSETS</u>
<u>ASSETS:</u>			
Cash & Cash Equivalents	\$33,043	\$-0-	\$33,043
Investments - Lamp	552,159	-0-	552,159
Taxes Receivable	503,865	-0-	503,865
Intergovernmental Receivable	3,171	-0-	3,171
Inventory	2,631	-0-	2,631
Collection	-0-	-0-	-0-
Fixed Assets	-0-	237,688	237,688
	<hr/>	<hr/>	<hr/>
Total Assets	1,094,869	237,688	1,332,557
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES:</u>			
Loans Payable	\$-0-	\$110,000	\$110,000
Accounts Payable	-0-	-0-	-0-
Intergovernmental Payable	17,799	-0-	17,799
Accrued Wages	5,680	-0-	5,680
Compensated Absences Payable	13,326	-0-	13,326
Deferred Taxes	522,705	-0-	522,705
	<hr/>	<hr/>	<hr/>
Total Liabilities	559,510	110,000	669,510
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES/NET ASSETS</u>			
<u>FUND BALANCES:</u>			
Unreserved	535,359	(535,359)	-0-
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	1,094,869	-0-	-0-
	<hr/>	<hr/>	<hr/>
<u>NET ASSETS:</u>			
Unrestricted		663,047	663,047
		<hr/>	<hr/>
Total Liabilities And Net Assets		237,688	1,332,557
		<hr/>	<hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
STATEMENT OF STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2007

EXPENDITURES:	GENERAL FUND	ADJUSTMENTS	STATEMENT OF ACTIVITIES
CULTURE AND RECREATION			
Salaries	\$196,792	\$-0-	\$196,792
Fringe Benefits	29,557	-0-	29,557
Operating Services	96,403	-0-	96,403
Material And Supplies	19,934	-0-	19,934
Travel	7,267	-0-	7,267
Intergovernmental	19,099	-0-	19,099
Depreciation	-0-	12,684	12,684
Capital Expenditures	67,537	(64,542)	2,995
Debt Service			
Principal	30,000	(30,000)	-0-
Interest	7,700	-0-	7,700
Total Expenditures/Expenses	474,289	(81,858)	392,431
PROGRAM REVENUES:			
Fees, Fines and Charges	30,245	-0-	30,245
Goft Shop Sales	4,638	-0-	4,638
Total Program Revenues	34,883	-0-	34,883
Net Program Expense	439,406	(81,858)	357,548
GENERAL REVENUES:			
Property Taxes	465,540	-0-	465,540
State Revenue Sharing	4,378	-0-	4,378
Other Grants	8,118	-0-	8,118
Investment Income	34,888	-0-	34,888
Gifts and Donations	7,882	-0-	7,882
Miscellaneous	556	-0-	556
Total General Revenue	521,362	-0-	521,362
Excess (Deficit) of General Revenues Over Expenditures	81,956	(81,956)	-0-
CHANGES IN NET ASSETS	-0-	163,814	163,814
FUND BALANCES/NET ASSETS			
BEGINNING OF YEAR	453,403	45,830	499,233
END OF YEAR	535,359	127,688	663,047

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
DECEMBER 31, 2007

Total Governmental Fund Balance	\$535,359
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	237,688
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds.	(110,000)
Net Assets of Governmental Activities	<u>663,047</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

WEST BATON ROUGE PARISH MUSEUM

(A Component Unit Of The West Baton Rouge Parish Council)

PORT ALLEN, LOUISIANA

DECEMBER 31, 2007

Net Change in Fund Balances-Total Governmental Funds	\$81,956
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	51,858
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of assets.	<u>30,000</u>
Net Assets of Governmental Activities	<u><u>163,814</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Purpose of the Museum:

The West Baton Rouge Museum (Museum) is a general museum (history and art) which largely deals with the past and present activities of West Baton Rouge Parish. Permanent and temporary exhibits are housed at the Museum, illustrating the area's history and art, both from this area and further afield. Five historic buildings are also on site and are part of our interpretive program. Numerous educational programs and workshops are held throughout the year.

The West Baton Rouge Museum Board was established by Act No. 120 of the Louisiana Legislature in 1991, under the provisions of Louisiana Revised Statutes 25:1201 through 25:1213.

The 2000 census population of West Baton Rouge Parish was 21,601. The Museum has about ten thousand visitors annually and employes approximately 10 full/part time people.

b. Reporting Entity:

The Museum does not possess all the corporate powers to make it a legally separate entity and the West Baton Rouge Parish Council holds the Museum's corporate powers. For this reason, the Museum is a component unit of the West Baton Rouge Parish Council, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Museum and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

c. Presentation of Statements:

The Museum's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. 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 Standard Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Museum has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Museum has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Museum are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain of the significant changes in the statement include the following:

For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Museum's overall financial position and results of operations; however, management has elected not to present the MD&A.

Governmental-Wide Financial statements prepared using full accrual accounting for all of the Museum's activities.

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Museum has elected to implement the general provisions of the GASB Statement 34 in the current year.

d. Basic Financial Statements - Government-Wide Statements

The Museum's basic financial statements include both Government-Wide (reporting the Museum as a whole) and fund financial statements (reporting the Museum's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Museum's functions and programs have been classified as governmental activities. The Museum does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the Government-Wide Statement of Net Assets, the governmental type activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Museum's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net assets include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Government-Wide Statement of Activities reports both the gross net cost of each of the Museum's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Museum did not receive any capital-specific grants this year.

The Government-Wide Statements focus upon the Museum's ability to sustain operations and the change in its net assets resulting from the current year's activities.

WEST BATON ROUGE PARISH MUSEUM

(A Component Unit Of The West Baton Rouge Parish Council)

PORT ALLEN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Museum are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Museum uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Museum or if its total assets, liabilities, revenues or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legally restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

The following is a description of the governmental funds of the Museum:

General Fund is the general operating fund of the Museum. It is used to account for all financial resources except those required to be accounted for in another fund.

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. Measurement Focus and Basis of Accounting

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

1. Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Museum as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place.

2. Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Museum considers all revenues "available" if they are collected within 60 days after year end. Expenditures are generally recorded under modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims and judgements and compensated absences are recorded as expenditures when paid expendable available financial resource resources.

g. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalent include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values.

WEST BATON ROUGE PARISH MUSEUM
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PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

h. Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid for services in advance. These are shown as assets on the Government-Wide Statement of Net Assets. In the Fund Financial Statements, the Museum has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the Fund Financial Statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been reserved to reflect the amount of fund balance not currently available for expenditure.

i. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provide the resources to acquire the assets. If the asset purchased, it is recorded in the books at its cost. If the asset was donated, when it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Building Improvements	20 Years
Equipment	5-7 Years
Vehicles	5 Years
Computers	3 Years

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PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Salvage values have not been established by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category of capital asset, management has used 10% of the vehicle's initial cost as a salvage value estimate.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

j. Unpaid Compensated Absences:

The Museum's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. Management has estimated the current and long-term portions of this liability based on historical trends. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year. An amount is added to this total for social security and medicare taxes. In contrast, the governmental funds in the Fund Financial Statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Museum. Accordingly, no amounts have been accrued as fund liabilities as the year-end in the Fund Financial Statements. The differences in the methods of accruing compensated absences creates a reconciling item between the Fund and Government-Wide Financial Statement presentations.

The Museum's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absence in the Government-Wide Financial Statements relative to sick leave.

k. MANAGEMENT'S USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

WEST BATON ROUGE PARISH MUSEUM
 (A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Deferred Revenue:

The Museum reports deferred revenues on its Statement of Net Assets and on the balance sheet of the Fund Financial Statements. Deferred Revenues arise when the Museum receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Museum has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

NOTE 2 - REVENUE RECOGNITION

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the Fund Financial Statements governmental using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore they are recorded as revenue in the period received.

NOTE 3 - LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2007 follows:

<u>FUND</u>	<u>MILLS</u>	<u>EXPIRATION DATE</u>	<u>PROPERTY ASSESSED VALUATIONS</u>	<u>TAXES ASSESSED FOR GENERAL PURPOSES</u>
General Fund Museum Tax	2.00	2013	\$258,974,147	\$517,948

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 3 - LEVIED TAXES (Continued)

The following are the principal taxpayers for the parish:

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>% OF TOTAL ASSESSED VALUATION</u>	<u>AD VALOREM TAX REVENUE FOR MUSEUM</u>
Dow Chemical Co	Chemicals	\$58,413,140	19.9%	\$103,072
Exxon Corporation	Oil Storage	25,432,980	8.7%	45,062
Placid Refining Co	Oil Refinery	12,826,000	4.4%	22,790
MGT Services, Inc	Service	12,411,750	4.2%	21,754
Cargill, Inc	Grain	9,596,763	3.3%	17,093
Totals		<u>118,680,633</u>	<u>40.5%</u>	<u>209,771</u>

NOTE 4 - CASH

At December 31, 2007, the West Baton Rouge Museum had cash and cash equivalent (book balances) totaling **\$33,043**.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk-Deposits. At year-end the bank balance was **\$36,117**. Of the bank balances, \$36,117 was covered by federal depository insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledge securities within 10 days of being notified by the library that the fiscal agent has failed to pay deposited funds upon demand.

Interest Rate-Deposits. The Museum's policy does not address interest rate risk.

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PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - INVESTMENTS

As of **December 31, 2007**, the Museum's had \$552,159 invested in an external investment pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objectives of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes on securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit Risk: LAMP is rated AAAM by Standard & Poor's.

Custodial Credit Risk: LAMP participant's investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest Rate Risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

Foreign Currency Risk: Not applicable to 2a7-like pools entities.

The dollar weight average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 6 - RECEIVABLES AND PAYABLE

A. A Summary of Receivables at year end follows:

<u>CLASS OF RECEIVABLES</u>	<u>GENERAL FUND</u>
Ad Valorem Taxes	\$503,865
State Shared Revenue	3,171
	<hr/>
Total	507,036
	<hr/> <hr/>

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

NOTE 7 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2007, is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>12-31-06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-07</u>
Buildings	\$198,245	\$60,625	-0-	\$258,870
Equipment	124,427	3,917	-0-	128,344
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	322,672	64,542	-0-	387,214
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Depreciation:				
Buildings	37,567	4,956	-0-	42,523
Equipment	99,275	7,728	-0-	107,003
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	136,842	12,684	-0-	149,526
	<hr/>	<hr/>	<hr/>	<hr/>
Net Capital Assets	185,830	51,858	-0-	237,688
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WEST BATON ROUGE PARISH MUSEUM

(A Component Unit Of The West Baton Rouge Parish Council)

PORT ALLEN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 8 - COLLECTION

In conformity with the practice followed by many museums, art and historical objects purchased and donated are not included in the balance sheet.

In addition, most of the collection is owned by West Baton Rouge Historical Association, Inc. The value of the objects acquired by purchase and gift for which the Historical Association can make a reasonable estimate is \$121,594.

The cost of all objects purchased together with the value of objects acquired by gift less the proceeds from deaccessions of objects is reported as a separate program expense.

NOTE 9 - DEFERRED REVENUE

Deferred Taxes at year-end comprises of:

Deferred Ad Valorem Taxes	\$517,948
Deferred State Revenue Sharing	4,757
Total	<u>522,705</u>

NOTE 10 - PENSION PLAN AND RETIREMENT COMMITMENTS

Plan Description.

Substantially all Museum's employees are members of the Parochial Employees' Retirement System of Louisiana ("System"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. All employees of the Museum are members of Plan A. All permanent Museum employees working at least 28 hours a week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System.

Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service.

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

However, for most employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Museum is required to contribute at an actuarially determined rate. The current rate is 13.25 % of annual covered payroll. Contributions to the System also include one-fourth of 1 % of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Museum are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Museum's contributions to the System under Plan A for the years ended **December 31, 2007, 2006, and 2005**, were **\$18,830, \$18,839, and \$17,578**, respectively, equal to the required contributions for each year.

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 11 - NOTES PAYABLE

Notes payable as of **December 31, 2007**, consist of:

\$110,000 Certificate of Indebtness dated November 1, 2000, payable to the West Baton Rouge Parish Council at 5.5%. Originally \$300,000 with principal and interest payments becoming due starting May 1, 2001, with final payment November 1, 2010. Note is secured by Museum additions.

Future principal reduction totals:	\$35,000 in 2008
	35,000 in 2009
	40,000 in 2010
	<hr/>
Total	110,000
	<hr/> <hr/>

NOTE 12 - POST-RETIREMENT BENEFITS

The West Baton Rouge Museum does not offer any post-retirement benefits.

NOTE 13 - COMPENSATED ABSENCES

At **December 31, 2007**, employees of the Museum have accumulated and vested **\$13,326** of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, all is recorded as an obligation of the General Fund.

NOTE 14 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation pending against the Museum as of year-end. The Museum's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Museum's financial statements.

No claims were paid-out or litigation costs incurred during the year ended **December 31, 2007**.

NOTE 15 - LEASES

The Museum has no material operating or capital leases as of **December 31, 2007**.

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Council)
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 16 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with the Law of Louisiana (Act 36 of 1926), no compensation is paid to any member of the Board of Control.

NOTE 17 - ON-BEHALF PAYMENTS

The West Baton Rouge Parish Council provides the Museum its building.

NOTE 18 - RISK MANAGEMENT

The Museum is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Museum has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Museum's coverages.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Parish Museum)
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET (GAAP BASIS) AND ACTUAL
FOR YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>GAAP</u> <u>BASIS</u>	<u>FINAL BUDGET</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES				
Ad Valorem Taxes	\$440,000	\$440,000	\$465,540	\$25,540
State Shared Revenue	1,000	1,000	4,378	3,378
Other Grants	-0-	-0-	8,118	8,118
Fees and Charges	15,000	15,000	30,245	15,245
Gift Shop Sales	1,500	1,500	4,638	3,138
Interest	10,000	28,000	34,888	6,888
Gifts	500	500	7,882	7,382
Miscellaneous	100	100	556	456
TOTAL REVENUES	468,100	486,100	556,245	70,145
EXPENDITURES				
CULTURE AND RECREATION				
CURRENT				
WAGES	211,200	211,200	196,792	14,408
FRINGE BENEFITS	50,000	33,000	29,557	3,443
OPERATING SERVICE	115,500	122,600	96,403	26,197
SUPPLIES	16,550	22,950	19,934	3,016
TRAVEL	7,500	7,500	7,267	233
INTERGOVERNMENTAL	1,500	1,500	19,099	(17,599)
CAPITAL OUTLAY	62,500	66,000	67,537	(1,537)
DEBT SERVICE:				
PRINCIPAL	30,000	30,000	30,000	-0-
INTEREST	7,700	7,700	7,700	-0-
TOTAL EXPENDITURES	502,450	502,450	474,289	28,161
EXCESS (DEFICIENCY) OF				
REVENUE OVER EXPENDITURES	(34,350)	(16,350)	81,956	98,306
FUND BALANCE, JAN 1	453,403	453,403	453,403	-0-
FUND BALANCE, DEC 31	419,053	437,053	535,359	98,306

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

**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**

February 11, 2008

To the Board of Directors
West Baton Rouge Museum
Port Allen, Louisiana

I have audited the financial statements of West Baton Rouge Museum as of and for the year ended December 31, 2007, and have issued my report thereon dated February 11, 2008. I conducted my 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered West Baton Rouge Museum's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Baton Rouge Museum's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial control over financial reporting that might be significant deficiencies or material weaknesses. However, I noted certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exist 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 misstatements on a timely basis. A significant deficiencies is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data in reliably in accordance with generally accepted

accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. I consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. See Item 1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My 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 significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether West Baton Rouge Museum's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclose instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings of and responses as item 1.

West Baton Rouge Museum's response to the findings identified in my audit are described in the Schedule of Corrective Action Planned. I did not audit the West Baton Rouge Museum's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, board members, and federal awarding agencies, pass-through entities, and state Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



WEST BATON ROUGE PARISH MUSEUM
 (A Component Unit Of The West Baton Rouge Museum)
PORT ALLEN, LOUISIANA
SCHEDULE OF PRIOR YEARS AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2007

FISCAL YEAR FINDING	CORRECTIVE ACTION TAKEN	CORRECTIVE ACTION/PARTIAL CORRECTIVE ACTION TAKEN
REF NO.	INITIALLY OCCURRED	DESCRIPTION OF FINDING
		(YES, NO, PARTIALLY)

None

WEST BATON ROUGE PARISH MUSEUM
(A Component Unit Of The West Baton Rouge Museum)
PORT ALLEN, LOUISIANA
SCHEDULE OF CURRENT YEAR'S FINDINGS
DECEMBER 31, 2007

ITEM 1: The Museum's management lack the qualifications and training to prepare its financial statements.

CRITERIA: SAS No. 112 defines this as a deficiencies in the design of controls.

CAUSE: The Museum is too small to have a CPA on staff.

EFFECT: There is no effect to the financial statements.

RECOMMENDATION: Because the entity is small and the cost to benefit is too great, I do not have a recommendation.

MANAGEMENT RESPONSE: See corrective action plan.

WEST BATON ROUGE PARISH MUSEUM
 (A Component Unit Of The West Baton Rouge Museum)
PORT ALLEN, LOUISIANA
CORRECTIVE ACTION PLAN
DECEMBER 31, 2007

REF NO.	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	NAME OF CONTACT PERSON	ANTICIPATED COMPLETION DATE
1.	Manangement Lacks The Qualifications and Training To Prepare Their Financial Statements.	Cost To Benefit Does Not Justify The Hiring of Another CPA.	Julie Rose	N/A