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WEST BATON ROUGE MUSEUM
Port Allen, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended
December 31, 2010

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 SEP 14 2011

DONALD C. De VILLE
Certified Public Accountant
7829 Bluebonnet Boulevard
Baton Rouge, Louisiana 70810

**WEST BATON ROUGE MUSEUM
PORT ALLEN, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

February 2, 2011

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

I have audited the accompanying basic financial statements of West Baton Rouge Museum, as of and for the year ended December 31, 2010, as listed in the Table of Contents. The basic financial statements are the responsibility of West Baton Rouge Museum's management. My responsibility is to express an opinion of these 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 Governmental 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 statement referred to above present fairly, in all material respects, the financial position of West Baton Rouge Museum as of December 31, 2010, and the results of operations for the year the ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on page 27, is not a required part of the basic 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 of America 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 my report dated February 2, 2011, on my consideration of West Baton Rouge Museum's internal control over financial reporting and on my 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 my 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 my audit.

Donald C. DuWille

Basic Financial Statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**WEST BATON ROUGE MUSEUM
 PORT ALLEN, LOUISIANA
 GOVERNMENT WIDE STATEMENT OF NET ASSETS
 December 31, 2010**

	GOVERNMENTAL ACTIVITIES
ASSETS:	
Cash And Cash Equivalents	\$36,627
Investments - LAMP	\$794,839
Taxes Receivable	648,386
Intergovernmental Receivable	3,189
Inventory	4,779
Capital assets, net of accumulated depreciation	300,308
Total Assets	<u>1,788,128</u>
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
Intergovernmental Payable	\$22,829
Compensated Absences Payable	22,646
Deferred Taxes	660,976
Total Liabilities	<u>706,451</u>
NET ASSETS:	
Investment in Capital Assets, net of debt	300,308
Unrestricted	781,369
Total Net Assets	<u><u>1,081,677</u></u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE MUSEUM
 PORT ALLEN, LOUISIANA
 GOVERNMENT WIDE STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2010

	Program Revenues			Net (Expenses) Revenues and Increases (Decreases) in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions	
GOVERNMENTAL ACTIVITIES				
Culture and Recreation				
SUPPORT SERVICES				
Museum	\$557,881	\$43,723	\$15,065	\$0
Total Governmental Activities	557,881	43,723	15,065	0
General Revenues:				
Ad Valorem Taxes				599,499
State Revenue Sharing				4,874
Investment Earnings				1,833
Advertising Reimbursement				1,606
Other general revenues				7,176
Total general revenues and transfers				614,988
Change in Net Assets				115,895
Net assets-beginning				965,782
Net assets-ending				1,081,677

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

WEST BATON ROUGE PARISH MUSEUM
PORT ALLEN, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
WEST BATON ROUGE PARISH MUSEUM
December 31, 2010

	GENERAL FUND
ASSETS	
Cash And Cash Equivalents	\$36,627
Investments - LAMP	794,839
Taxes Receivables	648,386
Intergovernmental Receivables	3,189
Inventory	4,779
Total Assets	<u>1,487,820</u>
LIABILITIES	
Intergovernmental Payable	\$22,829
Compensated Absences	22,646
Deferred Taxes	660,976
Total Liabilities	<u>706,451</u>
Fund Equity	
Unreserved-Undesignated	<u>781,369</u>
Total Liabilities and Fund Equity	<u>1,487,820</u>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH MUSEUM
PORT ALLEN, LOUISIANA**

**Reconciliation of Fund Balances on the Balance Sheet
For Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
December 31, 2010**

Fund Balances - Total Governmental Funds	\$781,369
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	
Add: Capital Assets	495,439
Deduct - Accumulated depreciation	<u>(195,131)</u>
Net adjustments	<u>300,308</u>
Net Assets of Governmental Activities	<u>1,081,677</u>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE MUSEUM
 PORT ALLEN, LOUISIANA
 STATEMENT OF REVENUES, EPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	GENERAL FUND
REVENUE	
Ad Valorem Taxes	\$622,327
State Revenue Sharing	4,874
Other Grants	12,100
Fees, Fines and Charges	34,979
Gift Shop Sales	8,744
Advertising Reimbursement	1,606
Investment Income	1,833
Gifts and Donations	2,965
Miscellaneous Income	7,176
Total Revenue	<u>696,604</u>
EXPENDITURES	
Culture & Recreation	
Salaries	249,102
Fringe	42,157
Travel	7,678
Operating Services	171,310
Material and Supplies	40,063
Intergovernmental	24,129
Capital Outlay	42,446
Total Expenditures	<u>576,885</u>
Net Changes in Fund Balances	119,719
Fund Balance, Beginning of Year	<u>661,650</u>
Fund Balance, End of Year	<u>781,369</u>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH MUSEUM
PORT ALLEN, LOUISIANA**

**Reconciliation of Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2010**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds **\$119,719**

Amounts reported for governmental activities in the statements 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 expense in the current period.

Add: Capital outlays	9,692
Deduct - depreciation expense	<u>(13,516)</u>
Net Adjustment	<u>(3,824)</u>

Change in Net Assets of Governmental Activities **115,895**

The accompanying notes and independent accountant's review report.

Notes to the Financial Statements

WEST BATON ROUGE MUSEUM NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The West Baton Rouge Museum (the 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 120 of the Louisiana Legislature in 1991, under the provision of Louisiana Revised Statutes 25:1201 through 25:1213.

The 2010 census of the population of West Baton Rouge Parish was 21,601. The Museum has about ten thousand visitors annually and employees approximately 10 full time people.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the West Baton Rouge Museum is considered a component unit of West Baton Rouge Parish Council. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 West Baton Rouge Museum. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

All individual governmental funds are reported as separate columns in the fund financial statements.

B. 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, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

WEST BATON ROUGE MUSEUM NOTES TO FINANCIAL STATEMENTS

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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The West Baton Rouge Museum reports the following governmental funds:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the West Baton Rouge Museum's investment policy allow the entity to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments for the Museum are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and Payables

Receivables consist of all revenues earned at year end and not yet received.

**WEST BATON ROUGE MUSEUM
NOTES TO FINANCIAL STATEMENTS**

The Fire Protection Museum No. 2 share an ½ per cent of the sales taxes collected in the West Baton Rouge Parish for fire protection and prevention.

E. Inventories and Prepaid Items

Inventories of gift shop items are recorded on the lower of cost or market method. Immaterial supplies in the governmental funds are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., fire hydrants), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The West Baton Rouge Museum maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 years
Furniture and fixtures	5 -10 years
Vehicles	5-10 years
Equipment	5-10 years

G. Compensated Absences

The West Baton Rouge Museum's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

**WEST BATON ROUGE MUSEUM
NOTES TO FINANCIAL STATEMENTS**

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Unused sick leave is not paid at termination and therefore is not accrued.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

H. Fund Equity

In the fund financial statements, governmental funds may report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

I. Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION- The Museum uses the following budget practices:

1. The budgetary calendar – The public hearing on the budget announcement is published in the official journal in December. In December, a public hearing on the budget is held and after any discussion the budget is adopted.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. There are no outstanding encumbrances.
4. The GAAP basis is use in preparing and reporting the budgets and those funds not budgeted.
5. The Board of Directors will meet time to time to make changes or amendments within the various budget classifications.

**WEST BATON ROUGE MUSEUM
NOTES TO FINANCIAL STATEMENTS**

3. LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes: Museum	<u>2.0</u>	<u>2.0</u>	<u>2013</u>

The gross assessed value for the tax year 2010, on the certified roll was \$328,455,777. After applying homestead exemptions and other reductions of \$38,994,833, the net assessed value upon which the Museum's property tax was computed was \$367,450,610. 2.00 mills is the maximum amount the Museum may legally elect to assess property owners each year. The Museum's management elected to have the Parish assess the maximum millage for tax year 2010. Accordingly, management estimated the initial gross amount of property tax payable, excluding back tax settlements and uncollectible amounts, to the Museum for this fiscal year to approximately \$656,912.

Property taxes are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January and February. The West Baton Rouge Sheriff acts as the collecting agent for the Parish's property taxes. The Sheriff will have a "tax sale" each year to collect as much of the taxes due as possible. The tax sale date for West Baton Rouge Parish for the 2010 tax assessment will be in May 2011, and the lien date was December 31, 2010.

Property taxes are recorded as receivable and deferred revenues at the time the tax levy is billed (November of each year). As the Sheriff collects the taxes, he forwards them to the Museum on Aging where they are recorded as revenues in accordance with the modified accrual basis of accounting.

**WEST BATON ROUGE MUSEUM
NOTES TO FINANCIAL STATEMENTS**

The following are the principal taxpayers and related ad valorem tax revenue for the library: [include those taxpayers whose percentage of total assessed valuation is 5% and greater]

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for Library
The Dow Chemical Co	Chemical	56,382,000	15.30%	112,332
ExxonMobil Production Co.	Oil Storage	30,782,440	8.40%	61,750
Total		<u>87,164,440</u>	<u>23.40%</u>	<u>174,082</u>

Property tax revenues of \$622,327 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balance have not been reduced by \$22,828 withheld by the Sheriff for "on-behalf payments for fringe benefits," which represents the Museum's pro rata share of pension plan contributions for other government agencies. Instead, the \$22,828 has been presented as intergovernmental expenditures. In contrast, for purposes of the government-wide Statement of Activities, property tax revenues of \$622,327 were reduced by the \$22,828 of on-behalf payments to present a net amount of \$599,499 for general revenues. See Note 13 to these financial statements for more information.

4. CASH AND CASH EQUIVALENTS

At December 31, 2010, the West Baton Rouge Museum has cash and cash equivalents (book balances) totaling \$36,627 as follows:

Interest bearing \$36,627

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.

At December 31, 2010, the West Baton Rouge Museum had \$51,085 in deposits (collected bank balances). These deposits are secured from risk by \$51,085 of federal deposit insurance.

**WEST BATON ROUGE MUSEUM
NOTES TO FINANCIAL STATEMENTS**

5. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Museum or its agent in the Museum's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Museum's name
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Museum's name

At fiscal year-end, the Museum's investment balances were as follows:

Type of Investment	Category			Carrying Amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
	0	0	0	\$0	0	\$0	0
	0	0	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>				
Investments not subject to categorization:							
Deferred compensation plan				0		0	0
External Investment Pool (LAMP)				749,839		749,839	749,839
Total investments:				<u>\$749,839</u>	<u>0</u>	<u>\$749,839</u>	<u>749,839</u>

Income earned during the year was \$1,711.

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 assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only 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 interest 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 participants' 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 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.

**WEST BATON ROUGE MUSEUM
NOTES TO FINANCIAL STATEMENTS**

- 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.

The dollar weighted 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.

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

6. RECEIVABLES

The receivables of \$651,575 at December 31, 2010, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes:	
Ad valorem	<u>\$648,386</u>
Intergovernmental - grants:	
State	<u>3,189</u>
Total	<u><u>651,575</u></u>

Receivables 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.

**WEST BATON ROUGE MUSEUM
NOTES TO FINANCIAL STATEMENTS**

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2010, is as follows:

<u>Governmental Activities</u>	Balance, December 31, 2009	Additions	Deletions	Balance, December 31, 2010
Buildings	112,500	\$0	0	112,500
Improvements other than buildings	236,256	9,692	0	245,948
Furniture and equipment	136,991	0	0	136,991
Total	<u>485,747</u>	<u>9,692</u>	<u>0</u>	<u>495,439</u>
Less accumulated depreciation:				
Buildings	42,189	2,813	0	45,002
Improvements other than buildings	18,067	6,602	0	24,669
Furniture and equipment	121,359	4,101	0	125,460
Total	<u>181,615</u>	<u>13,516</u>	<u>0</u>	<u>195,131</u>
Capital assets, net	<u>304,132</u>	<u>(3,824)</u>	<u>0</u>	<u>300,308</u>

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$45,475 at December 31, 2010, are as follows:

	<u>General Fund</u>
Intergovernmental Payable	22,829
Compensated Absences	22,646
Total	<u>45,475</u>

9. DEFERRED REVENUE

Deferred Taxes at year end comprises of:

	<u>General Fund</u>
Deferred Ad Valorem Taxes	656,192
Deferred State Revenue Sharing	4,784
Total	<u>660,976</u>

**WEST BATON ROUGE MUSEUM
NOTES TO FINANCIAL STATEMENTS**

10. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$40,000 was made on the Statement of Net Assets to reflect the amount the West Baton Rouge Council had on hand to pay the final loan payment.

11. RETIREMENT SYSTEMS

A. Plan Description

- Substantially all of the Museum's employees are members of the Firefighters' Retirement System Pension Plan (Plan) a cost sharing, multiple-employer, non-qualified defined benefit pension plan covering firefighters employed by any municipality, parish or fire protection Museum of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:2251 through 2269, effective January 1, 1990. The Plan is not a qualified plan as defined by the Internal Revenue Code nor is it subject to be the Employer Retirement Income Security Act of 1984.
- The latest employer and employee membership data includes about 6,000 members.
- Employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained the age of 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3 % of the average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.
- Employee who terminate with at least the amount of credited service stated above and do not withdraw their employee contributions may retire at the age 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 Firefighters' Retirement System, Post Office Box 94095, Capital Station, Baton Rouge, Louisiana 70804-9095, or by calling (225) 925-4060.

B. Funding Policy

- Under the Plan, members are required by state statute to contribute 8% of their annual covered salary and to Museum is required to contribute at an actuarially determined rate. The current rate is 14.0% of annual covered payroll. 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 changes each year based on the results of the valuation for the prior year. The Museum's contributions to the System under Plan A of the years ended December 31, 2010, December 31, 2009, and December 31, 2008, were \$26,959, \$19,529, and \$18,916, respectively, equal to the required contributions for each year.

WEST BATON ROUGE MUSEUM NOTES TO FINANCIAL STATEMENTS

12. OTHER POSTEMPLOYMENT BENEFITS

The Museum does not offer any post retirement benefits.

13. ON-BEHALF PAYMENTS

Because the Library is one of several governmental agencies receiving proceeds from a property tax assessment, state law (R.S. 11:82) requires the Library to bear a pro-rata share of the pension expense relating to state and statewide public retirement systems. The Library's pro-rata share of the required contribution was \$44,301 that was withheld by the West Baton Rouge Parish Sheriff from property tax collections to satisfy the Library's obligation. The Sheriff withholds the entire amount of this obligation in January each year even though some of the property taxes may never be collected.

The \$44,301 withheld by the Sheriff has been included as part of "intergovernmental" expenditures of the General Fund in these financial statements. Further described in Note 2, the Library has increased its property tax revenue by the same amount of this intergovernmental expenditure.

14. COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

There was no compensation paid to board members.

15. JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There was no litigation pending against the Museum as of December 31, 2010.

The Museum's management believes that any potential lawsuits would be 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, 2010.

16. RISK MANAGEMENT

The Museum is exposed to various risk 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 purchase 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 coverage.

17. SUBSEQUENT EVENTS

The Organization did not have any subsequent events through February 2, 2011, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2010.

REQUIRED SUPPLEMENTAL INFORMATION

**WEST BATON ROUGE PARISH MUSEUM
PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010**

	B U D G E T		Actual	Variance
	Original	Final	Amounts (GAAP Basis)	Favorable (Unfavorable)
REVENUE				
Ad Valorem Taxes	\$590,000	\$590,000	\$622,327	\$32,327
State Revenue Sharing	3,000	3,000	4,874	1,874
Other Grants	5,000	5,000	12,100	7,100
Fees, Fines and Charges	20,000	20,000	34,979	14,979
Gift Shop Sales	3,000	3,000	8,744	5,744
Advertising Reimbursements	0	0	1,606	1,606
Investment Income	4,100	4,100	1,833	(2,267)
Gifts and Donations	1,000	1,000	2,965	1,965
Miscellaneous Income	7,700	7,700	7,176	(524)
Total Revenue	<u>633,800</u>	<u>633,800</u>	<u>696,604</u>	<u>62,804</u>
EXPENDITURES				
PUBLIC SAFETY				
Salaries	252,948	252,948	249,102	3,846
Fringe	40,000	42,000	42,157	(2,157)
Travel	8,000	8,000	7,678	322
Operating Services	211,100	209,100	171,310	39,790
Material and Supplies	43,300	43,300	40,063	3,237
Intergovernmental	0	0	24,129	(24,129)
Capital Outlay	80,000	80,000	42,446	37,554
Total Expenditures	<u>635,348</u>	<u>635,348</u>	<u>576,885</u>	<u>58,463</u>
Excess of Revenues over (under) Expenditures	(1,548)	(1,548)	119,719	121,267
Fund Balance, Beginning	661,650	661,650	661,650	0
Fund Balance, Ending	<u>660,102</u>	<u>660,102</u>	<u>781,369</u>	<u>121,267</u>

OTHER REPORTS

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

February 2, 2011

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

I have audited the financial statements of the West Baton Rouge Museum as of and for the year ended December 31, 2010, and have issued my report thereon dated February 2, 2011. 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 Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatement 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.

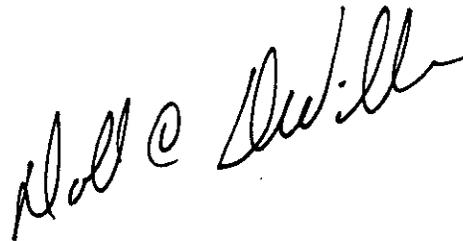
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (Finding 2010-1) A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Baton Rouge Museum financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my test disclosed 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 and questioned costs as item 2010-1.

West Baton Rouge Parish Museum's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit West Baton Rouge Parish Museum's response and, accordingly, I express no opinion on it.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.



WEST BATON ROUGE MUSEUM
PORT ALLEN, LOUISIANA
SCHEDULE OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Re No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Corrective Action Taken</u>
1.	12-31-08	Museum Lacks the Qualifications and Skills To Prepare Their Financial Statements	No	N/A-Cost to Benefit Too Great for the Small Entity

WEST BATON ROUGE MUSEUM
PORT ALLEN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED DECEMBER 31, 2010

A. Summary of Auditor's Result

Financial Statements

Type of auditor's report issued: Unqualified

- **No material weaknesses identified.**
- **No significant deficiencies identified that are considered to a material weakness.**

No noncompliance material to financial statements noted.

Federal Awards: Not Applicable

B. Findings – Financial Statement Audit

2010-1

Condition: The Museum's management lack the qualifications and skills to prepare its Financial Statements.

Criteria: Statement on Auditing Standards No. 115 defines this deficiency in the design of Controls.

Effect: There is no material effect to the financial statements since the auditor prepared their statements

Recommendation: No recommendation because the Museum is so small and the cost-to-benefit Ratio is too great.

Management Response: The cost to hire another CPA is too great for this small Museum.

C. Management Letter

The auditor did not issue a management letter this year.

WEST BATON ROUGE MUSEUM
PORT ALLEN, LOUISIANA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2010

Re: No - 2010-1

Description of Findings – Management lacks the qualifications and training to prepare their financial statements.

Corrective Action Plan –The cost-to-benefit does not justify the hiring of another CPA to prepare their financial statements.

Name of Contact – Julie Rose, Museum Director

Anticipated Completion Date – N/A