

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE
PARISH COUNCIL
PORT ALLEN, LOUISIANA**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2020

WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
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West Baton Rouge Museum
Port Allen, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the West Baton Rouge Museum, a component unit of West Baton Rouge Parish Council, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Museum's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion on Governmental Activities

As explained in Note S, the West Baton Rouge Museum did not adopt the provisions of GASB 68 as amended by GASB 71, "Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement 68." These statements require that the Museum recognize, within the governmental activities financial statements, net pension liability, deferred inflows of resources, and deferred outflows of resources related to its participation in the Parochial Employees Retirement System of Louisiana, a cost-sharing, multiple employer, defined

INDEPENDENT AUDITOR'S REPORT (continued)

benefit plan. The amount by which this departure would affect deferred outflows, deferred inflows, net position, and expense of the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities of the West Baton Rouge Museum, a component unit of West Baton Rouge Parish Council, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 27 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 assurance.

Management has omitted the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and schedule of contributions that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Baton Rouge Museum's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2021 on our consideration of the Museum's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum's internal control over financial reporting and compliance.

Baxley & Associates, LLC

Plaquemine, Louisiana
September 16, 2021

BASIC FINANCIAL STATEMENTS

EXHIBIT A

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 3,989
Investments - LAMP	747,019
Taxes receivable	1,020,231
Intergovernmental receivable	3,834
Prepaid expense	2,562
Inventory	2,137
Total Current Assets	<u>1,779,772</u>
Non-current Assets:	
Restricted cash and cash equivalents	6,194
Restricted investments - LAMP	34,184
Capital assets, net of accumulated depreciation	1,309,640
Total Non-current Assets	<u>1,350,018</u>
	\$ 3,129,790
	TOTAL ASSETS
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 18,806
Accrued salaries payable	7,793
Intergovernmental payable	33,543
Unearned revenue - grants and donations	40,911
Total Current Liabilities	<u>101,053</u>
Non-current Liabilities:	
Accrued compensated absences	113,867
Total Non-current Liabilities	<u>113,867</u>
	214,920
	TOTAL LIABILITIES
DEFERRED INFLOWS	
Deferred Ad Valorem taxes	1,024,760
Deferred state revenue sharing	5,679
	<u>1,030,439</u>
	TOTAL DEFERRED INFLOWS
NET POSITION	
Net invested in capital assets	1,309,640
Restricted - Grants and donations	40,378
Unrestricted	534,413
	<u>\$ 1,884,431</u>
	TOTAL NET POSITION

The accompanying notes are an integral part of this statement.

EXHIBIT B

WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
STATEMENT OF ACTIVITIES
DECEMBER 31, 2020

	Program Revenues				Net Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 1,053,317	47,010	20,227	-	\$ (986,080)
Total Governmental Activities	<u>1,053,317</u>	<u>47,010</u>	<u>20,227</u>	<u>-</u>	<u>(986,080)</u>
General Revenues:					
Ad valorem taxes					896,311
State revenue sharing					5,606
Investment earnings					10,735
Advertisement reimbursement					20,000
Total General Revenues					<u>932,652</u>
Change in Net Position					(53,428)
Net Position at the Beginning of Year					<u>1,937,859</u>
Net Position at End of Year					<u>\$ 1,884,431</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,989
Investments - LAMP	747,019
Taxes receivable	1,020,231
Intergovernmental receivable	3,834
Prepaid expenses	2,562
Restricted assets:	
Cash and cash equivalents	6,194
Investments - LAMP	34,184
Inventory	2,137
TOTAL ASSETS	\$ 1,820,150
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Current Liabilities:	
Accounts payable	\$ 18,806
Accrued salaries	7,793
Intergovernmental payable	33,543
Unearned revenue - grants and donations	40,911
Total Current Liabilities	101,053
Deferred Inflows	
Deferred Ad Valorem taxes	1,024,760
Deferred state revenue sharing	5,679
Total Deferred Inflows	1,030,439
Fund Balance:	
Nonspendable - Prepays	2,562
Restricted - Grants and donations	40,378
Unassigned	645,718
Total Fund Balances - Governmental Fund	\$ 688,658
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	1,309,640
Long-term liabilities are not due and payable in the current period and therefore are not reported in these funds.	(113,867)
Net position of governmental activities	\$ 1,884,431

The accompanying notes are an integral part of this statement.

EXHIBIT D

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUES

Ad valorem taxes	\$ 929,854
State revenue sharing	5,606
Grants	
Other	19,488
Gifts and donations	740
Fees and charges	42,995
Gift shop sales	4,015
Advertising reimbursement	20,000
Interest Income	10,735
	TOTAL REVENUES
	<u>1,033,433</u>

EXPENDITURES

Culture & Recreation:	
Salaries	508,276
Payroll taxes	18,359
Fringe	106,485
Travel	337
Operating services	290,902
Materials and supplies	65,236
Intergovernmental	33,543
Capital outlay	228,521
	TOTAL EXPENDITURES
	<u>1,251,659</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(218,226)
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FUND BALANCE AT BEGINNING OF YEAR **906,884**

FUND BALANCE AT END OF YEAR **\$ 688,658**

EXHIBIT E

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Amounts reported for governmental activities are different because:

Net change in fund balances - total governmental funds (page 8) \$ (218,226)

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 and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	228,521
Depreciation expense	(82,501)
Net adjustment	<u>146,020</u>

Some expenses reported in the Statement of Activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued compensated absence expense 18,778

Change in net position of governmental activities (page 6) \$ (53,428)

WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Six historic buildings are also on site and are part of the 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 population of West Baton Rouge Parish in 2020 was approximately 27,199. The Museum has about twenty thousand visitors annually and employs approximately 6 full time employees and 9 part-time employees.

Financial Reporting Entity

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.

Basis of Presentation

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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 is 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Basis of Accounting, Measurement Focus, 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. 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.

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.

Property taxes, grant, 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 fund:

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.

Receivables and Payables

Receivables consist of all revenues earned at year end and not yet received. Payables consist of all expenses/expenditures incurred at year end and not yet paid.

**WEST BATON ROUGE MUSEUM
A COMPONENT OF UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

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

Capital Assets

Capital assets, which include property, plant, and equipment, 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 asset 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

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Restricted assets include cash and cash equivalents and investments that are donor restricted or restricted by grants as to their use.

Compensated Absences

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

- 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 paid only upon retirement.

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 in the governmental fund financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Museum does not have an item that meets this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until then. The Museum has two items that meet the criterion for this category – property taxes and state revenue sharing. The governmental funds report unavailable revenue from property taxes, state revenue sharing and unfulfilled grants. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- 1) Net invested in capital assets – 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 assets.
- 2) Restricted net position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net invested in capital assets.”

In the fund statements, governmental fund equity is classified as fund balance as is classified in these components:

- 1) Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being non-spendable as this item is not expected to be converted to cash.
- 2) Restricted – This classification included amounts for which constraints have been placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
- 3) Committed – This classification includes amount that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Museum. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Museum did not have any committed resources as of year-end.

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 4) Assigned – This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the Museum that has the authority to assign amounts to be used for specific purposes. The Museum's management has not assigned any amounts at year-end.
- 5) Unassigned – This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

At December 31, 2020, fund balances were composed of the following:

Non-spendable - prepaids	\$ 2,562
Restricted - grants and donations	40,378
Unassigned	<u>645,718</u>
Total Fund Balance	<u>\$ 688,658</u>

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America required 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 amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Budget and Budgetary Accounting

The Museum follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Annually in the fall of each year, the Museum's management submits a proposed operation budget for the general fund prepared on the GAAP basis to the Board of Directors for adoption.
- 2) After the Board adopts the budget in the fall, the budget is sent to the West Baton Rouge Parish Council who conducts a public hearing on the budget, which must be adopted by December 15. At year end, public notices affording the public the opportunity to participate in the budget process, appear in the December issues of the West Side Journal, the official journal of the parish.

WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 3) All budgetary appropriations (unexpected budget balances) lapse at the end of each fiscal year.
- 4) There are no outstanding encumbrances.
- 5) The non-GAAP basis is used in preparing and reporting the budgets and those funds not budgeted. In January 2020, the Board approved the change from GAAP basis to non-GAAP basis for preparing and reporting the budgets.
- 6) The Museum Board will meet time to time to make changes or amendments within the various budget categories.

NOTE B – LEVIED TAXES

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

	Authorized Millage	Levied Millage
Parishwide taxes:		
Museum	2.00	2.00

The gross assessed value for the tax year 2020 on the certified roll was \$562,707,590. After applying homestead exemptions and other reductions of \$49,492,295, the net assessed value upon which the Museum's property tax was computed was \$513,215,295. 2.0 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 2020. 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 \$1,024,760.

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 Parish 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 2020 tax assessment will be in May 2021, and the lien date was December 31, 2020.

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

WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS

NOTE B – LEVIED TAXES (CONTINUED)

The following are the principal taxpayers and related ad valorem tax revenue for the Museum:

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation
The Dow Chemical Co.	Chemical	\$ 93,067,240	16.50%
ExxonMobil Production Co.	Oil Storage	49,230,199	8.70%
Placid Refining Company	Refinery	<u>43,310,350</u>	<u>7.70%</u>
Total		<u>\$ 185,607,789</u>	<u>32.90%</u>

Property tax revenues of \$929,854 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balance were not reduced by \$33,543 withheld by the Sheriff for “on-behalf payments for fringe benefits” which represented the Museum’s pro rate share of pension plan contributions for other government agencies. Instead, the \$33,543 was presented as intergovernmental expenditures. In contrast, for purposes of the government-wide Statement of Activities, property tax revenues of \$929,854 were reduced by \$33,543 of on-behalf payments to present a net amount of \$896,311 for general revenues. See Note N to these financial statements for more information.

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS

Under state law, the Museum may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Museum may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalent balances at December 31, 2020 are as follows:

	Book	Bank
Cash and cash equivalents		
Unrestricted	\$ 3,689	\$ 86,966
Restricted	6,194	6,194
	<u>\$ 9,883</u>	<u>\$ 93,160</u>
Petty cash	300	
	<u>\$ 10,183</u>	

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The cash 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 - At December 31, 2020, \$93,160 of the cash and cash equivalents was fully insured by FDIC.

Interest Rate Risk – The Museum has adopted the state investment policy at LA RS 49:327. The Board invests in investments with maturities limited to three years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk – The Museum places no limits on the amount that they may invest in any one issuer.

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.

Investment balances at December 31, 2020 are as follows:

	Book	Bank
LAMP		
Unrestricted	\$ 747,019	\$ 747,019
Restricted	34,184	34,184
	<u>\$ 781,203</u>	<u>\$ 781,203</u>

Investment securities are carried at fair value based on quoted prices in active markets (Level 1) and consist of the following at December 31, 2020:

	Level 1			
	Fair Value	Cost	Maturity Date	Interest Rate
Louisiana Asset Management Pool (LAMP)	\$ 781,203	\$ 781,203	NA	.09%-1.72%
Total investments	<u>\$ 781,203</u>	<u>\$ 781,203</u>		

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

At December 31, 2020, The Museum had an investment of \$781,203 deposited in 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 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 an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAA 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 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: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM of LAMP's total investments is 47 as of December 31, 2020.

Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. 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 net value of the pool shares.

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.

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE D – FAIR VALUE MEASUREMENTS

The following table sets forth by level within fair value hierarchy the Museum's assets at estimated fair value as of December 31, 2020.

	<u>Level 1</u>
LAMP	<u>781,203</u>
Total	<u>\$ 781,203</u>

The Museum did not have Level 2 or Level 3 assets at December 31, 2020.

NOTE E – RESTRICTED ASSETS

The Museum had the following donor restricted assets at December 31, 2020:

Carruth Foundation	\$ 28,028
Union Pacific	10,000
Rotary Club	2,350
	<u>\$ 40,378</u>

NOTE F – RECEIVABLES

The receivables of \$1,024,065 at December 31, 2020 are as follows:

<u>Class of Receivable</u>	
Taxes:	
Ad valorem	\$ 1,020,231
State revenue sharing	3,834
Total	<u>\$ 1,024,065</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.

NOTE G – PREPAID EXPENSES

The Museum recognized \$2,562 of prepaid expenses representing the total exhibit contract amounts at December 31, 2020. The two exhibits that were secured in 2020 will commence in 2022 and 2023.

WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS

NOTE H – CAPITAL ASSETS

Capital asset and depreciation activity for the year ended December 31, 2020 was as follows:

	<u>Balance 1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2020</u>
Governmental Activities:				
Buildings and improvements	\$ 1,360,042	\$ 179,613	\$ -	\$ 1,539,655
Furniture and equipment	307,241	48,908	-	356,149
Construction in progress	-	-	-	-
Total	<u>1,667,283</u>	<u>228,521</u>	<u>-</u>	<u>1,895,804</u>
Less: Accumulated Depreciation:				
Buildings and improvements	313,798	57,828	-	371,626
Furniture and equipment	189,865	24,673	-	214,538
Construction in progress	-	-	-	-
Total	<u>503,663</u>	<u>82,501</u>	<u>-</u>	<u>586,164</u>
Net Capital Assets	<u><u>\$ 1,163,620</u></u>	<u><u>\$ 146,020</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,309,640</u></u>

NOTE I – COMPENSATED ABSENCES

The following is a summary of accumulated leave privileges for the year ended December 31, 2020:

Balance at 12-31-19	\$ 132,646
Increase (decrease) in accumulated sick leave	(18,779)
Balance at 12-31-20	<u>\$ 113,867</u>

NOTE J – DEFERRED INFLOWS

The Museum had the following deferred inflows at December 31, 2020:

Deferred ad valorem taxes	\$ 1,024,760
Deferred state revenue sharing	5,679
Total	<u>\$ 1,030,439</u>

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE K – RETIREMENT SYSTEM

Plan Description

Substantially all of the Museum's full-time 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 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 are eligible to participate in the System. The System issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.llla.state.la.us.

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Under the plan, members are required by state statute to contribute 9.5% of their annual covered salary and the Museum is required to contribute at an actuarially determined rate. The current rate is 12.25% 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 R.S. 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 ending December 31, 2020, 2019, and 2018 were \$46,088, \$39,048, and \$37,309, respectively, equal to the required contributions for each year.

NOTE L – OTHER POSTEMPLOYMENT BENEFITS

The Museum does not offer any post-retirement benefits.

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE M – NET POSITION/FUND EQUITY

A portion of Net Position on the Statement of Net Position and Fund Balance on the Balance Sheet has been classified as restricted. This represents unspent donor restricted grants.

NOTE N – ON-BEHALF PAYMENTS

Because the Museum is one of several governmental agencies receiving proceeds from a property tax assessment, state law (R.S. 11:82) requires the Museum to bear a pro-rata share of the pension expense relating to state and statewide public retirement systems. The Museum's pro-rata share of the required contribution was \$33,543 that was withheld by the West Baton Rouge Parish Sheriff from property tax collections to satisfy the Museum'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 \$33,543 withheld by the Sheriff has been included as part of "intergovernmental" expenditures of the General Fund in these financial statements. Further described in Note B, the Museum has increased its property tax revenue by the same amount of this intergovernmental expenditure.

NOTE O – COMPENSATION PAID TO THE BOARD

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

Mary Bennett, Secretary	\$	-
Jo Ann Busse		-
David Couvillion, Vice-Chair		-
Ellis Gauthier		-
Mark Graffeo, Chair		-
William Kleinpeter		-
Claire Sarradet, Treasurer		-
David Toups		-
Sadie Payne Woods		-
Chris Kershaw, Ex-Officio		-
	<hr/>	<hr/>
	\$	-
	<hr/>	<hr/>

NOTE P – JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There was no litigation pending against the Museum at December 31, 2020. 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, 2020.

WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS

NOTE Q – 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 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 year. The Museum purchased additional insurance to cover disasters for the Barn, Arbroth Store, three Allendale cabins and the Reed House. No settlements were made during the year that exceeded the Museum's coverage.

NOTE R – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

GASB Statement 87, Leases: This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The Museum will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the Museum's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the Museum is unknown at this time.

NOTE S – NET PENSION LIABILITY

Generally accepted accounting principles require the Museum to recognize the difference between the actuarial total pension liability and the fair value of the legally restricted plan asset to its participation in the Parochial Employees' Retirement System of Louisiana, a cost-sharing, multiple employer defined benefit plan, as a net pension liability on the statement of net position. In addition, the Museum is required to recognize its share of the deferred outflows and deferred inflows associated with its participation in the plan. However, because the Museum employees participate under the umbrella of the West Baton Rouge Parish Council (of which they are a component unit), their share of the net pension liability, deferred inflow and outflows are included in the West Baton Rouge Parish Council's financial statements. Information specific to the Museum needed to implement these accounting changes was not readily available. As such, the West Baton Rouge Museum did not apply the provisions of as required by generally accepted accounting principles. Information related to the participation in the retirement plan can be found in the financial statements of the West Baton Rouge Parish Council as of December 31, 2020.

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
NOTES TO FINANCIAL STATEMENTS**

NOTE T – SUBSEQUENT EVENTS

These financial statements considered subsequent events through September 16, 2021, the date the financial statements were available to be issued. The following is outlined below:

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of impact of COVID-19 on the Museum's operational and financial performance will depend on certain developments, including the duration and speed of the outbreak, impact on the Museum's resources, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Museum's financial condition or results of operations is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

WEST BATON ROUGE MUSEUM
A COMPONENT OF THE WEST BATON ROUGE PARISH COUNCIL
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
REVENUE				
Ad valorem taxes	\$ 874,000	\$ 874,000	\$ 851,468	\$ (22,532)
State revenue sharing	5,000	5,000	5,606	606
Grants	16,000	16,000	31,345	15,345
Fees and charges	55,000	55,000	42,995	(12,005)
Gift shop sales	7,000	7,000	3,917	(3,083)
Advertising reimbursement	20,000	20,000	20,000	-
Interest income	15,000	15,000	10,735	(4,265)
Gifts and donations	1,000	1,000	740	(260)
Miscellaneous income	-	-	-	-
TOTAL REVENUES	993,000	993,000	966,806	(26,194)
EXPENDITURES				
Culture & Recreation:				
Salaries	500,000	500,000	522,004	(22,004)
Fringe	126,000	126,000	106,485	19,515
Travel	20,000	20,000	387	19,613
Operating services	274,600	274,600	283,836	(9,236)
Material and supplies	77,800	77,800	64,887	12,913
Intergovernmental	30,000	30,000	31,313	(1,313)
Capital outlay	206,000	206,000	228,521	(22,521)
TOTAL EXPENDITURES	1,234,400	1,234,400	1,237,433	(3,033)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(241,400)	(241,400)	(270,627)	(29,227)
FUND BALANCE, BEGINNING OF YEAR	906,884	906,884	906,884	-
FUND BALANCE, END OF YEAR	\$ 665,484	\$ 665,484	\$ 636,257	\$ (29,227)

Notes: Budgetary-GAAP Reporting Reconciliation

The budgetary comparison presented in this report is on the budgetary basis. Certain adjustments are necessary to compare actual data on a GAAP versus budget basis.

Adjustments reconciling the excess (deficit) of revenues and expenditures at year end on the GAAP basis to the budgetary basis are as follows:

	General Fund
Net change in fund balance (Budgetary basis)	\$ (270,627)
Adjustments - to adjust for accruals	52,401
Net change in fund balance (GAAP basis)	\$ (218,226)

SUPPLEMENTARY INFORMATION

WEST BATON ROUGE MUSEUM
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head Name: Angelique Bergeron

PURPOSE	AMOUNT
Salary	\$ 93,049
Benefits - insurance	22,188
Benefits - retirement	11,394
Travel	-
Registration fees	-
Conference Travel	-
Continuing education fees	-
Reimbursements	33
Special meals	-
 TOTAL	 \$ 126,664

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

BAXLEY AND ASSOCIATES, LLC

P. O. Box 482
58225 Bellevue Drive
Plaquemine, Louisiana 70764
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA
Matthew L. Berthelot, CPA

Staci H. Joffrion, CPA/CGMA

Hugh F. Baxley, CPA/CGMA – Retired

SCHEDULE 1

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

INDEPENDENT AUDITOR'S 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

We have audited, in accordance with the 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 of the United States, the financial statements of the governmental activities of West Baton Rouge Museum, a component unit of the West Baton Rouge Parish Council, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Museum's basic financial statements and have issued our report thereon dated September 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Museum's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, we do not express an opinion on the effectiveness of the Museum's internal control.

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. 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.

**SCHEDULE 1
(continued)**

INDEPENDENT AUDITOR'S 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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Museum'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*.

West Baton Rouge Museum's Response to Findings

West Baton Rouge Museum's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. West Baton Rouge Museum's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Accordingly, this communication is not suitable for any other purpose.

Barley & Associates, LLC

Plaquemine, Louisiana
September 16, 2021

SCHEDULE 2

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements of the West Baton Rouge Museum.
2. One significant deficiency relating to the audit of the financial statements is reported in the 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.
3. No instances of noncompliance material to the financial statements of the West Baton Rouge Museum.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2020-001: SEGREGATION OF DUTIES

Condition:

The Museum does not have an adequate segregation of duties at its office. While we recognize that the Museum may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. This is a repeat finding.

Criteria:

An important element in designing an internal accounting control system that safeguards assets and reasonably ensures the reliability of the accounting records is the concept of segregation of responsibilities.

Effect:

No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transactions, or (3) custody of assets involved in the transaction.

Recommendation:

The entity should have a proper segregation of duties.

Management's Response:

In response to the segregation of duties, the Museum is a small agency and the cost for hiring additional employees is not beneficial. Controls have been implemented by dividing responsibilities between the employees and the Board reviews the invoices and financial statements.

SCHEDULE 3

**WEST BATON ROUGE MUSEUM
A COMPONENT UNIT OF THE WEST BATON ROUGE PARISH COUNCIL
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2019-001: SEGREGATION OF DUTIES

Condition:

The Museum does not have an adequate segregation of duties at its office. While we recognize that the Museum may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. This is a repeat finding.

Recommendation:

The entity should have a proper segregation of duties.

Current Status:

This condition still exists in the current year.