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General Purpose Financial Statements
 As of and for the Year Ended December 31, 1998
 with Supplemental Information Schedules

These statements
 comply with GASB
 standards and are
 issued in 1999

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

Release Date: 7-10-99

June 18, 1986

Mr. Henry Drummond, Executive Director
Louisiana Naval War Memorial Commission
305 South River Road
Baton Rouge, Louisiana 70802-6220

Dear Mr. Drummond:

During the course of our audit we noticed the following items that we believe need to be brought to your attention.

Findings

Employees of the Commission are performing tasks for the Foundation and the Commission is not being reimbursed. Article V, Sec. 14 prohibits things of value to the State or any political subdivision to be loaned, pledged or donated to or for any person, association or corporation, public or private.

Effect

The actual financial status of the Commission is not accurate without a reimbursement for the cost of the employees.

Recommendation

As recommended by the Legislative Auditor, a carefully drafted cooperative endeavor agreement should be executed by both parties. At a minimum, this agreement should express the public purpose of any transfers of funds, should specify the rights and obligations of both parties, and should specifically enumerate the benefits expected to be received as well as the costs to be borne by both parties.

Management's Response

The Commission and the Foundation will begin drafting a cooperative endeavor agreement as soon as possible.

Mr. Henry Drummond, Executive Director
June 18, 1986
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Finding

The determination letter from the Internal Revenue Service recognizing the organization exempt from Federal income tax under section 501(c)(13) of the Internal Revenue Code dated August, 1983, is in the name of the Louisiana Naval War Memorial Commission and uses the federal identification number of the Commission. The pre-printed label used on the Foundation's income tax returns is for the Commission.

Effect

Private donations are currently being made to the Foundation. Contributions to a 501(c)(13) organization are deductible as contributions as provided in Section 170 of the Code. It is important that the Foundation be recognized as a 501(c)(13) organization to allow the donors to claim a charitable deduction.

Recommendation

The original Form 9928 filed in August of 1983, should be examined to determine the actual entity that applied for the exempt status. Also, the Foundation should obtain a federal identification number.

Management's Response

The original application will be examined and proper steps, if needed, will be taken to straighten this matter out.

Finding

Salaries and non-exempt employees sometimes work in excess of 40 hours per week without compensation. There is no policy regarding payment of overtime or allowance of compensatory time in these situations.

Effect

The above represents a violation of Federal wage and hour laws.

Recommendation

A policy should be adopted to set forth procedures related to overtime of non-exempt, full-time employees. It should include, at a minimum, approval of overtime in advance, record-keeping for time worked, used and balance remaining and method of payment - overtime pay or compensatory time.

Mr. Henry Drummond, Executive Director
June 10, 1998
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Management's Response

Proper record keeping will be maintained on each employee. A policy will be drafted and presented to the Board.

Finding

Some of the inventory items do not have an item number assigned to them. Also, items taken from inventory and used for promotional purposes are not being reported to the accountant preparing the monthly financial records in order for the items to be reclassified as promotion expenses.

Effect

Cost of goods sold is being overstated and promotional expense is being understated.

Recommendation

Since the perpetual inventory is now being kept on the computer, every inventory item should be assigned a number so that the proper item can be added to and deleted from the inventory. Also, the items being used for promotion need to be deleted from the inventory and the accountant preparing the monthly financial statements should be notified so that an adjustment for reclassifying the expense be made.

Management's Response

All recommendations above will be implemented.

As noted in the Systems Survey and Compliance Questionnaire, the wife of the Executive Director was paid as a part-time employee through February 15, 1998. She was terminated following a ruling from the State Public Commission. No further action is necessary since this situation has been corrected.

The foregoing findings are presented to help you in the operation of the Commission and the Foundation. If you have any questions concerning the above, please let us know.

Sincerely,


John M. Butler & Co. APAC

JDB/jg

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A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BARRI, LOUISIANA 70704-0030
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INDEPENDENT AUDITOR'S REPORT

To The Board Members
Louisiana Naval War Memorial Commission
Department of Culture, Recreation and Tourism
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana Naval War Memorial Commission, a component unit of the State of Louisiana, as of and for the year ended December 31, 1990. These financial statements are the responsibility of management of the Louisiana Naval War Memorial Commission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above contain the financial data of the Commission's component unit, The Louisiana Naval War Memorial Foundation. However, the Foundation has not maintained proper records to provide

Respectfully,
Legislative Auditor

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By: 

The Board Members
Louisiana Naval War Memorial Commission
June 10, 1994
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for determining the value of donated services, and therefore the value of any donated services for the year are not recorded on the Foundation's books, a departure from generally accepted accounting principles. The total value of donated services has not been determined.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Naval War Memorial Commission, as of December 31, 1993, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated June 10, 1994 on our consideration of Louisiana Naval War Memorial Commission's internal control structure and a report dated June 10, 1994 on its compliance with laws and regulations.



John B. Butler & Co., APAC

June 10, 1994

LOUISIANA BRAVE WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
STATE OF LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES
DECEMBER 31, 1995

STATEMENT A

	Special Revenue Fund	Enterprise Fund	Totals (memo only)
ASSETS AND OTHER DEBITS			
Cash & cash equivalents	\$ 82,868.93	\$ 14,312.68	\$ 97,181.61
Inventory		22,845.84	22,845.84
Accounts receivable	420.80	2,392.00	2,733.00
Restricted assets: Cash (Endowment)	3,153.43		3,153.47
Property and equipment (net)		3,898,481.48	3,898,481.48
TOTAL ASSETS AND OTHER DEBITS	<u>86,447.48</u>	<u>3,929,941.80</u>	<u>4,018,389.20</u>
 LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities			
Accounts payable		8,824.13	8,824.13
Accrued payroll taxes payable		1,213.33	1,213.33
Other liabilities		1,865.00	1,865.00
Compensated absences payable		14,724.58	14,724.58
Total Liabilities	-8-	<u>25,862.15</u>	<u>25,862.15</u>
Equity and Other Credits			
Contributed capital		3,860,140.86	3,860,140.86
Retained earnings		43,838.79	43,838.79
Fund Balances:			
Reserved for Endowment	3,153.47		3,153.47
Unreserved-undesignated	81,291.53		81,291.53
Total equity and other credits	<u>86,447.48</u>	<u>3,904,278.65</u>	<u>3,990,726.25</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>86,447.48</u>	<u>3,929,941.80</u>	<u>4,018,389.20</u>

The accompanying notes are an integral part of this statement.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
 DEPARTMENT OF CULTURE, RECREATION AND TOURISM
 STATE OF LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - GOVERNMENTAL FUND TYPES
 YEAR ENDED DECEMBER 31, 1995

STATEMENT B

	Special Revenue Fund
REVENUES	
Memberships	\$ 38,639.50
Miscellaneous income	118.80
Investment income	3,113.34
Donations received	<u>69,829.71</u>
Total Revenues	109,892.23
EXPENDITURES	
Miscellaneous expense	248.17
Printing expense	9,864.81
Program expenses	26,530.23
General expenses	787.84
Fund raising expenses	<u>38,327.81</u>
Total Expenditures	68,976.52
EXCESS OF REVENUES OVER EXPENDITURES	39,915.71
FUND BALANCE, BEGINNING OF YEAR	<u>46,511.58</u>
FUND BALANCE, END OF YEAR	86,427.49

The accompanying notes are an integral part of this statement.

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS - PROPRIETARY FUND TYPES
 YEAR ENDED DECEMBER 31, 1999

STATEMENT C

	<u>Enterprise Fund</u>
<u>OPERATING REVENUES</u>	
Admissions	\$ 193,658.82
Sales	108,234.71
Special Events	111,237.59
Other	-8,045.37
Total Operating Revenues	411,277.99
<u>OPERATING EXPENSES</u>	
Salaries and related benefits	291,428.82
Supplies & maintenance	38,543.30
Operating services	194,640.99
Travel	5,188.37
Depreciation	110,818.65
Total Operating Expenses	640,618.23
OPERATING LOSS	(229,336.64)
<u>NON-OPERATING REVENUES</u>	
Grant proceeds	118,560.80
Leases	12,800.80
Total Non-Operating Revenues	131,361.60
LOSS BEFORE AMORTIZATION OF CONTRIBUTED CAPITAL	(97,975.04)
Amortization of Contributed Capital	204,424.23
NET (LOSS)	(106.81)
RETAINED EARNINGS AT BEGINNING OF YEAR	44,258.28
RETAINED EARNINGS AT END OF YEAR	43,820.79

The accompanying notes are an integral part of this statement

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
 DEPARTMENT OF CULTURE, RECREATION AND TOURISM
 STATE OF LOUISIANA
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
 YEAR ENDED DECEMBER 31, 1998

STATEMENT 3

	Enterprise Fund
Cash Flows from Operating Activities:	
Cash collected from customers	\$ 418,327.59
Cash paid to employees & suppliers	(528,883.53)
Net cash used by operating activities	(114,465.94)
Cash Flows from Non-Capital Financing Activities:	
Grants	114,508.00
Leases	<u>12,608.00</u>
Net cash provided by non-capital financing activities	128,508.00
Cash Flows from Capital and Related Financing Activities:	
Purchase of equipment	(42,130.37)
Net increase in cash and cash equivalents	9,893.49
Cash and cash equivalents at beginning of year	<u>4,318.32</u>
Cash and cash equivalents at end of year	<u>14,312.40</u>
Reconciliation of operating loss to net cash used by operating activities:	
operating loss	(231,135.64)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	110,814.65
Decrease in accounts receivable	850.80
Decrease in inventory	1,761.46
Increase in accounts payable	824.89
Increase in payroll taxes payable	714.30
Increase in compensated absences	1,524.17
Increase in other liabilities	<u>480.24</u>
Total adjustments	116,838.78
Net cash used by operating activities	(114,465.94)

The accompanying notes are an integral part of this statement.

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
BUDGET (GRAP BASIS) AND ACTUAL - PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1995

STATEMENT 2

	ENTERPRISE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES			
Ship admissions	\$185,000	\$186,850	\$ 1,850
Museum admissions	8,000	5,800	(2,200)
Gift shop sales	98,000	104,330	14,330
Overnight camping	58,000	76,324	39,324
Reservations	24,000	5,872	(18,128)
Fourth of July	25,000	20,876	(4,124)
Other	1,000	4,811	1,811
Total Operating Revenues	381,000	411,278	28,278
OPERATING EXPENSES			
Salaries & related expenses	284,200	291,428	(7,223)
Administrative expenses	118,380	120,224	(144)
Museum	18,000	17,580	420
Gift shop	47,000	63,832	(16,832)
Ship	13,000	10,236	(2,764)
Special programs	25,130	30,569	4,439
Depreciation	-0-	110,810	(110,810)
Total Operating Expenses	608,710	642,813	(33,893)
NON-OPERATING REVENUES			
Foundation transfers	40,000	-0-	(40,000)
Grants	114,980	114,980	-0-
Leases	13,000	12,880	(1,120)
Total Non-Operating Revenues	167,980	127,860	(40,120)
LOSS BEFORE AMORTIZATION OF CONTRIBUTED CAPITAL	41,065	(104,755)	(146,420)
Amortization of Contributed Capital	-0-	164,830	164,830
NET GAIN (LOSS)	41,065	(39)	(42,184)

The accompanying notes are an integral part of this statement.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998

Introduction

The Louisiana Naval War Memorial Commission is a component unit of the State of Louisiana, created within the Louisiana Department of Culture, Recreation, and Tourism, as provided by Louisiana Revised Statutes 28:1008-1013. The Commission is composed of 17 members, one of whom is the Secretary of the Department of Culture, Recreation, and Tourism or his designee, the Director of Veterans Affairs, and 15 members appointed by the Governor. The Commission was given authority to acquire, transport, berth, renovate, equip, operate, maintain and exhibit the destroyer U.S.S. Kidd. The Commission has control over the destroyer U.S.S. Kidd and other property acquired for use as a permanent public naval and marine corps memorial and any improvements and exhibits located thereon and any additions constructed, created, leased, acquired, or erected in connection therewith.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Reporting Entity

GASB Codification Section 1004 has defined the governmental reporting entity to be the State of Louisiana. The Commission is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the majority of the Commission members and public service is rendered within the State's boundaries. The accompanying financial statements present the transactions of the Louisiana Naval War Memorial Commission and its blended component unit, the Louisiana Naval War Memorial Foundation, as required by generally accepted accounting principles.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 1992

GASP Statement No. 34 established criteria for determining which component units should be considered part of the Commission for financial reporting purposes. The basic criterion is financial accountability determined as follows:

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

Component units that are legally separate from the municipality but are so intertwined with the unit that they are, in substance, the same as the unit are blended component units. For a component unit to be blended, the organization's board and the reporting unit must be substantively the same, or the organization must provide services entirely or almost entirely to the municipality. The Louisiana Naval War Memorial Foundation is reported as part of and blended with the Louisiana Naval War Memorial Commission.

The Foundation, operating within a calendar year, was established to (1) generally assist the Commission in its efforts to acquire, transport, berth, renovate, equip, operate, maintain and exhibit the destroyer U.S.S. Kidd as an educational asset for present and future generations, (2) specifically serve as the repository and disbursing agent for private funds solicited by or for the Commission and (3) achieve literary and educational purposes. Because of the above purpose of the Foundation, and the fact that the Foundation and Commission share the same Executive Committee members, it is considered a component unit of the Commission. The accompanying financial statements present these two entities as blended units as well as separate entities.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998

C. Fund Accounting

The Louisiana Naval War Memorial Commission uses a proprietary fund (Enterprise Fund) to report on its financial position and results of operations. The fund is operated in a manner similar to a private business where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Louisiana Naval War Memorial Foundation's financial statements are blended into the Commission's activities although it retains its separate legal identity. The Foundation is a non-profit corporation and uses the financial guidelines in the Statement of Financial Accounting Standards No. 117, Financial Statements of Not-For-Profit Organizations.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

The Foundation has adopted Statement of Financial Accounting Standards No. 117, and is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted, Temporarily Restricted, and Permanently Restricted. The Foundation has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present the three classes of net assets. The Foundation is presented in the accompanying financial statements, however, using governmental accounting as a blended component unit.

E. Budgets

The Commission adopted a budget for the Enterprise Fund on a functional basis. The budget was approved by the Commission in a public meeting on February 4, 1995. The budget is

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1995

prepared on the accrual basis of accounting. Amendments to the budget must be approved by the Commission in public meetings. There were several amendments to the approved budget. On a monthly basis, the Commission reviews the budget and the actual results of operations. The Commission does not use encumbrance accounting.

F. Cash and Cash Equivalents

Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash includes amounts in demand deposits and cash on hand. Under state law, the Louisiana Naval War Memorial Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Inventory

The Commission records inventory using the purchase method, that is, items are initially recorded as expenditures. Items on hand at year end are counted, and the inventory recorded on the books is adjusted to the actual count. The inventory is valued using the first in, first out method.

H. Restricted Assets

Certain proceeds of the Foundation (Special Revenue Fund) are classified as restricted assets on the balance sheet because their use is limited by a letter of agreement. The funds have been placed in the Baton Rouge Area Foundation. No funds can be withdrawn until the corpus reaches \$350,000. After such time, 5% of the interest income may be withdrawn each calendar year for maintenance purposes only.

I. Fixed Assets

Fixed assets used in the operations of the Commission are included on the balance sheet net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the Commission is charged as an expense against operations.

All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation for financial reporting purposes is computed by the straight-line method over the estimated useful lives of the assets as follows:

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1995

U.S.S. Kidd (Destroyer)	45 years
Museum	45 years
Office equipment	5 years
Furniture and fixtures	5 years

Contributed capital used to purchase fixed assets is being amortized based on the depreciation associated with these assets; this increases retained earnings by the amount amortized.

J. Compensated Absences

Most full-time employees earn sick leave and vacation leave based on the number of years of service according to rates established by Civil Service. Currently, the amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for up to 280 hours of unused annual leave at the employee's current hourly rate of pay. No employee may earn compensatory leave.

The liability for unused annual leave payable at December 31, 1995, was computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section 650.540. This amount is reflected on Statement A, 14,724.00.

K. Equity

Contributed Capital

Contributed capital is recorded in proprietary funds that have received contributions from other governmental units when resources are restricted for the acquisition of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

Reserves

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1995

1. Total Columns on Combined Statements

Total columns on the combined statement are captioned *Memoranda* only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. Expenses - Actual and Budget

The following individual funds have actual expenses over budgeted expenses for the year ended December 31, 1995:

<u>Fund</u>	Budget	Actual	Unfavorable Variation
Enterprise Fund	\$388,715	\$661,611	\$272,896

While the Commission adopts an operating budget each year, it is not legally required to do so.

3. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (bank balances) at December 31, 1995:

	Enterprise Fund	Special Revenue Fund
Demand deposits	\$ 12,012.68	
Interest-bearing demand deposit		\$66,838.40
Petty cash	1,509.80	
Total	14,522.48	\$66,838.40

Cash is 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.

At December 31, 1995, the Commission has \$22,168.50 in deposits (collected bank balances), which are fully insured by federal

LOUISIANA MARYLAND WAR MEMORIAL COMMISSION
 DEPARTMENT OF CULTURE, RECREATION AND TOURISM
 STATE OF LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1984

deposit insurance. At December 31, 1984, the Foundation (special revenue fund) has \$82,145.28 (collected bank balances), which are fully insured by federal deposit insurance.

4. Investments

Restricted cash of the Foundation (Special Revenue Fund) in the amount of \$3,153.47 is held at the Baton Rouge Area Foundation. These funds have been placed in a diversified investment pool which realized a return in 1984 of approximately 12.3%. They are considered cash equivalents.

5. Receivables

The following is a summary of receivables at December 31, 1984:

Class of Receivable	Special Revenue	Enterprise
Accounts:		
Booking fees		1,750.00
Other	429.80	<u>562.00</u>
Total	429.80	<u>2,312.00</u>

6. Fixed Assets

A summary of changes in fixed assets follows:

	Balance \$1,011,355	Addit- ions	Deduct- ions	Balance 12/31/85
Land	\$ 268,508	-0-	-0-	268,508
U.S.S. Kidd (destroyer)	3,985,725	-0-	-0-	3,985,725
Museum	2,885,885	-0-	-0-	2,885,885
Furniture & equipment	<u>58,177</u>	2,589	-0-	<u>61,236</u>
Total	5,928,693	2,589	-0-	5,941,656
Less: accum. depreciation				4,151,114
Fixed Assets (net)				<u>1,790,542</u>

LOUISIANA RYAL MAE MEMORIAL COMMISSION
 DEPARTMENT OF CULTURE, RECREATION AND TOURISM
 STATE OF LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1995

7. Pension Plan

All employees of the Commission are members of the Federal Social Security System. In addition to the employee contribution withheld at 7.65 percent of gross salary, the Commission contributes an additional 7.65 percent of the gross salary to the Federal Social Security System. The aggregate contributions for the year were \$18,406.

8. Other Postemployment Benefits

The Commission does not offer any additional post employment benefits.

9. Accounts, Salaries and Other Payables

The following is a summary of payables at December 31, 1995:

Class of Payable	Enterprise
Accounts	\$ 8,924.53
Withholdings	<u>1,212.33</u>
Total	10,137.46

10. Compensated Absences

At December 31, 1995, employees of the Commission have accumulated and vested \$18,728.69 of employee leave benefits, which was computed in accordance with 29CFR Code of Federal Regulations Section 609.

11. Lease and Rental Obligations

The Commission has no capital or operating lease obligations at December 31, 1995.

12. Changes in Long-Term Liabilities

A summary of changes in long-term liabilities follows:

	Enterprise <u>Fund</u>
Compensated Absences, Beginning	\$ 12,208.60
Increases	<u>1,528.62</u>
Compensated Absences, Ending	14,728.69

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1988

13. Reserved Fund Balances

A reservation has been made for cash restricted of \$3,193,47. The restriction is described in Note 1, Section B.

14. Contributed Capital

Amounts contributed to the Commission for the acquisition or construction of fixed assets associated with the U.S.S. Kidd project are recognized as contributed capital as follows:

1. Grants from the State of Louisiana (\$1,578,886);
2. Donation of property by the City of Baton Rouge, Parish of East Baton Rouge (\$268,588);
3. Donation of the U.S.S. Kidd by the United States Department of the Navy (\$328,857);
4. Donation of a building from the Louisiana Department of Transportation and Development (\$2,787,993);
5. Donation of equipment and accessories for the U.S.S. Kidd from various sources (\$26,148);

Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This amortization is closed to the capital account and reflected as an adjustment to net income. The change in contributed capital is as follows:

Total contributed capital	\$ 4,978,562
Less amortization for prior years	(1,813,888)
Balance	3,164,674
Less amortization for current year	(108,433)
Total contributed capital after amortization	3,056,241

15. Litigation and Claims

There is no pending litigation against the Commission at December 31, 1988.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1995

16. Deferred Compensation Plan

Certain employees of the Commission participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

17. Compensation Paid to Commission Members

Commission members serve without compensation and without reimbursement of expenses incurred in attendance of meetings.

18. Subsequent Events

There were no subsequent events brought to our attention that would have a material impact on the accompanying financial statements.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN ASPECT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT ACCOUNTING STANDARDS

Board Members
Louisiana Naval War Memorial Commission

We have audited the general purpose financial statements of the Louisiana Naval War Memorial Commission, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 18, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Louisiana Naval War Memorial Commission, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.


Board Members
June 19, 1996
page 2

In planning and performing our audit of the general purpose financial statements of the Louisiana Naval War Memorial Commission, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in accounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Louisiana Naval War Memorial Commission, in a separate letter dated June 19, 1996.

This report is intended for the information of the audit committee, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


John D. Butler & Company, APAC

June 19, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board Members
Louisiana Naval War Memorial Commission

We have audited the general purpose financial statements of the Louisiana Naval War Memorial Commission, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Louisiana Naval War Memorial Commission, is the responsibility of the Louisiana Naval War Memorial Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Louisiana Naval War Memorial Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Board Members
June 10, 1996
page 2

We noted certain immaterial instances of noncompliance that we have reported to the management of the Louisiana Naval War Memorial Commission in a separate letter dated June 10, 1996.

This report is intended for the information of the audit committee, management, and Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



John D. Butler & Company, A/C

Baton Rouge, Louisiana
June 10, 1996

SUPPLEMENTAL INFORMATION SCHEDULES

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1966

SPECIAL REVENUE FUND

When a component unit is blended, it becomes a Special Revenue Fund of the primary unit. Such is the presentation of the Louisiana Naval War Memorial Foundation in the accompanying financial statements prepared under general accepted governmental accounting principles. The following statements of the Foundation have been prepared using principles set forth in FASB Statement No. 117. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

LOUISIANA NAVAL WAR MEMORIAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1966

ASSETS

Cash	\$ 16,018.48
Receivable	<u>429.92</u>
<u>TOTAL ASSETS</u>	<u>\$8,447.40</u>

LIABILITIES

None

NET ASSETS

Unrestricted	72,363.16
Temporarily restricted	10,180.17
Permanently restricted	<u>3,128.37</u>
<u>TOTAL LIABILITIES & NET ASSETS</u>	<u>\$8,447.40</u>

LOUISIANA NAVAL WAR MEMORIAL FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 1990

UNRESTRICTED NET ASSETS

Support	
Memberships	\$ 30,839.80
Miscellaneous income	116.88
Interest income	-2,826.85
Total Support	40,798.04
Net assets released from restrictions	
Restrictions satisfied by payments	80,663.64
Expenses	
Program services	
Communications	9,333.78
Special projects	26,598.29
Supporting services	
Management & general	781.94
Fundraising	33,321.82
Total Expenses	68,926.82
Increase in unrestricted net assets	31,488.26

TEMPORARILY RESTRICTED NET ASSETS

Support for Elissa	2,500.00
Waxes	500.00
Excess	1.57
Barndhouse	3,250.00
Sponsors	54,131.64
Tin Can Sailors	17,000.00
Interest income	730.29
Conference	10,540.50
Net assets released by payments	(62,863.83)
Increase in temporarily restricted net assets	8,890.36

PERMANENTLY RESTRICTED NET ASSETS

Endowment Fund income	345.19
Increase in net assets	39,815.81

LOUISIANA NAVAL WAR MEMORIAL FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1980

Cash Flows From Operating Activities:

Cash received from donations, dues, etc.	\$ 106,966.09
Cash paid for services	(79,992.47)
Interest income received	3,112.18

Net cash provided by operating activities	30,486.81
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Cash Flows From Investing Activities:

None	-0-
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Cash Flows From Financing Activities:

None	<u>-0-</u>
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Net increase in cash and cash equivalents	30,486.81
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Cash and Cash Equivalents at Beginning of Period	46,641.30
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Cash and Cash Equivalents at End of Period	86,818.40
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Schedule to reconcile change in net assets
to net cash provided by operating activities:

Increase in net assets	39,715.81
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Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in receivables	<u>(429.00)</u>

Net cash provided by operating activities	39,486.81
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LOUISIANA NAVAL WAR MEMORIAL FOUNDATION
 STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED DECEMBER 31, 1950

ACCOUNT	COMMUNICATIONS	PROJECTS	EXH. & GENERAL	FUND RAISING
Mails		880.44		
Keaton		1,089.87		
Bartholomew		1,021.75		
Sponsors				33,327.47
Tin Can Saloons		12,078.00		
Bank charges, etc.			787.94	
Convention		18,548.50		
Printing & misc.	2,528.51			
Compass	8,788.37			
	<u>9,312.78</u>	<u>26,536.23</u>	<u>787.94</u>	<u>33,327.47</u>

LOUISIANA NAVAL WAR MEMORIAL FOUNDATION
SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS
DECEMBER 31, 1995

NAME	AMOUNT
Barrhouse Fund	\$ 2,307.36
Kline	2,500.00
Sponsors	841.37
Tin Can Sailors Grant	-4,321.35
Total	10,327.17