

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

Baton Rouge, Louisiana

FINANCIAL STATEMENTS

December 31, 2025

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

Baton Rouge, Louisiana

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Louisiana Naval War Memorial Commission
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **LOUISIANA NAVAL WAR MEMORIAL COMMISSION** (the Commission), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission, as of December 31, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt about the Commission's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Commission will continue as a going concern as described in Note 10 to the financial statements. The Commission's primary attraction, the U.S.S. KIDD Destroyer, was removed from public display for dry docking to undergo substantial repairs in the prior year and remained away from the Commission for the current fiscal year, which significantly reduced visitor attendance and related revenues. Management's evaluation of the events and conditions and management's plans regarding this matter are also described in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in total other post-employment benefits liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 in 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 management's discussion and analysis 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 presented to supplement the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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 this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission'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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated June 29, 2026, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.


Certified Public Accountants

Baton Rouge, Louisiana
June 29, 2026

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

Baton Rouge, Louisiana

STATEMENT OF NET POSITION

December 31, 2025

ASSETS

Current assets:

Cash	\$ 259,416
Inventory	39,362
Prepaid insurance	<u>30,353</u>

Total current assets	329,131
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RIGHT-OF-USE ASSETS, NET

3,340

CAPITAL ASSETS, NET16,124,983

Total assets	16,457,454
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DEFERRED OUTFLOWS OF RESOURCES

Other post-employment benefits	<u>13,034</u>
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Total assets and deferred outflows of resources	<u><u>\$ 16,470,488</u></u>
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LIABILITIES

Current liabilities:

Accounts payable	\$ 14,665
Accrued payroll	5,947
Lease liability - current portion	<u>1,412</u>

Total current liabilities	<u>22,024</u>
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Noncurrent liabilities:

Other post-employment benefits	45,837
Lease liability - long-term, net	<u>2,098</u>

Total noncurrent liabilities	<u>47,935</u>
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Total liabilities	<u>69,959</u>
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DEFERRED INFLOWS OF RESOURCES

Other post-employment benefits	<u>13,785</u>
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NET POSITION

Net investment in capital assets	16,124,813
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Unrestricted	<u>261,931</u>
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Total net position	<u>16,386,744</u>
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Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 16,470,488</u></u>
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The accompanying notes to the financial statements
are an integral part of this statement.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

Baton Rouge, Louisiana

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION**

For the year ended December 31, 2025

OPERATING REVENUES

Charges for services:

Admissions	\$ 66,262
Gift shop	58,172
Site rental	585
Special events	3,925

Total operating revenues	128,944
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OPERATING EXPENSES

Salaries and related benefits	410,519
Insurance, utilities, and administrative	224,197
Maintenance and supplies	29,865
Depreciation and amortization	121,813
Cost of sales	21,213
Special events	515

Total operating expenses	808,122
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Operating loss	(679,178)
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NONOPERATING REVENUES (EXPENSES)

Capital grants and contributions (Note 8)	8,591,163
City/Parish of East Baton Rouge grant	317,410
Other post-employment benefit revenue	18,600
Other grants and contributions	220,188
Advertising	4,287
Miscellaneous income	128
Interest expense	(167)

Total nonoperating revenues (expenses)	9,151,609
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Change in net position	8,472,431
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NET POSITION

Beginning of year	7,914,313
End of year	\$ 16,386,744

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

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 128,944
Payments to suppliers	(303,612)
Payments to employees	<u>(408,629)</u>
Net cash used for operating activities	<u>(583,297)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating grants	317,410
Other grants and contributions	<u>224,436</u>
Net cash provided by noncapital financing activities	<u>541,846</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments on right-of-use lease liabilities	(1,190)
Interest expense	<u>(167)</u>
Net cash used for capital and related financing activities	<u>(1,357)</u>
Net decrease in cash	(42,808)

CASH

Beginning of period	<u>302,224</u>
End of period	<u><u>\$ 259,416</u></u>

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

Operating loss	\$ (679,178)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation and amortization	121,813
Change in operating assets and liabilities:	
Inventory	8,101
Prepaid insurance	12,382
Lease liability	(48,902)
Accounts payable and accrued payroll	<u>2,487</u>
Net cash used for operating activities	<u><u>\$ (583,297)</u></u>

SUPPLEMENTAL CASH FLOW INFORMATION

Contributed capital assets	<u><u>\$ 8,591,163</u></u>
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The accompanying notes to the financial statements
are an integral part of this statement.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Louisiana Naval War Memorial Commission (the Commission) is a related organization for the State of Louisiana as provided by Louisiana Revised Statutes (LRS) 38:3301:3309 and was created within the Louisiana Department of Culture, Recreation, and Tourism as provided by LRS 25:1000:1003. The Commission was given the authority to acquire, transport, berth, renovate, equip, operate, maintain, and exhibit the U.S.S. KIDD Destroyer and other property acquired for use as a permanent public Armed Forces memorial. The U.S.S. KIDD and museum are located in Baton Rouge, Louisiana. The Commission's primary revenues include admission fees, gift shop sales, donations, and grants.

The Commission is composed of 16 members, one of whom is the Secretary of the Department of Culture, Recreation, and Tourism or their designee, the Director of Veterans Affairs or their designee, and 14 members appointed by the Governor of the State of Louisiana. The commissioners are not paid for their service.

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

Financial Reporting Entity

As required by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity - an amendment of GASB Statements No. 14 and No. 34*, The Commission is considered an affiliated organization of the State of Louisiana. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the State of Louisiana, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund Accounting

The accounts of the Commission are organized on the basis of proprietary fund accounting used by governmental entities. The proprietary fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of change in net position and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The proprietary fund uses the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash

Cash includes amounts of interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. The Commission had no cash equivalents at December 31, 2025.

Inventory

Inventory consists of merchandise for resale and is recorded at lower of cost or net realizable value. The Commission does not have an allowance for obsolete items. The Commission uses the first-in-first-out (FIFO) method to account for its inventory.

Prepaid Insurance

Prepaid insurance is recorded at cost. The Commission's insurance policy has a fiscal year of July to June. The amount is incurred due to expenses paid during the current year that are attributable to the next fiscal year. Payment for policy coverage from July to December of each year will be expensed. Payment for coverage from January to June will be recognized as prepaid insurance as the payment is a benefit for a future fiscal year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Assets used in operations with useful life that extends beyond one year are capitalized. Buildings, equipment, furniture and fixtures, and infrastructure (including the U.S.S. KIDD Destroyer) are depreciated over their estimated useful lives. Capital assets are reported net of accumulated depreciation in the statement of net position.

Property and equipment are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their acquisition value as of the date of the contribution. If acquisition value is not readily determinable, it is estimated based on the cost to construct at that time. All items purchased or donated that are valued above \$5,000 are capitalized.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Land	-
Furniture and Equipment	5-7 years
Vehicles	5-10 years
Buildings and Improvements	15-45 years

Right-of-Use Assets

Right-of-use assets are a result of leases in which the Commission has entered into a contract with a lessor that conveys control of the right-to-use the lessor's nonfinancial asset as specified by the contract for a period of time (in excess of twelve months) in an exchange-like transaction. As lessee, the Commission recognizes a lease liability and an intangible right-to-use lease asset in the statement of net position.

At the commencement of the lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lesser of its useful life or lease term.

Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-Use Assets (Continued)

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Commission is reasonably certain to exercise.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Subscription-Based Information Technology Arrangements

Subscription-based information technology arrangements (SBITA) are contracts that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the statement of net position, net of amortization. SBITAs are amortized during the extent of the agreement. The Commission has not entered into any agreements gaining control of the right to use another party's information technology as described above at December 31, 2025.

Unearned Revenue

The Commission records unearned revenue when deposits are collected in advance of a customer's event. These revenues are recognized at the point in time the event takes place, at which time these funds become earned and available. These revenues are shown as site rental revenues on the statement of revenues, expenses, and changes in net position. The Commission had no unearned revenue at December 31, 2025.

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time.

The statement of net position has deferred inflows and outflows of resources related to the actuarial changes in assumptions and experience used in the measurement of the Commission's other post-employment benefits obligation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees accumulate annual and sick leave at various rates based on their years of service. The amount of annual sick leave that may be accumulated by each employee is limited to 300 hours per year. Any unused leave at year-end is not subject to rollover or payment to the employee. There was no liability for compensated absences at December 31, 2025.

Net Position

Net position is classified in the following categories:

- Net investment in capital assets - consists of all capital assets, net of accumulated depreciation and reduced by outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on use either by external groups or through constitutional provisions or enabling legislation.
- Unrestricted net position - consists of all other net position that is not included in the other categories.

When both restricted and unrestricted resources are available for use, the Commission's policy is to use restricted resources first.

Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission's proprietary fund are revenues from transactions relating to the operation of the ship and museum. Operating expenses from the proprietary fund include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results differ from those estimates. Estimates are used primarily when accounting for other post-employment benefits, right-of-use assets, lease liabilities, and depreciation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current Accounting Standards Implemented

During the year, the Commission implemented policies established under GASB Statement No. 102, *Certain Risk Disclosures*. This Statement establishes disclosure requirements regarding concentrations and constraints that could expose a government to certain risks of loss or limit its ability to provide services or meet obligations. Disclosures are required when (1) a concentration or constraint is known to the government prior to the issuance of the financial statements, (2) the concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact, and (3) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Disclosures related to concentrations and constraints are included in Notes 8 and 10 to the financial statements.

Subsequent Events

In preparing the financial statements, the Commission has evaluated subsequent events and transactions for potential recognition or disclosure through June 29, 2026, which was the date the financial statements were available to be issued.

NOTE 2 - CAPITAL ASSETS

The Commission reports capital assets at cost. The following changes in capital assets were reported for the year ended December 31, 2025:

	Balance December 31, 2024	Increases	Decreases	Balance December 31, 2025
Land	\$ 268,500	\$ -	\$ -	\$ 268,500
Construction in progress	6,264,738	8,591,163	-	14,855,901
Buildings and improvements	2,819,335	-	-	2,819,335
Furniture and equipment	89,984	-	-	89,984
Vehicles	28,824	-	-	28,824
Less: accumulated depreciation	(1,864,449)	(73,112)	-	(1,937,561)
Capital assets, net				
of accumulated depreciation	<u>\$ 7,606,932</u>	<u>\$ 8,518,051</u>	<u>\$ -</u>	<u>\$ 16,124,983</u>

Depreciation expense was \$73,112 for 2025.

Construction in progress at December 31, 2025, consists primarily of the ongoing U.S.S. KIDD restoration project. It also includes a museum roof replacement project. Costs incurred for the roof replacement through year-end were funded by the State of Louisiana through its Division of Facility Planning and Control and have been recognized as construction in progress and capital grants and contributions. The project remained in progress as of December 31, 2025.

NOTE 3 - LEASES

The Commission has a right-of-use lease asset for a building under a lease agreement with an original term commencing November 1, 2023 and ending October 31, 2025. The lease required monthly payments of \$5,000 and was recognized using a discount rate of 4.87%. The related lease liability decreased from \$48,902 at January 1, 2025, to \$0 at December 31, 2025, upon expiration of the original lease term.

Effective November 1, 2025, the Commission exercised a one-year renewal option extending the lease through October 31, 2026. The renewal period is provided at no cost; therefore, no additional lease payments or lease liability were recognized, as nonexchange transactions are excluded from the scope of GASB Statement No. 87, *Leases*.

The Commission also has a right-of-use lease asset for a copier that is paid in monthly installments of \$127 which includes interest payments at a rate of 3.92%. The lease is set to mature in May 2028 and does not contain an option for renewal. The related lease liability decreased from \$4,867 at January 1, 2025, to \$3,510 at December 31, 2025, of which \$1,412 is due within one year. As of December 31, 2025, the copier lease asset has an original cost of \$6,910 and accumulated amortization of \$3,570, resulting in a carrying value of \$3,340.

Amortization expense for the year ending December 31, 2025 was \$48,701.

Lease expense for the year ended December 31, 2025, consisted of the following:

	Year Ending December 31, 2025
Amortization expense by class of underlying asset	
Building	\$ 47,319
Copy machine	1,382
Interest on lease liabilities	167
Total	<u>\$ 48,868</u>

Future maturities of the copier lease liability as of December 31, 2025 are as follows:

Year ending December 31,	Principal	Interest	Total payments
2026	\$ 1,412	\$ 112	\$ 1,524
2027	1,468	56	1,524
2028	<u>630</u>	<u>6</u>	<u>636</u>
Total	<u>\$ 3,510</u>	<u>\$ 174</u>	<u>\$ 3,684</u>

NOTE 4 - DEFERRED COMPENSATION PLAN

Full-time employees are eligible to participate in Louisiana Public Employees Deferred Compensation Program adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, P.O. Box 94397, Baton Rouge, Louisiana 70804-9397.

Employees/participants are able to contribute a percentage of their salary with the Commission matching up to 5% of gross salaries for each employee. Total contributions were not allowed to exceed the amount determined under IRS regulations, which was \$23,500 for 2025. All contributions are immediately vested. During the year ended December 31, 2025, the Commission made employer contributions on behalf of employees/participants totaling \$12,518, which is included in salaries and related benefits in the statement of revenues, expenses, and changes in net position.

NOTE 5 - OTHER POST-EMPLOYMENT BENEFITS

The Commission's employees may participate in the State's Other Post-Employment Benefit Plan (OPEB Plan), an agent multiple-employer benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees, and their beneficiaries. The Office of Group Benefits (OGB) administers the plan - a multiple-employer defined benefit other post-employment benefit plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan to the state legislature. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in Louisiana Annual Comprehensive Financial Report (ACFR). The ACFR may be obtained from the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P.O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

Funding Plan

The plan is currently financed on a pay-as-you-go basis. The contribution requirements of plan members and the Commission were established and may be amended by the LRS 42:801-883. Employees did not contribute to their post-employment benefits cost until they became retirees and began receiving these benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage.

Funding Status and Funding Progress

As of December 31, 2025, the Commission had not made any contributions to its post-employment benefits trust plan. Thus, it has no plan assets and a funding ratio of zero.

NOTE 5 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term prospective of the calculations.

(Continued)

NOTE 5 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

The total OPEB liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40 percent
Salary increases	Consistent with the State's pension valuation assumptions
Discount rate	Current valuation: 3.93 percent based on the Bond Buyer 20 Index rate as of June 30, 2024
Healthcare cost trend rates	Post-Medicare: 7.50 percent for 2025, decreasing 0.50 percent per year to 6.5 percent in 2027, then decreasing by variable rates to an ultimate rate of 4.5 percent in 2035 and later years Pre-Medicare: 8.50 percent for 2025, thereafter decreasing 0.25 percent per year to 7.5 percent in 2029, then decreasing by 0.50 percent per year to an ultimate rate of 4.5 percent in 2035 and later years
Healthcare claims costs	Per capita costs for the self-insured plans were based on medical and prescription drug claims for retired participants for the period January 1, 2023, through December 31, 2024. The claims experience was trended to the valuation date. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2025 premiums adjusted to the valuation date using the trend assumptions above. Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the HRA plan, which provides a flat monthly subsidy.
Actuarial cost method	Entry Age Normal, level percentage of pay
Estimated Remaining Service Lives	4.5 years

The actuarial assumptions used by the pension plans covering the same participants were used for the mortality, retirement, termination, disability, and salary scale assumptions.

NOTE 5 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Mortality assumptions are consistent with the pension plans' assumptions. Rates are shown by group, as follows:

LASERS

For general active members: the PubG-2010, adjusted by 1.055 for males and 1.034 for females, with adjustments for expected future mortality improvement using the MP-2021 Generational Improvement Scale.

For general retiree/inactive members: the PubG-2010, adjusted by 1.215 for males and 1.277 for females, with adjustments for expected future mortality improvements of regular retirees using the MP-2021 Generational Improvement Scale.

For disabled retirees: the RP-2000 Disabled Retiree Morality Table, adjusted by 0.936 for males and 1.065 for females, with no projection for mortality improvement.

TRSL

For active members: the Pub-2010T-Below Median Employee tables, adjusted by 0.965 for males and by 0.942 for females.

For non-disabled retiree/inactive members: the Pub-2010T-Below Median Retiree tables, adjusted by 1.173 for males and by 1.258 for females.

For disability retiree mortality: the Pub-2010T-Disability tables, adjusted by 1.043 for males and by 1.092 for females.

These base tables are adjusted from 2010 to 2019 using the MP-2021 generational improvement table, with continued future mortality improvement projected using the MP-2021 generational mortality improvement tables.

LSERS

For active members: the Pub-2010 General Below Median Employee Table, adjusted by 125% for males and 135% for females, each with the full generational MP-2021 scale.

For annuitants and beneficiaries: the Pub-2010 General Below Median Healthy Retiree Table, adjusted by 125% for males and 135% for females, each with the full generational MP-2021 scale.

For disabled members: the Pub-2010 Non-Safety Disabled Retiree Table, adjusted by 125% for males and 135% for females, each with the full generational MP-2021 scale.

NOTE 5 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

LSPRS

For active members: the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees, set at 100% for males and 105% for females, each with the full generational MP-2021 scale.

For annuitants and beneficiaries: the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retiree, set at 100% for males and 105% for females, each with the full generational MP-2021 scale.

For disabled members: 100% of the Pub-2010 Safety Disabled Retiree Sex Distinct Tables for males and 105% for females, each with the full generational MP-2021 scale.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13 percent in 2023 to 3.93 percent in 2024, the current valuation.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate.

1% Decrease	Discount Rate (3.93%)	1% Increase
<u>\$ 48,748</u>	<u>\$ 45,837</u>	<u>\$ 43,203</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Healthcare Rate (4.50%)	1% Increase
<u>\$ 43,423</u>	<u>\$ 45,837</u>	<u>\$ 48,448</u>

NOTE 5 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities and Expenses and Deferred Outflows and Inflows of Resources

The Commission's OPEB obligation for the year ended December 31, 2025 is as follows:

Beginning OPEB Obligation January 1, 2025	\$	43,116
Interest on OPEB obligations		1,597
Effect of economic/demographic gains or losses		3,134
Changes of assumption		2,996
Benefit payments (direct premiums paid)		(5,006)
Ending OPEB Obligation December 31, 2025	\$	<u>45,837</u>

For the year ended December 31, 2025, the Commission recognized OPEB benefit of \$18,600.

At December 31, 2025, the Commission reported the deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,032	\$ 11,200
Changes of assumptions	3,604	2,585
Net difference between projected and actual earnings on other post-employment benefit plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Differences between allocated and actual contributions	-	-
Employer contributions subsequent to the measurement date	4,398	-
Total	<u>\$ 13,034</u>	<u>\$ 13,785</u>

The Commission reported \$4,398 as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date, which will be recognized as a reduction of the OPEB liability in the year ended December 31, 2025. Other amounts reported by the State deferred outflows of resources and deferred inflows of resources related to OPEB benefit are as follows:

Year ended June 30:	Net Amount Recognized in OPEB Benefit
2026	(5,135)
2027	(2,687)
2028	1,650
2029	1,023
Total deferred inflows of resources	<u>\$ (5,149)</u>

NOTE 6 - PER DIEM PAID TO COMMISSIONERS

The Commission members are not paid for their services.

NOTE 7 - RELATED PARTY

The Commission receives support from the Louisiana Veterans Museum Foundation (the Foundation). The Foundation's purpose is to support the Commission's operations, programs, and restoration of the U.S.S. KIDD. As funding becomes available, the Foundation provides grants to the Commission for operating needs and serves as the funding conduit for the U.S.S. KIDD restoration project, which is reimbursed by the State of Louisiana. During the year ended December 31, 2025, the Commission recognized operating and capital contributions related to these activities. See Note 8 for additional information regarding funding received through the Foundation and the related restoration projects.

NOTE 8 - COMMITMENT AND CONTINGENCIES

The Commission entered into a Cooperative Endeavor Agreement (CEA) with the State of Louisiana through the Foundation to support the repair and restoration of the U.S.S. KIDD Destroyer, which commenced in 2024. Under this agreement, the State has committed to provide funding in the amount of \$500,000 to support the dry dock and restoration project. During the year ended December 31, 2025, the Commission recognized \$181,010 of grant revenue received through this CEA and is reflected within other grants and contributions on the statement of revenues, expenses, and changes in net position.

Additionally, the State of Louisiana, through its Division of Facility Planning and Control, has contracted with Thoma-Sea Marine Constructors, LLC for the hull repair and reinforcement, superstructure repair, interior restoration and painting of the U.S.S. KIDD Destroyer, and docking cradle repairs and upgrade, which commenced in 2024 and remained ongoing as of December 31, 2025. During 2025, the contract was amended, increasing the total contract amount to approximately \$15.1 million. As of December 31, 2025, approximately \$14.6 million of project costs had been incurred. Of this amount, approximately \$8.3 million was recognized by the Commission during 2025 as capital grants and contributions for the U.S.S. KIDD restoration project. Capital grants and contributions recognized during 2025 also included amounts related to the museum roof replacement project. See Note 2 for additional information.

NOTE 9 - CONCENTRATION OF CREDIT RISK

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be recovered. Under state law, deposits must be secured by Federal Deposit Insurance Corporation (FDIC) or the pledge of securities owned by the fiscal agent bank. The Commission's exposure in excess of FDIC limits and uncovered by pledged securities as of December 31, 2025 is \$6,747.

NOTE 10 - GOING CONCERN

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which contemplate continuation of the Commission as a going concern. The Commission expects to continue as a going concern through the fiscal year ending December 31, 2026, however, the Commission's ability to continue operations is dependent on future funding and revenue streams.

During 2024, the Commission's primary attraction, the U.S.S. KIDD Destroyer, a historic warship, was removed from public display and placed into dry dock for necessary repairs and maintenance, where it remained throughout the 2025 fiscal year. As a result, the Commission experienced a significant decline in visitor attendance and related revenues, which includes admissions, gift shop sales, and event rentals. These factors have contributed to operating losses and have negatively impacted the Commission's operating cash flows.

Management is actively pursuing various strategies to address these financial challenges, including seeking additional support from state and local governmental agencies, fundraising efforts, and cost-saving measures. During 2026, the Louisiana Veterans Museum Foundation was awarded two legislative appropriations totaling \$425,000 to support Commission operations. Governance indicated these appropriations, together with donor funding, are expected to provide sufficient operating support through approximately July 1, 2027. The Commission anticipates that the attraction will return to public display prior to that date, resulting in increased visitation and related operating revenues. However, the timing of the ship's return remains dependent upon completion of the restoration project and river conditions necessary to transport and reinstall the ship in Baton Rouge.

Despite these efforts, there remains substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
Baton Rouge, Louisiana

**SCHEDULE OF CHANGES IN TOTAL
OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS**

For the year ended December 31, 2025

LAST TEN FISCAL YEARS (1)

	2025	2024	2023	2022
Total OPEB Liability				
Interest	\$ 1,597	\$ 2,886	\$ 1,822	\$ 2,272
Differences between expected and actual experience	3,134	(29,868)	4,711	1,921
Changes of assumptions	2,247	3,285	(12,754)	1,465
Benefit payments	(5,006)	(5,926)	(7,687)	(7,305)
Net change in total OPEB liability	1,972	(29,623)	(13,908)	(1,647)
Total OPEB liability - beginning	43,865	73,488	87,396	89,043
Total OPEB liability - ending	<u>\$ 45,837</u>	<u>\$ 43,865</u>	<u>\$ 73,488</u>	<u>\$ 87,396</u>
Covered employee payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
	2021	2020	2019	2018
Total OPEB Liability				
Interest	\$ 2,534	\$ 3,375	\$ 12,186	\$ 11,648
Differences between expected and actual experience	3,606	2,914	(265,256)	-
Changes of assumptions	(4,434)	(21,852)	(4,144)	(21,424)
Benefit payments	(6,944)	(6,775)	(30,744)	(30,744)
Net change in total OPEB liability	(5,238)	(22,338)	(287,958)	(40,520)
Total OPEB liability - beginning	94,281	116,619	404,577	445,097
Total OPEB liability - ending	<u>\$ 89,043</u>	<u>\$ 94,281</u>	<u>\$ 116,619</u>	<u>\$ 404,577</u>
Covered employee payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Notes to Schedule:

No assets are accumulated in a trust to pay related benefits.

Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate changes from 4.13% as of July 1, 2023 to 3.93% as of July 1, 2024. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates of 4.13% and 3.93% are based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2024.

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31, 2025

Agency Head: Parks Stephenson III, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 78,000
Benefits - retirement	<u>3,900</u>
Total	<u>\$ 81,900</u>



**INDEPENDENT AUDITORS' 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**

To the Board of Commissioners
Louisiana Naval War Memorial Commission
Baton Rouge, Louisiana

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 General of the United States, and the *Louisiana Governmental Audit Guide*, the financial statements of the **LOUISIANA NAVAL WAR MEMORIAL COMMISSION (the Commission)**, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 29, 2026.

Report on Internal Control over Financial Reporting

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

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 were not identified. We identified deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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 financial statement. 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* as item 2025-001.

The Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Commissioners and management, the Louisiana Legislative Auditor, and federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.


Certified Public Accountants

Baton Rouge, Louisiana
June 29, 2026

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

For the year ended December 31, 2025

1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unmodified opinion.**
- B) Significant deficiencies in internal control were disclosed by the audit of financial statements: **None reported.**

Material weaknesses: **2025-001** and **2025-002.**

- C) Noncompliance that is material to the financial statements: **2025-001.**

2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **2025-001.**

3) Noncompliance with state laws and regulations: **2025-001**

4) FINDINGS - COMPLIANCE

2025-001 Collateralized Pledged Securities in Excess of Federal Deposit Insurance Corporation Limits

Year Finding Originated: 2022

Criteria: Cash in bank deposits must be secured by the Federal Deposit Insurance Corporation (FDIC) or the pledge of securities owned by the fiscal agent bank. R.S. 39:1225 provides the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except the portion of the deposits insured by the United States.

Condition: The Commission maintained cash balances within one financial institution greater than FDIC coverage as of December 31, 2025, and did not have sufficient pledged securities to collateralize the uninsured portion.

Cause: The Commission did not adhere to the State of Louisiana's collateralized deposit requirements during the year 2025.

Effect: The Commission has deposit balances that are unsecured in the event the financial institution becomes insolvent.

4) FINDINGS – COMPLIANCE (CONTINUED)

2025-001 Collateralized Pledged Securities in Excess of Federal Deposit Insurance Corporation Limits (Continued)

Recommendation: The Commission should adhere to the State of Louisiana’s policy for maintaining collateral for deposits in excess of FDIC limits or consider utilizing another FDIC insured financial institution for amounts in excess of coverage.

Views of responsible officials and planned corrective action: Management of the Commission concurs with the recommendation mentioned above and will ensure that all cash accounts are adequately collateralized in future periods.

5) FINDINGS - FINANCIAL STATEMENTS

2025-002 Contributed Assets

Year Finding Originated: 2023

Criteria: GASB Statement No. 33 requires governments to recognize capital contributions and the related capital assets for nonexchange transactions when the recipient has met all applicable eligibility requirements.

Condition: In 2025, the State of Louisiana funded costs for the restoration of the Commission’s U.S.S. KIDD Destroyer Ship, which totaled \$8,335,591 during 2025. These are considered contributions from the State of Louisiana to the Commission.

Cause: As the Commission did not directly incur the costs for the restoration and repair of the Commission’s U.S.S. KIDD Destroyer Ship, the Commission did not record the related benefit received or expenditure paid on its behalf.

Effect: The absence of these transactions within the accounting records caused revenues and assets to be materially misstated for the year ending December 31, 2025, and required material adjusting entries to fairly present the financial statements.

Recommendation: The Commission should maintain and record all transactions, financial and nonfinancial, which benefit the Commission, within the accounting system in order to properly present the financial statements each year.

Views of responsible officials and planned corrective action: Management of the Commission concurs with the recommendation mentioned above and will maintain records for all transactions involving the Commission, directly and indirectly.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

Baton Rouge, Louisiana

SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES

For the year ended December 31, 2025

2024-001 Collateralized Pledged Securities in Excess of Federal Deposit Insurance Company Limits

This matter has been reclassified as 2025-001.

2024-002 Contributed Assets

This matter has been reclassified as 2025-002.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION

MANAGEMENT LETTER

December 31, 2025



Louisiana Naval War Memorial Commission
Baton Rouge, Louisiana

We have audited the financial statements of the **LOUISIANA NAVAL WAR MEMORIAL COMMISSION** (the Commission) for the year ended December 31, 2025 and have issued our report thereon dated June 29, 2026. As part of our audit, we considered the Commission's internal control for financial reporting to plan our audit as required by auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards*. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures 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 Commission's internal controls or expressing an opinion on compliance. Also, in accordance with compliance with certain laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls or operating efficiencies. Our comments and suggestions regarding these matters are set forth below. This letter does not affect our reports dated June 29, 2026, on the financial statements of the Commission's internal control over financial reporting.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various personnel of the Commission, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendation. Our comments are summarized on Exhibit 1.

This report is intended solely for the information and use for the Commission, management, and Louisiana Legislative Auditor, and is not intended to be and should be used by anyone other than these specified parties. Under Louisiana Revised Statutes 12:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 29, 2026

2025-1 Journal Entries

Observation: During our audit, we noted that the Commission does not have formal controls in place to review or approve journal entries. Journal entries can be recorded and posted to the general ledger without independent review. Although the Business Manager, Executive Director, and external CPA discuss journal entries verbally, nothing is documented to support the review process.

Recommendation: We suggest that management implement formal procedures surrounding posting journal entries to support financial reporting accuracy. Sound internal control over financial reporting requires the Commission to have formal procedures to ensure that all journal entries are accurate and properly authorized. This is to help prevent errors or irregularities in financial statements.

Management's Response: Management agrees with the recommendation above and intends to implement formal procedures over posting journal entries.

2025-2 Personnel Files

Observation: During our audit, we performed tests over payroll processes and procedures where we compared authorized pay rates documented in employee personnel files to amounts paid to employees. Our tests discovered two employees whose personnel files did not contain documentation that supported amounts paid to the employees. Our understanding is the Commission provided a cost-of-living adjustment to these employees during 2025. The variance in amounts paid to employees and documentation in their respective personnel files was 3%.

Recommendation: We recommend the Commission maintain documentation supporting all approved compensation changes, including cost-of-living adjustments, merit increases, or other pay modifications, within each employee's personnel file. Maintaining complete personnel records will help ensure payroll changes are properly authorized, supported, and available for future reference and audit.

Management's Response: Management agrees with the recommendation above and will ensure documentation supporting employee compensation changes is maintained within the applicable personnel files.

Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
Baton Rouge, Louisiana

For the Fiscal Period January 1, 2025, through December 31, 2025



INDEPENDENT **ACCOUNTANTS'** REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioner of Louisiana
Naval War Memorial Commission and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The LOUISIANA NAVAL WAR MEMORIAL **COMMISSION'S** (Commission) management is responsible for those C/C areas identified in the SAUPs.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - ii. *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. *Disbursements*, including processing, reviewing, and approving.
 - iv. *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

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- vi. *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. *Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. *Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of three accounts. Management identified the entity's main account.

From the listing provided, we selected all accounts and obtained the bank reconciliations for the month ending May 31, 2025, resulting in three bank reconciliations obtained subject to the following procedures:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic funds transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was obtained and consisted of one deposit site. All deposit sites were selected.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for the deposit site selected in procedure #4A was provided and included a total of two locations.

From the listing provided, we randomly selected one collection location for the deposit site.

- i. Employees responsible for cash collections do not share cash drawers/registers;

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
- Two deposit dates for each of the three bank accounts were selected. Two of the three bank accounts had no deposit activity for the period January 1, 2025, through December 31, 2025. One of the bank accounts had two deposits for the period, resulting in a test of two deposits across the three accounts.*
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- A listing of locations was obtained and consisted of one location. All locations were selected.*
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

- ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

A listing of active credit cards was obtained and consisted of three cards. All credit cards were selected.

 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Each credit card statement selected contained less than 10 transactions resulting in all transactions for each card being selected for testing. This resulted in 18 transactions that were observed.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees’ authorization has been removed.

No terminated employees had access to credit cards for the fiscal year.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
Bid law was not applicable for any of the contracts selected for testing.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
None of the contracts selected for testing were amended.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
No changes in the current year.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and **report “We performed the procedure and discussed the results with management”**:

- A. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

LOUISIANA NAVAL WAR MEMORIAL COMMISSION
Baton Rouge, Louisiana

SCHEDULE OF ASSOCIATED FINDINGS

For the Fiscal Period January 1, 2025, through December 31, 2025

Associated findings:

No associated findings were found as a result of applying the procedures listed above, except as follows:

1. Written Policies and Procedures:

A (xii) The Commission has policies in place regarding sexual harassment. However, they do not meet the minimum requirements of the Statewide Agreed Upon Procedures which adhere to R.S. 42:342-344.

2. Board or Finance Committee:

A (iv) The Board of Commissioners did not receive written updates of the progress of resolving audit findings at each meeting until the findings were considered fully resolved.

3. Bank Reconciliations:

A (ii) Bank reconciliations lacked documentation indicating the date of management's review.

6. Credit Cards/Debit Cards/Fuel Cards/P-Cards:

B (i) Of the 18 transactions reviewed, fourteen transactions lacked evidence of review and approval by someone other than the cardholder.

C (ii) Of the 18 transactions reviewed, seven transactions lacked written documentation of business/public purpose.

9. Payroll and Personnel:

B (i) Of the five employees selected for review, the Commission did not have documentation for the attendance and leave of one full-time salaried employee.

B (iv) Of the five employees selected for review, the pay rate of two employees did not agree to the pay rate found within the personnel file.

12. Fraud Notice:

B The Commission did not have posted on its premises the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13. Information Technology Disaster Recovery/Business Continuity:

We performed the procedures and discussed the results with management of the Commission.

14. Prevention of Sexual Harassment:

C No evidence of an annual sexual harassment report was provided.

Management's Response:

Management of the Commission concurs with the exceptions identified and are in the process of addressing these matters.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.


Certified Public Accountants

Baton Rouge, Louisiana
June 29, 2026