

**LOUISIANA POLITICAL
MUSEUM AND HALL OF FAME**

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

Louisiana Political Museum and Hall of Fame
Financial Report
June 30, 2017

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Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

Louisiana Political Museum
and Hall of Fame
499 East Main Street
Winnfield, LA 71483

Management is responsible for the accompanying financial statements of the governmental activities and major funds of the Louisiana Political Museum and Hall of Fame as of and for the year ended June 30, 2017, and related notes to the financial statements, which collectively comprise the Louisiana Political Museum and Hall of Fame's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has omitted the management's discussion and analysis information and budgetary comparison that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriated operational, economic, or historical context.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

November 28, 2017
Natchitoches, LA 71457

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Louisiana Political Museum and Hall of Fame
Statement of Net Position
June 30, 2017

	<u>Total</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 37,939
Receivables	<u>1,268</u>
Total Current Assets	\$ 39,207
Non-current Assets-	
Capital Assets (Net)	<u>63,510</u>
Total Assets	<u>\$102,717</u>
LIABILITIES:	
Current Liabilities-	
Payroll Payable	\$ 1,851
Non-current Liabilities-	
Notes Payable	<u>2,600</u>
Total Liabilities	\$ <u>4,451</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 63,510
Unrestricted	<u>34,756</u>
Total Net Position	<u>\$ 98,266</u>

See accompanying notes and independent accountant's compilation report.

Louisiana Political Museum and Hall of Fame
Statement of Activities
June 30, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position <u>Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Recreation & Culture	\$ <u>152,324</u>	\$ <u>34,489</u>	\$ <u>115,000</u>	\$ <u>(2,835)</u>
		General Revenues:		
			Other	<u>1,067</u>
			Change in Net Position	\$ (1,768)
			Net Position July 1, 2016	<u>100,034</u>
			Net Position June 30, 2017	\$ <u>98,266</u>

See accompanying notes and independent accountant's compilation report.

FUND FINANCIAL STATEMENTS

Louisiana Political Museum and Hall of Fame
Balance Sheet-Governmental Funds
June 30, 2017

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Operating Fund</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	\$5,253	\$32,686	\$37,939
Accounts Receivable	0	1,268	1,268
Total Assets	<u>\$5,253</u>	<u>\$33,954</u>	<u>\$39,207</u>
LIABILITIES:			
Payroll Liabilities	\$1,851	\$ 0	\$ 1,851
FUND BALANCE:			
Restricted	\$ 0	\$33,954	\$33,954
Unassigned	<u>3,402</u>	<u>0</u>	<u>3,402</u>
Total Fund Balance	<u>\$3,402</u>	<u>\$33,954</u>	<u>\$37,356</u>
Total Liabilities and Fund Balance	<u>\$5,253</u>	<u>\$33,954</u>	<u>\$39,207</u>

See accompanying notes and independent accountant's compilation report.

Louisiana Political Museum and Hall of Fame
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2017

Total Fund Balance for the Governmental Funds
at June 30, 2017 \$37,356

Total Net Position reported for Governmental Activities
in the Statement of Net Position is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the fund. Those assets consist of:

Land, Equipment, Buildings, and Vehicles	\$ 170,269	
Less: Accumulated Depreciation	<u>(106,759)</u>	63,510

Long-term Liabilities are not due and payable in the
current period, therefore, are not reported in the
Governmental Funds Balance Sheet

Note Payable	<u>(2,600)</u>
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Total Net Position of Governmental Activities
at June 30, 2017 \$98,266

Louisiana Political Museum and Hall of Fame
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2017

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Operating Fund</u>	
REVENUES:			
Intergovernmental-			
State of Louisiana	\$ 80,000	\$ 0	\$ 80,000
Miscellaneous-			
Sales-			
Gift Shop	0	18,617	18,617
Hall of Fame	0	15,872	15,872
Local Grant	0	35,000	35,000
Other	<u>0</u>	<u>1,067</u>	<u>1,067</u>
Total Revenues	<u>\$ 80,000</u>	<u>\$ 70,556</u>	<u>\$ 150,556</u>
EXPENDITURES:			
Current-			
Recreation & Culture			
Salaries	\$ 88,808	\$ 0	\$ 88,808
Related Benefits	6,794	0	6,794
Office Supplies	0	4,759	4,759
Other Charges	455	13,017	13,472
Hall of Fame Expenses	0	25,172	25,172
Purchase for Resale	<u>0</u>	<u>3,295</u>	<u>3,295</u>
Total Expenditures	<u>\$ 96,057</u>	<u>\$ 46,243</u>	<u>\$ 142,300</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(16,057)</u>	<u>\$ 24,313</u>	<u>\$ 8,256</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	\$ 59,425	\$ 45,000	\$ 104,425
Operating Transfer Out	<u>(45,000)</u>	<u>(59,425)</u>	<u>(104,425)</u>
Total Other Financing Sources (Uses)	<u>\$ 14,425</u>	<u>\$(14,425)</u>	<u>\$ 0</u>
Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses	\$ (1,632)	\$ 9,888	\$ 8,256
Fund Balance-Beginning of Year	<u>5,034</u>	<u>24,066</u>	<u>29,100</u>
Fund Balance-End of Year	<u>\$ 3,402</u>	<u>\$ 33,954</u>	<u>\$ 37,356</u>

See accompanying notes and independent accountant's compilation report.

Louisiana Political Museum and Hall of Fame
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
for the Year Ended June 30, 2017

Total Net Change in Fund Balance
at June 30, 2017, per Statement of Revenues,
Expenditures and Changes in Fund Balance \$ 8,256

The Change in Net Position
reported for Governmental Activities
in the Statement of Activities is different because:

Depreciation Expense is reported in the government-
wide Statement of Activities, but does not require
the use of current financial resources. Therefore,
depreciation expense is not reported as an expen-
diture in the governmental funds. Current year
depreciation expense is (10,024)

Total changes in Net Position at June 30, 2017,
per Statement of Activities \$ (1,768)

NOTES TO FINANCIAL STATEMENTS

Louisiana Political Museum and Hall of Fame
Notes to Financial Statements
June 30, 2017

Introduction:

The Louisiana Political Museum and Hall of Fame, is established as a facility in the City of Winnfield, Parish of Winn, under the overall jurisdiction of the Department of Culture, Recreation and Tourism by LA R.S. 25:380.141. The Louisiana Political Museum and Hall of Fame shall be a historical, cultural, scientific, technological, and educational institution whose primary purpose shall be to research, collect, preserve, and present, as an educational resource, media, film, motion pictures, recordings, pictures, documents, artifacts, objects of art, and the like that reflect the political, social, and cultural history of the politics of the state, including but not limited to such materials related to political campaigns and candidates, officeholders, and supporting personnel.

The Friends of the Louisiana Political Museum and Hall of Fame Foundation, Inc. is a related non-profit organization of the Louisiana Political Museum and Hall of Fame. This related organization raises money in the form of contributions from citizens that want to support the Museum; it receives no state funds. As described in Note 9 to the financial statements, this related organization loans money from time to time to the Museum.

1. Summary of Significant Accounting Policies:

The accounting and reporting policies of Louisiana Political Museum and Hall of Fame conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide.

A. REPORTING ENTITY-

The Louisiana Political Museum and Hall of Fame, for financial purposes, includes all of the funds relevant to its operations. The Louisiana Political Museum and Hall of Fame has been determined to be a primary government and not a component unit or agency of the state government for financial reporting purposes.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Louisiana Political Museum and Hall of Fame
Notes to Financial Statements
June 30, 2017

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Louisiana Political Museum and Hall of Fame's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Louisiana Political Museum and Hall of Fame are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Louisiana Political Museum and Hall of Fame maintains two funds. They are both categorized as governmental funds. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity. Both funds are considered to be major.

Governmental Funds-

General Fund

The General Fund is the general operating fund of the Louisiana Political Museum and Hall of Fame. It is used to account for appropriation money received from the State.

Operating Fund

Used to account for all financial resources except those required to be accounted for in another fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

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

Louisiana Political Museum and Hall of Fame
Notes to Financial Statements
June 30, 2017

Accrual Basis - Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis - Fund Financial Statements (FFS)

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

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Louisiana Political Museum and Hall of Fame.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The Louisiana Political Museum and Hall of Fame maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

Louisiana Political Museum and Hall of Fame
Notes to Financial Statements
June 30, 2017

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Furniture, computers	5 years

G. COMPENSATED ABSENCES-

There are no formal written personnel policies that address leave. Therefore, no entry is made to record compensated absences.

H. EQUITY CLASSIFICATIONS-

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net resources are available, management applies unrestricted net resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Non-spendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

Louisiana Political Museum and Hall of Fame
Notes to Financial Statements
June 30, 2017

- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$3,402. The Operating Fund has a restricted fund balance of \$33,954. If applicable, the Louisiana Political Museum and Hall of Fame would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The restricted balance is to be used for recreational and cultural expenditures.

I. INTERFUND TRANSACTIONS-

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental funds. The following is a summary of interfund operating transfers:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 59,425	\$ 45,000
Operating Fund	<u>45,000</u>	<u>59,425</u>
Totals	<u>\$104,425</u>	<u>\$104,425</u>

Transfers are primarily used to move monies between funds.

J. ESTIMATES-

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

Louisiana Political Museum and Hall of Fame
Notes to Financial Statements
June 30, 2017

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Louisiana Political Museum and Hall of Fame are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Louisiana Political Museum and Hall of Fame will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Louisiana Political Museum and Hall of Fame that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Louisiana Political Museum and Hall of Fame's name.

At June 30, 2017, the Louisiana Political Museum and Hall of Fame had \$33,911 in deposits (collected bank balances). These deposits were secured from risk by federal deposit insurance.

3. Capital Assets:

Capital asset activity for the year ended June 30, 2017, is as follows:

Governmental Activities	Balance <u>06-30-16</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06-30-17</u>
Capital Assets Depreciated:				
Building Improvements	\$150,435	\$ 0	\$0	\$150,435
Office Furniture	2,828	0	0	2,828
Office Equipment	<u>17,006</u>	<u>0</u>	<u>0</u>	<u>17,006</u>
Total Assets	<u>\$170,269</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$170,269</u>
Less, Accumulated Depreciation:				
Building Improvements	\$ 76,901	\$ 10,024	\$0	\$ 86,925
& Equipment	2,828	0	0	2,828
Vehicles	<u>17,006</u>	<u>0</u>	<u>0</u>	<u>17,006</u>
Total Accumulated Depreciation	<u>\$ 96,735</u>	<u>\$ 10,024</u>	<u>\$0</u>	<u>\$106,759</u>
Net Capital Assets	<u>\$ 73,534</u>	<u>\$(10,024)</u>	<u>\$0</u>	<u>\$ 63,510</u>

Louisiana Political Museum and Hall of Fame
Notes to Financial Statements
June 30, 2017

Depreciation expenses were changed as follows:

General Fund	\$ 3,613
Operating Fund	<u>6,411</u>
Total	<u>\$10,024</u>

4. Collections:

As with most museums, the purchase price or estimated value of donations of objects on display are not included on the Statement of Net Position due to the difficulty and subjectivity in establishing a value.

5. Employee Retirement Systems:

The Louisiana Political Museum and Hall of Fame does not have or sponsor an employee retirement plan. All employees of the Louisiana Political Museum and Hall of Fame are covered by the Social Security System.

6. Pending Litigation:

There were no civil suits seeking damages against the Louisiana Political Museum and Hall of Fame outstanding at June 30, 2017.

7. Related Party Transactions:

The Louisiana Political Museum and Hall of Fame had no identified related party transactions for the year ended June 30, 2017.

8. Notes Payable:

For the year ended June 30, 2017, the Friends of the Louisiana Political Museum and Hall of Fame Foundation, Inc. did not loan the museum any funds.

There were no changes to Notes Payable for the period ending June 30, 2017. The balance of Notes Payable in the General Fund is \$2,600.

9. Budget:

The Louisiana Political Museum & Hall of Fame is a quasi-public entity that is not subject to the Louisiana Local Government Budget Act, budget requirements of LA R.S. 39:33, or LA R.S. 39:1331-1342, therefore we do not present a budgetary comparison.

Louisiana Political Museum and Hall of Fame
Notes to Financial Statements
June 30, 2017

10. Subsequent Events:

Management has evaluated events through November 28, 2017, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTAL INFORMATION

Louisiana Political Museum and Hall of Fame
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2017

Agency Head Name: Carolyn R. Phillips, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$57,407
Benefits-Other	2,281
Reimbursements	<u>101</u>
Total	<u>\$57,089</u>

See independent accountant's compilation report.