

AMERICAN BATTLE
MONUMENTS COMMISSION

FISCAL YEAR 2013
ANNUAL REPORT



Korean War Monument, Busan, Korea

Cover Photo: Brookwood American Cemetery, England

SECRETARY'S MESSAGE

With this annual report we present the Commission's financial statements and performance results for the year ending September 30, 2013. It was a busy and important year for the Commission's commemorative mission.

On July 28, 2013, during the 60th anniversary commemorations of the signing of the armistice that ended the Korean War, a U.S. monument was dedicated in the United Nations Cemetery in Busan, South Korea. It is the Commission's 26th federal memorial and the first non-World War I or World War II monument constructed by the agency outside the U.S. Commissioner Barbaralee Diamonstein-Spielvogel represented the agency and led the U.S. delegation at the Busan anniversary events.

The Korean War Monument was built in tribute to Americans who served during the war, including the 36,574 Americans who died in Korea between 1950-1953. Honor, freedom and peace, the principles which the U.S and its Allies fought to preserve during the Korean War, are the only words engraved upon the memorial. Nothing else need be said.

On Memorial Day weekend in May, I was honored to participate in a ceremony at the Honolulu Memorial honoring Army Chaplain Emil Kapaun. Kapaun was posthumously awarded the Medal of Honor in April 2013 for his actions during the Korean War. His remains were never recovered. His name in the Courts of the Missing is now marked with gold leaf to reflect his status as a Medal of Honor recipient.



Max Cleland

On the same weekend, I accepted a 2013 Preservation Honor Award from the Historic Hawai'i Foundation for exemplary achievement in the field of historic preservation. The Foundation recognized the design of the Vietnam Pavilion at the Honolulu Memorial for "maintaining the historic character and integrity of the original memorial...without detracting from the historic setting." The Vietnam Pavilion was dedicated on Veterans Day 2012.

In San Francisco, work is nearing completion on a project to add a handicapped access ramp and restore landscaping features at the West Coast Memorial. Located on

the Presidio grounds, the memorial honors those who lost their lives in the coastal waters of the U.S. during World War II.

And in the Philippines, on land once a U.S. air base, sits Clark Cemetery. The cemetery was abandoned by the U.S. in the early '90s when the military bases agreement with the Philippine Government expired. At the urging of the veterans' community, the President signed into law the Dignified Burial of Veterans Act of 2012, directing the Commission to assume responsibility for the cemetery. As the fiscal year ended, the Commission was working with the State Department to seek an agreement with the Philippine Government to allow ABMC to maintain the site as its 25th overseas cemetery.

Looking ahead, 2014 will bring several significant commemorative milestones for the Commission. On Memorial Day in May, we will dedicate new visitor centers at Cambridge American Cemetery in England and Sicily-Rome American Cemetery in Italy, and on



ABMC Commissioner Barbaralee Diamonstein-Spielvogel greets a Korean War veteran at the dedication of the U.S. Korean War Monument in Busan, Korea.



South Korean soldiers place a wreath for the Veterans of Foreign Wars at the dedication of the Korean War Monument in Busan, Korea.

the National Mall in Washington, D.C., we will help celebrate the 10th anniversary of the dedication of the World War II Memorial. The memorial was built by ABMC and now is administered by the National Park Service. Two weeks later, on June 6, the Allied nations will commemorate the 70th anniversary of the D-Day landings, with events planned at several sites along the landing beaches, including Normandy American Cemetery. And in August, the 2014-2018 World War I Centennial period begins. Events such as these bring public focus to our commemorative mission and our increasingly important responsibility to preserve the stories of those we honor.

A program launched this year will help us preserve those stories for future generations. In partnership with the University of North Carolina-Chapel Hill and Virginia Tech we are creating a World War I-focused education program developed by teachers that will help students better understand the experience of Americans that served and died during the Great War. This partnership, a first-of-its-kind for ABMC, creates a teacher-scholar program that helps teachers create and develop lesson plans for fellow teachers. A team of education experts from universities, high schools and middle schools are leading the effort to create a hands-on curriculum using the Meuse-Argonne American Cemetery in Verdun, France, as the centerpiece. Our agency was created because of World War I. We view this as a great opportunity to introduce American children to that important period of American history and to those we honor at our World War I overseas cemeteries.

In August, the Commission welcomed John Wessels to the senior management team as deputy secretary for overseas operations, a critical leadership position responsible for ensuring that our overseas cemeteries and memorials are maintained in a manner that honors appropriately the service and sacrifice they commemorate. John comes to the Commission from the National Park Service, where he served most recently as director of the Service's Intermountain Region.

And it is with a sense of great loss that I report the passing of former congressman and ABMC Commissioner Ike Skelton. The nation lost a great leader and America's veterans lost one of their strongest advocates when Ike died in October 2013. Ike had served on the Commission since his appointment by President Obama in July 2011, and had only recently been elected chairman of the U.S. World War I Centennial Commission. He will be missed by all who knew and served with him and by all who benefitted because of him.

In closing, I thank the Administration and the Congress for the resources they provide in continuous support of our mission. The manner in which a nation honors its war dead is a reflection of that nation's character. We remain bound, in all that we do on behalf of the American people, by General Pershing's promise that "time will not dim the glory of their deeds."

Godspeed.
Max Cleland

MISSION AND ORGANIZATION

The American Battle Monuments Commission (the Commission) — guardian of America's overseas commemorative cemeteries and memorials — honors the service, achievements and sacrifice of the United States armed forces. Since 1923, the Commission has executed this mission by (1) commemorating the achievements and sacrifices of America's armed forces through the erection and maintenance of suitable memorial shrines in the U.S. when authorized by Congress and where they have served overseas since April 6, 1917; (2) designing, constructing, operating, and maintaining permanent American military burial grounds in foreign countries; and (3) controlling the design and construction on foreign soil of U.S. military memorials, monuments, and markers by other U.S. citizens and organizations, both public and private, and encouraging their maintenance. The Commission's fiscal year 2013 appropriation supported its continued commitment to the worldwide responsibilities that flow from this mission.

In performance of its mission, the Commission administers, operates, and maintains 24 permanent American military cemeteries; 26 federal memorials, monuments, and markers; and eight nonfederal memorials. Three memorials are located in the United States; the remaining memorials and all of the Commission's cemeteries are located in 15 foreign countries, the U.S. Commonwealth of the Northern Mariana Islands, and the British dependency of Gibraltar. These cemeteries and memorials are among the most beautiful and meticulously maintained shrines in the world. The Commission's World War I, World War II, and Mexico City cemeteries are closed to future burials except for the remains of U.S. war dead discovered in World War I and II battle areas.

In addition to grave sites, the World War I and II cemeteries, together with three memorials on U.S. soil, commemorate by name on Tablets of the Missing those U.S. service members who were missing in action or lost or buried at sea during the First and Second World Wars and the Korean and Vietnam Wars.

The Commission also administers trust funds to (1) build memorials authorized by Congress, but financed primarily from private contributions, commemorative coin proceeds, and investment earnings; (2) decorate grave sites with flowers from private contributions; and (3) maintain and repair nonfederal war memorials with private contributions.

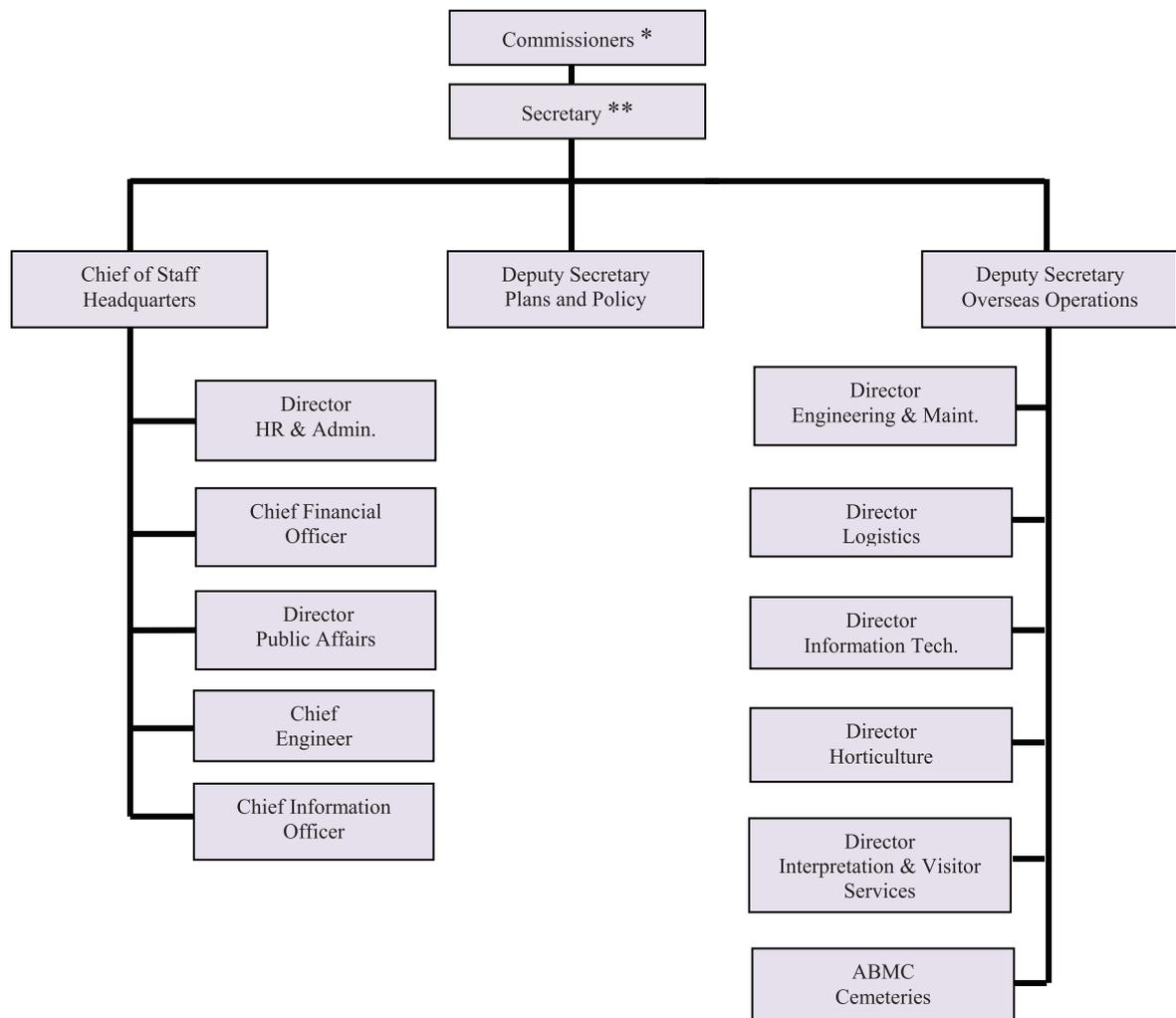
During fiscal year 2013, the Commission continued to ensure that its commemorative cemeteries and memorials remain fitting shrines to those who have served our nation in uniform since America's entry into World War I.

The Commission's mission statement:

The American Battle Monuments Commission—guardian of America's overseas commemorative cemeteries and memorials—honors the competence, courage, and sacrifice of United States armed forces.

The Commission's policy-making body consists of a Board of Commissioners comprised of up to 11 members appointed by the President of the United States for an indefinite term and who serve without pay. However, the members of the Commission may receive reimbursement for actual expenses related to the work and travel of the Commission. The commissioners establish policy and ensure proper staff functioning in carrying out the mission of the Commission. During inspection visits to Commission cemeteries, they observe, inquire about, comment upon, and make recommendations on any and all aspects of Commission operations. The Commission's daily operations are directed by an Executive Level Secretary, who is appointed by the President and assisted by two Deputy Secretaries and a Chief of Staff.

The Commission's headquarters is in Arlington, Virginia and an Office of Overseas Operations is located in Garches, France, just outside Paris. For fiscal year 2013, the Commission had a total of 390 full-time equivalent (FTE) positions.



* Chairman and up to 10 Commissioners appointed by the President

** Appointed by the President

Figure 1. The Commission's Organizational Structure

OPERATIONS MANAGEMENT

Operations management activities in fiscal year 2013 focused on funding salaries and benefits, service fees, scheduled maintenance and repairs, supplies, materials, spare parts, replacement of uneconomically repairable equipment, and capital improvements.

For fiscal year 2013, the Commission received \$57,370,000 from appropriations in its Salaries and Expenses account. The Commission's Foreign Currency Fluctuations Account appropriation for fiscal year 2013 contained "such sums as may be necessary" language. For fiscal year 2013, the Commission estimated \$16,001,000 be used to offset currency exchange losses. Figure 2 shows how the Commission obligated funding from its Salaries and Expenses account, by object class.

The Commission has received funding for engineering, maintenance and horticulture programs that make the Commission's facilities among the most beautiful memorials in the world. These shrines to America's war dead require a formidable annual program of maintenance and repair of facilities, equipment, and grounds.

The Commission prioritizes the use of its engineering, maintenance and horticulture funds carefully to ensure the most effective and efficient utilization of its available resources. This care includes upkeep of more than 131,000 graves and headstones and 73 memorial structures (within and external to the cemeteries) on approximately 1,650 acres of land. Additionally, the Commission maintains 65 visitor facilities and quarters for assigned personnel; 67 miles of roads and paths; and 911 acres of ornamental trees, flowering plants, shrubs and hedges, fine lawns, and meadows.

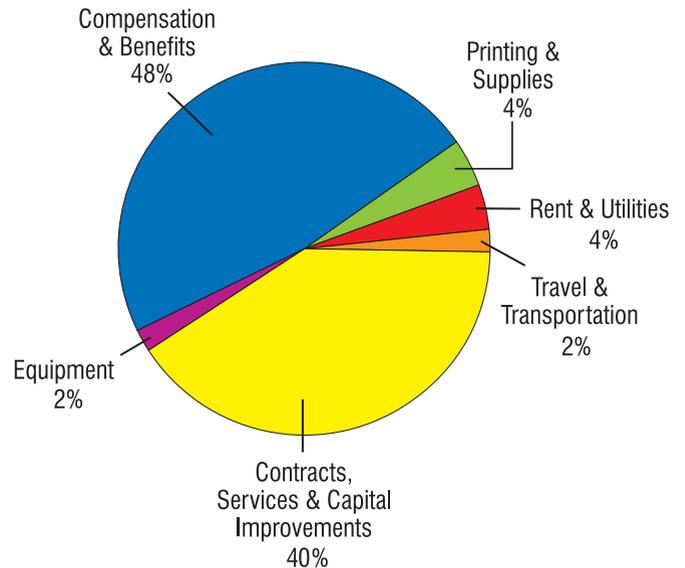


Figure 2.. Fiscal Year 2013 Obligations by Object Class

Care and maintenance of these resources requires exceptionally intensive labor at the Commission's cemeteries and memorials. Compensation and benefits consumed approximately 48 percent of the Commission's fiscal year 2013 spending while the remaining 52 percent supported engineering, maintenance, horticulture, logistics, interpretation, services, supplies and other administrative costs critical to its operations.

Management's Discussion and Analysis

FINANCIAL ANALYSIS

Assets

The Consolidated Balance Sheet reflects total assets of \$95.6 million at the end of FY 2013, a decrease of \$1 million from the \$96.6 million at the end of FY 2012. The Fund Balance with Treasury and Treasury Investments line items decreased by \$0.6 million, which is attributable to a general decrease in Fund Balance with Treasury. The Commission's assets reflected in the Consolidated Balance Sheet were as follows:

ASSETS BY TYPE

	2013	%	2012	%
Fund Balance with Treasury	93,655,559	98%	89,766,221	93%
Investments, Net	-	0%	4,461,772	5%
Cash and Foreign Accounts	59,389	0%	147,368	0%
Accounts Receivable and Employee Advances	13,290	0%	17,919	0%
General Property and Equipment, Net	<u>1,881,558</u>	<u>2%</u>	<u>2,208,337</u>	<u>2%</u>
Total Assets	<u>95,609,796</u>	<u>100%</u>	<u>96,601,617</u>	<u>100%</u>

Liabilities

The Commission's Consolidated Balance Sheet reflects total liabilities of \$13.7 million at the end of FY 2013, which represents an increase from the previous year's total liabilities of \$11.6 million. The increase is mainly due to construction projects that had been obligated by year end, but payments had not yet commenced. Liabilities are categorized as intragovernmental liabilities or liabilities held with the public. Intragovernmental liabilities totaled \$1.2 million in fiscal year 2013 compared to \$0.7 million in fiscal year 2012. The increase is mainly attributable to the ongoing maintenance at the Honolulu Memorial provided by the Army Corps of Engineers as well as projects at the West Coast Memorial provided by the Presidio Trust. Liabilities held with the public totaled \$12.5 million in fiscal year 2013 compared to \$11.0 million in fiscal year 2012. The increase is mainly attributable to construction projects that had been obligated by year end, but payments had not yet commenced. The composition of the Commission's liabilities was as follows:

LIABILITIES BY TYPE

	2013	%	2012	%
Accounts Payable	10,283,609	75%	7,790,009	67%
Other Liabilities	<u>3,428,836</u>	<u>25%</u>	<u>3,828,348</u>	<u>33%</u>
Total Liabilities	<u>13,712,445</u>	<u>100%</u>	<u>11,618,357</u>	<u>100%</u>

Net Position

The Commission's Consolidated Balance Sheet and Consolidated Statement of Changes in Net Position reflect a Net Position of \$81.9 million at the end of FY 2013, a 4% decrease from the \$85.0 million net position in fiscal year 2012. The decrease is mainly attributable to the increase in foreign currency losses incurred by the Commission due to its significant operations overseas. Net Position is the sum of Unexpended Appropriations and Cumulative Results of Operations.

Net Costs

The Commission's total net cost of operations for FY 2013 was \$77.2 million. This represents an increase of \$9.4 million from the Commission's net cost of operations of \$67.8 million in FY 2012. The increase is mainly attributable to the construction of 2 new visitors centers at Cambridge and Sicily-Rome cemeteries and ongoing maintenance at the Honolulu Memorial.

Budgetary Resources

The Consolidated Statement of Budgetary Resources provides information on how budgetary resources were made available to the Commission for the year and the status of these resources at fiscal year-end. For the 2013 fiscal year, the Commission had total budgetary resources of \$130.4 million, which represents a 3% decrease from FY 2012 levels of \$133.9 million. Gross Budget Authority of \$74.2 million consisted of \$74.1 million in appropriations received and \$0.1 million in other receipts. The Commission incurred obligations totaling \$68.2 million in fiscal year 2013 compared with FY 2012 obligations incurred of \$80.5 million.

Net Outlays reflect the actual cash disbursed against previously established obligations. For FY 2013, the Commission had net outlays of \$74.7 million, compared to \$64.1 million in net outlays in fiscal year 2012, an increase of 17%. The increase is mainly attributable to the construction of 2 new visitor centers at Cambridge and Sicily-Rome cemeteries, ongoing maintenance at the Honolulu Memorial and an increase in foreign currency losses incurred.

Heritage Assets

Heritage assets are property, plant and equipment that are unique for one or more of the following reasons: historical or natural significance; cultural, educational, or artistic importance; or significant architectural characteristics.

Heritage assets are significant to the mission of the Commission, which is to design, construct, and maintain historical cemeteries and memorials. The Commission presents its heritage assets in three categories: cemeteries, federal memorials, and nonfederal memorials. Through September 30, 2013, the Commission had 24 cemeteries, 26 federal memorials and 8 nonfederal memorials. Presently, over 131,000 U.S. war dead are interred in these cemeteries. Commemorated individually by name on stone tablets at the cemeteries and federal memorials are over 94,000 war dead, whose remains were not recovered. The cemeteries and federal memorials encompass over 1,600 acres. This land is provided to the Commission through host nation agreements for permanent use as cemeteries and memorials.

HIGH PRIORITY PERFORMANCE GOALS AND RESULTS

Summarized below are the Commission's performance goals and results.

Goal 1: Provide an inspirational and educational visitor experience through effective outreach and interpretive programs.

Objectives for Goal 1

- Educate the public about the Commission's mission, and the competence, courage, and sacrifice of those honored at the agency's commemorative sites.
- Increase visitation to the Commission's cemeteries, memorials, and website.
- Educate and train all employees who provide visitor services in interpretive skills.
- Leverage international events and relevant anniversary dates to interpret the Commission's cemeteries.
- Satisfy constituents' needs through timely distribution of information and products.

Strategy for Achieving Goal 1

We will develop educational materials and new technology capabilities to improve visitor education programs, both on-site and on our website. We will expand Web marketing and public/media outreach to increase visitation to our website and memorial sites. We will also develop a methodology to count visitors so that we can document both on-site and website visitation. We will expand training and mentoring opportunities to enhance professional and personal development of our employees. We will also create historical reference libraries to assist in the interpretive mission. We will leverage upcoming milestones to increase the public reach of the interpretive initiative, including D-Day, Memorial Day, Veterans Day, the 100th anniversary of World War I,

and the 70th anniversary of World War II. We will automate frequently requested services for our constituents in order to improve on-site and website customer service.

Selected Performance Results toward Achieving Goal 1

- Work under a contract to produce 18 educational military campaign interactive programs for the agency website and visitor centers continued to move forward during the fiscal year. Web versions of World War I and World War II timeline interactive programs were launched and several campaign interactive programs related to the Cambridge and Sicily-Rome cemetery visitor center projects were nearing completion as the fiscal year ended.
- The agency's first mobile application—a tour of the Pointe du Hoc battlefield—was completed and a contract was awarded to produce mobile apps for Cambridge, Flanders Field, Meuse-Argonne, Normandy, and Sicily-Rome cemeteries. Several are expected to be completed in Fiscal Year 2014.
- Although delayed by database development issues, the redesigned agency website was nearly complete as the fiscal year ended—it was projected to go live in the fall of 2013.
- An education initiative was begun in July 2013 with award of a contract to a University of North Carolina/Virginia Tech joint venture. The project will involve twelve middle and high school teachers and seven university mentors to develop curricula for middle and high school teachers using Commission products. The initial focus is on World War I curricula, as we approach the four-year centennial of The Great War.

- Interest from military units, veterans groups, and local citizens and organizations continued, as they took opportunities to pay tribute to those honored at the Commission’s cemeteries by visiting individually or participating in ceremonies and “adopt a grave” programs.
- The Commission continued to respond to customer requests for lithographs, no fee passport authorizations, flower placements, and general information about the overseas cemeteries and memorials we administer.

Goal 2: Develop, operate, maintain, and improve the Commission’s facilities as the world’s best commemorative sites.

Objective for Goal 2

Review and evaluate facilities and execute approved maintenance, repair, and improvements.

Strategy for Achieving Goal 2

We will continue to operate, maintain, and improve the Commission’s facilities and infrastructure in like-new condition, and implement our evaluation processes to ensure compliance with our high standards. We will work to reduce the growth of operational and routine maintenance costs and promote more effective long-term planning, operations, and resource management.

Selected Performance Results toward Achieving Goal 2

- The following are examples of the engineering, maintenance and horticulture projects executed in fiscal year 2013:
 - Complete restoration of court of honor terraces in Netherlands and Epinal cemeteries to their original appearance and improvements of handicap accessibility at the latter;
 - Completed cleaning and repainting of entire Montsec federal monument and restoration of its bronze relief map and battle medallions to their original state;
 - Complete restoration of bronze and mosaic relief battle map at Sicily-Rome cemetery and the marble battle maps in Cambridge and Florence cemeteries;

- Replacement of eagle stone sculptures at Audenarde federal monument and six stone state medallions at the Manila cemetery memorial;
- Completion of renovation to the service area in Rhone cemetery with new awards for renovations of service areas in Florence, Mexico and Corozal cemeteries;
- Complete upgrade to the Sicily-Rome cemetery electrical supply and distribution system;
- Completion of access roads and path in Somme cemetery;
- Replacement of 600 lm of perimeter fencing at Normandy cemetery;
- Renovation of superintendent quarters in Ardennes cemetery and designs for new quarters in Manila cemetery.
- The Commission continued a headstone refurbishing program to keep the headstones in “like new” condition with the purchase of just over 600 new headstones.
- The timely completion of all construction and site upgrades associated with the three new visitor center projects at Sicily-Rome and Cambridge cemeteries as well as at the Pointe du Hoc federal monument.

Goal 3: Attract and retain quality employees through personal and professional investment and development.

Objectives for Goal 3

- Establish baseline employee satisfaction through an employee survey.
- Ensure timely and effective employee recognition.
- Implement an enhanced performance management program with annual performance work plans tied to the strategic plan.
- Balance employee personal and professional responsibilities through work/life initiatives.
- Implement a professional development program responsive to agency and employee needs.

Strategy for Achieving Goal 3

We will implement a professional training and development program, clearly map employee roles and responsibilities to the components of our strategic plan, develop a better understanding of employee needs and satisfaction, and make sure that truly outstanding performance is appropriately recognized.

Selected Performance Results toward Achieving Goal 3

- Because of changes ordered by OMB which have virtually eliminated cash awards, the Commission is making more aggressive use of Time-Off Awards. An Outstanding Employee Award is being developed to encourage the nomination of employees on a regular cycle for contributions made to mission accomplishment.
- The Pass/Fail Performance Appraisal Program is in its second year of implementation.
- Made progress in developing needed HR policies and streamlining/establishing procedures required for the proper functioning of a good HR program. A policy was issued on position management, delegations, workforce allocation, and reporting.
- The Commission continues to make progress in providing management and supervisory training to its most visible and important positions—its cemetery superintendents. Training for other employees is provided as the need is foreseen or arises.
- Completed the first internally sponsored Employee Satisfaction Survey which will be used for improving management of ABMC programs. It will act as a baseline for future surveys.

Goal 4: Continually improve business and resource management practices.

Objectives for Goal 4

- Effectively manage resources.
- Modernize business processes to utilize new technologies and IT practices.
- Formalize processes for development and promulgation of policies and procedures.
- Modernize the Financial Management System and fully utilize the capabilities of the new system.

Strategy for Achieving Goal 4

We will focus our efforts on standardizing core processes, identifying opportunities to use technology to streamline their execution, improving our organizational standards for site evaluation, and regularly reviewing each site for compliance with standards.

Selected Performance Results toward Achieving Goal 4

- The Commission's allocation processes and procedures annually fully fund its mandatory and operational requirements in order to achieve its mission requirements.
- During fiscal year 2013, the Commission completed an effort to upgrade the financial management system reporting functionality.
- An internal control review was conducted in fiscal year 2013 to examine the Commission's internal control mechanisms and business processes.

STATEMENTS AND CONTROLS

Financial Statements and Limitations

Since FY 1997, the Commission has been required to produce financial statements and until FY 2012 the Comptroller General of the United States has independently audited these statements. The Commission earned unqualified opinions, each year, on its financial statements from the Government Accountability Office. In December 2012, GAO's requirement to audit the Commission was repealed. The Commission is now required to obtain an independent audit of its financial statements under the Accountability of Tax Dollars Act of 2002. The Commission has selected Harper, Rains, Knight and Company to conduct its FY 13 financial audit.

The financial statements have been prepared to report the financial position and results of operations of the Commission, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the Commission in accordance with generally accepted accounting principles for federal entities and the formats prescribed by the Office of Management and Budget, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the understanding that the Commission is a component of the U.S. Government, a sovereign entity.

Management Integrity: Systems, Controls, Legal Compliance

The Commission is cognizant of the importance of, and need for, management accountability and responsibility as the basis for quality and timeliness of program performance, mission accomplishment, productivity, cost-effectiveness, and compliance with applicable laws. It has taken management actions to ensure that the annual evaluation of these controls is performed in a conscientious and thorough manner according to Office

of Management and Budget regulations and guidelines and in compliance with 31 U.S.C. 3512 (c), (d), commonly known as the Federal Manager's Financial Integrity Act (FMFIA). The objectives of the Commission's internal management control policies and procedures are to provide reasonable assurance that

- obligations and costs are in compliance with applicable law;
- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation;
- revenue and expenditures applicable to agency operations are promptly recorded and accounted for; and
- programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

Based on its evaluation, the Commission concluded that there is reasonable assurance that its internal control over effectiveness and efficiency of operations as of September 30, 2013 was operating effectively and revealed no material weaknesses. However, the Commission found one instance of noncompliance with applicable laws and regulations. The Commission was not in compliance with the reporting requirements under the Federal Information Security Management Act of 2002 (FISMA). The reasonable assurance concept recognizes that the cost of internal controls should not exceed the benefits expected to be derived and that the benefits reduce the risk of failing to achieve stated objectives.

Future Effects, Risks, and Uncertainties

Changes in the rate of exchange for foreign currencies have a significant impact on the Commission's day-to-day operations. In order to insulate the Commission's annual appropriation against major changes in its

purchasing power, legislation was enacted in 1988 (codified in 36 U.S.C. 2109) to establish a foreign currency fluctuation account in the U.S. Treasury. However, since the summer of 2006, the U.S. dollar has fallen precipitously against the euro. The Commission has been closely monitoring this because its budget is disproportionately affected by foreign currency fluctuation. Legislation was enacted which included “such sums as may be necessary” language for the Commission’s fiscal year 2013 Foreign Currency Fluctuation Account (FCFA) appropriation. This allows the Commission to preserve its purchasing power against a suddenly falling U.S. dollar against the euro. With this language the Commission will continue to estimate and report its FCFA requirements as it has in the past. However, when a need arises where the amount forecast

by the Commission for this account is insufficient, the Commission will submit an adjusted estimate to the Office of Management and Budget, and then to the Congress.

Overall, by maintaining close scrutiny of the Commission’s obligation status, as well as monitoring and distributing the Foreign Currency Fluctuation Account balance, the Commission reduces its overall future financial risk to continued operations.



Brittany American Cemetery, France

FISCAL YEAR 2013

FINANCIAL STATEMENTS AND NOTES



Independent Auditors' Report

Chairman and Secretary
American Battle Monuments Commission

We have audited the accompanying consolidated balance sheet of the American Battle Monuments Commission (ABMC), as of September 30, 2013, and the related consolidated statements of net cost, and changes in net position, and combined statement of budgetary resources, for the fiscal year then ended. These financial statements are the responsibility of ABMC management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our audit of the ABMC for fiscal year 2013, we found

- the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles,
- material weaknesses in internal control concerning ABMC's (1) financial reporting process and (2) monitoring process that resulted in ineffective internal control over financial reporting for fiscal year 2013, and
- reportable noncompliance with laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions, (2) our conclusions on Management's Discussion and Analysis and other supplementary information, and (3) our and management's responsibilities.

Opinion on the Financial Statements

In our opinion, the financial statements including the accompanying notes, present fairly, in all material respects, the financial position of ABMC as of September 30, 2013, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of ABMC as of September 30, 2012 were audited by other auditors whose report, dated July 19, 2013, expressed an unmodified opinion on those statements.

Consistency of Other Information

Management's Discussion and Analysis (MD&A) is not a required part of the financial statements but is supplementary information required by the Federal Accounting Standards Advisory Board and OMB Circular A-136, *Financial Reporting Requirements*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the MD&A. However, we did not audit the information and accordingly, we express no opinion on it.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered ABMC's internal control over financial reporting and compliance. We did this in order to determine our audit procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on internal control. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 14-02. We did not test all internal controls relevant to the operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982. Providing an opinion on internal control was not the objective of our audit. Accordingly, we do not express an opinion on ABMC's internal control over financial reporting and compliance or on management's assertion on internal control included in Management's Discussion and Analysis. However, we identified material weaknesses concerning ABMC's financial reporting process and monitoring process that resulted in ineffective internal control over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Exhibit I to be material weaknesses.

Exhibit II presents the status of prior year significant deficiencies and material weaknesses.

Our internal control work would not necessarily disclose all deficiencies in internal control that might be material weaknesses or other significant deficiencies.

We noted certain additional matters that we will report to management of ABMC in a separate letter.

Compliance with Applicable Laws and Regulations

The management of ABMC is responsible for complying with laws and regulations applicable to ABMC. As part of obtaining reasonable assurance about whether ABMC's financial statements are free of material misstatement, we performed tests of its compliance with selected provisions of laws and regulations including laws governing the use of budgetary authority and government-wide policies identified in OMB Bulletin No. 14-02, non-compliance with which could have a direct and material effect on the determination of consolidated and combined financial statements. Our tests disclosed two areas of noncompliance that is reportable under U.S. generally accepted government auditing standards. ABMC is not properly charging its Foreign Currency Fluctuation Account (FCFA) for fluctuations in foreign currency exchange rates related to payments made in foreign currencies and ABMC has not complied with reporting requirements required by the Federal Information Security Management Act of 2002 (FISMA). Therefore, ABMC is not in compliance with (1) section 2109 of title 36, United States Code, which authorizes the use of Foreign Currency Fluctuation Account funds for payments of salaries and expenses exceeding the amount appropriated for these expenses because of foreign currency exchange rate fluctuations occurring after a budget request is submitted to congress, (2) the Consolidated Appropriations Act, 2013, which appropriated an unlimited amount of FCFA funds for those purposes authorized by section 2109 of title 36, United States Code, and (3) FISMA, authorized by section 3541 of title 44, United States Code.

We limited our tests of compliance to the provisions of laws and regulations referred to in the preceding paragraph. Providing an opinion on compliance with those provisions was not an objective of our audit. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

ABMC's management is responsible for (1) preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act are met, and (3) complying with applicable laws and regulations.

Auditors' Responsibility

We are responsible for obtaining reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We are also responsible for (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit, (2) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and laws for which OMB audit guidance requires testing, and (3) performing limited procedures with respect to certain other information appearing in the Annual Financial Statement. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the Comptroller General of the United States; and OMB Bulletin No. 14-02. Those standards and OMB Bulletin No. 14-02 require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ABMC's internal control over financial reporting. Accordingly, we express no such opinion.

Chairman and Secretary
American Battle Monuments Commission - Continued

In order to fulfill these responsibilities, we

- examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessed the accounting principles used and significant estimates made by management;
- evaluated the overall presentation of the financial statements;
- obtained an understanding of the entity and its operations, including its internal control related to financial reporting (including safeguarding assets), and compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- tested relevant internal controls over financial reporting, and compliance, and evaluated the design and operating effectiveness of internal control;
- considered the design of the process for evaluating and reporting on internal control and financial management systems under the Federal Managers' Financial Integrity Act; and
- tested compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB Bulletin No. 14-02.

We believe that our audit provides a reasonable basis for our opinion.

We did not evaluate all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act*, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to ABMC. We limited our tests of compliance to selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB audit guidance that we deemed applicable to the ABMC's financial statements for the fiscal year ended September 30, 2013. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

Our audit was conducted for the purpose of forming an opinion on the financial statements of ABMC taken as a whole. The other accompanying information included in this performance and accountability report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

ABMC's written responses to the findings identified in our audit and presented in Exhibit I were not subjected to the auditing procedures applied in the audit of the ABMC's consolidated financial statements and, accordingly, we express no opinion on them.

Chairman and Secretary
American Battle Monuments Commission - Continued

This report is intended solely for the information and use of the management of the American Battle Monuments Commission, the U.S. Office of Management and Budget, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

Harper, Rainis, Knight & Company, P.A.

December 13, 2013

Material Weaknesses
Exhibit I

1. Review of Financial Transactions

ABMC did not effectively review transactions to ensure that the transactions were accurate, valid, complete, and recorded in the appropriate accounting period. However, we were able to obtain sufficient, appropriate evidence that the related general ledger balance was not materially misstated.

Management's Response: ABMC is in the process of developing formalized procedures to correct this material weakness. ABMC will implement the new procedures in FY 2014.

Auditors' Response: FY 2014 audit procedures will determine whether the corrective actions have been implemented and are operating effectively.

2. Ineffective Internal Control over Financial Reporting

During fiscal year 2013, ABMC did not have an adequate process for monitoring the design and operating effectiveness of its internal control to identify, evaluate, and correct internal control deficiencies. For example, ABMC did not

- consider its internal control environment, which entails such elements as the tone at the top, ethical standards, and personnel management, and which can have a significant effect on how the organization functions and the integrity of its financial accounting and reporting;
- adequately assess the risk of material misstatement to its financial statements;
- document its OMB A-123 approach for assessing its internal control, or provide sufficient, appropriate evidence to support its conclusions on the effectiveness of its internal control activities; or
- establish a corrective action plan or process for addressing deficiencies that have been identified.

In addition to not adequately monitoring its in-house control processes, ABMC did not adequately document and monitor the effectiveness of internal controls at the service organizations that performed significant aspects of its financial transaction processing and reporting, including processing its federal employee payroll transactions, reconciling its fund balance with Treasury, and preparing its annual financial statements. Specifically, ABMC did not evaluate the service organizations' service auditor reports that contained information on the service organizations' controls and the effectiveness of those controls, and did not consider the impact of the findings and conclusions contained in the service auditor reports on the effectiveness of its internal control. Further, ABMC did not design and implement appropriate complementary user entity controls that were identified by the service auditors.

Management's Response: ABMC has hired a contractor to perform an internal control review and develop standard operating procedures. The results of the internal control review and implementation of standard operating procedures will occur within FY 2014.

Auditors' Response: FY 2014 audit procedures will determine whether the corrective actions have been implemented and are operating effectively.

Status of Prior Year Findings
Exhibit II

AMERICAN BATTLE MONUMENTS COMMISSION

Status of Prior Year Findings

September 30, 2013

Title of Finding from FY12 Audit Report	Prior Year Status	Current Year Status
Inadequate process for preparing financial statements	Material Weakness	Finding resolved
Improper accounting for accrued foreign currency transaction	Material Weakness	Finding resolved
Review of financial transactions	Material Weakness	Material Weakness
Ineffective review of financial statements	Material Weakness	Finding resolved
Monitoring process over internal control over financial reporting	Material Weakness	Material Weakness
Internal control over payroll processes for ABMC's non-U.S. citizen employees	Significant Deficiency	Finding resolved
Foreign Currency Fluctuation Account	Noncompliance with laws and regulations	Noncompliance

**AMERICAN BATTLE MONUMENTS COMMISSION
CONSOLIDATED BALANCE SHEETS**

As of September 30, 2013 and 2012

(in dollars)

	2013	2012
Assets:		
Intragovernmental:		
Fund balance with Treasury (Note 2)	\$ 93,655,559	\$ 89,766,221
Investments (Note 3)	-	4,461,772
Total intragovernmental	93,655,559	94,227,993
Cash and other monetary assets (Note 4)	59,389	147,368
Accounts receivable, net	4,747	4,747
General property and equipment, net (Note 6)	1,881,558	2,208,337
Other	8,543	13,172
Total assets	\$ 95,609,796	\$ 96,601,617
Liabilities:		
Intragovernmental:		
Accounts payable	\$ 915,520	\$ 444,938
Other (Note 1, N, 7)	282,313	263,465
Total intragovernmental	1,197,833	708,403
Accounts payable	9,368,089	7,345,071
Other (Note 1, N, 7)	3,146,523	3,564,883
Total liabilities	13,712,445	11,618,357
Net position:		
Unexpended appropriations-All Other Funds	74,807,949	74,035,804
Cumulative results of operations-Funds from Dedicated Collections	7,564,545	11,247,246
Cumulative results of operations-All Other Funds	(475,143)	(299,790)
Total net position	\$ 81,897,351	\$ 84,983,260
Total liabilities and net position	\$ 95,609,796	\$ 96,601,617

The accompanying notes are an integral part of these statements.

**AMERICAN BATTLE MONUMENTS COMMISSION
CONSOLIDATED STATEMENTS OF NET COST**

For the Years Ended September 30, 2013 and 2012

(in dollars)

	<u>2013</u>	<u>2012</u>
Gross Program costs:		
Operations and Maintenance:		
Gross costs	\$ 77,314,848	\$ 67,946,438
Less: earned revenue	144,759	160,961
Net cost of operations (Note 9, 17)	<u>\$ 77,170,089</u>	<u>\$ 67,785,477</u>

The accompanying notes are an integral part of these statements.

**AMERICAN BATTLE MONUMENTS COMMISSION
CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION**

For the Years Ended September 30, 2013 and 2012
(in dollars)

	2013	2012
Cumulative Results of Operations:		
Beginning Balance (includes Funds from Dedicated Collections of \$11,247,246 in FY 2013 and \$10,702,624 in FY 2012 (Combined Totals) - See Note 15)	\$ 10,947,456	\$ 10,357,304
Budgetary Financing Sources:		
Appropriations used	72,598,401	66,642,649
Donations and forfeitures of cash and cash equivalents	305,605	737,232
Other Financing Sources (Non-Exchange):		
Imputed financing (Note 12)	408,029	995,748
Total Financing Sources (includes Funds from Dedicated Collections of \$268,528 in FY 2013 and \$760,691 in FY 2012 (Combined Totals) - See Note 15)	73,312,035	68,375,629
Net Cost of Operations (Includes Funds from Dedicated Collections of \$3,951,229 in FY 2013 and \$216,069 in FY 2012 (Combined Totals) - See Note 15)	(77,170,089)	(67,785,477)
Net Change Other Financing Sources (Non-Exchange)	(3,858,054)	590,152
Cumulative Results of Operations (includes Funds from Dedicated Collections of \$7,564,545 in FY 2013 and \$11,247,246 in FY 2012 (Combined Totals) - See Note 15)	7,089,402	10,947,456
Unexpended Appropriations:		
Beginning Balance (includes Funds from Dedicated Collections of \$0 in FY 2013 and \$0 in FY 2012 (Combined Totals) -See Note 15)	74,035,804	63,578,453
Budgetary Financing Sources:		
Appropriations received	79,375,000	77,100,000
Other adjustments	(6,004,454)	-
Appropriations Used	(72,598,401)	(66,642,649)
Total Budgetary Financing Resources (includes Funds from Dedicated Collections of \$0 for FY 2013 and \$0 in FY 2012 (Combined Totals) - See Note 15)	772,145	10,457,351
Total Unexpended Appropriations includes Funds from Dedicated Collections of \$0 in FY 2013 and \$0 in FY 2012 (Combined Totals) - See Note 15)	74,807,949	74,035,804
Net Position	81,897,351	84,983,260

The accompanying notes are an integral part of these statements.

**AMERICAN BATTLE MONUMENTS COMMISSION
COMBINED STATEMENTS OF BUDGETARY RESOURCES**

For the Years Ended September 30, 2013 and 2012
(in dollars)

	2013	2012
Budgetary Resources:		
Unobligated balance brought forward, Oct 1	\$ 53,410,437	\$ 49,810,192
Recoveries of prior year unpaid obligations	2,858,164	6,566,912
Other changes in unobligated balance	-	(391,763)
	56,268,601	55,985,341
Unobligated balance from prior year budget authority, net	56,268,601	55,985,341
Appropriations (discretionary and mandatory) (Note 1, N)	74,123,677	77,930,073
Spending authority from offsetting collections (discret. and mandat.) (Note 1, N)	42,193	18,248
Total budgetary resources	\$ 130,434,471	\$ 133,933,662
Status of Budgetary Resources:		
Obligations Incurred (Note 13)	\$ 68,236,345	\$ 80,523,225
Unobligated balance, end of year:		
Apportioned	55,228,422	45,584,619
Exempt from apportionment	6,969,704	7,825,818
Total unobligated balance, end of year	62,198,126	53,410,437
Total budgetary resources	\$ 130,434,471	\$ 133,933,662
Change in Obligated Balance:		
Unpaid Obligations:		
Unpaid obligations, brought forward, October 1 (gross)	\$ 40,799,206	\$ 30,978,290
Obligations incurred (Note 13)	68,236,345	80,523,225
Outlays (gross)	(74,719,587)	(64,135,397)
Recoveries of prior year unpaid obligations	(2,858,164)	(6,566,912)
Unpaid obligations, end of year (gross)	31,457,800	40,799,206
Memorandum (non-add) entries:		
Obligated balance, start of year	40,799,206	30,978,290
Obligated balance, end of year	\$ 31,457,800	\$ 40,799,206
Budget Authority and Outlays, Net:		
Budget authority, gross (discretionary and mandatory)	\$ 74,165,870	\$ 77,948,321
Actual offsetting collections (discretionary and mandatory) (Note 1, N)	(42,193)	(18,248)
Budget authority, net (discretionary and mandatory)	\$ 74,123,677	\$ 77,930,073
Outlays, gross (discretionary and mandatory)	\$ 74,719,587	\$ 64,135,397
Actual offsetting collections (discretionary and mandatory) (Note 1, N)	(42,193)	(18,248)
Agency outlays, net (discretionary and mandatory)	\$ 74,677,394	\$ 64,117,149

The accompanying notes are an integral part of these statements.

American Battle Monuments Commission

Notes to Consolidated Financial Statements

For the Fiscal Years Ended September 30, 2013 and 2012

(in dollars)

Note 1. Significant Accounting Policies

A. Basis of Presentation

The accompanying consolidated financial statements present the financial position, net cost of operations, changes in net position, and budgetary resources of the American Battle Monuments Commission (the Commission) in conformity with U.S. generally accepted accounting principles as used by the federal government. There are no intra-entity transactions to be eliminated. Certain assets, liabilities, and costs have been classified as intragovernmental throughout the financial statements and notes. Intragovernmental is defined as transactions made between two reporting entities within the federal government.

B. Reporting Entity and Funding Sources

The Commission is an independent agency within the executive branch of the federal government and was created by the Act for creation of the American Battle Monuments Commission, March 4, 1923, 67 P.L. 534; 42 Stat. 1509; 67 Cong. Ch. 283, the current provisions of which are now codified in 36 U.S.C. Chapter 21. The Commission's mission is to commemorate the sacrifices and achievements of U.S. armed forces where they have served overseas since April 6, 1917, the date of the United States entry into World War I, and at locations within the United States and North America when directed by the Congress. The Commission designs, administers, constructs, operates, and maintains 24 American military cemeteries and 26 federal memorials, monuments, and markers (herein collectively referred to as memorials). Three of the memorials are located in the United States while all of the cemeteries and the remaining memorials are located on foreign soil in 15 foreign countries, the Marianas, and Gibraltar. The Commission is also responsible for maintaining 8 nonfederal memorials with funds received from the memorials' sponsors. The Commission is headquartered in Arlington, Virginia. Field operations are conducted through offices located near Paris, France and Rome, Italy; and cemeteries in Manila, the Philippines; Mexico City, Mexico; and Panama City, Panama.

The Commission also had responsibility for designing and constructing the National World War II Memorial located on the Mall in Washington, D.C. In accordance with 40 U.S.C. 8906(b), the Commission deposited \$6.6 million into a separate Treasury account to offset the memorial's costs of perpetual maintenance. On November 1, 2004, the Commission signed an agreement with the National Park Service to formally transfer the National World War II Memorial to the Service for its future care and maintenance. The Commission is responsible for remaining funds residing in a trust fund in the U.S. Treasury to be used solely to benefit the World War II Memorial for other than routine maintenance expense.

Commission programs are funded primarily through appropriations available without fiscal year limitation (no-year). The Commission also administers several trust funds established to: (1) build memorials authorized by the Congress, but which are funded primarily by private contributions, commemorative coin sales proceeds, and investment earnings; (2) decorate gravesites; and (3) maintain and repair certain nonfederal war memorials.

C. Basis of Accounting

The Commission's proprietary accounts (assets, liabilities, equity, revenue, and expenses) are maintained on the accrual basis, where appropriated funds are accounted for by appropriation year; operating expenses are recorded as incurred; and depreciation is taken on property, and equipment not otherwise classified as heritage assets. Commission budgetary accounts are maintained on a budgetary basis, which facilitates compliance with legal constraints and statutory funds control requirements. The functional budget classification is Veterans' Benefits and Services.

D. Fund Balance with Treasury

The Commission's cash receipts and disbursements are processed by the U.S. Treasury. Fund balances with Treasury are composed of appropriated general funds, appropriated foreign currency fluctuation funds, and trust funds. The Fund balance with Treasury is the aggregate amount for which the Commission is authorized to make expenditures and pay liabilities.

E. Investments

In accordance with 36 U.S.C. 2113(b), the Commission is authorized to invest World War II Memorial Trust Fund receipts in U.S. Treasury securities. The Commission is also authorized under a modification to its original legislation to invest receipts from certain nonfederal war memorial organizations in U.S. Treasury securities. Treasury investments are recorded at par value plus unamortized premium or less unamortized discount. Premiums and discounts are amortized using the interest method.

F. Foreign Currency

The Commission's overseas offices maintain accounts of foreign currencies to be used in making payments in foreign countries. Amounts are recorded at a standard budget rate in U.S. dollars and a gain or loss recognized when paid in foreign currency. Appropriated monies are transferred from the Commission's Foreign Currency Fluctuation Account to fund net currency losses. Cash accounts in foreign currencies are reported at the U.S. dollar equivalent using the Treasury exchange rate in effect on the last day of the fiscal year.

G. Contributions and Revenue Recognition

The Commission recognizes unrestricted contributions or unconditional promises to give as revenue in the period of the initial pledge when sufficient verifiable evidence of the pledge exists. Conditional promises to give are recorded as revenue when the condition has been met. Unconditional promises to give may be temporarily restricted or permanently restricted. Temporarily restricted promises to give are released from restriction when the conditions have been met. Permanently restricted promises to give are recorded as revenue in the period donated; however, donors generally allow only the earned income to be used for general or specific purposes. In-kind contributions of goods and services are recognized at fair value by the Commission at the time the goods are received or the services are performed. Multiyear contributions due over a period of time are discounted to their present value based upon the short-term Treasury interest rate.

H. Operating Materials and Supplies

The Commission has determined that operating materials and supplies located at its cemeteries are not significant amounts and that it is more cost beneficial to record them on the purchase method of accounting whereby items are expensed as purchased rather than when consumed. Consequently, the Commission reports no operating materials or supplies inventories.

I. General Property and Equipment

General property and equipment is composed of real and personal property. Related purchases exceeding \$25,000 are capitalized and depreciated on a straight line basis over the useful life of the item, which for (1) personal property is considered to be 5 years, and (2) real property is considered to be 30 years. Purchases of general property and equipment of \$25,000 or less are expensed in the period of acquisition.

J. Heritage Assets

Heritage assets are assets possessing significant cultural, architectural, or aesthetic characteristics. The Commission considers its cemeteries, and federal memorials, monuments, and markers acquired through purchase or donation to be noncollection heritage assets. Heritage assets acquired through purchase or donation are accounted for in the Commission's property records, and are not presented in the balance sheet. Withdrawals of heritage assets are recorded upon formal agreement with recipients. Additional disclosure on individual heritage asset cemeteries and memorials are found in the Schedules of Heritage Assets presented as unaudited other information. Cemetery land is owned by the foreign countries in which cemeteries are located and is provided to the United States in perpetuity.

K. Employee Benefits

The Commission's civilian U.S. nationals hired after December 31, 1983 are covered by the Federal Employees' Retirement System (FERS), which was implemented on January 1, 1984. The Commission's civilian U.S. nationals hired on or before December 31, 1983, could elect to transfer to FERS or remain with the Civil Service Retirement System (CSRS). For FERS employees, the Commission withholds .80 percent of base pay and as employer contributes 11.9 percent of base pay to this retirement system. For Federal Insurance Contribution Act (FICA) tax and Medicare, the Commission withholds 6.2 percent from FERS employees' earnings. In addition, the Commission contributes 7.65 percent and remits the total amount to the Social Security Administration. The Commission withholds 7.00 percent of base pay plus 1.45 percent for Medicare from CSRS employees' earnings and as employer contributes 7.00 percent of base pay plus 1.45 percent for Medicare. These deductions are then remitted to the Office of Personnel Management (OPM) and the Social Security Administration. OPM is responsible for government wide reporting of FERS and CSRS assets, accumulated plan benefits, and unfunded liabilities.

On April 1, 1987, the federal government instituted the Thrift Saving Plan (TSP), a retirement savings and investment plan for employees covered by FERS and CSRS. The Commission contributes a minimum of 1 percent of FERS employees' base pay to TSP. For 2013, FERS employees could contribute up to \$17,500 (\$23,000 if at least age 50) on a tax-deferred basis to TSP, which the Commission matches up to 4 percent of base pay. For 2013, CSRS employees may also contribute up to \$17,500 (\$23,000 if at least age 50) on a tax-deferred basis; however, they receive no matching contribution from the Commission. Retirement and other benefits for the Commission's foreign national employees are paid by the Commission in accordance with the provisions of 10 host nation agreements negotiated by the U.S. Department of State.

Annual leave is accrued as earned, and the resulting unfunded liability is reduced as leave is taken. Separation pay is provided in certain countries according to host nation agreements. Separation pay is accrued as earned, and the resulting unfunded liability is reduced when paid to the foreign national leaving the employ of the Commission. Each year balances in the accrued separation pay and annual leave accounts are adjusted to reflect current pay rates. To the extent that current or prior year appropriations are not available to fund annual leave and separation pay, funding will be obtained from future financing resources. Sick leave and other types of unvested leave are expensed when incurred.

L. Program Costs

Program costs are broken out into two categories - "Intragovernmental" and "With the Public". Intragovernmental costs are costs the Commission incurs through contracting with other federal agencies for goods and/or services, such as rent paid to U.S. Department of State, payroll processing services received from the U.S. General Services Administration (GSA), and costs for retirement and other benefits paid by OPM. With the Public costs are costs the Commission incurs through contracting with the private sector for goods or services, payments for employee salaries, depreciation, annual leave and other non-Federal entity expenses.

M. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the amount of revenues and expenses reported during the reporting period. Actual results could differ from those estimates.

N. Reclassification of Prior Year Balances

Previously reported fiscal year 2012 balances have been reclassified for consistency with the presentation of corresponding fiscal year 2013 balances.

Note 2. Fund Balance with Treasury

All undisbursed account balances with the U.S. Treasury, as reflected in the Commission's records, as of September 30 are available and were as follows:

Fund Balance:	2013	2012
General Fund	\$ 66,169,295	\$ 63,116,046
Foreign Currency Fluctuation Fund	19,837,604	19,857,604
Trust Fund (Note 15)	7,648,660	6,792,571
Total Fund Balance with Treasury	\$ 93,655,559	\$ 89,766,221

Status of Fund Balance with Treasury

Unobligated Balance:		
Available	\$ 62,138,738	\$ 48,921,907
Unavailable	59,021	45,108
Obligated Balance Not Yet Disbursed	31,457,800	40,799,206
Total Status of Fund Balance with Treasury	\$ 93,655,559	\$ 89,766,221

Note 3. Treasury Investments, Net

As of September 30, the Commission's Trust Fund investments in U.S. Treasury notes, which are marketable securities due within 2 years, were as follows:

FY	Cost	Interest			Net Investments
		Interest Rates	Net Premium	Interest Receivable	
13	\$ 0	0	\$ 0	\$ 0	\$ 0
12	\$ 4,368,932	4.250 to 4.50%	\$ 0	\$92,840	\$4,461,772

Amortization is calculated on the interest method, and amortized cost approximated market value as of September 30.

Note 4. Cash and other Monetary Assets

Outside the United States, the Commission makes payments in U.S. and foreign currencies through imprest cash funds and Treasury-designated depository commercial bank accounts, which as of September 30 were as follows:

	2013	2012
Imprest Cash Funds	\$ 1,194	\$ 1,328
Foreign Bank Accounts	<u>58,195</u>	<u>146,040</u>
	<u>\$ 59,389</u>	<u>\$ 147,368</u>

Note 5. Contributions Receivable

The Commission has a pledge from a living trust valued at \$143,988 as of September 30, 2013. However, due to the uncertainty of time and amount when the pledge is collected, the contribution will be recognized when received. In comparison, the pledge as of September 30, 2012 was valued at \$141,776.

Note 6. General and Heritage Property and Equipment

Non-capitalized assets, such as general property and equipment acquisitions with an aggregate cost basis of \$25,000 or less and all acquisitions of heritage assets, totaling \$1,146,310 were expensed by the Commission in fiscal year 2013. In fiscal year 2012, \$1,608,251, was expensed. Since the 1960s, the Commission's Office of Overseas Operations near Paris, France, has occupied a residential structure owned by the U.S. Department of State. The Commission is responsible for all utilities, maintenance, and repairs.

General property and equipment as of September 30 was as follows:

Category	2013			2012		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Buildings, Improvements, and Renovations	\$923,460	\$287,071	\$636,389	\$923,460	\$256,288	\$667,172
Equipment	4,544,725	3,318,988	1,225,737	4,668,997	3,193,613	1,475,384
Info. Tech. Software	384,951	365,519	19,432	384,951	319,170	65,781
	<u>\$5,853,136</u>	<u>\$3,971,578</u>	<u>\$1,881,558</u>	<u>\$5,977,408</u>	<u>\$3,769,071</u>	<u>\$2,208,337</u>

Heritage assets are significant to the mission of the Commission to design, construct, and maintain historical cemeteries and memorials. The Commission presents its heritage assets in three categories; cemeteries, federal memorials, and nonfederal memorials. Changes in heritage assets for fiscal year 2013 were as follows:

	Cemeteries	Federal Memorials	Nonfederal Memorials
Beginning of Year 10-1-12	24	25	8
Number Acquired, Fiscal Year 2013	0	1	0
Number Withdrawn, Fiscal Year 2013	0	0	0
End of Year 9-30-13	<u>24</u>	<u>26</u>	<u>8</u>

Note 7. Other Liabilities

Other liabilities as of September 30 were as follows:

Intragovernmental Liabilities:

	<u>2013</u>	<u>2012</u>
Accrued Salaries and Benefits	223,292	218,357
Liability for Non-Entity Assets-Proceeds from sale of equipment (Note 1, N)	59,021	45,108
	<u>282,313</u>	<u>263,465</u>

Public Liabilities:

	<u>2013</u>	<u>2012</u>
Accrued Salaries and Benefits	621,149	876,401
Unfunded Separation Pay Liability	918,717	1,150,883
Unfunded Annual Leave	1,606,657	1,537,599
	<u>3,146,523</u>	<u>3,564,883</u>

These liabilities are all classified as current.

Under a host nation agreement, the Commission's Italian employees earn separation pay for each year of service with the Commission. The Commission recognized an unfunded liability for separation pay for these employees of \$918,717 as of September 30, 2013, and \$1,150,883 as of September 30, 2012.

Note 8. Lease Agreements

The Commission has no capital leases. The Commission's Arlington, Virginia, Headquarters Office is rented under a 5-year operating lease expiring in July 2017. Future minimum payments due on this operating lease as of September 30, 2013, are as follows:

Fiscal Year		
2014	\$	672,978
2015		672,608
2016		678,433
2017		566,131
2018		-
After 5 Years		-
Total	<u>\$</u>	<u>2,590,150</u>

The Commission's Rome Office moved from commercial leased space to the United States Embassy in Rome. Lease payments for the Rome office space, and for eight living quarters leases for the benefit of the Commission's Office of Overseas Operations, are made through the International Cooperative Administrative Support Services (ICASS) program with the U.S. State Department. These leases are on a month-to-month basis and the Commission has no obligation for future payments associated with these leases.

Rent expense for all operating leases was \$687,085 during fiscal year 2013. In fiscal year 2012, rent expense for all operating leases was \$675,710.

Note 9. Reconciliation of Net Cost of Operations to Budget

Statement of Federal Financial Accounting Standards (SFFAS) No. 7 requires a reconciliation of proprietary and budgetary information in a way that helps users determine how budget resources obligated for programs relate to net costs of operations. Prior to fiscal year 2007, this reconciliation was accomplished by presenting a Statement of Financing as a basic financial statement. Effective for fiscal year 2007, the Office of Management and Budget in its Circular No. A-136, *Financial Reporting Requirements*, decided that this information for federal entities would be better placed and understood in a note. Consequently, this information is presented as follows:

Reconciliation of Net Cost of Operations (Proprietary) to Budget As of September 30, 2013 and 2012

	2013	2012
Resources Used to Finance Activities:		
Current Year Gross Obligations Incurred	\$ 68,236,345	\$ 80,523,225
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections (Note 1, N)	(42,193)	(18,248)
Recoveries of Prior Year Unpaid Obligations	(2,858,164)	(6,566,912)
Offsetting Receipts (Note 1, N)	-	(116,297)
Other Financing Resources		
Imputed Financing Sources	408,029	995,748
Other Adjustments	-	-
Total Resources Used to Finance Activity	\$ 65,744,017	\$ 74,817,516
Resources Used to Finance Items Not Part of the Net Cost of Operations		
Budgetary Obligations and Resources not in the Net Cost of Operations		
Change in Undelivered Orders (Note 1, N)	11,598,523	(7,228,507)
Current Year Capitalized Purchases (Note 1, N)	(237,940)	(501,783)
Components of Net Cost which do not Generate or Use Resources in the Reporting Period		
Revenues without Current Year Budgetary Effect		
Change in NonFederal Receivables	-	92,840
Resources/Adjustments that do not Affect Net Cost of Operations (Note 1, N)	44,749	(117,400)
Other Financing Sources Not in the Budget	(408,029)	(995,748)
Costs without Current Year Budgetary Effect		
Accrued Annual Leave-Future Funded Expense	(163,106)	(115,646)
Disposition of Assets (Note 1, N)	(17,935)	(8,596)
Depreciation and Amortization	761,069	847,053
Foreign Currency Gains/Losses on Disposition of Assets-Net	(559,288)	-
Imputed costs	408,029	995,748
Net Cost of Operations	\$ 77,170,089	\$ 67,785,477

Note 10. Fiduciary Activities and Net Assets

Fiduciary activities are the collection or receipt, and the management, protection, accounting, investment and disposition by the Federal Government of cash or other assets in which non-Federal individuals or entities have an ownership interest that the Federal Government must uphold.

Fiduciary cash and other assets are not assets of the Federal Government and accordingly are not recognized on the balance sheet.

The Scottish Widows Defined Benefit Scheme was established by a Trust Deed, which authorized the Commission to collect contributions on behalf of beneficiaries, foreign service national employees of the Commission's two cemeteries in England. Fiduciary assets as of September 30 were as follows:

Schedule of Fiduciary Activity		
	<u>2013</u>	<u>2012</u>
Contributions	\$ 595,919	\$ 144,615
Investment earnings	58,389	86,154
Increases in fiduciary fund balances	654,308	230,769
Fiduciary net assets, beginning of year	<u>1,503,077</u>	<u>1,272,308</u>
Fiduciary net assets, end of year	<u>\$ 2,157,385</u>	<u>\$ 1,503,077</u>
Fiduciary Net Assets		
	<u>2013</u>	<u>2012</u>
Fiduciary Assets		
Investments	<u>\$ 2,157,385</u>	<u>\$ 1,503,077</u>
Total Fiduciary Assets	<u>\$ 2,157,385</u>	<u>\$ 1,503,077</u>

Note 11. Commitments and Contingencies

As of September 30, 2013 the Commission had commitments of \$20.3 million from undelivered orders as a result of open contracts and purchase orders. In comparison, the Commission had commitments of \$31.9 million from undelivered orders as a result of open contracts and purchase orders as of September 30, 2012. Also as of September 30, 2013, the Commission had contingencies related to pending administrative proceedings and personnel actions that will be resolved by future events. The Commission has determined the likelihood of an unfavorable outcome is remote and is not expected to have a material effect on the financial statements.

Note 12. Imputed Financing

The Commission imputes financing for retirement and other benefits paid by OPM, financial audit costs incurred by the U.S. Government Accountability Office (GAO), and a heritage asset musical carillon generally donated each fiscal year. The Commission recognized these expenses and related imputed financing in its financial statements. A heritage asset musical carillon, valued at \$37,077, was recognized for this fiscal year as a donation by AMVETS and an in-kind expense. In fiscal year 2012, the Commission did not receive a donation from AMVETS for a musical carillon.

A portion of pension and other retirement benefits (ORB) expense is funded by an imputed financing source to recognize the amount of pension and ORB unfunded liabilities assumed by OPM. These costs are computed in accordance with cost factors provided by OPM. For fiscal year 2013, the Commission incurred \$1,571,214 of pension and ORB costs, \$408,029 of which was imputed. For fiscal year 2012, the Commission incurred \$1,499,039 of pension and ORB costs, \$336,949 of which was imputed. Total imputed costs for fiscal year 2013 were \$408,029. Total imputed costs of \$995,748 for fiscal year 2012 included audit services provided by GAO.

Note 13. Obligations Incurred

All obligations incurred are characterized as category A on the Statement of Budgetary Resources. The Commission does not have any direct and reimbursable obligations incurred against amounts apportioned under category "B" or exempt from apportionment.

Note 14. Budgetary Resource Comparisons to the Budget of the United States Government

Statement of Federal Financial Accounting Standards No. 7, "Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting", calls for explanations of material differences between amounts reported in the Statement of Budgetary Resources and the actual balances published in the Budget of the United States Government (President's Budget). A material difference was identified between obligations incurred as reported in the fiscal year 2012 Statement of Budgetary Resources and the fiscal year 2012 "Actual" column in the 2014 Budget of the United States Government. The material difference of four million dollars was due to obligated balances in foreign currencies that were revalued at the U.S. dollar equivalent using the Treasury exchange rate in effect on the last day of the fiscal year. No other material differences were identified. A reconciliation is not presented for the period ended September 30, 2013, since the President's Budget for this period has not been issued by Congress

Note 15. Funds from Dedicated Collections

The Commission had responsibility for designing and constructing the National World War II Memorial located on the Mall in Washington, DC. In accordance with 40 U.S.C 8906(b), the Commission deposited \$6.6 million into a separate Treasury account to offset the memorial's costs of perpetual maintenance. On November 1, 2004, the Commission signed an agreement with the National Park Service to formally transfer the National World War II Memorial to the Service for its future care and maintenance. The Commission is responsible for remaining funds residing in a trust fund in the U.S. Treasury to be used solely to benefit the World War II Memorial for other than routine maintenance expense.

Funds from dedicated collections balances as of September 30, 2013, were as follows:

	<u>WWII Memorial Fund</u>	<u>Other</u>	<u>Total</u>
Assets:			
Fund Balance with Treasury	\$ 6,854,911	\$ 793,748	\$ 7,648,659
Total Assets	<u>\$ 6,854,911</u>	<u>\$ 793,748</u>	<u>\$ 7,648,659</u>
Liabilities:			
Accounts Payable	\$ 77,250	\$ 6,864	\$ 84,114
Total Liabilities	<u>77,250</u>	<u>6,864</u>	<u>84,114</u>
Net Position:			
Cumulative Results of Operations	6,777,661	786,884	7,564,545
Total net Position	<u>\$ 6,777,661</u>	<u>\$ 786,884</u>	<u>\$ 7,564,545</u>
Total liabilities and net position	<u>\$ 6,854,911</u>	<u>\$ 793,748</u>	<u>\$ 7,648,659</u>
Cumulative Results of Operations:			
Beginning balances	\$ 10,208,602	\$ 1,038,644	\$ 11,247,246
Total Financing Sources (Non-Exchange)	65,265	203,263	268,528
Net cost of operations	<u>3,496,206</u>	<u>455,023</u>	<u>3,951,229</u>
Cumulative Results of Operations:	6,777,661	786,884	7,564,545
Unexpended Appropriations:			
Beginning balance	-	-	-
Total Budgetary Financing Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Unexpended Appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Net Position	<u>\$ 6,777,661</u>	<u>\$ 786,884</u>	<u>\$ 7,564,545</u>

Funds from dedicated collections balances as of September 30, 2012, were as follows:

	<u>WWII Memorial Fund</u>	<u>Other</u>	<u>Total</u>
Assets:			
Fund Balance with Treasury	\$ 5,746,830	\$ 1,045,740	\$ 6,792,570
Investments	4,461,772	-	4,461,772
Total Assets	\$ 10,208,602	\$ 1,045,740	\$ 11,254,342
Liabilities:			
Accounts Payable	\$ -	\$ 7,096	\$ 7,096
Total Liabilities	-	7,096	7,096
Net Position:			
Cumulative Results of Operations	10,208,602	1,038,644	11,247,246
Total net Position	\$ 10,208,602	\$ 1,038,644	\$ 11,247,246
Total liabilities and net position	\$ 10,208,602	\$ 1,045,740	\$ 11,254,342
Cumulative Results of Operations:			
Beginning balances	10,048,556	654,068	10,702,624
Total Financing Sources (Non-Exchange)	179,031	581,660	760,691
Net cost of operations	18,985	197,084	216,069
Cumulative Results of Operations:	10,208,602	1,038,644	11,247,246
Unexpended Appropriations:			
Beginning balance	-	-	-
Total Budgetary Financing Resources	-	-	-
Total Unexpended Appropriations	-	-	-
Net Position	\$ 10,208,602	\$ 1,038,644	\$ 11,247,246

In addition to the World War II Memorial, the Commission maintains other funds which consists of the following:

1-5 Field Artillery	3rd Division Association	National Guard Association of the United States
147th Engineer Monument	4th Division Association	Pointe Du Hoc
90th Infantry Division	507th Parachute Infantry Regiment	Society of American Military Engineers
1st Division Memorial Association	5th Division Association	State of Missouri
29th Infantry Division Association	6th Engineer Special Brigade	State of Tennessee
2nd Division Association	American Overseas Memorial Day	Subsidies Fund
30th Infantry Division Association	Commemorative Fund	Theodore Roosevelt Association
316th Infantry Division Association	Commonwealth of Pennsylvania	Vietnam Veterans Plaque
351st Bomb Group Monument	Flower Fund	1st Engineer Special Brigade
381st Bomb Group Monument	Generic Private Memorials	5th Engineer Special Brigade
398th Bomb Group Monument	Korean War Veterans Fund	

The federal government does not set aside assets to pay future benefits or other expenditures associated with funds from dedicated collections. The dedicated cash receipts collected from the public into the fund are deposited in the U.S. Treasury, which uses the cash for general government purposes. Treasury securities are issued to the Commission as evidence of its receipts. Treasury securities are an asset to the Commission and a liability to the U.S. Treasury. Because the Commission and the U.S. Treasury are both parts of the government, the assets and liabilities offset each other from the standpoint of the government as a whole. For this reason, they do not represent an asset or a liability in the U.S. government-wide financial statements. Treasury securities provide the Commission with authority to draw upon the U. S. Treasury to make future expenditures. When the Commission requires redemption of these securities to make expenditures, the government finances those expenditures out of accumulated cash balances, by raising tax or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures. This is the same way that the government finances all other expenditures.

Note 16. Liabilities not covered by Budgetary Resources

A. Intragovernmental and Public Liabilities

	2013	2012
Intergovernmental:		
Liability for Non-Entity Assets	59,021	45,108
Total Intergovernmental:	\$ 59,021	\$ 45,108
Public Liabilities:		
Other Unfunded Employment Related Liability	918,716	1,150,883
Unfunded Leave	1,606,657	1,537,599
Total Liabilities Not Covered by Budgetary Resources	\$ 2,584,394	\$ 2,733,590
Total Liabilities Covered by Budgetary Resources	11,128,051	8,884,767
Total Liabilities	\$ 13,712,445	\$ 11,618,357

B. Other Information

Liabilities not covered by Budgetary Resources:

Actuarial FECA Liability - The amount recorded by employer agencies for the actuarial present value of future Federal Employees' Compensation Act benefits provided to Federal employees or their beneficiaries as a result of work-related deaths, disability, or occupational disease.

Liability for Non-Entity Assets - The amount of non-entity assets held in a General Fund receipt account or other Treasury Account Symbol for transfer to other entities.

Other Unfunded Employment Related Liability - Amounts of unfunded employment related liabilities not otherwise classified above that will be funded by future years' budgetary resources. Include the unfunded liability for unemployment for Federal employees in this account.

Unfunded Leave - The amount recorded by an employer agency for unpaid leave earned that the employee is entitled to upon separation and that will be funded by future years' budgetary resources.

Liabilities covered by Budgetary Resources:

Liabilities are considered covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the balance sheet date, provided that the resources may be apportioned by OMB without further action by the Congress and without a contingency having to be met first. Examples are Accounts payable, Disbursements in Transit, Accrued Funded Payroll and Leave, Withholdings Payable, and Employer Contributions and Payroll Taxes Payable.

Note 17. Intragovernmental Costs And Exchange Revenue

Intragovernmental costs represent goods and services exchange transactions made between two reporting entities within the Federal government, and are in contrast to those with non-federal entities (the public). Such costs are summarized as follows:

	2013	2012
Program Costs		
Intragovernmental Costs	\$ 13,382,281	\$ 18,136,283
Public Costs	63,932,567	49,810,155
Total Program Costs	\$ 77,314,848	\$ 67,946,438
Program Revenues		
Intragovernmental Earned Revenue	\$ 27,717	\$ 69,210
Public Earned Revenue	117,042	91,751
Total Program Revenues	\$ 144,759	\$ 160,961

AMERICAN BATTLE MONUMENTS COMMISSION

Required Supplementary Information September 30, 2013 (Unaudited)

Maintenance, Repairs, and Improvements

The following unaudited information is required supplementary information on deferred maintenance and the condition of real property at Commission cemeteries and memorials:

Deferred maintenance is maintenance that was not performed when it should have been or was scheduled to be and that, therefore, is put off or delayed for a future period. Maintenance and repairs performed on real property consisting of land improvements, buildings, and memorials totaled \$6.5 million in fiscal year 2013 and \$7.2 million in fiscal year 2012. For fiscal years 1998 through 2002, the Commission received \$11.3 million of additional appropriations from the Congress that enabled it to entirely eliminate its deferred maintenance backlog as of September 30, 2002. No deferred maintenance backlog existed as of September 30, 2013, and 2012.

In addition to condition assessment surveys, the Commission uses a Project Prioritization Methodology with a “plot area out” focus to identify current and future maintenance and repair projects at cemeteries and memorials in order to maintain real property in an acceptable condition. These surveys are reviewed and updated at least annually by the Commission’s engineering staff. In addition, engineering projects identified improvements in cemetery irrigation, drainage, roads, parking areas, and buildings. As of September 30, 2013, the Commission has identified 49 maintenance, repair, and improvement projects, with an estimated cost of \$6.2 million, scheduled to be performed in fiscal year 2014, subject to available funding.

American Battle Monuments Commission
Statement of Heritage Assets
September 30, 2013
(Unaudited)
24 CEMETERIES

<u>Name</u>	<u>Location</u>	<u>Interred</u>	<u>Memorialized</u>	<u>Acres</u>	<u>War</u>
Aisne-Marne American Cemetery	Belleau (Aisne), France	2,289	1,060	42.5	WW I
Ardennes American Cemetery	Neupre, Belgium	5,323	462	90.5	WW II
Brittany American Cemetery	St. James (Manche), France	4,410	498	27.9	WW II
Brookwood American Cemetery	Brookwood, England	468	563	4.5	WW I
Cambridge American Cemetery	Cambridge, England	3,812	5,127	30.5	WW II
Corozal American Cemetery	Panama City, Panama	5,443	0	16.0	*
Epinal American Cemetery	Epinal (Vosges), France	5,255	424	48.6	WW II
Flanders Field American Cemetery	Waregem, Belgium	368	43	6.2	WW I
Florence American Cemetery	Florence, Italy	4,402	1,409	70.0	WW II
Henri-Chapelle American Cemetery	Henri-Chapelle, Belgium	7,992	450	57.0	WW II
Lorraine American Cemetery	St. Avold (Moselle), France	10,489	444	113.5	WW II
Luxembourg American Cemetery	Luxembourg City, Luxembourg	5,076	371	50.5	WW II
Manila American Cemetery	Luzon, Phillippines	17,202	36,285	152.0	WW II
Meuse-Argonne American Cemetery	Romagne (Meuse), France	14,246	954	130.5	WW I
Mexico City National Cemetery	Mexico City, Mexico	1,563	0	1.0	**
Netherlands American Cemetery	Margraten, Holland	8,301	1,722	65.5	WW II
Normandy American Cemetery	Colleville-sur-Mer, France	9,387	1,557	172.5	WW II
North Africa American Cemetery	Carthage, Tunisia	2,841	3,724	27.0	WW II
Oise-Aisne American Cemetery	Fere-en-Tardenois, France	6,012	241	36.5	WW I
Rhone American Cemetery	Draguignan, Var, France	861	294	12.5	WW II
St. Mihiel American Cemetery	Thiaucourt, Meurthe, France	4,153	284	40.5	WW I
Sicily-Rome American Cemetery	Nettuno, Italy	7,861	3,095	77.0	WW II
Somme American Cemetery	Bony (Aisne), France	1,844	333	14.3	WW I
Suresnes American Cemetery	Suresnes, France	1,565	974	7.5	WW I/II
Subtotal for Cemeteries		131,163	60,314	1,294.5	

*Acquired by Executive Order as a result of the Panama Canal Treaty.

**Acquired by Executive Order from the War Department.

American Battle Monuments Commission
Statement of Heritage Assets
September 30, 2013
(Unaudited)

26 FEDERAL MEMORIALS, MONUMENTS, AND MARKERS

<u>Name</u>	<u>Location</u>	<u>Interred</u>	<u>Memorialized</u>	<u>Acres</u>	<u>War</u>
East Coast Memorial	New York City, NY		4,609	0.8	WW II
Honolulu Memorial	Honolulu, HI		28,800	1.0	WW II/Korea/Vietnam
West Coast Memorial	San Francisco, CA		412	1.3	WW II
Audenarde Monument	Audenarde, Belgium			0.4	WW I
Bellicourt Monument	St. Quentin, France			1.8	WW I
Brest Naval Monument	Brest, France			1.0	WW I
Cabanatuan Memorial	Luzon, Phillipines				WW II
Cantigny Monument	Cantigny, France			0.4	WW I
Chateau-Thierry Monument	Chateau-Thierry, France			58.9	WW I
Chaumont Marker	Chaumont, France				WW I
Gibraltar Naval Monument	Gibraltar			0.1	WW I
Guadalcanal Memorial	Guadalcanal			0.5	WW II
Kemmel Monument	Ypres, Belgium			0.2	WW I
Korean War Monument*	Busan, Korea				Korea
Marine Monument Belleau Wood	Aisne, France			199.6	WW I
Montfaucon Monument	Montfaucon, France			9.6	WW I
Montsec Monument	Thiaucourt, France			47.5	WW I
Papua Marker	Port Moresby, New Guinea				WW II
Pointe du Hoc Ranger Monument	St. Laurent-sur-Mer, France			29.8	WW II
Saipan Monument	Saipan, Northern Mariana Islands				WW II
Santiago Surrender Tree	Santiago, Cuba				Sp American War
Sommepy Monument	Sommepy, France			15.0	WW I
Souilly Marker	Souilly, France				WW I
Tours Monument	Tours, France			0.5	WW I
Utah Beach Monument	Sainte Marie-du-Mont, France			0.5	WW II
Western Naval Task Force Marker	Casablanca, Morocco				WW II
Subtotal for Memorials		0	33,821	368.9	
Subtotal for Cemeteries		131,163	60,314	1,294.5	
Grand Total		131,163	94,135	1,663.4	

* Federal memorial added in fiscal year 2013.

American Battle Monuments Commission
Statement of Heritage Assets
September 30, 2013
(Unaudited)

8 NON-FEDERAL MEMORIALS

<u>Name</u>	<u>Location</u>	<u>War</u>
29th Infantry Division Memorial	Vierville-sur-Mer, France	WW II
30th Infantry Division Memorial	Mortain, France	WW II
6th Engineering Special Brigade Memorial	Vierville-sur-Mer, France	WW II
351st Bomb Group Memorial	Oundle, England	WW II
147th Engineer Battalion Monument	Englesqueville-la-Percee, France	WW II
507th Parachute Infantry Regiment Memorial	Amfreville, France	WW II
398th Bomb Group Memorial	Herdfordshire, England	WW II
381st Bomb Group Monument	Ridgewell, England	WW II



Utah Beach Monument, Normandy, France



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