

LOUISIANA DEPARTMENT OF TREASURY
LOUISIANA MAIN STREET RECOVERY PROGRAM:
LOUISIANA LOGGERS RELIEF PROGRAM AND
LOUISIANA SAVE OUR SCREENS PROGRAM

RECOVERY ASSISTANCE SERVICES

Agreed-Upon Procedures Report
for the period August 2021 – December 2022
Issued April 5, 2023

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March 24, 2023

Independent Accountant's Report

MR. JOHN M. SCHRODER, LOUISIANA STATE TREASURER
LOUISIANA DEPARTMENT OF TREASURY

Baton Rouge, Louisiana

We have performed the procedures enumerated below on grant applications and supporting documentation submitted by Louisiana businesses to the Louisiana Department of Treasury (Treasury) and the resulting grant amounts awarded under the Louisiana Main Street Recovery Program (MSRP): Louisiana Loggers Relief Program and Louisiana Save Our Screens Program for the period August 1, 2021 through December 31, 2022. Treasury management is responsible for grant applications and supporting documentation submitted by Louisiana businesses to Treasury under the MSRP Louisiana Loggers Relief Program and Louisiana Save Our Screens Program.

Treasury management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on grant applications and supporting documentation submitted by Louisiana businesses to Treasury and the resulting grant amounts awarded under the MSRP Louisiana Loggers Relief Program and Louisiana Save Our Screens Program for the period August 1, 2021, through December 31, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

For the purpose of performing these procedures, Treasury management specified a threshold of \$100 for reporting exceptions.

The procedures and associated findings are as follows:

Procedure: We confirmed that the applicant met all eligibility requirements set forth in Act 410 of the 2021 Regular Legislative Session or Act 497 of the 2022 Regular Legislative Session, as applicable.

Finding: We did not note any exceptions as a result of this procedure.

Procedure: We confirmed that the grant award met all eligibility and documentation requirements set forth in MSRP policies.

Finding: We noted one exception as a result of this procedure totaling \$25,000 (0.34% of \$7,362,230 confirmed).

We were engaged by Treasury management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on grant applications and supporting documentation submitted by Louisiana businesses to Treasury and the resulting grant amounts awarded under the MSRP Louisiana Loggers Relief Program and Louisiana Save Our Screens Program for the period August 1, 2021, through December 31, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely for the information and use of Treasury management, and is not intended to be, and should not be, used by anyone other than this specified party. By provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/ch

MSRP2

BACKGROUND

The Louisiana Department of Treasury (Treasury) is the state agency responsible for administering the Main Street Recovery Program (MSRP): Louisiana Loggers Relief Program and the Louisiana Save Our Screens Program under the authority granted to it by Act No. 410 of the 2021 Regular Legislative Session and Act No. 497 of the 2022 Regular Legislative Session.

Acts No. 410 and 497 include approximately \$14.5 million to be distributed to Louisiana businesses via grants of up to \$25,000 per application for the Louisiana Loggers Relief Program and up to \$10,000 per movie screen per application for the Louisiana Save Our Screens Program for business interruption related to the COVID-19 virus pandemic. This funding was made available to Louisiana in the "Coronavirus Aid, Relief, and Economic Security Act" or "CARES Act" on January 3, 2020, by the United States Congress.

Louisiana businesses submitted grant applications and supporting documentation to Treasury. Treasury, through its contractor Postlewaite and Netterville, reviewed the grant applications and supporting documentation to ensure applicant and grant award eligibility and sufficiency of the documentation provided as required by the CARES Act, Act No. 410, Act No. 497, and MSRP policies.

After Treasury's review and approval of grant applications, the LLA engagement team performed specified procedures on the grant applications and supporting documentation and reported all findings to Treasury management. Treasury management worked with grant recipients to resolve the findings.

MANAGEMENT'S RESPONSE



JOHN M. SCHRODER

LOUISIANA STATE TREASURER

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March 22, 2023

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Re: Management's Response to Independent Accountant's Report on Agreed-Upon Procedures, Main Street Recovery Program Louisiana Loggers Relief Program and Louisiana Save Our Screens Program for the period August 1, 2021 through December 31, 2022

Dear Mr. Waguespack:

I am pleased to receive, review, and respond to the March 10, 2023, Independent Accountant's Report on the Application of Agreed-Upon Procedures for the Louisiana Main Street Recovery Program (MSRP) Louisiana Loggers Relief and Louisiana Save Our Screens Programs. The purpose of these programs, administered by the Louisiana Department of Treasury, was to provide economic relief in the form of grants to eligible timber harvesting and hauling and movie theater businesses impacted by the COVID-19 pandemic.

First, I would like to extend my sincere gratitude to you and the Louisiana Legislative Auditor (LLA) team for your efforts in supporting our agency throughout these programs.

From the program's inception, the LLA served a key program role providing valuable insight, recommendations, and auditing services which helped the program achieve a remarkable degree of accuracy during the program. LLA's audit team performed reviews on 100% of all applications that received a grant award under both the Louisiana Loggers Relief and Louisiana Save Our Screens programs during the period of engagement. The time your staff spent assisting us to establish the parameters of the program before accepting applications, and the audit work after the program's conclusion, was instrumental in what I consider a model grant program.

The Louisiana Department of Treasury reviewed all applications submitted to the Louisiana Loggers Relief and Louisiana Save Our Screens programs and awarded grants to all eligible timber harvesting and hauling and movie theater businesses that applied under the programs.

As noted in the report, one (1) exception with a reported value of \$25,000 was identified across the 175 grant awards and 34 supplemental grant awards made by the programs and reviewed during LLA's testing, accounting for a total exception rate across both programs of just under 0.34% of the total \$7,362,230 confirmed and tested grant awards. The Department of Treasury agrees with the LLA exception, issued a formal demand letter on 3/20/2023 and will continue to make efforts to recover the associated grant award funds.

Again, I would like to thank the Louisiana Legislative Auditor for its guidance and diligent review of procedures and applications throughout the successful administration of the Louisiana Loggers Relief and Louisiana Save Our Screens programs. Our partnership with the Louisiana Legislative Auditor in conjunction with our partnerships with the Louisiana Legislature, the Louisiana Department of Revenue, the Louisiana Workforce Commission, and our MSRP management team members were vital to the remarkable results our team was able to achieve.

Sincerely,



John M. Schroder
State Treasurer

JMS/rk