
LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
225-922-4600 Phone – 225-922-4611 Fax – pncpa.com

A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

Officers and Trustees
Louisiana Municipal Advisory and Technical Services
Bureau Corporation
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Louisiana Municipal Advisory and Technical Services Bureau Corporation (a wholly-owned subsidiary of Louisiana Municipal Association), which comprise the statements of financial condition as of December 31, 2019 and 2018, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Municipal Advisory and Technical Services Bureau Corporation as of December 31, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Louisiana Municipal Advisory and Technical Services Bureau Corporation basic financial statements. The schedule of compensation, benefits and other payments to the Executive Director on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to the Executive Director is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to the Executive Director is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 26, 2020

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Assets:		
Cash and cash equivalents	\$ 624,907	\$ 574,957
Accounts receivable	23,327	14,748
Deferred tax asset	-	1,979
Recoverable income taxes	14,977	17,758
Fixed assets, net of accumulated depreciation of \$132,534 and \$103,387, respectively	<u>23,397</u>	<u>52,544</u>
Total assets	<u>\$ 686,608</u>	<u>\$ 661,986</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:		
Accounts payable	\$ 33,316	\$ 19,515
Deferred tax liability	<u>4,600</u>	<u>-</u>
Total liabilities	<u>37,916</u>	<u>19,515</u>
Stockholder's equity:		
Common stock, no par value, no stated value, 100 shares authorized, issued and outstanding	51,000	51,000
Retained earnings	<u>597,692</u>	<u>591,471</u>
Total stockholder's equity	<u>648,692</u>	<u>642,471</u>
Total liabilities and stockholder's equity	<u>\$ 686,608</u>	<u>\$ 661,986</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Program administration fees	\$ 706,745	\$ 699,406
Administrative income - purchasing services	25,841	7,613
Administrative fees - delinquent property tax sales	21,599	17,045
Interest income	35,266	24,290
Miscellaneous income	<u>7,259</u>	<u>5,439</u>
 Total revenues	 <u>796,710</u>	 <u>753,793</u>
Expenses:		
Administrative fees	194,430	194,265
Advertising	7,251	10,558
Audit fees	13,800	11,500
Board per diem	16,200	12,651
Commission	3,631	-
Depreciation	29,147	29,633
Developmental costs	-	7,785
Education and training	4,034	4,588
Insurance	8,419	4,525
Legal fees	-	460
Professional services	169,200	174,200
Rent	7,800	6,000
Salaries and benefits	278,222	269,679
Sponsorships	21,801	16,435
Telephone	4,462	5,521
Travel	4,975	7,996
Vehicle	2,263	-
Miscellaneous expense	<u>15,494</u>	<u>12,722</u>
 Total expenses	 <u>781,129</u>	 <u>768,518</u>
 Income (loss) before income taxes	 15,581	 (14,725)
Income tax (expense) benefit	<u>(9,360)</u>	<u>3,294</u>
 Net income (loss)	 <u>\$ 6,221</u>	 <u>\$ (11,431)</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2017	\$ 51,000	\$ 602,902	\$ 653,902
Net loss	<u>-</u>	<u>(11,431)</u>	<u>(11,431)</u>
Balance, December 31, 2018	51,000	591,471	642,471
Net income	<u>-</u>	<u>6,221</u>	<u>6,221</u>
Balance, December 31, 2019	<u>\$ 51,000</u>	<u>\$ 597,692</u>	<u>\$ 648,692</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income (loss)	\$ 6,221	\$ (11,431)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	29,147	29,633
Deferred taxes	6,579	(1,979)
Changes in operating assets and liabilities:		
Accounts receivable	(8,579)	37,306
Recoverable income taxes	2,781	(2,815)
Accounts payable and other liabilities	13,801	(91,751)
Net cash provided by (used in) operating activities	49,950	(41,037)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net purchases of fixed assets	-	(36,044)
Net cash used in investing activities	-	(36,044)
Net change in cash	49,950	(77,081)
Cash and cash equivalents, beginning of year	574,957	652,038
Cash and cash equivalents, end of year	\$ 624,907	\$ 574,957
<u>Supplemental disclosure of cash flow information</u>		
Cash paid for income taxes	-	1,500

The accompanying notes are an integral part of these financial statements.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) *Organization Background*

Louisiana Municipal Advisory and Technical Services Bureau Corporation (LaMats), a Louisiana corporation, is a wholly-owned subsidiary of Louisiana Municipal Association (LMA). LMA is an association for the municipalities of Louisiana and is incorporated as a non-profit corporation under the laws of the State of Louisiana. LaMats was incorporated in 1998 for the purpose of providing various advisory and technical services with the goal of bringing economical and efficient services that assist membership of the LMA. LaMats' primary activities represent the collection of insurance premium taxes for members of LMA.

(b) *Depreciation*

Depreciation is computed using the straight-line method over the estimated useful lives of the assets which are placed in service at year end. Lives of the assets are as follows:

Office equipment and furniture	5-7 years
Automobiles	5 years
Computer equipment and software	3 years

(c) *Use of Estimates*

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

(d) *Cash and Cash Equivalents*

For the purpose of the statement of cash flows, cash includes cash in deposit accounts with financial institutions.

(e) *Revenue*

LaMats receives administrative fees related to the insurance premium taxes collected on behalf of the municipalities participating in the program. LaMats received an administrative fee of 3% of the insurance premium taxes collected in 2019 and 2018. Administrative fees are considered earned and recognized as revenues when collected from the insurance companies.

LaMats recognizes revenues from commissions on purchasing services, online buyer's guides, delinquent property tax sales, and interest income as earned.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(f) Accounts Receivable

LaMats considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. Collections on accounts previously written off are included in income when received.

(g) Income Taxes

Provisions for income taxes are based on taxes payable or refundable for the current year based on taxable income and deferred taxes on temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

LaMats adopted the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. Deferred tax assets are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon termination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more likely than not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more likely than not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. Deferred tax assets are reduced by a valuation allowance, if based on the weight of evidence available, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

LaMats recognized interest and penalties on income taxes as a component of income tax benefit (expense).

2. **INCOME TAXES**

The income tax expense for the year ended December 31, 2019 was \$9,360 compared to income tax benefit of \$3,294 for the year ended December 31, 2018. The income tax expense for the year ended December 31, 2019 is comprised of \$2,781 of current period expense and \$6,579 of deferred tax expense. The income tax expense for the year ended December 31, 2018 is comprised of \$1,315 of current period expense and \$1,979 of deferred tax expense. Deferred taxes relate to differences occurring from book and tax depreciation.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS

There is a balance of \$609,194 and \$524,134 included in cash and cash equivalents on the statements of net position that is invested in the Louisiana Asset Management Pool (LAMP) for the years ended December 31, 2019 and 2018, respectively. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The following facts are relevant for LAMP:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 70 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 46 days as of December 31, 2019.

LAMP values its investments at fair value based on quoted market values. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares which approximates net asset value (NAV).

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

4. RELATED PARTY TRANSACTIONS

LaMats pays LMA administrative fees for various services provided by LMA. For the years ended December 31, 2019 and 2018, included in expenses is \$175,000 related to administrative fees paid to LMA for each of the years. Included in accounts payable is \$8,523 and \$28,511 payable to LMA as of December 31, 2019 and 2018, respectively. LaMats pays LMA rent for the space in which it conducts its operations. LaMats paid LMA a total of \$7,800 and \$6,000 for the year December 31, 2019 and 2018, respectively.

5. MULTI-EMPLOYER PENSION PLAN

All of LaMats' full-time employees participate in Plan A of the Municipal Employee's Retirement System of Louisiana (the Plan), a multiple-employer cost sharing municipal employee retirement system. The payroll for LaMats' employees covered by the Plan for the year ended December 31, 2019 and 2018 was \$187,166 and \$180,269, respectively.

All employees of LaMats are required to participate in the Plan if they are under the age of 60, are full-time employees and are not participating in another publicly funded retirement system. Employees hired after December 31, 2012 can retire provided he or she meets one of the following criteria: 25 years of service credit at any age actuarially reduced, 30 years of service credit at age 55, 10 years of service credit at age 62, or 7 years of service credit at age 67. Employees entering the retirement system after December 31, 2012 become fully vested after 7 years of service. The Plan also provides survivors' and disability benefits.

Covered employees are required to contribute a percentage of their salary to the Plan (the rate is determined by the Plan and can fluctuate). Of the total contribution required to be contributed for a covered employee, the employees contribute 5.25%, while LaMats contributes the remainder. LaMats' contribution percentage was 30.25% during for January – June 2019 and 32.00% for July – December 2019, and 29.0% for January – June 2018 and 30.25% for July – December 2018. The contribution requirement for LaMats for the year ended December 31, 2019 and 2018 was \$67,007 and \$62,869, respectively.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for vendors who collect and distribute taxes other than ad valorem taxes for other taxing jurisdictions. Listed below are municipal premium tax collections and distributions to other local municipalities during calendar years 2019 and 2018.

	2019		
	<u>TOTAL COLLECTIONS</u>	<u>COLLECTION COST</u>	<u>FINAL DISTRIBUTION</u>
Abbeville	\$ 308,548	\$ 9,256	\$ 299,292
Abita Springs	111,508	3,345	108,163
Addis	112,897	3,387	109,510
Albany	52,222	1,567	50,655
Amite	126,416	3,792	122,624
Anacoco	36,606	1,098	35,508
Angie	28,431	853	27,578
Arcadia	90,067	2,702	87,365
Arnaudville	74,933	2,248	72,685
Ashland	7,600	228	7,372
Athens	13,601	408	13,193
Baker	242,514	7,275	235,239
Baldwin	53,728	1,612	52,116
Ball	76,233	2,287	73,946
Basile	49,248	1,477	47,771
Baskin	12,286	369	11,917
Bastrop	203,307	6,099	197,208
Benton	151,435	4,543	146,892
Bernice	34,068	1,022	33,046
Berwick	108,694	3,261	105,433
Bienville	8,866	266	8,600
Blanchard	57,331	1,720	55,611
Bogalusa	198,849	5,966	192,883
Bonita	8,325	250	8,075
Boyce	47,926	1,438	46,488
Breaux Bridge	240,078	7,202	232,876
Bunkie	90,929	2,728	88,201
Campiti	28,147	844	27,303
Cankton	19,050	572	18,478
Carencro	229,907	6,897	223,010
Castor	20,301	609	19,692
Central	245,135	7,354	237,781
Chatham	24,425	733	23,692
Cheyneville	17,236	517	16,719
Church Point	129,784	3,894	125,890
Clarks	7,925	238	7,687
Clinton	77,766	2,333	75,433
Collinston	13,652	410	13,242

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2019		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Converse	20,375	611	19,764
Cottonport	52,525	1,576	50,949
Coushatta	104,029	3,121	100,908
Covington	682,124	20,464	661,660
Creola	4,303	129	4,174
Crowley	284,898	8,547	276,351
Cullen	49,013	1,470	47,543
Delcambre	40,435	1,213	39,222
Delhi	86,733	2,602	84,131
Denham Springs	412,614	12,378	400,236
Dequincy	79,215	2,376	76,839
Dixie Inn	13,356	401	12,955
Dodson	14,219	427	13,792
Doyline	40,135	1,204	38,931
Dubach	39,491	1,185	38,306
Dubberly	17,131	514	16,617
Duson	82,634	2,479	80,155
Elizabeth	15,721	472	15,249
Elton	31,139	934	30,205
Epps	14,519	436	14,083
Eros	17,283	519	16,764
Eunice	236,902	7,107	229,795
Farmerville	106,732	3,202	103,530
Fenton	11,068	332	10,736
Florien	33,050	992	32,058
Folsom	73,010	2,190	70,820
Fordoche	22,071	662	21,409
Forest	8,444	253	8,191
Forest Hill	30,093	903	29,190
Franklin	177,542	5,326	172,216
Franklinton	174,481	5,234	169,247
French Settlement	31,826	955	30,871
Georgetown	12,839	385	12,454
Gibbsland	25,476	764	24,712
Gilbert	20,370	611	19,759
Glenmora	42,411	1,272	41,139
Golden Meadow	70,942	2,128	68,814
Gonzales	400,067	12,002	388,065
Grambling	50,820	1,525	49,295
Gramercy	86,456	2,594	83,862
Grand Cane	35,706	1,071	34,635
Grand Coteau	26,763	803	25,960
Grand Isle	40,761	1,223	39,538
Grayson	27,503	825	26,678
Greenwood	79,707	2,391	77,316

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2019		
	<u>TOTAL COLLECTIONS</u>	<u>COLLECTION COST</u>	<u>FINAL DISTRIBUTION</u>
Gretna	457,852	13,736	444,116
Grosse Tete	23,654	710	22,944
Gueydan	41,782	1,253	40,529
Hall Summit	8,930	268	8,662
Haughton	159,616	4,788	154,828
Haynesville	59,535	1,786	57,749
Heflin	21,465	644	20,821
Homer	103,823	3,115	100,708
Hornbeck	19,238	577	18,661
Iberia Parish	378,436	11,353	367,083
Ida	10,344	310	10,034
Independence	71,786	2,154	69,632
Iota	41,253	1,238	40,015
Iowa	99,354	2,981	96,373
Jean Lafitte	32,008	960	31,048
Jeanerette	117,916	3,537	114,379
Jonesboro	90,894	2,727	88,167
Junction City	5,087	153	4,934
Kaplan	113,287	3,399	109,888
Kentwood	77,689	2,331	75,358
Killian	21,778	653	21,125
Kinder	80,638	2,419	78,219
Krotz Springs	37,164	1,115	36,049
Lake Arthur	63,765	1,913	61,852
Lake Charles	1,195,407	35,862	1,159,545
Lecompte	37,471	1,124	36,347
Leesville	175,838	5,275	170,563
Lisbon	7,649	229	7,420
Lockport	95,355	2,861	92,494
Logansport	40,980	1,229	39,751
Longstreet	4,326	130	4,196
Loreauville	33,554	1,007	32,547
Lutcher	84,073	2,522	81,551
Madisonville	149,065	4,472	144,593
Mandeville	622,997	18,690	604,307
Mangham	25,606	768	24,838
Mansfield	133,015	3,990	129,025
Mansura	46,771	1,403	45,368
Many	108,655	3,260	105,395
Maringouin	31,465	944	30,521
Marion	28,827	865	27,962
Maurice	86,251	2,588	83,663

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2019		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Melville	22,305	669	21,636
Mer Rouge	40,810	1,224	39,586
Minden	274,661	8,240	266,421
Montgomery	24,024	721	23,303
Mooringsport	28,633	859	27,774
Morgan City	324,285	9,729	314,556
Morganza	29,531	886	28,645
Morse	26,143	784	25,359
Napoleonville	64,153	1,925	62,228
New Llano	35,402	1,062	34,340
New Orleans	3,087,072	93,348	2,993,724
New Roads	145,758	4,373	141,385
Noble	15,249	457	14,792
Norwood	13,023	391	12,632
Oak Grove	73,622	2,209	71,413
Oak Ridge	15,462	464	14,998
Oakdale	97,649	2,930	94,719
Oberlin	36,775	1,103	35,672
Oil City	37,177	1,115	36,062
Opelousas	371,679	11,150	360,529
Palmetto	16,192	486	15,706
Parks	15,821	475	15,346
Patterson	118,265	3,548	114,717
Pearl River	116,032	3,481	112,551
Pineville	316,736	9,502	307,234
Pioneer	18,123	544	17,579
Plain Dealing	36,352	1,091	35,261
Plaquemine	259,928	7,798	252,130
Plaucheville	19,980	599	19,381
Pleasant Hill	15,603	468	15,135
Pollock	33,781	1,013	32,768
Ponchatoula	259,158	7,775	251,383
Port Barre	59,226	1,777	57,449
Port Vincent	18,247	547	17,700
Rayne	169,981	5,099	164,882
Rayville	116,049	3,481	112,568
Reeves	21,246	637	20,609
Richmond	9,473	284	9,189
Ridgecrest	9,161	275	8,886
Ringgold	38,559	1,157	37,402
Rodessa	8,882	266	8,616
Rosedale	19,859	596	19,263

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2019		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Roseland	43,969	1,319	42,650
Rosepine	36,597	1,098	35,499
Ruston	437,569	13,127	424,442
Saline	16,653	500	16,153
Sarepta	39,833	1,195	38,638
Scott	216,588	6,498	210,090
Sibley	51,349	1,540	49,809
Sikes	5,002	150	4,852
Simmesport	30,624	919	29,705
Simpson	18,787	564	18,223
Slaughter	48,134	1,444	46,690
Sorrento	58,784	1,764	57,020
Spearsville	11,227	337	10,890
Springhill	102,859	3,086	99,773
St. Francisville	106,459	3,194	103,265
St. Gabriel	107,354	3,221	104,133
St. Martinville	142,871	4,286	138,585
St. Mary Parish	251,373	7,541	243,832
Sterlington	65,604	1,968	63,636
Stonewall	82,394	2,472	79,922
Sulphur	463,637	13,909	449,728
Sun	7,987	240	7,747
Sunset	85,408	2,562	82,846
Tallulah	120,216	3,607	116,609
Tickfaw	48,287	1,449	46,838
Ville Platte	168,824	5,065	163,759
Vinton	66,385	1,992	64,393
Vivian	71,543	2,146	69,397
Walker	200,177	6,005	194,172
Washington	49,186	1,476	47,710
Webster Parish	160,841	4,825	156,016
Welsh	94,989	2,850	92,139
Westlake	144,808	4,344	140,464
Westwego	214,606	6,438	208,168
Wilson	12,590	378	12,212
Winnsboro	129,942	3,898	126,044
Wisner	23,408	702	22,706
Woodworth	50,845	1,525	49,320
Youngsville	321,864	9,656	312,208
Zachary	375,410	11,262	364,148
Zwolle	56,934	1,708	55,226
TOTALS	\$ 23,533,489	\$ 706,745	\$ 22,826,744

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

2018			
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Abbeville	\$ 307,958	\$ 9,239	\$ 298,719
Abita Springs	102,873	3,086	99,787
Addis	97,402	2,922	94,480
Albany	51,630	1,549	50,081
Amite	127,840	3,835	124,005
Anacoco	38,045	1,141	36,904
Angie	29,307	879	28,428
Arcadia	78,758	2,363	76,395
Arnaudville	80,615	2,418	78,197
Ashland	12,608	378	12,230
Athens	14,174	425	13,749
Baker	228,554	6,857	221,697
Baldwin	49,070	1,472	47,598
Ball	71,969	2,159	69,810
Basile	37,459	1,124	36,335
Baskin	10,601	318	10,283
Bastrop	198,051	5,942	192,109
Benton	146,520	4,396	142,124
Bernice	34,455	1,034	33,421
Berwick	111,750	3,353	108,397
Bienville	9,254	278	8,976
Blanchard	52,408	1,572	50,836
Bogalusa	192,571	5,777	186,794
Bonita	8,990	270	8,720
Boyce	48,357	1,451	46,906
Breaux Bridge	242,965	7,289	235,676
Bunkie	91,484	2,745	88,739
Campiti	28,142	844	27,298
Cankton	9,142	274	8,868
Carencro	213,939	6,418	207,521
Castor	22,261	668	21,593
Central	236,951	7,109	229,842
Chatham	25,265	758	24,507
Church Point	131,895	3,957	127,938
Clarks	8,056	242	7,814
Clinton	80,540	2,416	78,124
Collinston	12,106	363	11,743
Converse	20,654	620	20,034
Cottonport	47,261	1,418	45,843
Coushatta	83,384	2,502	80,882
Covington	686,629	20,599	666,030
Creola	3,707	111	3,596
Crowley	269,691	8,091	261,600
Cullen	21,608	648	20,960

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2018		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
DeQuincy	83,339	2,500	80,839
Delcambre	38,088	1,143	36,945
Delhi	78,389	2,352	76,037
Denham Springs	413,860	12,416	401,444
Dixie Inn	13,913	417	13,496
Dodson	14,891	447	14,444
Doyline	33,864	1,016	32,848
Dubach	38,987	1,170	37,817
Dubberly	17,604	528	17,076
Duson	93,124	2,794	90,330
Elizabeth	15,884	477	15,407
Elton	31,373	941	30,432
Epps	24,101	723	23,378
Eros	18,304	549	17,755
Eunice	221,733	6,652	215,081
Farmerville	110,526	3,316	107,210
Fenton	10,942	328	10,614
Florien	34,231	1,027	33,204
Folsom	74,329	2,230	72,099
Fordoche	21,728	652	21,076
Forest	7,890	237	7,653
Forest Hill	29,408	882	28,526
Franklin	168,182	5,045	163,137
Franklinton	173,005	5,190	167,815
French Settlement	29,887	897	28,990
Georgetown	12,029	361	11,668
Gibsland	26,209	786	25,423
Gilbert	29,038	871	28,167
Glenmora	43,960	1,319	42,641
Golden Meadow	64,485	1,935	62,550
Gonzales	412,679	12,380	400,299
Grambling	45,583	1,368	44,215
Gramercy	98,179	2,945	95,234
Grand Cane	27,064	812	26,252
Grand Coteau	24,253	728	23,525
Grand Isle	40,839	1,225	39,614
Grayson	29,485	885	28,600
Greenwood	67,655	2,030	65,625
Gretna	435,122	13,054	422,068
Grosse Tete	31,450	944	30,506
Gueydan	46,335	1,390	44,945

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2018		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Hall Summit	7,315	219	7,096
Haughton	159,040	4,771	154,269
Haynesville	51,816	1,555	50,261
Heflin	22,161	665	21,496
Homer	103,849	3,116	100,733
Hornbeck	19,927	598	19,329
Iberia Parish	364,677	10,940	353,737
Ida	10,309	309	10,000
Independence	74,590	2,238	72,352
Iota	46,015	1,380	44,635
Iowa	98,000	2,940	95,060
Jean Lafitte	30,976	929	30,047
Jeanerette	115,930	3,478	112,452
Jonesboro	98,063	2,942	95,121
Junction City	5,245	157	5,088
Kaplan	117,634	3,529	114,105
Kentwood	77,462	2,324	75,138
Killian	20,734	622	20,112
Kinder	81,370	2,441	78,929
Krotz Springs	28,143	844	27,299
Lake Arthur	55,158	1,655	53,503
Lake Charles	1,176,475	35,294	1,141,181
Lecompte	35,458	1,064	34,394
Leesville	183,569	5,507	178,062
Lisbon	7,976	239	7,737
Lockport	106,133	3,184	102,949
Logansport	42,701	1,281	41,420
Longstreet	4,000	120	3,880
Loreauville	35,472	1,064	34,408
Lutcher	90,291	2,709	87,582
Madisonville	145,492	4,365	141,127
Mandeville	590,732	17,722	573,010
Mangham	24,286	729	23,557
Mansfield	122,317	3,670	118,647
Mansura	49,833	1,495	48,338
Many	104,905	3,147	101,758
Maringouin	31,574	947	30,627
Marion	32,188	966	31,222
Maurice	81,547	2,446	79,101
Melville	22,475	674	21,801
Mer Rouge	36,632	1,099	35,533
Minden	271,808	8,154	263,654
Montgomery	21,683	651	21,032

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2018		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Mooringsport	28,189	846	27,343
Morgan City	296,146	8,884	287,262
Morganza	24,888	747	24,141
Morse	27,475	824	26,651
Napoleonville	63,803	1,914	61,889
New Llano	41,033	1,231	39,802
New Orleans	3,028,804	90,387	2,938,417
New Roads	150,760	4,523	146,237
Noble	15,978	479	15,499
Norwood	13,823	415	13,408
Oak Grove	79,078	2,372	76,706
Oak Ridge	16,224	487	15,737
Oakdale	102,140	3,064	99,076
Oberlin	34,962	1,049	33,913
Opelousas	360,846	10,825	350,021
Palmetto	14,822	445	14,377
Parks	13,849	415	13,434
Patterson	108,965	3,269	105,696
Pearl River	114,388	3,432	110,956
Pineville	306,941	9,208	297,733
Pioneer	15,870	476	15,394
Plain Dealing	37,795	1,134	36,661
Plaquemine	262,123	7,864	254,259
Plaucheville	20,677	620	20,057
Pleasant Hill	16,404	492	15,912
Pollock	33,947	1,018	32,929
Ponchatoula	230,305	6,909	223,396
Port Barre	55,957	1,679	54,278
Port Vincent	17,796	534	17,262
Rayne	168,923	5,068	163,855
Rayville	124,186	3,726	120,460
Reeves	20,062	602	19,460
Richmond	7,984	240	7,744
Ridgecrest	8,494	255	8,239
Ringgold	35,724	1,072	34,652
Rodessa	8,006	240	7,766
Rosedale	19,403	582	18,821
Roseland	44,338	1,330	43,008
Rosepine	35,111	1,053	34,058
Ruston	433,231	12,997	420,234

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

2018			
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Saline	16,901	507	16,394
Sarepta	40,532	1,216	39,316
Scott	194,802	5,844	188,958
Sibley	40,719	1,222	39,497
Sikes	8,691	261	8,430
Simmesport	31,956	959	30,997
Simpson	15,653	470	15,183
Slaughter	48,497	1,455	47,042
Sorrento	53,111	1,593	51,518
Spearsville	11,098	333	10,765
Springhill	101,059	3,032	98,027
St. Francisville	104,783	3,144	101,639
St. Gabriel	93,601	2,808	90,793
St. Martinville	153,429	4,603	148,826
St. Mary Parish	238,889	7,167	231,722
Sterlington	55,444	1,663	53,781
Stonewall	78,169	2,345	75,824
Sulphur	430,272	12,908	417,364
Sun	10,893	327	10,566
Sunset	85,410	2,562	82,848
Tallulah	119,825	3,595	116,230
Thibodaux	417,869	12,536	405,333
Tickfaw	54,804	1,644	53,160
Ville Platte	179,604	5,388	174,216
Vinton	71,415	2,142	69,273
Vivian	65,511	1,965	63,546
Walker	194,463	5,834	188,629
Washington	48,191	1,446	46,745
Webster Parish	137,662	4,130	133,532
Welsh	92,259	2,768	89,491
Westlake	148,903	4,467	144,436
Westwego	214,935	6,448	208,487
Wilson	11,946	358	11,588
Winnsboro	127,927	3,838	124,089
Wisner	25,047	751	24,296
Woodworth	46,375	1,391	44,984
Youngsville	293,524	8,806	284,718
Zachary	359,094	10,773	348,321
Zwolle	51,631	1,549	50,082
TOTALS	\$ 23,329,151	\$ 699,406	\$ 22,629,745

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

7. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 26, 2020. As a result of the continued spread of the COVID-19 coronavirus throughout the United States, the global economy has been negatively impacted and there has been significant disruptions in financial markets. The extent of the COVID-19 pandemic on the Corporation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact cannot be predicted. The extent to which the COVID-19 pandemic may impact the Corporation's equity or income cannot be estimated at this time. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

OTHER SUPPLEMENTAL INFORMATION

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
THE EXECUTIVE DIRECTOR
YEAR ENDED DECEMBER 31, 2019

Name: Clifford A. Palmer

Purpose	Amount
Salary, including incentive and bonus	\$ 126,422
Benefits-insurance	10,323
Benefits-retirement	39,333
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by corporation	-
Cell phone	788
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	558
Registration fees	-
Conference travel	298
Housing	-
Unvouchered expenses	-
Special meals	-
Other (including payments made by other parties on behalf of the agency head)	-

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL
SERVICES BUREAU CORPORATION**

**REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS**

FOR THE YEAR ENDED DECEMBER 31, 2019

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8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
225-922-4600 Phone – 225-922-4611 Fax – pncpa.com

A Professional Accounting Corporation

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Louisiana Municipal Advisory and the Technical Services Bureau Corporation and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A, which were agreed to by the Louisiana Municipal Advisory and the Technical Services Bureau (the Entity) and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached Schedule A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated results are summarized in the attached Schedule A, which is an integral part of this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 26, 2020

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2019

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*”. If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, “procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity” is indicated.

Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

The Entity does not have a written policy for Budgeting.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted for (3). The Entity does not have a written policy for (1), (2), (4) and (5).

c) ***Disbursements***, including processing, reviewing, and approving

The Entity does not have a written policy for Disbursements.

d) ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Entity does not have a written policy for Receipts.

e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The Entity contracts with Louisiana Municipal Association to provide payroll services.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The Entity does not have a written policy for Contracting.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2019

Schedule A

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

No exceptions noted.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

No exceptions noted for (4). The Entity does not have a written policy for (1), (2) and (3).

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Entity does not have a written policy for Disaster Recovery/ Business Continuity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2019

Schedule A

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

Bank Reconciliations

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

A listing of bank accounts was provided and included 1 bank account, which management identified as the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected to test the bank reconciliations for the month ending March 31, 2019. We discovered that no bank reconciliations for the twelve months ending December 31, 2019 were prepared.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No bank reconciliations prepared for the twelve months ending December 31, 2019.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No bank reconciliations prepared for the twelve months ending December 31, 2019.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2019

Schedule A

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No bank reconciliations prepared for the twelve months ending December 31, 2019.

Collections

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

A listing of deposit sites was provided which included one deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we performed the procedures below on the one deposit site.

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

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of one collection location. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Not applicable.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exception noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exception noted.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2019

Schedule A

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

There is no formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the collection locations selected.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The Entity stated that all employees who have access to cash are bonded and/or covered under the Entity's insurance policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for the bank account selected in procedure #3. We obtained supporting documentation for each of the 2 deposits and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

The Entity does not maintain sequentially pre-numbered receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

The Entity does not maintain sequentially pre-numbered receipts, system reports, or other related collection documentation. As such, we were unable to perform the procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
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Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided, which only included one location. No exceptions were noted as a result of performing this procedure.

From the listing provided, we performed the procedures below.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Not applicable.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The person processing payments was not prohibited from adding / modifying vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The employee responsible for processing payments is also responsible for mailing the payments.

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10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For the 5 disbursements selected for our procedures, a single employee processes payments and is in charge of mailing signed checks.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we selected the 2 credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 2 cards selected and performed the procedures noted below.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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For the 2 credit cards tested, the monthly statement provided did not contain evidence of review by someone other than the card holder. Supporting documentation was provided for each individual transaction listed on the monthly statement.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

We randomly selected 10 transactions for the 2 cards selected in procedure #12 and performed the specified procedures. No exceptions noted.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Not applicable.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Not applicable.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Not applicable.

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- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Not applicable.

Contracts

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

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17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

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- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions noted.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year.



MEMORANDUM FOR RECORD

TO: P&N

FROM: Cliff Palmer, LaMATS Executive Director 

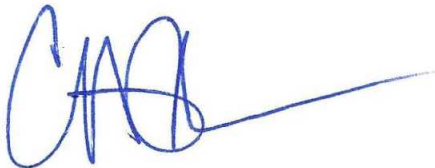
DATE: June 29, 2020

The following is Management's response to the findings in the Report on Statewide Agreed-Upon Procedures on Compliance and Control Areas for the year ended December 31, 2019.

Our review of the noted exceptions has resulted in our revising existing written policies and/or instituting new policies/procedures in the areas of; budgeting, purchasing disbursements, receipts, contracting, ethics and disaster recovery/business continuity.

Additionally, findings in the area of bank reconciliation are the result of management's error of tasking a non-accountant trained staff person to handle these monthly duties. LaMATS has contracted these important duties with the capable accounting staff of the Louisiana Municipal Association (LMA). This will ensure all accounts remain current, and that monthly bank reconciliations are completed promptly and recorded properly in an approved accounting software program. The accounting contract for services will also ensure continued compliance in the areas of collections, disbursements, receipts and credit cards.

Please don't hesitate to contact me if additional information is needed.



Board of Directors 2019-2020

Mayor Jennifer Vidrine, President Mayor Billy D'Aquila, Vice President Councilman Vernon Martin, Sec/Treas
Mayor Glenn Brasseaux Mayor David Butler Mayor David Camardelle Mayor Michael Chauffe
Mayor Clarence Fields Mayor Harry Lewis Councilman Nathan Martin Councilman Vernon Martin
Mrs. Gay Nell Pepper, CMC Mayor Chuck Robichaux Mayor Darnell Waites Mayor Jimmy Williams

John Gallagher, LMA Executive Director

Cliff Palmer, LaMATS Executive Director

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL
SERVICES BUREAU CORPORATION**

REPORT TO MANAGEMENT

DECEMBER 31, 2019

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL
SERVICES BUREAU CORPORATION

REPORT TO MANAGEMENT

DECEMBER 31, 2019



June 17, 2020

Members of the Board and Management
Louisiana Municipal Advisory and Technical Services Bureau Corporation
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of Louisiana Municipal Advisory and Technical Services Bureau Corporation (LaMATS or Corporation), as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the Corporation's internal control.

Our consideration of internal control was for the limited purposes described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 following deficiencies in internal control to be significant deficiencies:

2019-001 Internal Control over Bank Reconciliation Preparation

Criteria: Internal control over financial reporting should include policies and procedures to ensure controls over cash accounts provide for these records to be reconciled on a regular basis to ensure accuracy. Reconciliations should be prepared for each cash account and all differences between book and bank balances should be investigated on a timely basis by appropriate accounting personnel so that any errors or adjustments can quickly be identified and corrected.

- Condition:** In performing audit procedures over bank reconciliations, we noted that the bank reconciliations did not include a reconciliation using the bank balance and the balance per the general ledger, instead the balances were reconciled to a cash book balance from January 2019 through December 2019.
- Cause:** The accounting software was not being properly utilized to perform bank reconciliations. In addition, there is no procedure in place to review the bank reconciliation after it is completed.
- Effect:** LaMATS has a significant deficiency in their internal control over bank reconciliation preparation. Failure to prepare bank reconciliations could affect the accuracy of internal financial reports, which could impact management's ability to manage and monitor the financial position of the Corporation. This is a repeat finding from the prior year.
- Recommendation:** All bank accounts should be reconciled monthly to the general ledger by appropriate accounting personnel and all reconciling items be promptly investigated and adjusted with adequate explanations. Controls can further be strengthened by having the reconciliations reviewed and approved by management or another individual other than the individual responsible for performing the reconciliation.

View of Responsible Official:

Management (LaMATS Executive Director) erred in tasking a non-accountant trained staff person to handle the monthly reconciliation duties. Management also attempted to assist in the bank reconciliation process, but was not qualified or trained enough in the accounting software to provide adequate assistance or oversight. Management has developed and implemented a new process that contracts these duties out to the accounting staff of the LMA. This will ensure all accounts remain current, bank reconciliations are completed timely in accordance with acceptable accounting procedures. This will also provide more proper coordination and review by someone other than LaMATS staff who will assist as a preparer.

2019-002 Internal Control over Financial Reporting

- Criteria:** The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertion embodied in the annual financial statements, which for LaMATS, is that financial statements are prepared in accordance with generally accepted accounting principles (GAAP).
- Condition:** As part of the audit process, we noted that the detailed schedule to support accounts receivable and payables were not reconciled at year end.
- Cause:** During the audit, we noted that several accounts which required adjustment in order for them to properly reflect end of year balances. These accounts included cash, property and equipment, accounts receivable, and accrued liabilities.

Effect: Due to the inaccuracy of the information provided to the Board, management decisions could be made based on information that does not truly reflect the financial position of the Corporation. This is a repeat finding from the prior year.

Recommendation: As part of the financial close process, cash, property and equipment, accounts receivable, and accrued liabilities should be reconciled from the support schedules to the general ledger. These reconciliations should be reviewed monthly by a member of management.

View of Responsible Official:

Management was able to provide the needed adjustments and successfully reconcile cash, accounts payable, accounts receivable, and accrued liabilities subsequent to year end. Management also provided the needed information to properly record adjustments for property and equipment subsequent to year end. Management has developed and implemented a plan to ensure that all accounts are properly accounted for and reconciled throughout the year by contracting these services with the qualified accounting staff of the LMA.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the LaMATS staff for their patience and cooperation with us during the performance of the audit.

Sincerely,

Postlethwaite & Netterville



MEMORANDUM FOR RECORD

TO: P&N

FROM: Cliff Palmer, LaMATS Executive Director 

DATE: June 15, 2020

The following is Management's response to the findings in audit of financial statements of LaMATS for the year ending December 31, 2019.

1. **2019-001 Internal Control over Bank Reconciliation Preparation:** Management (LaMATS Executive Director) erred in tasking a non-accountant trained staff person to handle the monthly reconciliation duties. Management also attempted to assist in the bank reconciliation process but was not qualified or trained enough in the accounting software to provide adequate assistance or oversight. Management has developed and implemented a new process that contracts these duties out to the accounting staff of the LMA. This will ensure all accounts remain current and monthly bank reconciliations are completed timely in accordance with acceptable accounting procedures. This will also provide proper coordination and review by someone other than LaMATS staff who will assist as a preparer.
2. **2019-002 Internal Control over Financial Reporting:** Management was able to provide the needed adjustments and successfully reconcile cash, accounts payable, accounts receivable, and accrued liabilities subsequent to year end. Management also provided the needed information to properly record adjustments for property and equipment subsequent to year end. Management has developed and implemented a plan to ensure that all accounts are properly accounted for and reconciled throughout the year by contracting these services with the qualified accounting staff of the LMA.

Please don't hesitate to contact me if additional information is needed.



Board of Directors 2019-2020

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John Gallagher, LMA Executive Director

Cliff Palmer, LaMATS Executive Director