
LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

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LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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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 balance sheets as of December 31, 2017 and 2016, 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.



Postlethwaite & Netterville

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, 2017 and 2016 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 Executive on page 21 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 20, 2018

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and cash equivalents	\$ 652,038	\$ 521,479
Accounts receivable	40,513	62,200
Recoverable income taxes	14,943	23,100
Software and equipment, net of accumulated depreciation of \$71,754 and \$53,960, respectively	<u>46,133</u>	<u>45,182</u>
Total assets	<u>\$ 753,627</u>	<u>\$ 651,961</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:		
Accounts payable	<u>\$ 99,725</u>	<u>\$ 25,768</u>
Total liabilities	<u>99,725</u>	<u>25,768</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>602,902</u>	<u>575,193</u>
Total stockholder's equity	<u>653,902</u>	<u>626,193</u>
Total liabilities and stockholder's equity	<u>\$ 753,627</u>	<u>\$ 651,961</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, 2017 AND 2016

	2017	2016
Revenues:		
Program administration fees	\$ 660,004	\$ 638,901
Commision income	174,996	29,166
Administrative fees - delinquent property tax sales	21,921	21,458
Interest income	819	340
Miscellaneous income	4,065	938
	861,805	690,803
Expenses:		
Administrative fees	187,584	529,365
Accounting fees	9,000	9,000
Advertising	8,579	3,600
Audit fees	6,500	6,300
Board per diem	6,000	-
Depreciation	20,064	405
Developmental costs	469	6,534
Legal fees	400	3,140
Professional services	102,500	59,200
Rent	6,000	3,360
Salaries and benefits	414,762	-
Sponsorships	21,005	3,439
Telephone	5,319	4,271
Travel	17,055	1,872
Miscellaneous expense	15,663	6,330
	820,900	636,816
Income before income taxes	40,905	53,987
Income tax expense	(13,196)	(11,196)
Net income	\$ 27,709	\$ 42,791

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, 2017 AND 2016

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2015	\$ 51,000	\$ 532,402	\$ 583,402
Net income	<u>-</u>	<u>42,791</u>	<u>42,791</u>
Balance, December 31, 2016	51,000	575,193	626,193
Net income	<u>-</u>	<u>27,709</u>	<u>27,709</u>
Balance, December 31, 2017	<u>\$ 51,000</u>	<u>\$ 602,902</u>	<u>\$ 653,902</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, 2017 AND 2016

	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 27,709	\$ 42,791
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	20,064	405
Changes in operating assets and liabilities:		
Accounts receivable	21,687	16,622
Prepays and recoverables	8,157	10,929
Accounts payable and other liabilities	73,957	19,317
Net cash provided by operating activities	151,574	90,064
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of software and equipment	(21,015)	(45,587)
Net cash used in investing activities	(21,015)	(45,587)
Net change in cash	130,559	44,477
Cash and cash equivalents, beginning of year	521,479	477,002
Cash and cash equivalents, end of year	\$ 652,038	\$ 521,479
<u>Supplemental disclosure of cash flow information</u>		
Cash paid for income taxes	\$ 6,280	267

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. In 2016, LaMats entered into a co-marketing agreement with a third party to provide services to members in the area of modernizing and streamlining their procurement activities for which LaMats earns a commission.

(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
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 2017 and 2016. Administrative fees are considered earned and recognized as revenues when collected from the insurance companies.

LaMats recognizes revenues from commissions on e-procurement 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. For the years ended December 31, 2017 and 2016, there are no material temporary book/tax differences and therefore no deferred tax assets, liabilities or related income or expense.

LaMats applies guidance issued by the Financial Accounting Standards Board with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50 percent likely of being realized upon examination. For tax positions not meeting the “more likely than not” threshold, no tax benefit is recorded.

2. CASH AND CASH EQUIVALENTS

There is a balance of \$300,000 included in cash and cash equivalents that is invested in LAMP. 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.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

2. CASH AND CASH EQUIVALENTS (continued)

The following facts are relevant for LAMP:

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.

3. RELATED PARTY TRANSACTIONS

LaMats pays LMA accounting fees for services performed on their behalf. The total accounting fees were \$9,000 in each of the years ended December 31, 2017 and 2016. LaMats pays LMA administrative fees for various services provided by LMA. For the years ended December 31, 2017 and 2016, included in expenses is \$175,000 related to administrative fees paid to LMA for each of the years. Included in accrued expenses as of December 31, 2017 and 2016 is \$96,068 and \$0, respectively, payable to LMA. LaMats pays LMA rent for the space in which it conducts its operations. LaMats paid LMA a total of \$6,000 and \$3,360 in the years ended December 31, 2017 and 2016, respectively.

4. ADMINISTRATIVE CONTRACT

LaMats previously contracted with PRA Government Services, LLC dba RDS, to performed billing, collecting and administrative duties within the insurance premium tax program. LaMats' Board of Directors approved the administrative contract on a yearly basis for services rendered. The contract required payments of \$18,400 per month during the year ended December 31, 2016. Beginning January 1, 2017, LaMats ended its agreement with RDS regarding the services they provided for the insurance premium tax program. LaMats personnel began performing the billing and collections of the insurance premium taxes for a fee effective January 1, 2017.

5. MULTI-EMPLOYER PENSION PLAN

LaMats has full-time employees beginning in 2017. Prior to 2017, LaMats utilized contract labor. 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, 2017 was \$274,855.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

5. MULTI-EMPLOYER PENSION PLAN (continued)

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 27.0% for January – June 2017 and 29.0% for July – December 2017. The contribution requirement for LaMats for the year ended December 31, 2017 was \$91,425.

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 2017 and 2016.

	<u>2017</u>		
	<u>TOTAL</u>	<u>COLLECTION</u>	<u>FINAL</u>
	<u>COLLECTIONS</u>	<u>COST</u>	<u>DISTRIBUTION</u>
Abbeville	\$ 335,137	\$ 10,054	\$ 325,083
Abita Springs	108,567	3,257	105,310
Addis	95,136	2,854	92,282
Albany	53,761	1,613	52,148
Amite	121,259	3,638	117,621
Anacoco	36,919	1,108	35,811
Angie	27,177	815	26,362
Arcadia	76,020	2,281	73,739
Arnaudville	79,189	2,376	76,813
Ashland	19,568	587	18,981
Athens	16,231	487	15,744
Baker	225,379	6,761	218,618
Baldwin	59,197	1,776	57,421
Ball	66,944	2,008	64,936
Basile	36,341	1,090	35,251
Baskin	12,621	379	12,242
Bastrop	195,808	5,874	189,934

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2017		
	<u>TOTAL</u>	<u>COLLECTION</u>	<u>FINAL</u>
	<u>COLLECTIONS</u>	<u>COST</u>	<u>DISTRIBUTION</u>
Benton	145,038	4,351	140,687
Bernice	35,173	1,055	34,118
Berwick	108,602	3,258	105,344
Bienville	9,170	275	8,895
Blanchard	48,668	1,460	47,208
Bogalusa	190,977	5,729	185,248
Bonita	9,779	293	9,486
Boyce	46,413	1,392	45,021
Breaux Bridge	233,321	7,000	226,321
Bunkie	88,814	2,664	86,150
Campti	28,330	850	27,480
Cankton	8,671	260	8,411
Carencro	215,267	6,458	208,809
Castor	22,971	689	22,282
Central	211,808	6,354	205,454
Chatham	24,887	747	24,140
Church Point	127,246	3,817	123,429
Clarks	10,598	318	10,280
Clinton	77,301	2,319	74,982
Collinston	12,984	390	12,594
Converse	27,211	816	26,395
Cottonport	47,792	1,434	46,358
Coushatta	87,929	2,638	85,291
Covington	637,871	19,136	618,735
Cullen	21,821	655	21,166
Delhi	79,641	2,389	77,252
Denham Springs	421,366	12,641	408,725
DeQuincy	82,637	2,479	80,158
Dixie Inn	17,407	522	16,885
Dodson	15,424	463	14,961
Doyline	33,727	1,012	32,715
Dubach	37,850	1,136	36,714
Dubberly	16,824	505	16,319
Duson	71,399	2,142	69,257
Elton	30,091	903	29,188
Epps	15,025	451	14,574
Eros	16,588	498	16,090
Eunice	246,925	7,408	239,517
Farmerville	119,515	3,586	115,929
Fenton	10,177	305	9,872
Florien	29,511	885	28,626

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2017		
	<u>TOTAL</u> <u>COLLECTIONS</u>	<u>COLLECTION</u> <u>COST</u>	<u>FINAL</u> <u>DISTRIBUTION</u>
Folsom	71,716	2,152	69,564
Fordoche	22,646	679	21,967
Forest	7,926	238	7,688
Franklin	174,044	5,221	16,823
Franklinton	163,842	4,915	158,927
French Settlement	29,440	883	28,557
Georgetown	10,831	325	10,506
Gibbsland	24,064	722	23,342
Gilbert	21,246	637	20,609
Glenmora	40,124	1,204	38,920
Golden Meadow	70,457	2,114	68,343
Gonzales	401,643	12,049	389,594
Grambling	46,684	1,401	45,283
Gramercy	83,434	2,503	80,931
Grand Cane	28,470	854	27,616
Grand Coteau	23,261	698	22,563
Grand Isle	45,272	1,358	43,914
Grayson	29,929	898	29,031
Gretna	449,487	13,485	436,002
Grosse Tete	33,168	995	32,173
Gueydan	43,443	1,303	42,140
Hall Summit	6,307	189	6,118
Haughton	149,208	4,476	144,732
Haynesville	50,928	1,528	49,400
Heflin	21,054	632	20,422
Homer	94,612	2,838	91,774
Hornbeck	20,618	619	19,999
Iberia Parish	347,625	10,429	337,196
Ida	9,555	287	9,268
Iota	45,403	1,362	44,041
Iowa	91,142	2,734	88,408
Jean Lafitte	28,135	844	27,291
Jeanerette	118,275	3,548	114,727
Jonesboro	99,396	2,982	96,414
Junction City	8,333	250	8,083
Kaplan	114,283	3,429	110,854
Kentwood	77,445	2,323	75,122
Killian	18,570	557	18,013
Kinder	80,171	2,405	77,766
Krotz Springs	27,269	818	26,451
Lake Arthur	54,157	1,625	52,532
Lake Charles	1,195,606	35,868	1,159,738

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2017		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Leesville	191,332	5,740	185,592
Lisbon	8,729	262	8,467
Lockport	105,443	3,163	102,280
Logansport	37,875	1,136	36,739
Longstreet	2,961	89	2,872
Loreauville	36,520	1,096	35,424
Lutcher	89,163	2,675	86,488
Mandeville	630,629	18,919	611,710
Mangham	23,945	718	23,227
Mansfield	122,400	3,672	118,728
Mansura	50,266	1,508	48,758
Many	106,318	3,190	103,128
Maringouin	32,341	970	31,371
Marion	30,758	923	29,835
Maurice	75,495	2,265	73,230
Melville	21,072	632	20,440
Mer Rouge	43,511	1,305	42,206
Minden	272,834	8,185	264,649
Montgomery	22,013	660	21,353
Mooringsport	27,568	827	26,741
Morgan City	324,564	9,737	314,827
Morganza	33,434	1,003	32,431
Morse	28,026	841	27,185
Napoleonville	69,278	2,078	67,200
New Llano	48,192	1,446	46,746
New Orleans	2,985,428	89,453	2,895,975
New Roads	131,900	3,957	127,943
Noble	14,454	434	14,020
Norwood	13,906	417	13,489
Oak Grove	76,070	2,282	73,788
Oak Ridge	15,716	472	15,244
Oakdale	103,402	3,102	100,300
Oberlin	32,762	983	31,779
Opelousas	350,406	10,512	339,894
Palmetto	14,327	430	13,897
Parks	15,019	451	14,568
Patterson	115,417	3,463	111,954
Pearl River	118,828	3,565	115,263
Pineville	313,861	9,416	304,445
Pioneer	17,780	533	17,247
Plain Dealing	38,449	1,154	37,295

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2017		
	<u>TOTAL</u> <u>COLLECTIONS</u>	<u>COLLECTION</u> <u>COST</u>	<u>FINAL</u> <u>DISTRIBUTION</u>
Plaquemine	287,936	8,638	279,298
Plaucheville	19,251	578	18,673
Pleasant Hill	14,940	448	14,492
Pollock	31,291	939	30,352
Ponchatoula	227,683	6,831	220,852
Port Barre	55,450	1,664	53,786
Port Vincent	17,801	534	17,267
Rayne	166,658	5,000	161,658
Rayville	128,076	3,842	124,234
Reeves	19,382	582	18,800
Richmond	7,464	224	7,240
Ridgecrest	8,727	262	8,465
Ringgold	38,969	1,169	37,800
Rodessa	7,349	221	7,128
Rosedale	20,876	626	20,250
Roseland	39,423	1,183	38,240
Rosepine	35,484	1,065	34,419
Ruston	408,903	12,267	396,636
Saline	16,785	504	16,281
Sarepta	35,330	1,060	34,270
Scott	190,136	5,704	184,432
Sibley	38,544	1,156	37,388
Sikes	5,243	157	5,086
Simmesport	32,984	990	31,994
Simpson	18,339	550	17,789
Slaughter	46,462	1,394	45,068
Sorrento	55,991	1,680	54,311
Spearsville	10,059	302	9,757
Springhill	101,112	3,033	98,079
St. Francisville	98,622	2,959	95,663
St. Gabriel	96,605	2,898	93,707
St. Martinville	153,643	4,609	149,034
St. Mary Parish	244,935	7,348	237,587
Sterlington	53,384	1,602	51,782
Stonewall	73,350	2,201	71,149
Sulphur	407,144	12,214	394,930
Sun	9,030	271	8,759
Sunset	88,772	2,663	86,109
Tallulah	113,564	3,407	110,157
Tickfaw	55,168	1,655	53,513
Ville Platte	170,319	5,110	165,209

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2017		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Vinton	68,732	2,062	66,670
Walker	185,377	5,561	179,816
Washington	46,678	1,400	45,278
Webster Parish	139,465	4,184	135,281
Welsh	89,898	2,697	87,201
Westlake	152,090	4,563	147,527
Westwego	214,178	6,425	207,753
Wilson	11,782	354	11,428
Winnsboro	124,019	3,721	120,298
Wisner	29,461	884	28,577
Woodworth	46,345	1,390	44,955
Youngsville	297,515	8,926	288,589
Zachary	334,169	10,025	324,144
Zwolle	53,002	1,590	51,412
TOTALS	\$ 22,003,509	\$ 660,004	\$ 21,343,505

	2016		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Abbeville	\$ 324,622	\$ 9,741	\$ 314,881
Abita Springs	99,116	2,974	96,142
Addis	88,527	2,656	85,871
Albany	49,432	1,483	47,949
Amite	127,004	3,810	123,194
Anacoco	47,087	1,415	45,672
Angie	28,597	858	27,739
Arcadia	79,685	2,393	77,292
Arnaudville	78,023	2,341	75,682
Ashland	21,694	651	21,043
Athens	16,558	506	16,052
Baker	226,722	6,802	219,920
Baldwin	50,289	1,509	48,780
Ball	64,110	1,923	62,187
Basile	34,490	1,037	33,453
Baskin	11,439	343	11,096
Bastrop	192,237	5,767	186,470
Benton	125,834	3,775	122,059
Bernice	32,676	983	31,693

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2016		
	<u>TOTAL</u> <u>COLLECTIONS</u>	<u>COLLECTION</u> <u>COST</u>	<u>FINAL</u> <u>DISTRIBUTION</u>
Berwick	122,399	3,672	118,727
Bienville	9,646	290	9,356
Blanchard	48,263	1,452	46,811
Bogalusa	199,594	5,993	193,601
Bonita	9,603	288	9,315
Boyce	47,311	1,423	45,888
Breaux Bridge	258,191	7,746	250,445
Bunkie	84,474	2,535	81,939
Campti	26,095	783	25,312
Cankton	9,410	283	9,127
Carencro	202,522	6,076	196,446
Castor	20,297	609	19,688
Central	189,213	5,676	183,537
Chatham	25,490	765	24,725
Church Point	126,740	3,802	122,938
Clarks	7,903	237	7,666
Clinton	77,724	2,332	75,392
Collinston	13,577	410	13,167
Converse	20,657	620	20,037
Cottonport	46,277	1,395	44,882
Coushatta	88,500	2,655	85,845
Covington	651,215	19,536	631,679
Cullen	21,182	635	20,547
Delhi	74,917	2,248	72,669
Denham Springs	421,704	12,651	409,053
DeQuincy	74,365	2,231	72,134
Dixie Inn	11,483	345	11,138
Dodson	14,823	447	14,376
Dubach	36,709	1,102	35,607
Dubberly	15,483	464	15,019
Duson	78,416	2,352	76,064
Elton	27,793	834	26,959
Epps	14,831	445	14,386
Eros	16,533	500	16,033
Eunice	222,636	6,679	215,957
Farmerville	104,125	3,124	101,001
Fenton	9,236	277	8,959
Florien	31,584	948	30,636
Folsom	73,701	2,211	71,490
Fordoche	20,304	609	19,695
Forest	7,290	219	7,071

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2016		
	TOTAL	COLLECTION	FINAL
	COLLECTIONS	COST	DISTRIBUTION
Franklinton	162,851	4,886	157,965
French Settlement	27,926	838	27,088
Georgetown	11,660	352	11,308
Gibbsland	24,615	738	23,877
Gilbert	21,137	637	20,500
Glenmora	41,070	1,232	39,838
Golden Meadow	79,782	2,393	77,389
Gonzales	396,138	11,884	384,254
Grambling	43,864	1,316	42,548
Gramercy	86,266	2,588	83,678
Grand Cane	30,371	911	29,460
Grand Coteau	22,856	686	22,170
Grand Isle	44,477	1,334	43,143
Grayson	29,439	883	28,556
Gretna	476,603	14,298	462,305
Grosse Tete	23,063	692	22,371
Gueydan	44,690	1,341	43,349
Hall Summit	6,378	196	6,182
Haughton	151,036	4,538	146,498
Haynesville	51,779	1,553	50,226
Heflin	20,870	626	20,244
Homer	97,645	2,934	94,711
Hornbeck	22,877	686	22,191
Iberia Parish	315,951	9,481	306,470
Ida	10,322	310	10,012
Iota	42,072	1,262	40,810
Iowa	88,406	2,652	85,754
Jean Lafitte	28,896	867	28,029
Jeanerette	125,826	3,775	122,051
Jonesboro	88,990	2,681	86,309
Junction City	4,671	140	4,531
Kaplan	110,603	3,318	107,285
Kentwood	69,005	2,070	66,935
Killian	19,377	581	18,796
Kinder	81,456	2,444	79,012
Krotz Springs	29,593	890	28,703
Lake Arthur	51,830	1,555	50,275
Lake Charles	1,113,210	34,961	1,078,249
Leesville	194,377	5,831	188,546
Lisbon	6,140	184	5,956
Lockport	126,316	3,800	122,516

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2016		
	<u>TOTAL</u> <u>COLLECTIONS</u>	<u>COLLECTION</u> <u>COST</u>	<u>FINAL</u> <u>DISTRIBUTION</u>
Logansport	41,599	1,250	40,349
Longstreet	3,386	102	3,284
Loreauville	39,106	1,173	37,933
Lutcher	82,973	2,489	80,484
Mandeville	563,605	17,310	546,295
Mangham	23,660	714	22,946
Mansfield	131,102	3,933	127,169
Mansura	47,470	1,424	46,046
Many	108,437	3,253	105,184
Maringouin	32,194	966	31,228
Marion	29,307	886	28,421
Maurice	82,627	2,479	80,148
Melville	20,542	619	19,923
Mer Rouge	30,570	922	29,648
Minden	266,466	7,994	258,472
Montgomery	21,963	668	21,295
Mooringsport	26,830	807	26,023
Morgan City	338,503	10,157	328,346
Morganza	22,003	660	21,343
Morse	25,667	770	24,897
Napoleonville	60,330	1,812	58,518
New Llano	47,697	1,431	46,266
New Orleans	2,876,430	86,293	2,790,137
New Roads	205,938	6,195	199,743
Noble	13,337	400	12,937
Norwood	13,110	393	12,717
Oak Grove	73,779	2,216	71,563
Oak Ridge	18,390	552	17,838
Oakdale	98,679	2,960	95,719
Oberlin	34,583	1,038	33,545
Opelousas	343,377	10,302	333,075
Palmetto	15,414	462	14,952
Parks	13,643	409	13,234
Patterson	121,119	3,634	117,485
Pineville	298,375	8,956	289,419
Pioneer	17,923	538	17,385
Plain Dealing	34,925	1,048	33,877
Plaquemine	277,549	8,326	269,223
Plaucheville	20,006	600	19,406
Pleasant Hill	14,830	445	14,385
Pollock	30,789	924	29,865

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2016		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Ponchatoula	231,217	6,937	224,280
Port Barre	52,336	1,570	50,766
Port Vincent	16,873	511	16,362
Rayne	172,857	5,186	167,671
Rayville	118,628	3,559	115,069
Reeves	20,650	619	20,031
Richmond	8,133	244	7,889
Ridgecrest	7,984	240	7,744
Ringgold	38,039	1,141	36,898
Rodessa	7,440	223	7,217
Rosedale	19,856	596	19,260
Roseland	42,816	1,284	41,532
Rosepine	40,969	1,229	39,740
Ruston	424,059	12,722	411,337
Saline	17,551	527	17,024
Sarepta	37,878	1,136	36,742
Scott	179,756	5,393	174,363
Sibley	33,987	1,020	32,967
Sikes	5,297	159	5,138
Simmesport	31,919	960	30,959
Slaughter	44,810	1,344	43,466
Sorrento	50,364	1,518	48,846
Spearsville	11,654	350	11,304
Springhill	105,330	3,160	102,170
St. Francisville	96,418	2,924	93,494
St. Gabriel	92,945	2,808	90,137
St. Martinville	157,652	4,730	152,922
St. Mary Parish	236,016	7,082	228,934
Sterlington	52,418	1,573	50,845
Stonewall	72,902	2,187	70,715
Sulphur	389,740	11,692	378,048
Sun	8,207	246	7,961
Sunset	79,886	2,399	77,487
Tallulah	110,399	3,312	107,087
Tickfaw	51,702	1,551	50,151
Ville Platte	161,862	4,856	157,006
Vinton	66,692	2,001	64,691
Walker	179,360	5,381	173,979
Washington	48,137	1,449	46,688
Webster Parish	136,653	4,100	132,553
Welsh	88,733	2,662	86,071

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

6. STATE REQUIRED DISCLOSURE (continued)

	2016		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Westlake	156,323	4,690	151,633
Westwego	219,086	6,573	212,513
Wilson	11,753	353	11,400
Winnsboro	123,078	3,692	119,386
Wisner	22,650	680	21,970
Woodworth	43,499	1,305	42,194
Youngsville	267,809	8,041	259,768
Zachary	324,327	9,731	314,596
Zwolle	51,172	1,535	49,637
TOTALS	\$ 21,222,847	\$ 638,901	\$ 20,583,946

Listed below are delinquent property tax sale fees collected by LaMats and distributed to the delinquent tax collection agency during the calendar year 2016. During the year ended December 31, 2017, LaMats did not collect these fees and was paid a fee from a third party vendor.

	2016		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Amite	12,409	1,241	11,168
Basile	9,014	901	8,113
Berwick	7,082	708	6,374
Blanchard	16,921	1,692	15,229
Golden Meadow	8,158	816	7,342
Greenwood	49,277	4,927	44,350
Haughton	23,007	2,301	20,706
Kentwood	21,253	2,125	19,128
Leesville	51,661	5,629	46,032
Port Barre	11,180	1,118	10,062
TOTALS	\$ 209,962	\$ 21,458	\$ 188,504

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2018, and determined that there were no events that require disclosures. 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
EXECUTIVE DIRECTOR
YEAR ENDED DECEMBER 31, 2017

Name: Clifford A. Palmer

Purpose	Amount
Salary, including incentive and bonus	\$ 113,279
Benefits-insurance	10,056
Benefits-retirement	31,696
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by corporation	-
Cell phone	1,171
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	92
Travel	6,950
Registration fees	-
Conference travel	2,676
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
AND ASSOCIATED RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

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A Professional Accounting Corporation

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To 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 Louisiana Municipal Advisory and the Technical Services Bureau (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. 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 findings 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 20, 2018

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2017

Schedule A

Written Policies and Procedures

1. Obtain the Entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Entity does not have any written policies and procedures), as applicable:

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

No written policy noted.

- 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 or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted for (3). No written policies noted for (1), (2), (4) and (5).

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

No written policy noted.

- d) ***Receipts***, including receiving, recording, and preparing deposits.

No written policy noted.

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

No written policy noted.

- 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.

No written policy noted.

- 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, and (5) monitoring card usage.

No exceptions noted for (3). No written policies noted for (1), (2), (4) and (5).

- 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.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2017**

Schedule A

- 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). No written policies noted for (1), (2) and (3).

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

Not applicable.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

No exceptions noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and other major funds. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No exceptions noted.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

No exceptions noted.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2017**

Schedule A

4. Using the listing provided by management, select all of the Entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

From the listing provided, we noted that the Entity only has 1 account. We obtained the bank reconciliations for each of the twelve months ending December 31, 2017, resulting in 12 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations have been prepared;

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

For 11 out of the 12 months tested, there was no evidence that a member of management or a board member reviewed the monthly bank reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

No exceptions noted.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

No exceptions noted.

6. Using the listing provided by management, select all of the Entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **For each cash collection location selected:**

The entity has only one cash location site.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2017**

Schedule A

- a. Obtain existing documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is 1) bonded, 2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by a board member or an outside party) and 3) not required to share the same cash register or drawer.

- 1) *The employee is bonded.*
- 2) *The same employee is responsible for depositing the cash in the bank and recording the related transaction. Another employee reconciles the bank account. Exception noted.*
- 3) *Not applicable due to only one cash location.*

- b. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Entity has a 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 cash location selected.

No exceptions noted.

- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using Entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day.

No exceptions noted.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exceptions noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Entity has a process specifically defined (identified as such by the Entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

No written policy in place. Exception noted.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2017

Schedule A

Disbursements – Other General

8. Obtain a listing of Entity disbursements from management or, alternately, obtain the general ledger and sort/filter for Entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

No exception noted.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

No exceptions noted.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Not applicable due to nature of purchases.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order (P.O.), or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

No exceptions noted.

10. Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Entity's purchasing/disbursement system.

The person responsible for processing payments has access to add vendors. Exception noted.

11. Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The persons with signatory authority have responsibility for initiating or recording purchases. Exception noted.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU
CORPORATION
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2017**

Schedule A

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review Entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The signature stamp is not kept under the control of the signer. It is maintained by the accountant. Signed checks are returned to the accountant to scan before being mailed out by the accountant. Exception noted.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

No exceptions noted. The Entity has two credit cards.

15. Using the listing prepared by management, randomly select ten cards (or at least one-third if the Entity has less than ten cards that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

Two cards were selected and the following procedures performed.

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

No written evidence noted for 7 out of the 8 monthly statements tested.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No exceptions noted.

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16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased).

1 of the 8 transactions reviewed did not contain an original itemized receipt.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

1 of the 8 transactions reviewed did not have an original itemized receipt therefore documentation of the business purpose was not recorded on the actual receipt. 7 of the 8 transactions tested did not have documentation of the business purpose on the receipt.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions noted.

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

c) For each transaction, compare the Entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

No exceptions noted.

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18. Obtain the Entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (GSA) and report any rates that exceed the GSA rates.

No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Entity does not have written policies, compare to the PPM 49 rates (#18 above) and report each reimbursement that exceeded those rates.

Only two employees had travel expenses. No exceptions noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions noted.

- c) Compare the Entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

One of the two reimbursements was not approved, in writing, by someone other than the person receiving reimbursement.

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Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

No exceptions noted.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner or the Louisiana Legislative Auditor). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code (bid law) and:

➤ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder). *Not applicable.*

➤ If no, obtain supporting contract documentation and report whether the Entity solicited quotes as a best practice.

Of the 5 contracts selected for testing, none were subject to bid law.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exceptions noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

No exceptions noted.

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Payroll and Personnel

22. Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees, obtain their personnel files, and:

There are only two employees at the Entity.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, select 25 employees and:

- a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

No exceptions noted.

- c) Report whether there is written documentation that the Entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

24. Obtain from management a list of those employees that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

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25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted.

Ethics

26. Using the five selected employees from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the Entity maintained documentation to demonstrate that required annual ethics training was completed.

No documentation was maintained for one of the two employees selected for testing.

27. Inquire of management whether any alleged ethics violations were reported to the Entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No exceptions noted.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the Entity, and report whether State Bond Commission approval was obtained.

Not applicable.

29. If the Entity had outstanding debt during the fiscal period, obtain supporting documentation from the Entity and report whether the Entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable.

30. If the Entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

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Other

31. Inquire of management whether the Entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Entity is domiciled.

No exceptions noted.

32. Observe and report whether the Entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

LaMATS

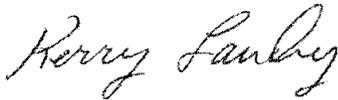
Louisiana Municipal Advisory
& Technical Services Bureau

June 26, 2018

Response to Exceptions in Statewide AUP Results:

We have done a preliminary review of the recommendations provided in the AUP results. Once a thorough review has been completed, we will work towards implementing policies and procedures that will help prevent the reoccurrence of these exceptions in future periods. We will focus on documenting the processes we use in our day to day operations, as well as addressing other areas as outlined in the recommendations.

Kerry Landry



Chief Financial Officer

Board of Directors 2017-2018

Mayor Carroll Breaux, President Mayor Clarence Fields, Vice President Mayor Jennifer Vidrine, Sec/Treas
Mayor Glenn L. Brasseaux Mayor Vern Breland Mayor David Camardelle Mayor Billy D'Aquilla Councilman Step Martin
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Cliff Palmer, LaMATS Executive Director

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