
LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 14 2011



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BUREAU CORPORATION

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DECEMBER 31, 2010

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BUREAU CORPORATION

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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 balance sheets of Louisiana Municipal Advisory and Technical Services Bureau Corporation (a wholly-owned subsidiary of Louisiana Municipal Association) as of December 31, 2010 and 2009, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the management of Louisiana Municipal Advisory and Technical Services Bureau Corporation. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of Louisiana Municipal Advisory and Technical Services Bureau Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 6, 2011

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

BALANCE SHEETS
DECEMBER 31, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Current assets:		
Cash	\$ 373,385	\$ 276,910
Accounts receivable, net	2,535	5,528
Prepays	<u>12,150</u>	<u>13,500</u>
Total current assets	<u>388,070</u>	<u>295,938</u>
Furniture and equipment, net	<u>3,371</u>	<u>6,773</u>
Total assets	<u>\$ 391,441</u>	<u>\$ 302,711</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:		
Accounts payable	\$ 18,255	18,415
Income taxes payable	<u>28,332</u>	<u>10,812</u>
Total liabilities	<u>46,587</u>	<u>29,227</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>293,854</u>	<u>222,484</u>
Total stockholder's equity	<u>344,854</u>	<u>273,484</u>
Total liabilities and stockholder's equity	<u>\$ 391,441</u>	<u>\$ 302,711</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Program administration fees	\$ 515,608	\$ 473,307
Interest income	228	183
	<u>515,836</u>	<u>473,490</u>
Total revenues		
Expenses:		
Administrative fees	328,025	315,525
Accounting fees	9,000	9,000
Advertising	5,880	5,880
Audit fees	4,850	4,700
Bank charges	-	273
Depreciation	3,402	4,116
Legal fees	2,519	2,953
Professional services	19,500	19,000
Rent	3,640	3,360
Sponsorships	26,750	26,000
Taxes	842	2,447
Telephone	6,082	6,078
Miscellaneous expense	505	94
	<u>410,995</u>	<u>399,426</u>
Total expenses		
Net income before income taxes	104,841	74,064
Income tax expense	(33,471)	(8,098)
Net income	<u>\$ 71,370</u>	<u>\$ 65,966</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, 2010 AND 2009

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2008	\$ 51,000	\$ 156,518	\$ 207,518
Net income	<u>-</u>	<u>65,966</u>	<u>65,966</u>
Balance, December 31, 2009	51,000	222,484	273,484
Net income	<u>-</u>	<u>71,370</u>	<u>71,370</u>
Balance, December 31, 2010	<u>\$ 51,000</u>	<u>\$ 293,854</u>	<u>344,854</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 71,370	\$ 65,966
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,402	4,116
Changes in operating assets and liabilities:		
Accounts and other receivables	2,993	61,951
Prepays	1,350	25
Accounts payable	<u>17,360</u>	<u>9,148</u>
Net cash provided by operating activities	<u>96,475</u>	<u>141,206</u>
Net change in cash	96,475	141,206
Cash, beginning of year	<u>276,910</u>	<u>135,704</u>
Cash, end of year	<u>\$ 373,385</u>	<u>\$ 276,910</u>
<u>Supplemental disclosure of cash flow information</u>		
Cash paid for income taxes	<u>\$ 16,400</u>	<u>\$ 2,714</u>

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 to the membership of the LMA.

(b) *Depreciation*

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Lives of the assets are as follows:

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

As of December 31, 2010 and 2009 accumulated depreciation was \$49,914 and \$46,512, respectively.

(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) *Administrative 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 on behalf of participating municipalities in 2010 and 2009. Administrative fees are considered earned and recognized as revenues when collected from the insurance companies. LaMats also receives interest earned on premium taxes collected and held in segregated trust accounts until remitted to the respective jurisdiction.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
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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.

The Company adopted the recent 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.

2. **INCOME TAXES**

LaMats federal and state income tax expense was \$33,471 and \$8,098 for the years ended December 31, 2010 and December 31, 2009, respectively. The tax years open for assessment are years ending on or after December 31, 2007.

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, 2010 and 2009.

LaMats pays LMA administrative fees for various services provided by LMA. For each of the years ended December 31, 2010 and 2009, included in expenses is \$75,000 related to administrative fees paid to LMA. LaMats pays LMA rent for the space in which it conducts its operations. For the years ended December 31, 2010 and 2009, LaMats paid LMA a total of \$3,640 and \$3,360 for rent, respectively.

4. **ADMINISTRATIVE CONTRACT**

LaMats contracts with PRA Government Services, LLC dba RDS, to perform billing, collecting and administrative duties within the insurance premium tax program. LaMats' Board of Directors approves the administrative contract on a yearly basis for services rendered. For 2010 and 2009, the contract required payments of approximately \$20,000 per month or \$240,000, annually. In 2010, LaMats entered into another contract with RDS in which RDS audited out of state insurance companies to determine if the premiums that were being charged to LaMats were correct. LaMats paid \$12,500 in 2010 for this audit contract with RDS.

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES
BUREAU CORPORATION

NOTES TO FINANCIAL STATEMENTS

5. SUBSEQUENT EVENTS

Management has evaluated events through the date that the financial statements were available to be issued, June 6, 2011 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.