

THE LMTA FOUNDATION, INC.

Baton Rouge, Louisiana

Financial Report

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

To the Board of Directors of
LMTA Foundation
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of LMTA Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LMTA Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LMTA Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LMTA Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 LMTA Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the LMTA Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025, on our consideration of LMTA Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LMTA Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LMTA Foundation's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 20, 2025

FINANCIAL STATEMENTS

THE LMTA FOUNDATION, INC
Baton Rouge, Louisiana

Statement of Financial Position
December 31, 2024

ASSETS

Current assets:

Cash	\$ 904,686
Receivables	217,680
Other assets	<u>22,380</u>
Total current assets	<u>1,144,746</u>

Other assets:

Certificate of deposit	<u>200,000</u>
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Non-current assts:

Building	1,212,622
Furniture and fixtures	20,946
Accumulated depreciation	<u>(29,700)</u>
Total non-current assets	<u>1,203,868</u>
Total assets	<u><u>\$ 2,548,614</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 4,310
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Net assets without donor restrictions

	<u>2,544,304</u>
Total liabilities and net assets	<u><u>\$ 2,548,614</u></u>

The accompanying notes are an integral part of this statement.

THE LMTA FOUNDATION, INC
Baton Rouge, Louisiana

Statement of Activities
For the year ended December 31, 2024

Revenue and Support -	
Program	\$ 947,655
Interest income	32,816
Rental income	<u>19,384</u>
Total revenue and support	<u>999,855</u>
Expenses -	
Program	479,528
Management/general	<u>98,370</u>
Total expenses	<u>577,898</u>
Change in net assets without donor restrictions	421,957
Net assets, beginning	<u>2,122,347</u>
Net assets, ending	<u><u>\$ 2,544,304</u></u>

The accompanying notes are an integral part of this statement.

THE LMTA FOUNDATION, INC
Baton Rouge, Louisiana

Statement of Functional Expenses
For the year ended December 31, 2024

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Advertising and marketing	\$ 5,920	\$ -	\$ 5,920
Legal and professional services	17,111	-	17,111
Consulting	180,485	-	180,485
Sponsorship	261,865	-	261,865
Seminars	4,047	-	4,047
Insurance	10,100	-	10,100
Office supplies and software	-	28,125	28,125
Travel	-	2,791	2,791
Meals and entertainment	-	9,595	9,595
Bank charges and fees	-	59	59
Repairs and maintenance	-	10,643	10,643
Taxes	-	11,093	11,093
Utilities	-	6,364	6,364
Depreciation	-	29,700	29,700
Total expenses	<u>\$ 479,528</u>	<u>\$ 98,370</u>	<u>\$ 577,898</u>

The accompanying notes are an integral part of this statement.

THE LMTA FOUNDATION, INC
Baton Rouge, Louisiana

Statement of Cash Flows
For the year ended December 31, 2024

Cash flows from operating activities:

Change in net assets	\$ 421,957
(Increase) Decrease in operating assets	
Receivables	(12,165)
Deposits	20,000
Prepaid expenses	(12,159)
Depreciation expense	29,700
Accounts payable	4,310
Net cash provided by operating activities	29,686

Cash flows from investing activities:

Purchase of certificate of deposit	(200,000)
Purchase of property, plant, and equipment	(1,233,568)
Net cash used by investing activities	(1,433,568)

Net change in cash and cash equivalents	(981,925)
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CASH AND CASH EQUIVALENTS

Beginning of year	\$ 1,886,611
End of year	\$ 904,686

The accompanying notes are an integral part of this statement.

LMTA Foundation
Baton Rouge, Louisiana

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

(A) Nature of Operations

The LMTA Foundation, Inc. (the Foundation) is a 501(c)(3) non-profit that is geared toward improving highway safety through various efforts including workforce development and educational efforts for members of the public and the trucking industry. The Foundation was created in 2013 with the initial goal of providing scholarships to encourage growth in the workforce and provides administration services for the Louisiana Trucking Research and Education Council.

(B) Income Tax Status

The Foundation is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The Foundation currently has no audits in progress.

(C) Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met, either (1) by incurring expenses satisfying the restricted purpose (purpose restricted), and/or passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(D) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

LMTA Foundation
Baton Rouge, Louisiana

Notes to the Financial Statements

(E) Receivables

Receivables consist primarily of amounts due for program services. The Foundation recognizes an allowance for credit losses in an amount equal to the probable losses net of recoveries. The allowance is based on an allowance of historical experience, current receivables aging, and expected future write-offs. The expense associated with the allowance is recognized as a program expense. As of December 31, 2024, management has determined that no allowance for uncollectible accounts receivable is deemed necessary.

(F) Property, Furniture and Equipment

Property, furniture and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of furniture, fixtures and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. The Organization maintains a threshold level of \$2,500 or more for capitalizing assets. This policy applies to all departments and programs of the organization and includes purchases funded by unrestricted, restricted, or grant funds. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Buildings and improvements	20-40 years
Furniture and fixtures	5-10 years

(G) Revenue Recognition

Program revenue is recognized when earned on a quarterly basis. Revenues from exchange transactions primarily consist of surcharges collected from program participants by the Louisiana Office of Motor Vehicles. Donations primarily consist of grants and gifts from individuals, corporations, and foundations. Unconditional contributions are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are released into net assets without donor restrictions.

(H) Functional Allocation of Expenses

The financial statements report certain expense categories that are attributable to more than one service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including personnel and supplies, are allocated to management and general expenses. Other expenses are charged directly to program services.

(I) Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was \$5,000 for the year ended December 31, 2024.

LMTA Foundation
Baton Rouge, Louisiana

Notes to the Financial Statements

(J) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures 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. Estimates are used primarily when accounting for the fair value of donated assets and depreciation. The Foundation began applying estimates towards depreciation and the useful lives of fixed assets as of December 31, 2024.

(K) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(L) Subsequent events

As of June 20, 2025, a review of subsequent period board meeting minutes, and inquiry of management and those charged with governance, revealed there were no subsequent events that required further inquiry or investigation. There are no financial statement disclosures necessary.

(2) Concentration of Risk

The Foundation typically maintains cash and cash equivalents in local banks that may, at times, exceed the FDIC limits. Management believes this risk is limited. The cash accounts at this time exceed the limit with an exposure in excess of the FDIC insured limits by \$654,686.

(3) Receivables

As of December 31, 2024, The Foundation has an accounts receivable balance of \$217,680, which is expected to be received during the month of January in the subsequent year. The accounts receivable balance is the expected fourth quarter revenue.

(4) Related Party Transactions

The Foundation has a relationship with the Louisiana Trucking Research and Education Council (Council), in which the Foundation provides the Council with administration services. The Foundation holds board meetings with the Council in a joint effort. Additionally, the Council directs the spending of funds received from the Louisiana Office of Motor Vehicles.

Also, the Foundation has a relationship with the Louisiana Motor Transport Association. The two work together in providing the same goal of improving highway safety. For the year ended December 31, 2024, the Foundation made payments to Louisiana Motor Transport Association in total of \$180,450 for professional services.

LMTA Foundation
Baton Rouge, Louisiana

Notes to the Financial Statements

(5) Liquidity and Availability of Financial Assets

The Organization's financial assets within one year of the balance sheet date for general expenditure are as follows:

Financial assets, at year-end:

Cash	\$ 904,686
Certificate of deposit	200,000
Accounts receivable	<u>217,680</u>

Financial assets available for general expenditures within one year	<u>\$ 1,322,366</u>
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The Foundation does not have any amounts with contractual or donor-imposed restrictions within one year of the balance sheet date.

(6) Concentration

The Foundation received approximately 94.8% of its revenue from surcharges collected by the Louisiana Office of Motor Vehicles as set forth by Act 314 of the 2019 Legislative Session.

**INTERNAL CONTROL,
COMPLIANCE,
AND
OTHER MATTERS**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
LMTA Foundation
Baton Rouge, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of LMTA Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered LMTA Foundation'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 LMTA Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of LMTA Foundation's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 20, 2025