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# LOUISIANA MUNICIPAL ASSOCIATION AND SUBSIDIARY

Consolidated Financial Statements

Documber 31, 1998 and 1997

See Independent Auditory' Report Thereon

Under provisions of statist law, this report is a public document. A copy of the report has been included, it is a public of the restrict of the statistic of the restrict outputs increases at the R-turn Responding of the Legislaw A to tor and, where accomptant, at the office of the particle of course

Nelease Date 7-21-99

# LOUISIANA MUNICIPAL ASSOCIATION AND SUBSIDIARY

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# Table of Contempo

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	Comolidating Schedule of Activities	
4	Consolidating Schedule of General and Administrative Expenses	



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Independent Auditors' Report

Officers and Tasaees Lesionan Manicipal Association and salvadiary

We two and/aid the accompanying consolidated interestion of framedal position of Loninians Monicpell Associations and subsidiary (DAA) as of December 31, 1998 and 1997, and the related consolidated subsidiaries and and here for the system model. These consolidated function transmess two the responsibility of the Lawaman Municipal Xonolation's management. Our responsibility is to express momission on the second lated framework interesting the our and an our and an our consolidated function.

We contained nor and/s to accordance with generally accepted auditing standards. These standards repeirs that nor plane approve the applit to their measurable interaction and their the controlled function approvements are free of merging instancement. As and indefined manning, on a line bank, without according principles and applicance in the fluencied intercents. As and this includes according according principles and applicance in the fluencied intercents. As and this includes any service according principles and applicance estimates much by measurement, so will no realisting do contain family intercent on the standard intercent. As an other principles are also includes and according principles and and applicance estimates much by measurement, so will no realisting do contain family intercenting the standard principles and the standard principles.

Is or opinion, the consolidated financial internance referred to above present fairly, in all intercial respects, the francial position of Lonisian Mithield Accessions or of Procenter 31, 1998 and 1997, and the trenths of its operatory and its each flows for the years then ended, in confirming with generally accepted preventing priception.

One waits were cauged for the purpose of forming an optimism no the convolution of functional subsergents advers as a white. The convolutioning minimum included in 5 doubted in 1 format of a sportened for purposes of additional analysis, of the consolidated functional summaries rather than to present the functional control laws of the included are compared. The consolidated pulcomations has been pulsed on the included are consolidated on the sportene for functional sources are the sportene for the sportened for pulsed are advected as the included are compared. The consolidated pulsed are advected as the sport of the sportened for pulsed are advected as the sport of the sportened on the sport of the

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# LOUDGANA MUNICIPAL ASSOCIATION AND SUBSIDIARY

Consellutant Statements of Pinametal Problem

Describer 31, 1998 and 1997

Anarts	1918	1997
Cash Investment (not 2) Account recondule Due from affiliants (bot 3) Prepair (notes), building and regisprenet (inst), not (bots 4) Other notes (not 3)	5 744,998 1,454,821 144,824 2,003,012 30,412 4,387,325 <u>68,956</u>	093,994 946,110 186,310 2,366,325 185,615 4,542,998 66,195
Total goods	8 9,754,287	8.635.511
Linkikies and Net Assats		
Eablities: Unitated dust and first Account psychole and account expenses Note psychol (see 3) Chains psychol (see 10) Chains psychol (see 10)	\$ 190,500 280,579 1,405,558 	180,663 234,810 1,932,711 250,800
Total Indefinition	2,133,802	2,598,907
Net streets - suspendicied	7,621,365	4.078,304
Total Eabilities and test assets	5 9,754,287	8.636311

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# LOUISIANA MUNICIPAL ASSOCIATION AND SUBSIMARY

# Consolidated Statements of Arity/kiel

Years caded December 31, 1998 and 1997

Charges in survey in kind not isocies for events and its data support for a second second second second second for the Marchelescond for Legal services (solid 3) Revel International second (second for Marchelescond) Charling (solid)	5	5,082,897 275,815 280,852 43,895 85,259 280,845	4,458,413 293,413 298,390 86,313 10,259 335,293
Total accessibility sevenaes and other support		6,080,271	5,513,391
Expenses - poweral and administrative		3,347,999	2,462,153
Increase in moentriesed out anoth before participant familing		2,110,151	2,090,618
Participant Raiding (note 3)	-	1,200-000	1.561,200
Change in survivisioned net assess after participant funding.		1,50,111	669,618
Net assess at heginating of year	_	6,978,294	5,435,266
Net anoth at end of pear	۰.	7,621,585	4,078,334

Are accumulated in mini-th second/dated financial statements

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# LOUISIANA NUNCIPAL ASSOCIATION AND SUBSIDIARY

Considered Sciences of Cell Heres

Years ended December 31, 1998 and 1993

		1996	5997
Change in an exercised net mores	5	1,543,181	668,438
Adjustingues to revenuelle the change in unsustained wer assess to not such provided by operations: Discussions and provided through		182,454	208.644
Change in receivables, prepaids, dor from affiliates and other access Changes in accounts psychia, account		(572,336)	035,936
Changes in accounts payable, account expenses and annanced docs.		66,348	(11.285)
Total adjorences		1216.3341	54,382
Not eash provided by spreading activities		1,234,847	123,820
Cash flaves from innoting perivilies: Prachase of property plant and opposed Prachase of innotices. Malaxity of confidence of deposits	_	(9,70) (9,11)	(98,211) (948,213) 450,000
Net each word in invitting attivities.	-	1487,8971	(554,481)
Cash flows from financing activities - payments on noise preside		1239.923	0094,7235
Not increase idecreased in each		205,082	(435,384)
Colo, beginning of your	-	333,994	975,378
Curls, coal of your	۶_	344,995	539,994
Carls paid doing the year for interest	° -	118,142	151,929

Say accumulations patch to complicated financial statements.

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# LOUDDANA MUNICIPAL ASSOCIATION AND SUBSIDIARY

Nates to Consellabled Program Material

Dromaber 31, 2995 and 1992.

### Newlineard Accounting Policies

### (a) Principles and Consolidation

The secongraving conclusion Financial statements include Louisiana Municipal Acaditática (LMA), in wholls award subsidiary Rick Management, Inc. (BMD) and its windsy-toward relations Rick Management Instance Agency (DMN). All intercompany instantions and bidrates have been climitated.

### (b) Organization Assistment

LMA is an exception for the municipalities of Louisiana and is incorporated as a new-profit conception under the laws of the Nate of Louisians.

EML Lansiana corporation, server to the first party deteriments for the Lociones Municipal Field Manageneous Approv. LikeWood Vields was Essential and Conf. 2014 (2014) to provide a program of instributi risk manageneous. Fr LMA's member amacipation: LMA IRM are related by common management to LIMA's member amacipation. LMA LikeWood Manageneous Amageneous Amageneous Amageneous Amageneous Amageneous LikeWood Manageneous Amageneous Amageneous Amageneous Amageneous Amageneous LikeWood Manageneous Amageneous Amag

RMEA was incorporated in 1992 to act as an agent for perchasing insurance on behalf of membersensicitatives and others.

### (c) Financial Statement Processings

LMA's net assets, support and revenues, and expresses are classified based on the existence or abover of donor-imposed restrictions. Descripted ari assets are fuser that are not subject to donor-imposed withdistants. Description (JMA has calle) units distributed out assits.

LMA reports gifts of cash and other scores as reastical support if they are received with deteralphatoses that limit the use of the detauted assus. When a dotter servicion reports, that is, when a supplicated time services order or papers retriction is accompliable. Inseparatly activated are assuse are acclorediad as uncertained are server and separated in the statement of activities as an ensure thereacher of the relations.

### (d) Americanic (d)

Investments, consisting of U.S. government and aggreg hours, are recorded as marks, while, Unvestiget pairs and losses on investments in agains sourceits with condition while and where and all investments in dots securities are accorded in the sameness of activities are investment of documents in controlled on a successful and the instances of activities and investment of documents in controlled on taxons where their use is suggesterily or parameters and present on the document in controlled on taxons where their use is suggesterily or parameters and the same section of the same

### LOUSIANA MUNICIPAL ASSOCIATION AND SUBJIDIARY

Notes to Considiated Flavourid Statements

December 33, 2998 and 1997.

rentiesed by explain doner subalations or how. Dividend, interest and other investment income is recorded as increases or uncertained set many unloss the use is muticated by doner.

### (c) Depreciation and Amort System

Depreciation and anomization are compared using analytic line and accelerated methods over the estimated special lives of the analysis as failings:

Building Statures	
Computer equipment and software	3.5 years

### (0) Units Income - LMA.

Awarents collected in the current year for membership have for the following year are accurated as wearened income in the current year. Dues for the current year not collected as Decautes 31 aware recorded in hizeron for the current year.

# tel Administrative Fort and Commissions

Attacasts second is the convext proc are based on an extension of careed normal possions of UMPMA, which approximates actual. Any adjustments from extinated samed normal possions to extual enroy operated extension and adjusted in the used is well as which there become tensions.

### (b) Consolidated Statements of Cash Flows

For the purposes of the consolidated statements of ratio flows, radi-inscholes ratio in denand deposit accounts with basics. Confilences of deposit have been multicled from cush because the confilences and neurality perchand for periods exceeding 50 days.

### kovertnemin

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The nurket value of investments by negative type at December 31. 1993 and 1993 are as follows:

		2998	1997
U.S. Government Agency obligations U.S. Treasury scentifies	5	451,820 933,001	531,793 336,913
	5	1,404,821	948,118

loweniewei inverse of \$87,250 for the year orded December 31, 5988 includes associational gains of \$5565. Investment finceme of \$77,259 for the year anded December 35, 1997 technics secondard ratio of \$53,975.

(Centine-f)

### LOUDEANA MUNICIPAL ASSOCIATION AND SUBJURARY

Numes in Conscilidated Featured Statements.

Supradur 11, PPSS and 1997

### To Holated Party Transactions

### (a) Ever and Services

DMA provides services related in the LMRMAY and "isocancer hand, agentated for the fourth of Locations manipulations: The length thems services are proved on a promoting of the supervised cancel anomal proteiness (DMP) are on a per convert participant OVT hands. LMA deconversione and investment emerging of the Medican Competencing on DARs. In the DARs are provided as the provided and the services of the DARs and DARs are also been provided as the provided and provided and the provided and the provided as the the DMMA for the years related the analysis and an analysis. The DARs are provided as the DMMA for the years related the control with 100 Km and 100 Km.

		Adminis- testive for LMA	Net Interest carned portion	Tetal administra tradim face	Dao from LMRMA
1998: Exercises incurred by					
LMRMA Morteo'					
Concercion	4	143.936	1.694.585	1.852.662	1.528.260
Accident and Health		17,725		12,725	1,599
	\$	299,980	2,893,718	3,193,689	2.635,983
1997: Exposes incured by LMRMA Workers					
	5	135,352	1,197,791	1,313,149	1,090,717
Public Linkship		179,180	964,626	1,100,806	832,538
Accident and Health		17,842		17,842	1,391
	۶,	302,374	2,199,423	2,491,797	1,941,666

In 1999, UALs Visual enriched in rehain VMA/19 and X202.200 of 1999 S-control deteributive force in LARMA - Werker? Compresention Product and LARMA - Public Labeling Fund, supporting, in the resultion in participant for 1997 persisten payarene. In addison, LARVA band also concentrated 5506,486 to LARVA and S202.000 to LARMAN - Academa and Hauth Frank. Trutt 1996 stoteses, reflected as participant flavolge in the consolidated statements of artitritis new 5100.2033.

In 1997, LMA's boost resoluted to release \$720,000 and \$00,000 of 1994's canned administrative from to LMBMA - Workers' Compensation Fluid and LMBMA - Public Liability Fluid, importantly, in the available on participants for \$950 premium postment. In addition, LMA's based also contributed \$51,200 to RMI. Tread \$997 strates, artificant as participant finding in the canodidated teaments of a (contribute, new \$51,200).

Kintena

### LOUISIANA MUNICIPAL ASSOCIATION AND SUBSIDIARY

Notes in Canadidated Financial Statisming:

December 31, 1998 and 2997.

In 1998, LMA's based sociated to release \$600,000 and \$600,000 of 1997's current advancements free to LMRMA - Westewit Composition Fund and LMRMA - Public Labelity Tend, respectively, to be workfulle to participants for 1999 previous payments. Total 1998 tobases, advances on weithout tandow in the remediated statements of advances. Total 1998, tobases,

LMA provides legal aniatance for the various LMA Points and is reinsbursed by the Funds. The legal aspartance cannot \$280,002 and \$260,590 from LMRMA during the years ended December 31, 1998 and 1993, established.

RMI has a contract with LMIMA to provide service agent services for a provintage of cannol sourced premium. Datasees and amounts from transactions with LMIMA during the years ended because of 10 at an Schow.

	2998	1997
Service fees earned	\$ 1,546,899	1,671,944
Present of KMI's total service from and commissions	H.75	92.8%
Falsace dee from LMRNA	3 134,845	274,017

RMI pays LMA administrative and accounting free for services performed on its behalf. The total administrative and accounting free were \$50,000 for the sense ended Derember 31, 1998 and 1997. In addition, baginating January 1, 1998. IMI receives a free percent communities on missensore reserving the IDMPA.

LMIMA prevales accident and health increases to LMA and EML. The total consolidated increases express (included in employee benefits) was \$123,031 and \$123,031 for the years raded December 31, 2008 and 1907, instabilishly.

LMA has agreed to provide up to \$300,000 to ENI in cover fearer opening lenors.

### (b) Nutr Percelde

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(Continued)

### LOUDIANA MUNICIPAL ASSOCIATION AND SUBSIDIARY

Mary to Control-dated Financial Statement

Describer 11, 1928 and 2297

The principal balance due at December 31, 1998 was \$1,403,758 with principal payments exhedulated at Follows:

	176.055
2004 and after	515,955
	8 1.405.758

# 10 Lond, Rolling and Economic

Land, building and quainment certaint of the following as of December 31:

	1999	1997
Last	5 491.000	211.000
Vehicles	153,322	166,483
	6,613,685	6,595,025
Accumulated depreciation	(2,236,359	0.092,001
	5 4,387,325	4.542,998

# (5) Other Assets

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Other assets comint of the following as of December 31-

Defend to beach binest receivable	\$	49,122 19,814	49,122 17,690
	s	65,295	65,159

# (6) Income Taxes

LMA is incorporated as a non-predit organization and has been gravied an encoption from income toors under Section 2000/041 of the Internal Revenue Code.

Continued

### LOUKLAN & MUNICIPAL AND CLATION AND MURIDIANS

News to Consolidated Financial Statements

Excember 31, 1998 and 1997

EME as a transfer entry but a tax provided in 1990 of 54,056 to tax was due in 1992. Training differences between provided transfer severe extra due to the labelity for excitantial function processing costs. A deferred tax most has been recorded at Derember 73, 1998 and 1997. No an local fit has been excited at a labelity for an excited meth.

### 7) Multi-condence Pendon Flan

All of LMa, and RMNs field time employees participant in Plan A of the Monicopal Employee's Restorator Systems of Locations (the Plane), a multiple-employee minimple employee retrostents) space. The payment for LMAS employees covered by the Plan for the process colder Discoster 71, 1995 and 1997 was \$662,335 and \$593,544, perspectively. Experiil for IMAs employees covered by the Plan for the was and additional December 71, 1995 and 1997 was \$752,214 and \$5592,444, suprecisely.

### (0) Leane

Deng 1992, MM material alars for prior annexamellable have such DAM for the space is resulting to be the transmission of the state of the Deng 1997, and 1997, MM material and DAM material and the state of the state of the Dengels (A), 1998 and 1997, MM pair LAM may not the state of the stat

		1999	1993
EMTs rent paid to LMA tribusineird in consolidation) Rona received by RME Building expenses incurred by RME	5	280,445 (83,584) 54,338	225,901 (77,319) 36,814
Net restal expense	s	241,891	235,396

# LOUISIANA NUMCIPAL ASSOCIATION AND SUBSIDIARY

Nature to Comolidated Financial Statements

December 31, 1979 and 2797

# 19 Deferred Compensation Plan.

LMA offers in anglewas a defined componential plan croated in accordance with Internal Revenue Code Section 451. This plan, available to all employers, permits dean to delet a portion of their salary and frame years. The delayed componential is not available to employees and termination, missioners, dash, e readomousless memory.

Fire to 1971, all arrows of compression defined adults for due to the plan, all symptotic and infer perclamate and trans arrows and all known attended to those answers, property or rights in calling adult made available in the employee or other headings pools the property and plan of LMA i release single sourced or the provision of because index models and plant of LMA i release provide transformed and the provision of the plant, the plant or point plant in the index proved transformed. Their path braining points the angle of the before compression plant for the provide transformed and the plant transformed and the plant of path of the plant the provide transformed and the plant transformed and the plant to path of the plant of the plant transformed and transformed and the plant transformed and the plant to point the plant to the plant transformed and the plant transformed and transformed and the plant transformed and the plant to plant to path of the plant transformed and transformed and transformed and the plant transformed and the plant transformed and the plant transformed and transformed and transformed and transformed and transformed and the plant transformed and transformed an

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# 20 Clober Processing Panable

As nervice agent for the LMRMA, RMI has superchilding for administration of the chains return to the 1998 You operated prior post. This labeling has been minimated hands on the north supercompt half if this obligation to continue as service agent for the years for which screams has been received and recorded.

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# LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY ACCIDENT AND HEALTH FUND PUBLIC LIABILITY FUND WORKER'S COMPENSATION FUND

# LOUISIANA MUNICIPAL RESERVE FUND AGENCY

LMA - UNEMPLOYMENT COMPENSATION FUND

December 31, 1998

Under pendicien of Julit. Ive, this separt is a public document. A copyred the report has been subernied to the auditable, or environed, entity and other appropriate public officials. The major if a workload for public inspection at the Biston Rouge office of the legislative Assitor and, where appropriate, at the effice of the paints Leak of court.

Release Date 7-21-99

# LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY ACCIDENT AND HEALTH FUND

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Financial Statements

December 31, 1998 and 1997

With Independent Auditors' Report Thereon

# LOUISIANA MENICIPAL RISK MANAGEMENT AGENCY ACCIDENT AND BEALTH FIND

Table of Contents

i i I I I I I I 1 1 1

Independent Auditors' Bepon	1
Financial Statements: Balance Sheets Statements of Revenues, Engenues and Changes.	,
in Benined Earnings Strummers of Cash Flows Notes to Financial Statements	) 4 5-11
Required Supplementary Information - Year 2000 Disclosures	н
Report on Compliance and an Internal Control Ower Financial Reporting Based on an Audot of Finewood Statements Parliamed in Accordinger with Conversion Auditing Standards	13.13



 Easter 2000-Drie Shielt Square-Bane Oxfording, LA 19729-2019

# Independent Arabiters' Report

Officers and Transers Louisiana Municipal Risk Management Agency Areident and Health Fund.

We have undered the accompanying balance shows of Lanciana Maniquit Relat Managemen Appropri-Academ and limits Fund in quark-public expansions of the Frend is not Decrember 31, 1998 and 1997, and its solidar annual control of resonance of company in section Contemp, and each flows for the proting and the solidar annual solidar and the responsibility of the Touch management. Our responsibility is a measure an emission on their flowed and annual solidar annual solidar annual solidar annual solidar annual and annual and annual annual solidar annual annual solidar annual annual solidar annual annual solidar annual solidar annual solidar annual solidar annual solidar annual annual solidar annual annual solidar annual solidar annual solidar annual solidar annual solidar annual solidar annual annual solidar a

We constructed our modes in accordance with generality accepted auditing standards, and with (everywave) databatis, floadards, total by the Compression for Section 2014 and 2

In our capacities, the financial attacation address to above present fairly, in all material respects, the funccial properties of Locations Manifold Rick Management Agency – Accident and Final Presents Presents 19, 1995 and 1997, and the works of its spectrations and its cash flows for the years then ended in conformity with generally accepted accessible principles.

The year 2000 angleptemetry information to gaps (1) is not a required part of the fluctuation induced to the statement, but a significantly information variantly that (d = d = mathics and d = mathics are stated to the statement in the statement in the statement in the statement in the statement is a statement in the statement in the statement is a statement in the statement is the statement is a statement in the statement is a statement in the statement is the statement in the statement is a statement in the statement is the statemen

In accordance with Generatory Auditing Standards, we have also leared a report, dated Jane 11, 1999, an our consideration of the Fund's internal control over Emercial reporting and our sors, of its compliance soft praval previous of larse, constitutions, control over 5.

KPMC- UP

June 11, 1999



# LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY ACCIDENT AND MEALTH FUND

# Julance Sheers

# December 31, 1998 and 1997

Amete	1995	1997
Carlt (1908-4) Investments (1908-4) Reciminance overvidelle Accessation accessibilite Accessati internet accessibilite	5 06,912 7,848,230 63,618 68,846 29,215	2.080.999 818.154 132.471 10.791
Total assess	\$ 3,074,887	2,179,995
Listellities and Retained Earnings		
Liabilities: Uppad ciaires liability (note 3) Date is a glilaans (note 2) Account psyable	5 1.877,080 38,976 167,532	2,616,000 32,851 344,562
	2,037,488	2,396,595
Ransined carnings	1.037,379	393.000
	5	2,378,585

See accompanying notes to Enancial statements.

# LOUISIANA MUNICIPAL RESC MANAGEMENT AGENCY ACCIDENT AND HEALTH FUND

# Statements of Revenues, Exponent and Chanter in Retained Deprings

# Years ended December 31, 1998 and 1997

	1955	1993
Openning revenues: Penninen income Investment income Countbolion dente 2010	\$ 8,480,293 127,388 4,000	8,297,199 308,887 4,000
Total specified revenue	8,600,681	8,411,045
Operating expension: Administrative from (note 2) China expense (note 3) Belansation providente. Survive agent free (note 2) Maccillences	17,125 1,940,006 4711,973 475,370 12,568	13,842 7,375,136 353,147 368,855 4,800
Total operating explores	1,956,382	8,133,265
Not increase	644,329	256,281
Retained consings, beginning of prior	393,000	156.719
Retained consistips, and of your	5 1,032,329	223,000

Soc accompanying notes to financial statements.

.

# LOUISIANA MUNICIPAL BINE MANAGEMENT AGENCY ACCIDENT AND BEALTH FUND

# Summers of Cash Firms

# Yours ended December 31, 1998 and 1997

	2998	1997
Cash Goeo from operating activities: Net income Less adjustment for investment income	\$ 644,379 (127,388) 516,801	296,381 (108,087)
	2(1)/0/1	147,394
Adjustments to record the set income in set cash provided by operations. Decrement (second) in information to celevable Decrement (accord) in the celevables Decrement (accord) of them in the Decrement of the second of the set of the second provided of the second of the second second second second of the second secon	512,129 43,425 (173,000)	(968,450) (45,214) (20,000)
Increase idecreter i in occuratio popuble, dor to officialies	(126,307)	289,272
Total adjacements	226.616	1144,8971
Net each provided by openning activities	743,629	2,592
Carls Bown from investing activities: Pauchana of investments Sales/matacities of investments Darystatest inferent investment	(1.335,981) 596,537 165,727	(1.410,689) 1.300,686 105,243
Net each used in investing activities	4536,1171	H57901
Net inamast (documa) in tash	66,912	(2,298)
Carls, beginning of your		2,156
Carls, and of year	8 66,912	

See accompanying notes to Emandel statements.

# LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY ACCIDENT AND MEALTH FUND

### Notes to Financial Statements

December 31, 1995 and 1997

# Significant Accounting Policies

### a) Bockground and Financial Statement Descentation.

Lastistis Metricella Hild Mangarenza Aggarey (2.2003) yan fermel radio Lastistisa Attiv (2014) 1999 ta price del 2014 segment de reduction compressiona anciataria attività della segmetta del 1999 ta price del 1999 ta price del 1999 ta price della segmetta 1990, al locale mante solidariamente informatoria en el fighito garetzare. La velocitaria da Dialdo Federa del 1999 ta price del 1999 ta price della segmetta 1000 ta diale della segmetta del 1999 ta price del 1999 ta price della segmetta 1000 ta diale della segmetta del 1999 ta price della segmetta della segmetta 1000 ta magnetta ta datta herer sonti for data remega, sel la develta a competenza felo 1000 targenza. La datta herer sonti for data remega, de la data della precisiona della resulta della segmetta datta della segmetta della della segmetta della della

Louising Manicipal Association (LMA) is an association for the messiopalities of Louisiana and in incorporated as a nonport componentian and/or the laws of the State of Louisiana. EMA area as the administrator for the Fund.

Edd. Management, Inc. (EME) is a third-party service agent primetity for LMEMA insurance limits. ISM, a Louisiana Corporation, is a shalls owned subsidiary of LMA.

Lonistem Manicipal Reserve Fund Agency (LMEFA) was formed under Louisiana Revised Statest 313-06(). LMEFA consists of instituted site mangement apenative pooling reverse both to provide triburatore. Advantamentation of the Agency is stated in the Basevard Basel of UAA. As of both December 31, 1969 and 1993, these were 82 and 72 participating methicidation transcenting.

The vertices LMBMA Funch, LMA and RMI are all affiliated through common acculterable and memogeneous control. Ablemath all of these earliest are related parties, their variance fault behavior are available only to the individual analy for its oparations. For this manon, and multip its presented are a neurous "much allows" only its inacculture with KOME 10 and KOME 11 and K

# (8) Revir of Accounting

The Fired is considered an emergeine faed and, accordingly, once the accessi method of recovering and the firer of according memory measurement from. The Final applicable FASB proceedings for the splittable FASB proceeding and a set balan Normalize 20, 2009 in according for the splittable added those producements contain with an constantio fLASB proceedings for the splittable added those producements contain with an constantio fLASB proceedings for the splittable added those producements contains with an extended fLASB proceedings and the splittable added the splittable added to be added to be added and the splittable added to be added and the splittable fLASB proceedings and splittable added to be added and the splittable added to be added and the splittable added to be added and the splittable added added and the splittable added adde

# (O Investoreta

Inverting the response of this value accept for their stars and manage market inversements continuing primarily of U.S. becausey deligations with a manuley of more port or ten or if the parahase, values and sequented at even. This value, is based on the har segment acknowledge within the star startistic fair value is based on reference fair value. Realised was not been as the startistic start of the startistic startistic startistic startistic startistics.

Continued

۰.

# LOUISLANA MUNICIPAL RISK MANAGEMENT AGENCY ACCEMENT AND BEALTH FUND

News to Figureial Statements

Documents 31, 1998 and 1993.

in investigation recorded at fair value are included in investingat income. Investing an include medicates of depend, money maduat accounts, reparations agreements and U.S. government, logary editations.

# (c) Premium Income and Accounts Receivable

Proving an encopying as increase over the life of the policies as they become cannel. Any adjustments to annual premises are considered to be a change in estimate and are recognized in the vest the become laware.

# 5c1 Elspaid Claims Liebility

The second secon

# (f) Cash out Cask Equivalents

For the purposes of the statements of rash flows, cosh lincludes cash in demand disposit account with balas. Bocame cartificance of depends, money matching and management transfly parchared with matarities of 90 days or more at an universited continuously, days are closed and as investments.

# (g) Krimmuner

The first new reisonence to refuter in expenses to large loaus in throad coars. Further force/pion of the substantion correcting and doction bits starts? Substantianty particular methods are also been as the substantiant of the substantiant particular Field as address instantiant of the starts are substantiant. The field deep set report restored takes to exact a public doction of the starks are substantiant. The field deep set report restored takes to control or classin inserved docting the errors year, dipotences to the succession with the substantiant option.

# LOUISTANA MUNICIPAL RISK MANAGEMENT AGENCY ACCIDENT AND HEALTH FUND

### Piotos to Financial Statements

December 31, 1999 and 7997

### (b) deceme Taxes.

The Fued is encoupt from federal income taxes under Soutiess 2201 and 115(1) of the Internal Review Code.

### (i) the efficiency.

Management of the Fund has made a rundeer of extenses and assumptions offsing to the reporting of assets and liabilities to perpare these financial statements in conference perperently scoreprint accounting priorityles. Astead scuds ended differ from three estimates.

# (2) Related Party Transactions

I

LMA, RMI and LMDFA, purvise services related to the self-insusance funds operated for the benefit of Londona municipalities. The free for three services are based on a percentage of the sequence errord nermal prevision to follow:

		1997
Expenses: Administrative Secs - LMA (\$0.00 per		
pensos per month) Service arent fees - KM1(\$13.05 for	\$12;	2513,662
health participants and \$1.30 for denial participants)	40.	30
Due to all listery		
1.565	12	99 1,361
FINE .		27 31.02
	\$ 38.	76 32,493

The Fund shareed its reinwave in 1997 as described in note 3.

# LOUISIANA MUNICIPAL BISK MANAGEMENT AGENCY

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Nature to Penancial Strengence

December 33, 2099 and 1997

# (3) Chaine Expense and Unpoid Chaine Reserve

The following separates charges in the aggregate liabilities for the Fand for the years ended December 31, 1968 and 1997:

		1958 (Amounts in	1997 Reveasels)
Uppoid claims and claim adjustment supercess at beginning of your	\$	2,010	1.659
Incuried cluture and elain adjustment expense-provision for instand events	١.	1,012	6.233
Total incernal claims and claims adjustment express		5,817	10,267
Los payments - chirus and claim adjustment expenses		0.880	(7.590)
Tend unpaid chains and chains adjustment expresses at end of year		1,886	2,747
Loss chieses contend by reisonner		.(6)	1773
Depaid chains searces	۸.,	1.877	2,030

Anythed obtained have not encounded incommon recognized to any of the past three freed second

### (d) Dependits and Incodiments

The trend west complet with Roke Funders 4 of the Communications of Lonzonta, future of Lonzonta (Lonzonta) on the Roker 4, of dependent on the first future processing on the Roker 4, of dependent in the future relation of the trend processing the Roker 4 is t

All domains deposits and comblexits of deposit are instant to collateration by plotged recursion held by an apart in the same of the Fund.



(Freedomed

# LOUISIANA MUNICIPAL RISK MANAGIMENT AGENCY ACCIDENT AND BEALTH FUND

### Notes to Financial Statements

### December 31, 1998 and 1997

These news no demand densaits at Devenher 11, 1992.

Under Rade Nurder 4 of the Commissions of Instance, State of Laoisna, the Find rup inner trugscephra sensitiv is obligations of the USA Convension and its approxim, and its framedia instantion, Included in investments are restficates of depend, maring market assessite. U.S. Convension edigations and expendence apprecision. Design (PDP), the Find dependent of the physical market cash accesses into view randomizing cash to tooled from investments to respect dobumenesse. Towareamber have randomizing cash to tooled from investments to respect dobumeness.

The function security and considered and have a population indication of the local of 6.0000 assumed by the body at your each (longer 1 locations) are relately the body and or in a sparsi in the bodie's same. Charger you address the security of the location of the location of the location of the location of the bodie's trans. Charger you address the location of a sparse to the location space of location of the location of the location of location of the location of a sparse to the location space. Since the location of a location of location of the location and held by the location of datater, so by its test department, or some but used in the location space.

The Fund's intervations are estimational below as of December 31:

		1998	1997	Category
Centilization of departs		108.080	105.000	
U.S. Government Treasury recurities		717/48	178,266	i -
	۰.	2,645,220	2.003,599	

The certification of disposit are instanted or collarandored by obligations of the U.S. Government, mensioned in the name of and held by the Pond's areas.

The scheduled materians of investments held more as follows at December 32-

		1998	1597
Due in one year Due after one year through five years	3	1,612,999 1,235,381	1,844,538 235,061
	۰.	2,845,220	2,060,999

# LOUISIANA MUNICIPAL EISK MANACEMENT AGENUT ACCIDENT AND REALTH FLYD

Notes to Financial Statements

Excender 31, 1999 and 1993

### Example Policy Coverage

The Fund and its resonances represents a cooperative programs for proop funding and title numaperson of accident and branch classes of punklipating locationane menoic-publics. Although permission billion to the participante are chorenaised on an accusted basis, athemas lability for classes remains, with the entitiations, and the Fund has the anthous two sources the numericanness to fund any difficient neural.

Subsequent to December 31, 2954, the Fund obtained triansmuter fram a commercial insurer to previde the following coverage:

boss 1 Annual agenciests in excess of 125% of annual agenciests neutrino.

krm D. 5900,000 each and every line in excess of \$100,000 each and every line.

The commercial minumer contrast all china incomed in 1995 and thermhot. Na claims for minutaneous are contrastillar from LMEPA as of December 31, 2001 and 1993. REDSHED SUPPLEMENTARY INFORMATION

I I I I I ı I ٩

# LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY ACCIMENT & HEALTH FUND

# Year 2000 Dischmate (Ucandited)

The following is a synopsis of Luciotana Montelpal First Managarawai Agency - Assister & Health Frant's (the Agency) actions to struce that our agency is year 3000 compliane. The Lowissen Mandright Association (13A4) is the abatemations of the fast Joint Managarawai E. 6: 20M1 in the doed porty advancements of the frand. These garties must be your 2020 compliant for the fast to be compliane. The LMMMA Frants, LMA, and LMM are all affinized theoryto common memberships and managarawai control.

# Awarsness Mago

I

The Deputy Director of LMA began assessing the computer systems in 1998. The director of RME began assessing their computer sestem in 1996.

# Assessment Stage

The Deputy Kinestee of LMA assessed for exception systems and distortioned which systems needed separating to be year 2000 comparison. S13:440 were headpoint or 2009 for comparison and 16.000 was headpoid in 1999 for comparison software replacement. The devices of BMI band a computer recordance to account doir commons headpoint and independ year band he neer 1000 consultant.

# Memorikation Wager

All LMA computer hashware and software needed to become year 2000 compliant was parabased and tradition in the first quarter of 2009. Writes and fraction from accounting software provider was obtained proceing environment. HMI advances are waywarded in 1000.

# Validation/Feating Science

LMA has assumence from its vendors that its equipment and software are year 2000 compliant. JMI scand their system in 1 (where; 1999 and performed a final test of the system in March 1999. All of their systems are now seen 2000 compliant.

Increme of the unpercendenced narray of the year 2000 izane, its effects and the uncernes of resendancies effects, and not be firstly determined and the percent 2000 and thereafter. Management researce that LMNMA is are well be year 2000 ready, that the Agency's mendiation efforts will be successful in whether or in part, or that meeting with whether the Agency and the heat percent percent.



Sure-2000 Dire Shill Seleto New Others, LA MITTE-2009

# Report on Compliance and on Internal Control over Financial Reporting Based on an Apolit of Pleasatial Stationautic Performed in Accordance with Government Applied Systematics

Officers and Transers Loniziana Manicipal Fish Mongement Agency Accident and Health Paral.

We have and/and the Reserved statements of Loniziana Menicipal Risk Management Agency - Arciclent and Brodd Houd as of an of or the proc reduct December 33, 1999, and have issued are region therms clash Anies 11, 1999. We conducted our wald in a correlators with generally averyged melling and/ania and the scalandar applicable to the Deserved and/ar constanced in Generatoreae Auditing Annuales, issued by the Comparison Correct of the United States.

# Omplino

As part of alterning meanuful associates about whether the Field' framework meansures are five of extended associations, we referenced traits of its compliance web version provisions of lasse, regulations, constaint and private, noncompliance web velocity and have a diversion and rankets affinite the dimensionless of framework frameworks are better and the second private and rankets affinite the dimension of an analyneous and and accordingly, we do not depress and as optimized. The results of our test descended to instrumentations and an annual to the research lass optimizer. The results of our test descended to instances of mercumpliance that an annual to the research lassific Descender About Banderdy.

# Internal Contact Over Financial Reporting

In planning and performing one and as consistent for Parch's interest control construction dependence on the proving and and the proving and t

This report is interched workly for the information and one of Laminana Manicipal Kolk Management Agency -Accident and Brach Frend, the Locations Legislative Avolator's Office and the Commonlower of Densures, State of Laminana, and is not incredule to be and should not be need by anyour their thirm free specified parties.

KPMG- UP

June 11, 1992

l

# LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY PUBLIC LIABILITY FUND

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I

 Financial Statements and Schedule

December 31, 1998 and 1997

With Independent Auditors' Report Thereon

# LOUBSANA MUNICIPAL BISK MANAGEMENT AGENCY PUBLIC LEASILITY PUND

Table of Contents

Independent Acaditors' Report.	1
Financial Statements: Bulletin Batter	
Ratewords of Krytman, Economy and Changes	,
in Extended Learning	4
Nature to Financial Statements	642
Reasted Suppresenters Information	
Year 2000 Deadlations	0
Schedole	14
Report on Complance and on Internal Control Over	
Pinancial Reporting Based on an Anda of Pinancial	
Statement Performed in Accordance with Generation Authing Standards	15.16



Sale 3585 Cho Shell Sports Neur Driven, LA 7009 (568

#### Independent And Iters' Report

Officers and Transfers Locitizes Municipal Risk Management Agently Public Liability Fund

We have surged the accompanying balance cheen of Lonizhen Manicipal Erik Management Agency -[Solite Londong Proof in questionboth organization (the Fault) and C Foundard 31, 2008 and 1907, and 1907, and testing interproof of prevence, expression and indepents on training analogia, and and from 16 the top ware then ended. These familiated interprets are the responsibility of the Fault's management. Our inspirability is to converse in realistic on these fitteened managements.

We concluse our and/s in accordance with generativy accepted undergo methods and with (revenuence holding instandors), the observation of content of the United Struct. These standards reports that plan and performs the analist as observations and a standard structures that an analysis are not in a structure intergence. As and it testings contenings are in total back, valuence sequencing that areas and a declosures in the Easterful particular structures in the structure intergence of the declosures in the Easterful performance of the structure of the structure period period and with black that are all possible avanuable back bott or the optimization.

Is our options, the familial measurem referred to show present fairly, in all material supers, the familiar position of Lossian Monicola Rich Management Agency - Public Linkbly Product as of December 33, 1998 and 1997, and the service of its operations and its task flows for the poor flow ended in conformity with gravefly averaged screening principles.

In accordance, with Government Auditing Davalenth, we have also bound a report, dated lowe 11, 1999, on our consideration of the Fourt's instrumit control over financial reporting and our tens of its complement with outain previous of laws, constitutions, control and rest.

The year 2000 supplementary inducations on page 11 is not a required part of the featured interact, but is supplementary in plottenia to required type the Downsement J Accounty, Studied Y Band, and is of all or all of crash provides a provide the productional standards. Incluse C and the standards of the standards of the standards of the productional standards. Incluse C and the standards of the characteristic standards of the One under, were reade for the response of Prening are options on the basic frameoid stratements takes as a whole. The supplementary information included in the Schedule. Is presented the purposes of additional morphysic and is not required part of the basic fluctuation functional strategies and in the subspace as a the andering precedence applied in the ander of the function stratements and, to are optione, is fairly saved in all material response in relations to the basic fluctuation fluctuation as whole.

KPMG LUP

Aug 11, 1992

## LOUISIANA MUNICIPAL HISK MANAGEMENT AGENCY FURLIC LIABILITY FUSIO

# Statement Streets

# December 31, 1995 and 1997

Assets		1995	1997
Cash (1001-6) Enventormi (1001-6) Denherithe serviculate Assessed securitable Assessed securitable Near securitable (none 2)	,	181,479 14,666,333 65,366 81,243 65,606 1,405,256	899,325 15,051,564 30,879 77,313 1,185,297 1,932,311
	۰.	10,479,955	17,850,293
Lieblitics and Retained Kernings			
Light Briter Usparid extenses Kehleling (sonie 2) Usparin auf portulian Dae to additione tasses 20 Accessed expenses		8,376,895 2,154,879 1,075,354 1,363	9,122,845 2,140,499 6,493,845 4,897
		11,592,691	12,799,453
Resided samings		4,883,302	500.814
	۰.	10,479,999	12,450,291

Size accompanying news to financial statements.

## LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY PURISE LIAMETTY PURP

# Statement of Revenues, Exercises and Changes in Retained Families

# Tears ended Depender 51, 1998 and 1997

	2999	1997
Revenues: Promision income Investment income (nos: 2)	5 6,308,245 1,207,968	4,946,391
Tatal revenue	7,416,214	8,197,974
Expression Chains expression (south 3) Administrative frame (south 2) Reference pressioners (south 2) Service appent from 2) Mittachargeone	4,167,643 1,313,331 1,323,331 1,323,331 390,334 350,68	4,438,327 1,308,996 1,304,980 663,187 28,658
Total expenses	2,679,741	7,819,898
Net increase (broot)	(205,527)	262,116
Retained comings, beginning of year	5,090,834	4,828,718
Retained carnings, ead of year	8 4,887,887	3,899,834

See accompanying notes to financial statements.

## LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY FURLIC LIABILITY FUND

# Summers of Cash Flows

# Years under December 31, 2998 and 1997

Cash flows from operating retrivities: Matineeven (bes) Lass adjustment for invasionant forces	* (203.527) (1,207.568) (1,411.409)	202,116 (1291,585) (988,467)
Adjustments to recorder net involute to not carb used in operations: Generated decreman in metricables Investigation of the second represent, simulated parameted plantment in scorenet represent, simulated postations of decremants of second represent, simulated	14.0051 (743,750) 1423,0000	53,214 (296,972) 80,7 <u>25</u>
Total adjustments	(1173,991)	154.017
Not cash used in openning activities.	(3.383.296)	(KK6.459)
Cash Deves from inviteing activities: Posthain of investment Automation of investment Decomment interest workval Engineen programmin factors and accel subir	(5,578,409) 6,128,378 1,222,514 526,853	(5,117,477) 4,328,421 1,387,458 680,723
Net cash provided by investing activities	2,170,441	1.029,676
Nue incasase (doctoase) in each	(411,855)	152,586
Cash, beginning of your	199,323	406,129
Cash, end of year	5 187,479	599,325

free accumularying potents to Estated al statements

LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY PURAC LIAMENTY PUND

Nature to Elemential Associations

Excenter 31, 1995 and 1993

#### (1) Similicant Accounting Policies.

#### (a) Inclurent and Financial Statement Providence.

Learners Monicapia Dal Managarez Marger (J. MMA) in no teoretrade University of Net Marger Marger Marger (M. Managarez Marger (J. MMA) in no teoretrade University of Net Marger Marger (M. Managarez Marger (M. MMA) in the Marger Marger (M. Marger Marger (M. Marger Marger Marger (M. Marger (M. Marger (M. Marger Marger (M. Marger (M. Marger (M. Marger (M. Marger (M. Marger Marger (M. Marger (M. Marger (M. Marger (M. Marger (M. Marger Marger (M. Marger (M. Marger (M. Marger (M. Marger (M. Marger Marger (M. Marger (M

Louisiana Municipal Association (LMA) is an association for the translepablics of Louisiana and is incorporated as a non-party corporation under the laws of the State of Louisiana. LMA acts as the administration for the Paral.

Rick Management, Inc. (USM) is a third party service agent primarily for UMINA insenser feasts. RML a Louisians Corporation, is a wholly-second introducer of UMA.

Lourismo Maricipal Essavos Paul Agency (LMETA) in formed under Louisiana Revised Statures 30 (1971)). LMETA consider of interfaced risk management aperiate preding researtions in provide instantine. A Administration of LMETA is visually in the Research Paul of LMA. LMETA research in: LMETA Public Landridy Fuel. Are of both Dacardon 30, 1990 and 1997, Dens wire 177 and 170 architecture researchilder. LMETA Public Publ

The various LMBMA Pands, LMA and RMI are all affilized through converse membership and reaspanness control. Although all of these certains are related partice, their sequence output amounts are available only to the individual entry for its opportions. For this reason ack entry is revenued as a resultable studied allow? units in accordance with GASH 11 and GASH 11.0.

### (b) Binis of Accounting

The lised is remained as energies fand and, recordingle, trees the socrant mathed all accusating and the flow of economic resources measurement. From, The Fand applicable applicable FASB proconcentences instand on or before Homesther 30, 1999 is accounting for its operations adults these proconcentencements control with an economic Control on the protections adults these processinements control with an economic Control on the source of the s

#### (c) Invaluents

devictments are reported as this value coupt for about term and money market increments, containing pointsfly of U.S. transmy obligations with a manufay of mar para or loss at time of providence, which are imposited at cost. This value is based on the last reported offer prior of a validable of null analytical, fair value is based on extension of law based on providence. Furthered patter and locars references

Continued

## LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY PUBLIC LIABILITY FUND

Nation to Florencial Middlements.

Documber 34, 1998 and 1997

investments recently at fair value are included in investment income. Interanties include configuration of adoption money market accounts, requestioner agreements and U.S. powermants agarest obligations and are held for loss error investment proposes.

### (d) Fremhum Decemer and Accuments Receivable.

Presings are receptized as income over the lds of the pulkies as they become neural. Any adjustments is annual premiums are remedered to be a change in estimate and are receptized in the war they become known.

Ascenario reservable are cannot and considered to be fully collectible by management, therefore, no reserve for had drives has been established.

### (v) Uspaid Claim Linklin

The best methods and the start for method resonance of the density of the start of the density of the densi

## (D) Sustement of Cask Flows

For the purposes of the intercents of each flows, cosh includes cash in demand deposit accounts with banks. Because coefficients of deposit, reorey markers and separahase agreements are treatly unclusted with mentities of Orders or more, there are classified as investments.

# (c) Arisonneer

The Fund was minutes agreements to reduce its reporter to large losses on inward retrat. Reintenance previous resources of a portion of lenses from reintenance, although is does not dechange the primary labelity of the Fund as direct instance of the data reinstance. The Fund data, not report someord risks as labelities unless it is probable that have take without be accessed by reintenance. As of Mar 1, 1985, LIMPAN became the reinstance of the Fund.

## LOTISIANA MUNICIPAL RISK MANAGEMENT AGENCY PUBLIC LIABILITY FUND

Notes in Emporial Statements

Econolog 31 1995 and 1997

## (b) forome Taxes

The Agency is except from federal increase lossy under Soltions 7700 and 115(1) of the Johnnal Known Code.

## 03 Elie of Balanates

Management of the Fund has made a number of extension and anomptions relating to the reporting of anons and liabilities to prepare these financial attentions in conformity with appendix accepted accompting priorities. Actual results reads with from those estimates.

## 11 Existed Party Transactions

### 545 Fees and Sprices

LMA, EMI and LMREA provide services related to the relif insurance funds operated for the horarit of Lossiana remainpublies. The facts for these services are based on a percentage of the subjective neural neuroid premiums (DVP) as follows:

		1978	1997
Expenses: Administrative for - LMA (2% of EMP plus inserted surred)	۰.	10000	1108,886
Service agent - RMI (9.5% of SNP)	۰.	580,324	661,107
Reinstance - LMDFA (M3% of ENP)	۰.	1,522,415	1,706,660
Reinsteiner reconnies - LMRPA	۰.	2,586,254	687,553
Due to throw additions: LMA RMB LMRFW	۰.	1,065,844 67,834 137,2340	852,538 166,453 433,858
		1.025.534	1,482,645

LMA receives all interest energies of the Paul in part of this administrative for. Annuars have been returned by LMA to the Paul based on the Basad's discussion.

## (b) Netr KevelynMe

LMA has a variable rate over approximate with the Fault. The roat locate an instance man capatile is the everying investment resums yielded for First on its a chiefe instancement of the Aris and a Aribia and a Aribia and Aribia an

## LOUISIANA MUNICIPAL RISK MANAGÉMENT AGENCT PUBLIC DABILITY PUND

Notes to Financial Statements

Dependent 31, 1998 and 1993.

Fund reactived \$400,000 as part of the 7997 excess interest distribution to be used as a reductivein the balance of the tests.

The supervise an minimized balance due at December 31, 1999 are scheduled as follows:

	164,392
2955	176,855
2904 and forwallsy	515,999
	5 1,405,258

#### (c) Promium Robeirs

During 1999, the Fund's participants used SUS2006 of curvalative securited coeffics. In addition, the Trad spectred is release of S202,200 from LMA's based solitod to 1995 second administrative free which will be availabled in structurement for 1997 present security.

Daving 1997, the Fund's percipture used S266,990 sectored codes. In addition, the Fund revenued a relation of 5966/337 from LAAAV, board rolland to 1996 sectored adhesimative ferwheth with the available to participants for 1999 preview payments. In addition, the Fund revenued S247,1997 as a website in the neares inservable Fermi LAAA.

During 1998, the Paul's participants used \$153,772 of accurated profiles. In addition, the Fund protocol a relate of \$100,000 from LMA's bland related in 1997 seared administrative free which will be available for participants for 1997 permission properties. In addition, the Fund regional S400,000 is a todeboar in the toxic protochile from LMA.

### (1) Chiles Freeze and United Claims Reserve

The following reprisents changes in the aggregate liabilities for the Fund for the peak realid December 31, 1985 and 1992.

		2955	2997
		(Assessmills to E	
Urgaid claims and claim adjorances expenses of beginning of year	۶.	22,115	20,821
Incavied claims and claim adjorances:			
Prychics for instead events of the			
current peur Dacaute in prevision for insured create		6.015	1,939
of prior years		(1.442)	(1.21%)
Total incurred claims and claims adjustment expense		4.535	6.21

## LOUBIANA MUNICIPAL RISK MANAGEMENT AGENCY PUBLIC LAMBUTY PUMP

Nation to Planatical Statements

Docember 31, 1999 and 2997

		1995	1997
Proments		(Amounts in th	cerandr)
China and china adjustment exproves antibatable of insured events of current, year China and china adjustment copenses attributable to insured events of tear	5	(687)	(855)
years		0.572)	0.392)
Total population		(9.259)	(4.847)
Total anpead claims and claim adjustment copensus at end of yes		17,492	22,175
Loss discounting at 5.9% and 6.0% for 1998 and 1997, respectively		(2,632)	(3.340)
Less claims revered by minuter (set of discourt)		(6,487)	(\$,305)
Denied alleins property	5	8.779	9,223

#### Depends and Investments

The Final read compty with Refe Headrer 4 of the Commissions of Issuess, base of Longano Andre Joseffer Joseffer 4, all Repeating in Bander 4, and Repeating in Bander 4, and Repeating in Statistical Issues and the free segments in London and the state segments in London and the state segments in London and the state of the state of the state instantance of the state of the state of the state of the state instantance of the state of the state of the state of the state instantance of state instantance of state instantance of the state of the stat

The denued depends are categorised below in give an indication of the level of tick assessed as your coli. "Instant" depends are then belower proceeds by followit dependency instantics: we plotped collateral. "University" depends are those balances in scatters of Felstan dependency instances or electronic observations.

	-	1998	1997
leased Unincered	5	180,430	\$99,325
	5	182,430	599,325

## LOUBLANS MUNICIPAL RISK MANAGEMENT AGENCY PUBLIC LIABILITY PUND

#### Notes to Financial Statements

#### Documber 53, 1998 and 1997.

Under Bale Number 4 of the Communisor of Insurance, State of Louisians, the Fund may invest any surplue remotes in tollipations of the U.S. Government and its agreects as well in funccial instancian. Included in insurancem an environment foreign environment and many tensor and transition and an annual surplus and the second sec

The Field's investment to composite before in given an influence of the lot of risk sourced ty the board part and the despity 1 investigates and ladely for the old or the gases in the field or 1 meet. Chaptery 2 metaboard measured and samples and investments for which the scenation are total by the brack (rough don't is not approximate) and an angular the same chaptery of the close in the angular total experiment investments for which the scenation are below the bester or educity or by in trans department of the don't series approximate in the lade for investments by scenative gases. Burnaley 50, the state of the state of between the state of the state of the state of the scenation and the state of the state of between the state of the state

		2958			1997	
		Fair videe	Calegory		Fair rater	Centery
Contificates of deposit Money market accounts	5	100,000 1,052,076		\$	100,000 959,127	
U.S. Government Agency abligations U.S. Transier		11,659,816			11,050,682	
securities		1,857,625			2,941,793	1
	5.	14/46.133		5	15.051.594	

The scheduled examines of investments were as follows at December 11:

		1998	7997
Due is one year Due aliar one year through five years Due aliar five years through an years	5	1.428,986 4.204,283 2.323,111	3.034,050 4.036,299 2.051,438
Dar after ten plant		6.211.321	4.555,477
	- 8.	14,568,797	15,855,564

The U.S. Government approxy adoption investments are direct obligation regions of in the name of the Proof and Poly the Frank's investment approximation approximate confidences of dependenends on sweep restricts are exhibited by obligations of the U.S. Government registered in the same of net balls by the Frank's agent.

Included in investment balances as of December 31, 1998 and 1997 are determine increments. These investments included U.S. Treevery steps, collarealized mergage collapation, and finating rate corrections with a mether where of \$3506,588 and \$451,188,411 and (finanties 1), 1998 and 1997, respectively. These determines increments are instants rate standards (in 1998, and 1997, these mether value discussions).

## LOUBRANA MUNICIPAL RISK MANAGEMENT AGENCY PUBLIC LIABILITY PUMP

Nation to Plenancial Stationworks.

December 33, 1998 and 1997

## (5) Reinsurance Policy Coverage

I

During the periods ended December 31, 1998 and 1997, EMBPA provided seizonance to EMBMA Public Eability Fund with the following aggregate:

how 1 \$5,000,000 annual appropriate success of 65% of samed renned promism.

how D-5480-200 each and every line in manys of \$120,000 each and every line.

The lead and LMEFA reporter a corporative program for group finding and risk manapassos of pattle labelity classes of possibility data and the second secon

Prior to 1990, Loanizana lane lambed the lability of the manifoldation to \$500,000 per occusareous, Boosng 2090, Inte Lanishan Angeurent Coast translot, The above "specific reinstances lamb?" for the Pholin Lability fand over shairs up to \$500,000. As of Neuroster 1, 1995, the samtery lability investment in \$350,000 from \$400,000. The Fund neurones remains unchanned

The following are balance shorts for LMRFA for the years ended Documber 31, 1995 and 1997;

#### 14040

	1955	1956
Celt	5 100,305	100,344
	29,693,877	
	332,194	
Reisonner receivable	438,255	128,806
	\$ _30.514.655	_ 29.020.319

# Lightities and Betained Earnings

		560,800
	63,330	
Accred expense	1.502	\$ 235
	12,855,642	15,588,535
Retained carriage	17,879,013	13,448,254
	\$ 30,534,655	29,838,819

REQUIRED SUPPLEMENTARY DEDIMATION

1 I 1 I I I I I 1 1

## LOUISIANA MUNICIPAL RESE MANAGEMENT AGENCY PUPE & LIABELITY FUND

## Year 2000 Dealorans (Databach)

The following is a symptotic of Landsman Municipal Risk Management Agency's (2013)441 actives to ensure that are agency is your 2000 compliant. The Locitiana Municipal Association (2004)16 the administrator of the band. Table Management, Inc. (2004) is the field and your administrator of the field. These parties cannot be your 2000 compliant for the frand to be compliant. The LMDMA Funds, LMAs, and BMI are all off-field frounds occurrent mothership and the management control.

## Awarrensy Stopp

The Deputy Denvise of LMA began accessing the resepator systems in 1958. The director of RMI began accessing their computer system in 1950.

### Assessment Stage

|

The Deputy Device of LMA assessed the computer systems and descensiond which systems moduli spyceling in to your 2000 computer. S13:A00 was hardprint in 100% for computer equipment, and S4:000 must studgeted in 100% for computer software replacement. The director of LMI laired a computer consultant is accord whice commuter hardpress and influence would be your 2000 controlling.

# Reneficion Nago

AT LMA computer hardware and software needed to become year 2000 compliant was perchannel and installed in the first querier of 2009. Writes notification from accounting indivate provider was abaland provinte compliance. RMI objects and hardware new robusted in 1999.

## Validation/Testing Stage

LMA has assumed from its venders that its optimizer and outstant are your 2000 compliant. RMI total from typices in February 1979 and performed a final and of the system in March 1999. All of their systems are new soor 2000 compliant.

Because of the supercentered surgers of the year 2000 issue, in effects and the success of transducion effects, will not be firstly descriminable and the year 2000 issue of heuraphets. Management cances assue that 12 MIMOA is ar will be year 2000 ready, that the Applety's transducion effort will be transcooled in whole as in part, at that matters with whom the Appendent sides basilence soft the transformed.

# THERE ARE ADDRESS AND ADDRESS ADDRESS

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#### brander W. 1986

To a table taken disputes the Freed's series of second providence of the classes property for added a cell and classes are providence and the rest of Physical as a file or the freed with of the between years.

		190	1941		144	-100	-180	180	- 1991		- 100
179 automotion	,	1.94	1.04	139	240	1/19	1.19	110	4.00	1.30	4400
Operating prime		1.02	1.00	1.00	3.7%	320	3,241	1.014	1.442	2 mil	240
Concerned recerned classes and requirements and of principlements			4.94	4.90	440	1.9%	3.000	4.903	1.64	5.04	1,04
Pail to send the or of the of policy year of the or of the first pairs and the first pairs along the mark along the mark along the mark along the mark along the pairs along the pairs along the pairs along the pairs along		¥	100 LOID	122	1995 ····	85858 ····		255555 ···		10000000	222222222
Recommitted aspected platear part database copyoner Recommitted aspects New york than New york than		439	110		2222	35555	1000000	3555555	39292555	3333535555	10000000
honer is missed automotivant and approximation and approximation and approximation and approximation and approximation and approximation and approximation and approximation and approximation and approximation app								м	н		,

13 Ellipticar January 1, 1996, the Fand generated for instruments and laboration basis

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Suite 2000 line Gruit Square New Yorkney J & WY90,0000

Report on Compliance and on Internal Control over Pleasaid Reporting Based On an Acolit of Financial Statements Performed in Accordance with Generowaver Audition Statements

Offices and Trances Louisian Municipal Risk Management Agency Public Lisbility Fund:

We have method the transmitt statements of Louizints Manaliph Risk Management Agency - Mole Linkthey been or all and for the year model December 11, 1000, and have insured our regret therein during time 11, 2009. We conducted new molit is secondarse with generally accepted andhing standards and the standards upplicable to Francisl solito constraint is Generatorie Analises Standards, touch by the Constraint of Cardinard for United States.

### Constance.

As part of dotaining reasonable sourcesses whether the Facol's function reserves on five of memorial minimataneous, and approxed runs of a compliance with certain pervisions of these regardiness, certains and gauge, nonsweptance with which could have a direct and material effect on the determination of function discovery asymptotic probability, we do not supervise such as physics. The instance of course of objective of our and and, accordingly, we do not supervise such as physics. The instance of our such and objective regarded of the end of the such such as the problem. The instance of our such as the objective of our and and, accordingly, we do not supervise such as physics. The instance of our such as the outer characteristic outer doubless of the such as the s

### Internal Control Over Financial Reporting.

In planning and performing our packs on considered the Ford's strend coursed over formed any performed or provide pack of the planning of the

This report is interedied solely for the information and non of Louisians Monicipal Kick Measurement Agency-Public Labelup Fund, the Lanciana Lapplative Audition Office and the Commonismer of Interactive, State of Louisiana, and is not instituted in the and should not be used by approx other firms draw preprint dot parties.

KPMG UP

Aug 11, 1999

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## LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY WORKERS' COMPENSATION FUND

Financial Statements and Schedule

December 31, 1998 and 1997

With Independent Auditory' Report Thereau

## LOUISTANA MUNICIPAL RESK MANAGEMENT AGENCE WORKERS' COMPENSATION FUND

# Table of Contents

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Subs 2006 One Deal Square

## Independent Auditors' Report

Officers and Transes Louisiana Monisipal Rids Management Agency Westers' Communities Paul

We have and/ord the incompanying halfnee intents of Landsiana Mantelpal Buk Management Apaces – Western Componentian Fand (a game/pable companying of the start o

We contained our modes in neurodance with generally second analogs matchesh and with Generannee Weaking Sociation, Using by the Composition General of the Using Strain. These matching input secption and perform the and to contain reasoning and the strain of the strained in strainers are two of matching distributions. As and it industry arrangings on a table size, relations applying the associate distributions in the Strainerst Interpret and the strainerst strainers are strainer and distributions in the Strainerst Interpret and the strainerst strainerst strainers are strainers of the strainerst strainerst interpret and the strainerst strainers. The strainer the strainers percentage with the strainerst strainerst strainerst brainerst strainerst strainers. The strainer the strainers of the strainerst strainerst strainerst brainerst strainerst strainers. The strainer the strainerst strainerst strainerst strainerst strainerst brain the strainerst strainerst

In our options, the liametal statements solved to advery present fairly, is all readerial sequences. On discussed provides of Licensian Monitophil Rish Massayment Approp. - Workne' Compression Fault Discusses 23, 1995 and 1997, and the nonloss of its operations and its cash flavor for the patter has ended its conformer's well present/in account of accounting exciption.

The year 2000 reprimentary information on page, 3 he not a sequent gate of the financial materianse, has in opportunities, of instancial on sequent by the Oversensent A Accounty financial (a) and we do it is and or sints presentines, presenting the predictioned matcheds because of the same of the station trade matching the observations repriments and theorems with first prediction of the dot in the databased because the prediction of the states of the states of the station of the dot in the databased because the states of the st

In accordance with Enveronment Audulty: Janularsh, we have also insued a report, dated June 11, 1999, on our remolderation of the Pland's internal society over framesia reporting and one track of its compliance with certain neuristics of class. remotations construct and remote



On anality were made for the propose of flowing an opinion on the basic flownestal intervents taken as a whole. The applementary information included is the Scholin to proceed for purposes of additional analysis and is any comparing part of the basic flowing intervents. Such intervents has been uniquent to the analysis procedures upplied is the analysis of the lanewest another process and in our optime, is fairly stand in all material improcess in priority parts of their flowing intervents in the lanewest associations in their sets the lanewest and another success.

KPMG LUP

June 31, 1999

## LOUISIANA MUNICIPAL BISE MANAGEMENT AGENCY WORKERS' COMPENSATION FUND

Balance Short

December 31, 2958 and 1997

Assetts	198	s1997
Investments (onte 4) Accounts receivable Reinsusance receivable (near 2) Account internat neceivable	\$ 23,85 2,32 16 	22,033,862 6,313 1,142,221 3,807 6,535 230,997
	5 25.33	2.095 23,885,329
Liabilities and Retained Kernings		
Liabilities: Upped claims liability (none 3) Doe to all'Entre inste 21 Unestand prevalues (anis 2) Accessed oppenes	4.41 1.58 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.0	L080 A.186.800 L086 L.156.800 L085 L.146.813 L034 286.845
	7,89	8,485 9,082,842
Retained comings	18,64	2.613 14.682,054
	\$25,33	23,885,126

Non-accumularity names to financial importants.

## LOUISIANA MUNICIPAL BISK MANAGEMENT AGENCY WORKERY COMPENSATION FUND

#### Statements of Revenues, Expenses and Changes in Reusined Earning:

# Years ended Docember 31, 1998 and 1997

	29955	1997
Enversion income Previous income Excess summer convibution (ann 2) Investment income	5 6.448.011 128.000 1.728.545	2,157,211
Total revenue	8,898,599	5,895,425
Dependent Autorise sequence Justice 7() Autorise internet for the sense 2() Restructures or providence (none 72) Services append force justice 2() Services append force justice 2() Services append force internet 2() Services appendix for all internetiones Maccellaneous workson <sup>2</sup> comparationes assurance at Maccellaneous	1,809,120 1,852,662 844,081 551,585 988,455 46,000 45,771	1,528,860 1,333,349 113,322 611,342 10,879 113,346 46,750
Total expenses	5,135,990	4,354,045
Not income	3,260,429	4,441,383
Ketalood camings, beginning of year	14,882,194	10.448.881
Estained comings, end of year	5 18.042,683	14,852,084

See accompanying nonce to Emercial statements.

I

# LOUISIANA MUNICIPAL RISK MANAGIMENT AGENUT WORKERS' COMPENSATION FUND

# Tourseness of Carb Times

# Years under December 31, 1998 and 2997

	1998	1997
Cash flows from spensing attivities: Net income Less adjustment for insurment former	\$ <u>3.268,429</u> (1,728,3455	4,441,383
	3,643,061	2,793,372
Adjustments to reconcile or income in the cash provided by pound in operations: Decoment in revealed bits Decoment in revealed claims facility, not of reinstance previously laccased (doceased is in secondary possible,	959-760 (1,388,800)	(537,554) (1.330,0009
accrued expresses, uncanned premiums and due to off-ficates	1545,4571	412,001
Total education	(2,513,225)	0203.971
Net such provided by based int operating activities	1541,3441	1.532,886
Code Draws from terrenting activities: Investment interest received Producer of terrentiments Safe of the evolutions	1.257.686 (12.458.533) 11.247.591	1,624,335 (6,383,004) 3,128,290
Not cash passidad by Good iso Investing attivities	541.744	(1.533.8643
Not change in each		
Cash, beginning of year		
Cash, end of your	s	-

And accompanying notes to dimensial statements.

.

### LOUISIANA MUNICIPAL RESK MANAGEMENT AGENCY WORKERY COMPENSATION FUND

#### Notes to Pinancial Statements

#### December 31, 1998 and 1997

#### Stenificent Accounting Policies.

#### (a) Rechargend and Financial Summer Presentation

Locations thereing the Relations and Approx (LMRRA) to the related hard tradition of the Relation of Relation of the Relation of Relations of Relation of Relatio

Longitude Meansuper Association (LMA) is an association for the restrictedness of Londons and is tencoperated on a scoppedic corporation under the larve of the State of Londons. LMA acts as the administrator for LMEMA.

E2d: Management, Inc. (EMI) in a third party service agent primarily for LMEMA instance fault. IEM, a Logislana Corporation, is a wholly-award subadiary of LMA.

Luminiana Manaingai Bantere Paul Agancy (LMERA) was formed with Luminian Berniel Banana, Strampi, LIMERA contain distanced sith management agencies polling recenhads to provide instantion. Administration of the Agency is soored in the Trocoster board of LMA. LMERA missiane the LMERA Worker's Compensation Point. As of both Derender 33, 1998 and 1993, Jones rule 1998 and 1888 participation principation's interced by the 1998 and 1993, Jones rule 1998 and 1888 participation principation's interced by 3.

The various LMBMA Points, LMA and LMBMA are all attituant through converse membership and meangement research. Although all of these resistes are related patter, their variants find halavers are available only to the individual only for its operations. The first means much only is presented as a supporte, "hand door," early its incordence with CMBB 70 and 14.

### 5b) Beab of Accounting

The Fond is consistent as reaspoin fund and, accordingly, more the according to the four of economic promotes measurement focus. The Fond applies all applicable FASB processmenters insure to or before Neuropher 20, 1928 in according the is insertifient automation than processements in other with or committee TASB processements.

#### (c) hereitnen/c

Investments are reported in the value except for short-lows and among market investments, consisting primarily of U.S. tossarup obligations with a materialy of one year or loss at tree of parchane, which are reported at come. Fair value is based on the last reported also price if would be if not would be, this value is hand on instantand this value. Realized gains and losses an

### LOUISIANA NUNICIPAL RISK MANAGEMENT AGENCY WORKERS COMPENSATION FUND

#### Notes for Financial Statements

#### Econolex 31, 1995 and 1997

investmant accorded at fair value are included in investment increme. Investments include versionees of deposit, runnay mathat accounts, reputchers agreements and U.S. provinsion. Answer and Toward obligations.

#### (b) Previous became and Accounts Receivable

Previous an reception as income over the life of the policies as they become control. Any adjustments to around previous an considered to be a charge in estimate and an receptized inthe seer they become lower.

#### (c) Dimmid Chainer Liebible

-

The Phase constraints, there induces non-constraints of the scheme and interted on the scheme intermediate interpret. The topic particle with a large scheme in the scheme interpret interpret interpret interpret interpret interpret interpret memory and a scheme interpret interpret particle interpret inte

## 45 Shittment of Cash Flows

For the purpose of the statement of rath flows, each includes rath in demand deposit accounts with basks. Because cartificates of deposit, mensy making and reputchese agreement are usually machanel with materialiss of 0 does or more. Due to a distantion is investments.

#### (c) Rolanssace

The Fund was relativized apprendix to index its reporter to large losses in instand contexknistenance provide recovery of a portion of losses from missions, adhough it does not datalong the primary liability of the Fund as the datest instant of the roke seasons. The Fund does not report retenance side as indefinites nodess it is probable that show roke will not be evented to ensemble. As of May 1, 1996, LMRM, because the retenant For fund.

### the Deceme Towns

The Agency is around from Indexia income taxes under Socions 7791 and 135(3) of the Internal Revenue Code.

## LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY WORKERS' COMPENSATION FUND

Nation to Please inf Scatterenation

December 31, 1999 and 1997

#### (i) Use of Kohinster

Management of the Funds has made a sumder of estimates and assumptions soluting to the reporting of anests and liabilities to prepare these financial summaries in confarming with essentially accorded accounting prelicipits. Accord results could define from these estimates.

### 71 Related Paris Transactions

(a) Free and Services

LMA, RMI and LMBFA provides survices tabled to the self-instance finds operated for the breach of Lossician summinguistics. The free for these nervices are bound on a percentage of the respective curved nerviced neuroises. (SNP) is fullows:

	1995	1997
Expresses Administrative fee - LMA (2.45% of ENF pho interest careful	\$ 1,883,662	1,323,348
Service Agent - BMI (8.59% of ENP)	5	601,842
Reinstrates - LMRFA (10% of ENP	5644,800	715,322
Due to (from) all'illiate: LMA RME LMRFA	8 1,330,360 193642 (5,050	1,080,547 36,448 92,565
	5 1.583,856	1,299,868
LMRFA minutance merverint	\$ <u>653,524</u>	489,153

LMA also receives all interest carnings of LMBMA as part of this administrative fee. Amounts lave been scienced by LMA to the Fund based on the Board's discretion.

Dating 1997, LMA's board resolved to achien 252(h00) of the 1995 enroid administrative force backs to the L-fact of the Cartificative summed provision amount. 314(501) note and by semetyleddistis in the famin of tarifact neural face 1997 annual neural prevision propriots constanding methods of 252,M73 are methods to semetylenging for the 1199 prevision propriots productions in 522(2000) web-prevision and encounter 1), (991, Also included in memory amountains in 522(2000) web-prevision and encounter 1), (991, Also included in memory amountains in 522(2000) web-prevision and encounter 1), (991, Also included in memory amountains in 522(2000) web-prevision and and the factor of a permitting propriot and encounter 1).

Datug 1995, LMA's based analysed in school 5000,000 of the 1997 encode administrator free back to the fined. This amount to included in scenario provinces which the fined will not in the force of previous relations to the manipulation in 1999. The 523,000 of 1996 cannot administrative fact distributed by LMA in 1997 is included in total revenues at December 31, 1990.

Continued.

LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY WORKSPE COMPLEXATION 1130

Notes to Financial Statements

December 31, 2955 and 1997

# (%) Claims Exercise and Unital Claims Reserve

.

The following represent changes in the appropria liabilities for the Ford for the years ended Incomber 31, 1998 and 1997.

	2998	2997
	(Amounts is	s thousands)
Uspead claims and claim adjustment expenses at beginning of year - grins	813,332	18.838
Incored claims and claim adjustance expension Provision for insured ments of the correct		
pear Increase (decrease) in provision for invaried	2,198	2,489
aveaux of prior years	2.214	0.075
Total incurred claims and elsima adjustment expense	4,492	2,272
Population Claims and claim adjustment expresses attributible to insured events of entrone pair	(480)	0.0625
Claims and chim adjustment express analysis to invarid overse of prior years		(2,6%)
Total payments	(7.098)	0.729
Tend separat claims and claim adjust- ment expresses at end of year	34,686	13.92
Loss discounting at 5.8% and 6.0% for 1998 and 1997	(4525)	(5,401)
Less claims covered by relaxater (set of discount)		0.129
Copaid claims asserve	5 4,428	5,786

In addition to the suppoid claims covered by the reinsurers, there are \$183,003 and \$408,133 of paid claims which are recoverable from the reinsurer at December 33, 1998 and 1997, respectively. Sortial claims have accessed at humanoc coverage.

Kiminavit,

## LOUBIANA MUNICIPAL RISK MANAGEMENT AGENCY WORKTEN COMPLEXATION FUM

Notes to Pinaccial Storements

December 31, 1998 and 1993

#### d) Depends and Levestments

The lineal mate comply with Ruth Number 4 of the Commissions of Hammer, Stera of Lawismo, Lawismo B. 1990. The Mater 4, at a space in the financial Hammer's match by Hammer's and the Mater Deposite in Franceil Institutions may exceed the Debuglis proved sensors in any one function for space, and side profile and neutron is not in complexe Hydrogen Hydrogen Hydrogen Hydrogen of supplexe and show the deposite of the complexe and the complexe and a sensitivity of the Hydrogen Hydrog

Under Rich Number 4 of the Commissioner of housenee, State of Lookinaa, the Find any invest may apply contain in holpations of the U.S. Government and their in agricultur, as well as famakai institutions. Ischild in investmene an curificance of deposit, money markin accounts and reportange appearance. Bonny 1995, the Find changed in policy of maintaining a rath account in and reportange each as models from investmenes to support diabaneoustes. Consequently, a same cuch balance is nonmativation.

The band's investments are comparised below to give as indication of the local of risk assumed by the Total or gas see G. Langery 1 restricts are belied by the Total or to a parts in the Total same. Changes 2 in cludes unintend and temperatured increments for which the socialisis are hald by the index or a district's next alignment or again in the Point's same. Change y building submodel and strengthered applications of the Doub's same. The fair value for investments by scenity type on Economy 7.

		195	5	19	17
		Fair vider	Californy	Fair	Category
Certificates of deposit Morey market accounts U.S. Gevernment Anney	5	180,000		108,090 3,346,857	
Obligations U.S. Tenanary Obligations		11,282,688 18,582,851	;	11,425,089	1
	5	23,153,443		22.833.992	

(Continoed)

### LOUBIANA MUNICIPAL RISK MANAGEMENT AGENCY WORKERS' COMPLEXATION FUND

#### Notes to Fatencial Statements.

December 31, 1995 and 2007

The reliefuled potacities of investments beld were as follows at December 31

		1958	1997
Date in one year	5	5,821,190	8,470,935
Day after the year through five years			7,363,525
Due allor free pears through ten years			
Due after tes years		1,875,833	3,658,345
	5.	23.133,443	22.033.942

Included in investment hallocec as of December 31, 1998 and 1997 and densitive investments. These increments included U.S. Thesarry safets, calibrational energipte editpointees, and Booing rate standistic with a nuclei safet of \$2,187,443 and \$2,05,090 or of December 31, 1998 and 1997, singuisticity, These destinate increments are impress net sensitive and, as a result, could experience have maken and Reportation.

## 64 Reinsurance Policy Coverage

۱

During the periods unded Discussion 31, 1998 and 1997, LMRFA provided reinvariance to the Paul with the following associate provides

hose 1 \$2,000,000 annual aggregate in curves of \$0% of cannot access premium.

lieve II: \$3,000,000 each and every loss in energy of \$175,000 each and every loss

The Find and DADA's represent a corporative program for group funding and risk measurance of public field/in, rederer compensation and acceleration that haths claims of participating Lunings were/cplater. Athenets provides that as the participation are determined on an accussial book, obtained hathen by claims terminate with the anticipation.

The following are balance shoes for LMREX for the years ended December 31, 1998 and 1997.

#### Anets

Cash	5	108.335	200,744
Dec from additional			505,715
Reinstation receivable		406,258	125,886
	5	30,334,653	25,828,819

### LOUISIANA MUNICIPAL EBK MANAGEMENT AGENCY WORKERS' COMPENSATION FUND

#### Notes to Financial Statements

#### December 31, 1998 and 1997

# Liabilities and Retained Exercises

		1999	1999
Labilities: Uspail claims reserve Resonance psysis Dus to affiliate Unsated psysism Accessed psysism	,	12,131,000 613,238 63,330 36,162 8,342	14,852,000 558,885 208,486 8,236
		12,855,642	15,588,535
Retained newings		17,675,015	13,448,794
	۰.	30,514,655	29,828,819

Effective January 1, 1993, LMBPA parohand retenances for workers' componentian classes from a band party retreasure. The third party provided retenances to LMBPA with the following aggregate command.

laval: \$1,000,000 annual approprie

i

Bres B. \$1,000,000 such and every best in statest of \$50,000 such and every loss up to \$253,000

The chird party reinsoury is only responsible for these chiras incomed subsequent to January 1, 1993. LARTEA is the reinsoury for the chiras incomed during the years prior to January 1, 1993. REQUIRED SUFFLEMENTANT INFORMATION

## LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY WORKERS COMPENSATION FUND

## Year 2000 Disclowers (Usondraft)

The following is a sympose of Learnine Manipul Kok Management Agency's (LMRMA) actions to strate that net agency is your XXX0 completes. The Louisman Manipul Association (LMRMA) in the administration of the field. Table Management, the (XMR) is the deal party administration of the deal. These parties start to your XX00 compliant for the field to be completed. The LMRMA Field. AdA: and XMR and LARTies and Complexity for the field to be completed. The LMRMA Field.

#### Awareneos Singr

The Deputy Director of LMA began meaning the computer systems in 1998. The director of RME becan intervalue their computer system in 1996.

#### Assessment Name

The Dapary Execute of LMA susceed the computer systems and detennised which systems models appending to the spar 2000 compliant. STLADO was before the importence propagation of the spara 2000 compliant. STLADO was before the system of the

#### Remediation Shape

All LMA, computer hardware and software servicel to become your 2000 compliant was parchanol and installed in the first queries of 7999. Written restluction from accounting utrawar provider was infrained associate compliance. 2001 or first and hardware were updated in 7990.

#### Yadidatase/Testing State:

LMA has assumed from its version that its coprignment and software are your 2000 compliant. EMD result their system in February 1990 and performed a final test of the system in Meech 1990. All of first systems in mark war 2000 compliants.

Decause of the supported nature of the peer 2000 issue, its offsets and the success of sweethinking offsets will not be fully determinable until the year 2000 and thereafter. Management summer that LMRDAN is or will be your 2000 range, that the Agency's supported into effect with the successful in whether or is unit, or that matter with when the Amazer's does building will be easy 2000 range.

# LOUBLING INFORMATION NEW MICHAELINGAY MANY

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#### Security 51 1994

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DP and some			100	_185.~		-35.	de-	100		100	1971
said because	٠	10%	6.825	6,944	1706	1.64	120	8.80	1.80	4 8 10	42%
Opticiting proce- terminicated		1.07	100	2.80	3.161	0.00	1.04	110		140	1971
Printmini accent chills and expension and elipsiticy pre-		4421	4.455	591	1.1.0	6.00	201	(4)	410		1.000
Fed investigation as all					1.000						1.000
They prove heart		1	-38	120	120	12	140	22	認識	106	122
First part later First seatchater Sn. yawa later					1	60	1.09	140	100	100	100
New York Line New York Line Press (new Line)									112	120	1000
Errichment in send distance of the send											1.14
The of pairs year the pair has The pair has The pairs are		603	340	31	531	255	104	200	222	100	33
Place place from Place providence Place place lowy					6.965	222	100	252	112	100	100
Righ your has him your has								-	200	5	100
Annual Manual In Annual States											200
364 Constraints			-10	8	ю	141	100	141		34	- 10

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## Report on Compliance and on Internal Control Over Financial Reporting Dated on an Andit of Financial Statements Performed in Accordings with Generations Andition Standards

Officers and Trastors Louisiana Masacipal Risk Management Agency Workers' Communities Fund

We have added the financial manement of Lambians Meniopal Hick Management Agency - Workin' Componention Fault as of and for the year called December 36. 1998, and have issued our report henced deted lines 11, 1999. We conducted our mult is accordance with generally accessed auditing statistics and the statistic applicable on francial maltic contributed in *Community Auditing Statistics*, similarly the Component's Character of the Workin Banes.

### Compliance

As part of theating responsible seasoner about whether the Fund 5 featured intermets are two of caused minimeterests, as performed into all is compliance which craims providuous it have, significant, contacts and prote, neurosphene with which could have a drives and reasterial affect on the destinations of Fauncial intermets memory. However, preventing as a spherics on resubstates which does previous was not an objective of car and it and, coverdingly, we do not represe with an exploit. The scalar of our acts disclosed in instances of execution and and and explored to the prevention due for the state of our acts disclosed in temperate disclosed and the state of the scalar of our acts disclosed in temperate of executions and its met prevention. The scalar of our test disclosed in temperate disclosed and and according to the scalar of the

### Instruct Control Over Feasocial Reporting

In placing and performing our party or sensitivity the place place planet provide the place plac

This report is intended solely for the information and use of Lowinkess Manipuge EoA Management Agency -Workey' Comparison Break, the Lowinson Explaintier Anders''s Officer and the Commission of Issuemers, Store of Lowinson, and is not intended to be and should are be used by aryone other data there used Field antics.

KPMG LEP

Jane 11, 1999

## LOUISIANA MUNICIPAL RESERVE FUND AGENCY

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Financial Statements and Schedule December 31, 1998 and 1997

With Independent Antisters' Report Thereon

### LOUISIANA MUNICIPAL RESERVE FUND AGENCY

## Table of Contents

Independent Auditors' Report	
Pinancial Statuments:	
Rolance Sheets	
Shaaroonis of Revenues, Expenses and Changes	
on Retained Parwings	
Statements of Cash Flows	4
Notes to Pinnecial Statements	611
Received Superheastneys Informations	
Year 2000 Disabasers	12
Schedule	13
Export on Compliance and on Internal Control over Finencial Reporting Banad on an Audit of Financial Statistical Performed in Accordance with	



Suite 2022 City Staff Scient

### Independent Auditory' Seport.

Officers and Transes Louisiana Municipal Reserve Fund Americs:

We have added the accompanying balance sheets of Louisian Manaique Barway Fund Agarway or quartpublic expansion (the Fund) as of December 33, 1998 and 1997, and the related statements of re-remencipations and autoined caratings, and eash flows for the years then redds. These framewide statements are to responsibility of the Fundy statements. Our responsibility is no express an option on these framesial statements have in our addition.

We consisted our and/se in accordance with generally accepted and/ing gatafack and with Generatory acking Standards, reading Van Generalder General of the United Data. This plan net perform the and/se to chain reasonable manamere about whether the finational narrows are first a standard advantament. As and it to chain consisting an one of these, whether the propering the transmission functions in the financial processors. As and it to be conclude a performance the according finational functions in the financial processors. As and it to be conclude a performance the according fination of the functions in the financial processors. As and it to be conclude a performance the according processors and functions in the financial performance according to the standard performance.

In our options, the financial dialocates whered to above paramet fairly, in all material negotic, the functional providence (Longiana, Maniquight Baraver, Faich Aggreys (as of Davacine 3). (1994) and 1997), and the results of its optications and its cash flows for the years then ended in conformity with generally averaged accounting priorities.

In accordance with Generoscore Audicing Standards, we have also issued a report, dated June 11, 1999, see nor consideration of the Fund's internal contact over financial apporting and our texts of its compliance with reveals new internal contact over a sease.

The year 2000 supplementary information to page 12 in or a requiring part of the formation interactions, business of the second interactions of the second interaction of the



One and/or some rando for the purpose of forming an episton on the basis financial skinowers islaw as a whole. The supplementary indomation included in the Schedule is proceeded for purposes of indefinition simpless and on an experimely part of the hansis instantial attacements. Such the formation has been explored to the and single purposedness applied to the works of the financial attacement and, in our option, is fighly stored in a manying interposed on the south as of the financial attacement tables as which.

KPMG UP

Aug. 11, 1999

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### LOUISIANA MUNICIPAL RESERVE PUND AGENCY

Dalance Shoets

## December 33, 1998 and 1997

Asset		1998	1997
Carls (sole: 0) Investment (sole: 0) Doe: from affiliants (sole: 2), net Accessed interest receivable Beinnestment receivable	5	100,326 29,685,877 333,294 408,358	308,344 27,882,054 565,715 343,980 128,886
		30,534,655	21.033,519
Linklities and Retained Earnings			
Linklifer Uppald dates, science (sole 7) Unaread promine Reinstance psychie Date to allithere (toric 2) Averand Improves	8	12,131,800 39,892 613,738 43,379 8,342	14,882,000 106,486 590,803 9,236
Relationd exemings, and of pour		12,855,642	13.580,325
Related ownings		17,629,013 30,534,655	13,440,291 29,020,819

See accompanying rates to financial statements.

### LOUISIANA MUNICIPAL RESERVE FUND AGENCY

## Numerory of Revenues, Economy and Chapters in Echined Economy

## Years ended December 33, 1998 and 1997

	1998	1997
Revoluces Prumisum income (toto 2) Investment income	5 2.363.734 2.312.148	2,498,531 2,535,035
Tatal ocyanis	4,474,582	5,003,555
Expenses Chiras expense (note 3) Reinsurance provision expense Miteelinerens	(171,696) 364,122 46,237	2,116,992 328,336 49,133
Total expresses	235,663	2,494,485
Net income	4,236,719	2,908.095
Ratained samings, beginning of year	13,440,294	10,331,214
Retained carnings, and of year	8 13,478,013	13,448,294

See, accommonsion noiry in financial statements,

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### LOUISIANA MUNICIPAL RENERVE FUND AGENCY

Spectreats of Cash Horo

## Trans ended Descender 21, 1998 and 1997

	1955	1992
Cash flows Arees operating activities Net income Lass adjustment for investments income	5 4256.719 02.02.0480 2.026.511	2,589,893 (2,535,825) (25,832)
Adjustingents to reconside net income to not cook perceled by forced in repeations: Decrement (contrars) in a day form additional and minimum rescaledate	36.20	(31,850
Decreared income in suppoid claims sectors because in summad pressions due to affiliate, measures or subscription and contact supernov	(1,151,000) 25,117	910,000
Taxal adjustments Net each provided by faced interpretation activities.	(2.438,630) (712,94%	689.477
Code Brave from investing activities: Prachase of investments Subbauarity of investments Investingent instructions	(31,348,661) 9,913,827 1,346,885	(7,190,341) 4,023,534 2,686,532
No cash provided by taxed inj investing writches	312,091	054280
Net increase (decrease) in cash		
Cedu, begioning of year	100,544	\$1,079
Cards, and of year	5 100,326	308.144

See accompanying which is financial statements

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LOUISIANA MUNICIPAL EESEKYE PUND AGENCY

Nature to Financial Statements

December 31, 1979 and 7997

#### D Significant Accounting Policies

#### (a) Recknowed and Financial Statement Distribution.

Lociation Municipal Reserve Tand Agency (LMRRA or the Fund) was freezed and transitions Revised Status (E.S.10400). LMRRA Contrisc of landback list resurgement garvelue pointing revisor lands to patient resonances. Administration of the Agency is reased in the liberative Board of LMRA. HMRRA resonances for Landsian Municipal Risk Amazynean Agency (LMRRA) Fublic Labelty, Wodry: Compression, and Accelerat and Health Fund). LMRRA is resonance manipulation.

LBRMs were found and a Lansama Art No. 402 of 1991 to provide a program of overlarcompression, available and hash and price direct direct processing for sources (resonance) and the experimental processing of the strength of the strength of the strength of the strength of the Lansama are englished upserspective. The program's present directive are to formalize, develop, and animativer, model of the morthly can generative the directives. In program of matched and the strength of the price program and the strength and anti-strength of the strength of the strength of the strength of the distance of the strength of the strength of the strength of the strength of the distance of the strength of the strength of the strength of the strength of the distance of the strength of the strength of the strength of the strength of the distance of the strength of the strength of the strength of the strength of the distance of the strength of the strength of the strength of the strength of the distance of the strength of the distance of the strength of th

Louisians Municipal Association (LMA) is an association for the municipalities of Louisiana and is incorporated as a reon-pool is corporation under the laws of the State of Louisiana. LMA acts as the administrator for LMEMA.

Rid. Management, Inc. (RMI) is a third-party service agent primerity for LMRMA incomese fields. RML a Logistian Connection, is a web/fr-served salidates of LMA.

The various LMRMA Fouls, LMA and RMI are all affidated idexuply common membranks and management result. Although all of these resities are related parties, their varies regists accesses are available only to the individual entity for its regretations. For this reason each atting in presented as a present "read almos" entry is accessing within. Not this reason each atting its presented as a present "read almos" entry is accessing within. Not this reason each atting its presented as a present "read almos" entry is accessing within.

### (H) Real of Accession

The Fault is considered an enterprise fault and, accordingly, uses the accruat method of seconding and the flow of economic resources measurement from. The Fault applied appliedble FASB promouncements issued on at buffers biomader 30, 1999 in accounting for its reporting to their these resourcements and on the buffer who consider 30, 1999 in accounting for its reporting to their these resourcements accounting the second secon

#### (c) Meconent

Invertures are reported as this value eccept for data team and money market investments, consisting primarily of U.S. teamy collegations which a summity in their year team or at item of parchase, which are reported at unit. Fair value is based on the last separated sales price if validably if not available, fair value is based on extension fair value. Realized gains and locate on LOUISIANA MUNICIPAL RESERVE FUND AGENUT

Nation in Figuretal Statements

December 31, 1995 and 1997

investments recorded at fair value are included in investment income. Investments tochair overheases of depents, memory market accounts, reportance agreements, and U.S. poveyment Agency and Transmy obligations.

#### (d) Prendent became and Day from Althouse

The previous income of LMREX collected is the connect year is hand on a previous per desend second previous of DMREX collected respectation and performance descent performance they were called Descender 25, 1995 and 1997, LMREX periodic retransment deschy or manipelaptics for transformation and SEGTER and SEGTER interview. The contrastorted descent period collected and and an antipelaptical test for the framework period with any and meteored collection, an angulation collect, are immunicable for the framework period and are remembed blue immunit.

#### (c) Useald Claims Linhibry.

The field methods, their Likelite from on scenars of the states or of other states of the states of

#### (D. Sutement of Cenk Plows

For the propose of the interesting of calls flows, cath includes cash in-charmed deposit assesses with hands. Become certificates of deposit, memory analysis and reparational agreements would y perchared with meanings of 90 days or mera, they are classified as investments (see note that the second seco

#### (g) Income Taster

The Agency is exempt from federal income usus under Sociaas. 7781 and 115(3) of the Internal Enverse Code.

### LOUISIANA MUNICIPAL RESERVE FUND AGENCY

Noors to Hausseigh Statements

December 31, 7998 and 1992

#### (b) Use of Extension

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Management of the Fund has made a worker of estimates and incomptions telating to the reporting of assets and liabilities to prepare these financial astatements in conformaty with assets the scenario accounting articelates. Actual results could differ from house estimates.

#### 11 Related Party Transactions

LMA. EMI and LMBPA provide services scherel to the self-instance function protocols of Louisian remotiopation. The face for these services are based on a percentage of the respective cannot meaning promising (DMP) or follows:

	Heinsarance		1998	1992
Releasance income: LMBMA: Public Liability Worker/ Compensation	34.5% ENP 50.0% ENP	\$	1,522,415	1,943,60
		5	2,491,214	2,420,882
Dae dao from affiliair: LMRMA Public Liability LMRMA Workers' Compensation		\$	(53.3340 (6.035)	473,090
		5	103,2799	565.215

## 13) Chains Expense and Unpaid Chains Boserve

The deflowing represents changes in the apprepart liabilities for the Fund for the pears ended December 53, 1995 and 1997.

	(Awonate in	(boundo)
Uppaid claims and claim adjustment mproves at beginning of year becaused claims and claim adjustment moments	521,899.	13,977
Provision for insured events of the convert year Document in provision for insured consult of prior years	2,302 (5,813)	3,991
Total incurred claims and claims adjustment expense	(1511)	1,116

(Centimed)

#### LOUISIANA MUNICIPAL RESERVE DUND AGENCY

#### Nature to Element of Statements.

#### December 31, 1998 and 1995

		1998 (Alexanda in	1997
Paperence: Cheme and chain adjocationst experime attributible to instand events of entrust year			(148)
Chains and chains adjustment expresses aniholdabies in instanti events of prior poors Total opyments		(2,979)	0.329
Total unpaid claims and claim adjacences expresses at end of your		17,500	21,990
Less discounting at 5.8% and 6% for 2998 and 2997		(5,500)	(7, 108)
Unpaid claims reserve	۰.	12,121	14,682

#### d) Exposits and investments;

LM217, max comply with Biok Meeber et et the Commissions of Instance, State el Loniston, Concerling to JRC 1996 at 4, 48 options in Instances Lanistonic multi by their approxime. Mult be Deposite to franceize instances and the concerling the state of the state of the state of the Deposite to franceize instances rate account for Bolter/Br instruction with or new concerling and the state of the

The demand deposits are entropy-leed below to give an industrian of the level of sisk assauld at your and. "Businof" deposits are those balances protected by Federal depository insurance. "Uninversel" denotes an informational business of informal depository insurance.

	-	2998	
Inseed Universed		108,325	100,344
	۰.	100.325	100,544

(Continued)

#### LOUISIANA MUNICIPAL RESERVE FUNDAGENCY

Nones to Pinneski Statework

Deemder 31, 2998 and 1997

Under Rule Namber 4 of the Commissioner of Inverses, State of Latitization, the Fund any Invert my surgius modules in edupations of the U.S. Covergenerate and my approximate any static function of inverses of the covergeneration of education of the state of the sta

Caugory 3 increments include severities which are instand or regimered or recentive held by LMRPA are in agare in LMRPA's name. The U.S. Coversesses approx deligation instantantal are direct indegations regimeration in the ranke of the best and belle by herwals investment agare. The remety market necessis are estimationed by colliptions of the U.S. Coversessen registered in the name of and bell by the Proof sume.

The fair value far insumments by type at December 31, 1998 and 1997, and at follows:

		15	98	214	17
		Fair	Californ	Fair value	Compo
December 31, 1997: Monry market accounts U.S. Commance Access	\$	2,990,342		2,402,196	
Objection U.S. Transry Obligation		14,839,373 9,994,353		18.368,856 1.899,452	1
	١.	29,683,877		21.882.094	

The scheduled contackies of securities held were as follows at December 31:

		1999	1992
Dec in one year Dec after one year through five years Dec after five year, through tan years Dec after five years	\$	7,689,358 11,198,363 5,100,863 5,486,893	6,349,329 8,681,349 7,628,833 6,082,874
	5	29,683,877	25,882,854

Contenado

#### LOUISIANA MUNICIPAL RESERVE RENRAGENCY

News to Financial Statements

December 33, 1998 and 1997

Reinstrumte Polley Construer.

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For the year ended December 31, 1994, LMRFA provided ministrators to LMRMA Accident and Bodds, Public Linkiter and Workers' Composation Fields with the following approach constant:

Workers' Compensation Field

hars 1: \$2,000,000 anneal appropriate in encess of 80% of particul premium

Earts II. \$2,000,000 such and every loss in excess of \$175,000 such and every loss.

Public Laberry Panel

Euro I: \$5,000,000 annual approximate in excess of 65% of particul particul permission.

Terry B. SJORODO rath and every loss in matrix of \$200,000 rath and every loss.

Accident, and Health Fund

Jum I: Annual aggregate in excess of 129% of annual aggregate retention (89% of Earned Normal Premium), kined at a minimum of earned normal premium.

hum II. \$950,000 each and every loss in encess of \$50,000 each and every loss.

Effective January 1, 1999, LMEEX obtained commercial minuscover for claims as follows:

Workers' Compensation Fend

keep1 \$1,000,000 annual accessories

Jern II: \$1,000,000 each and every loss in cuzess of \$58,000 each and every loss up to \$790,000

No changes were made in the Public Liability Fend coverses.

The LMRMA Accident and Health Fund abiated commercial reinsonance effective January 1, 1993 and is not covered by LMRPA.

LMHMA and LMHMA represent a comparison preparation for group banding and tak management of pretricipation of the structure of participating Lancing managements. Although pressness while the the pretricipation of characteristic or an actional band, while the balance balance press, wends the matrixings.

As of December 33, 1995, LMEPA also prevides minutance for 3 manicipalities for sosiant' composition chilow-up to no namal aggregate amount maping from 60% to 80% of door standard previous. REQUEED SUPPLEMENTARY INFORMATION

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#### LOUISIANA MUNICIPAL RESERVE FUND AGENCY

Year 2000 Disclosures (Unsmitted)

The following is a spappin of Laukiana Musicipal Rearre Faud Agercy's (LMURA) actions to concere that our agercy is year 2000 compliant. The Loukiana Municipal Association (LMA) is the administrator of the dural. Real Municipant, Inc. 1004) is to hild party administrator of the Music. These parties num be prare 2000 compliant for the fund is be compliant. The LMRMA Fault, LMA, and RMI are all allikated through reasons moderation and management method.

#### Amarcness Mage

The Deputy Director of LMA began assessing the computer systems in 1998. The director of 3MI began assessing their computer system in 1996.

#### Accounted State

The Depuig Director of LMA moreoid the computer systems and determined which systems needed signaling to be prize 2000 compliant. STLAM was holdered in 1999 for computer capterness and 54.000 was bulgated in 1999 for computer software replacement. The director of KMI bired a computer constraint to assume their company hadronic and sufferent would be reat 2000 compliant.

#### Remediation States

AI LMA computer landmase and sufficient resolut in because year 2000 compliant was proclosed and installed in the limit quarter of 1999. Writers notification from accounting software provider was obtained rooting employment. IRMI software and hardware wear system in 1990.

## **Validation/Testing Stage**

LMA has assurances from its venders that its equipment and software are year 2000 compliant. IMI total their system is bibliouty 1999 and performed a final new of the system in March 1999. All of their systems are new pair 2000 compliant.

Because of the supercendented nature of the year 2000 issue, in effects and the sectors of translation efforts, will not be firstly described by the sector of the other 2000 issue of the sector. Meangement ensures assue that LMMAA is an well be year 2000 rends, that the Agency's temediation effort will be tracecould in whole as in part, at that parties with whom the Agency does besidence will be varia?2000 model.

# LOCALIZATION AND INCOME.

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			_et.			-9%	den-	180	190		1993
ANY and downloaded	ï	1.010	2004	440	6.027	440	4,811	4.005	3.761	3.267	LAIM
Operating a Disk.		40	40	10	60	38		1			
domoutineed domoutineed and growy put		2.91	3,000	1.481	330	4344	3.00	1.04	1.110	1.8.2	1.01
Factor berned string or off Excellent policy paint String point been String point been Factor point been Factor point been Factor point been Bon a workhop Bon a workhop								121252		101010101010	1025422
Recentrated account classes and classes recent Recent of protocol Recentration of the Recentration of the		1.764	121	182	100	12121	122222	12121212	10000000000	Heaters.	
Research Strengt VB extension The party challen and Expenses have and Expenses are				0.884	47	1.575	10		has		144

2.1. Effective bases 1.1999. An important part of the improvement of a fair value have

has a monopological independent and many more

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#### Report on Compliance and on Internal Control Over Financial Reporting Based on an Acalis of Financial Statements Performed in Accordance with Convenient Acaling Standards

Officers and Tradics Louisiana Manieral Benerry Fund Accurcy

We have audual the financial strategens of Lowiston Manacipal Revere Fund Agency the Food so of and far the year ended December 33, 1998, and have issued our report theorem dural lines 11, 1999. We conducted our audit in accordance with generally accepted auditing standards and the metadous applicable to financial audit contained in Generatore Auditing Aundaeds, issued by the Camproder Devend of the Vision Hates.

#### Compliance

As part of obtaining resumable assesses, about whether the Fund's framacial materians are five of assesserial resultances, no portioned have of its compliance with orbit provintions of these, reputations, constants and gassies, noncompliance with which could have a direct and material white on the deterministics of frames latticent assesses. However, portioning an optimism compliance with them provides on an est on objective of non-analis and, morehoutly, so do not represe and an experiment. The Deterministics of frames latticent assesses of an assessment that are experient and an experiment. The Deterministic of frames deterministic and and and assesses that are experient and as a specime. The Deterministic of the Mathematic

#### Internal Control Over Pinancial Reporting

In planning and performing one make an exceedance due have a transmission counter over themse with presents in planning and performing the second sec

This report is introduced valuely for the information and nor of Louisiana Manisipal Reserve Fourd Agency, the Louisiana Legislative Audion's Office and the Commissioner of Investors, State of Louisiana, and is not introduced to be and should be the used by anywave other than these specifical parties.



hear 11, 1999.



### LOUISIANA MUNICIPAL ASSOCIATION UNEMPLOYMENT COMPLEXATION FUND

Financial Statements

December 31, 1998 and 1997

With Independent Auditors' Report Thereon

#### LOUBLANA MUNICIPAL ASSOCIATION UNEMPLOYMENT COMPENSATION FUND

Table of Contents

Independent Androns' Report	
Desarial Antements	
	2
Notes to Financial Statements	58
Received Superlamentary Informations	
Your 2000 Disabourus	
Report On Coundance and on Internal Control Over	
Audicing Dandords	14-11



Suite 2000-One Shall Square New Others LA MEND-2005

Information And Inty' Report

Offices and Trackets Lucitizes Menicipal Association Uncontracted Connectation Tradi-

We have audited for neveroparying halows shown of Loniziana Manizigal Association - Decopleyment Cooperandon first to gene public regeneratory the Fund is an Deconder 31, 1998 and 1997, and the initial association of terrorism, expression and theory in twinned meetings, and an effective in the years their works. These featurely interpret and theory in twinned meetings, and with lows in the lay year their memory as reasion of them financial meetings of the Fund's management. Our responsibility is in memory and ensistence of the financial meetings in the second sec

We remeated our and/s in association with generally accepted and/sign methods and with Generators Andreng Standards, most by the Comparison of Commit of the United Status. These manufacts replant they plan and perform the end() to characterize teaming and is the Machine Lancound association with the andrend and association. As and its feeling teaming and is the Machine American and Yang and American American and American and American American and American and American and American American and American American American and American American and American and American American

In our optimin, the financial macroarts toleval to above present fields, in all material separation of provident of the separation and the second provident of the secon

In accordance with Generomeur Auditing Bandards, we have also based a report, doted Tawe 11, 1999, on our consideration of the Fund's instrumit costed over flameful reporting and our term of its compliance with outain mericanse of flame, sequilations, construction and across.

The year 2008 sequeneous of inducation on page 4 is not a requising part of the financial materians, but is sequences and the second sequences of the commonical Alexander generated 4 is used as of a fit or added contain procedures practical by preferences and the second sequences of the second s



une 11, 2292.



### LOUISIANA MUNICIPAL ASSOCIATION UNIMPLOYMENT COMPENSATION FUND

Balance Sheets

December 31, 1998 and 1997

Assets	2998	1997
Cash in hanks (note 4) Accesses receivable Accessed inserts receivable Insectores (note 4)	\$ 25,347 20,599 45,208 6,332,394	33,840 38,084 38,741 5,833,335
	5 0.451,549	5,548,911
Liabilities and Retained Earnings		
Labelites: Accessed experioes Upped vlatice reserve (note 3) Pulicy/colder dividued psychle (note 2)	\$ 59,354 43,422 100,800	4,714 43,754
	222,554	50,428
Ratained cartrings	6.228.966	5,895,433
	5 6.451.543	5,945,911

Non-supported interaction to Departure of the second statements

### LOUBIANA MUNICIPAL ASSOCIATION UNEMPLOYMENT COMPENSATION FUND

## Statements of Revenues, Expenses and Changes in Retained Damings

## Years ended December 31, 1998 and 2997

	1998	1997
Bryomani Promiese income Investment income	5 \$1,551 585,586	156.013 096.415
Total revenue	633,147	832,435
Engenness Chains expense (some 3) Service agent Proleybodder dividend (note 2) Miter/Innerson	214,663 322,397 180,000 1,355	15L099 21,055 5.130
Tatal expenses	337,614	176,244
Not increase	332,333	\$75,184
Extained carnings, beginning of year	5,896,433	5.233,149
Extrained comings, end of year	5 6,228,866	5,896,433

See accompanying notes to Enancial statements.

## LOUBRANA MUNICIPAL ASSOCIATION UNEMPLOYMENT COMPENSATION FUND

## Statements of Cash Plans

## Yours ended Dacasibar 31, 1998 and 1997

		1998	1997
Cash flows from optiming refriction for income Loss adjustment for investment income	5	332,533 (598,586)	636,184 (596,435)
		(256,053)	(23,231)
Adjustments to recoverie wit instants to not each used in operations: Decreme in suspiral chains nearwy Instance in singular chains nearwy Instance (document) in nearwork expresses and public/odder (divided provide		18,614 19,856 152,440	13,544 3,597 (3,679)
Tend adjustments		190,710	15,122
Not cash used in openning autivities.		(85347)	0.109
Cash Brows from investing activities: Produces of investments Salis commanies of investments language income membro		(5,730,685) 4,441,850 435,685	(881,257) 630,357 330,367
Not each provided by (mod in) investing activities		106,650	(4.333)
Nys montane (decorated) in cards		41,507	(10,H2)
Cash, beginning of plat		33,640	43,892
Cash, and of year	\$	15.16	33,640

Soc accompanying soles in financial dataments.

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#### LOUBLING MENICIPAL ASSOCIATION UNIMPLOYMENT COMPENSATION FEMIL

Nones up Financial Statements

December 31, 1998 and 1993

### (1) Similiant Accounting Policies

#### (c) Dedermond and Deservird Nationard Deservision

Lunciana Municipal Association: - Useraphysioned Compensation Final (the Fanit) was forward under Leostiana Berning Statistics 20.1552. The Pinal remotes of Lunciana remoinplifting pinal applier in self-ionanzer approximity with megnet to samplayment compression load instance. Administration of the Fund is scened in the Ensemble Starf of Lonsinen Manicipal Association.

Louising Manicipal Association (LMA) is an association for the runnicipalities of Lauisiana and is incorporated as a mespeodic corporation under the laws of the State of Lauisiana. LMA acts as the administrator for the Fund.

As of December 31, 1998, there were 5,722 participants and 135 participating municipalities. As of December 33, 1997, there were 5,772 participants and 137 participating remacipalities.

The Fired and LMA are atfluand through converse membership and management control. Alkough back of these emissions are related perions, their quipt is available only to the individual entity for its operations. For this remove each entity is presented as a separate "stand aloas" entity in accentions with GASE DD and GASE 16.

### (b) Bank of Accounting

The Fund is considered an energetise fund and, accordingly, cars the averagi models of according and the flow of reconstrine resources resourcement (new). The Find applies all applicable FAMB pressurements issued on or before November 30, 1923 in accounting for in constraints and the flow pressurements in confisient economics (OVB) resourcements.

#### 523 Cash and Cash Flores

For the purposes of the statements of rath flows, rath includes rath in densed deposit accounts with back. Increase coreflocates of deposit, memory matters and reportaless agreements are smally purchased with materials of 10 days or non-or non-relevant contensoriely, they are checkled as increasents. Deposits are consider at new and are separately deployed on the laborer devest see with in lamits.

#### OD Antennets

I

Investments are imported at this value couple for shortness and manap models investments, considing primarily of U.S. response (Odgamons within a matering of new part or fex at clear of parakate, which are repeated at evol. Fair value is based on the fait separated active pixel at a variable. If new arrandols, fait values is based on the fait separated active pixel at a simulative intermediate the second second second second second second or investment recorded at fait value are included in investment fair value. For advantage pixel and locus or investment recorded at fait value are included in investment account. Eventments are consist at second second roles, and the observed of the Faired's investment advances and frames.

Included in investments are contributed of provid with original materials of greater data 50 alogs, deputis in money market accounts, contributes of deputis, investments in U.S. Government Account Diligations and Treasury and short-term reporting automation.

(Centineed)

### LOUISIANA MUNICIPAL ASSOCIATION UNEMPLOYMENT COMPENSATION FUND

NORCE TO FIRMWING MUNICIPALITY

December 31, 1995 and 1997

#### (r) Unnaid Claims Linhaber

Chiam reprine research of criterand amounts for chieres increased during the neurose peer and adjustments to the accounting columns of point pears' drivers opposed. Bockman the adjustment for the provide loss memory represents changes to recorrecting criterans, there shows not reform the provide loss memory reprint to the adjustment in the second second second in centrals of the partial they however known. The Parti statisticates cheme haddless howed on minutes of the changes can be changed the accounted loss of our started.

## (D. Jecone Xaces

The Fund is exempt from foderal increase tases under Sections 7301 and 115(1) of the Internal Revenue Code.

## (g) Use of Estimates

Management of the Paral has made a number of extension and assumptions relating to the reporting of anoth and kablishis to prepare these financial assumptions resolvering with proveible serviced accounting principles. A struct tends result could define how these metiones

## (2) Helated Party Transactions

In 1996, the LMA based approved a robust of \$100,000 of 1997 leavest runnings to be paid to receiver of the Fund as 1999. This robust would be received based on promose payment for the year 1997 and paid to these neuroinghilts the mean methods with based on the fund.

## (3) Chiese Expense and Uspaid Clobes Reserve

The following represents changes in the aggregate Kabilities for the Paul for the years ended Discussive 31, 1978 and 2097;

1995 In this stands Urgeld chiles and chile adjustments 44. ..... 214

#### LOUBTANA MUNICIPAL ASSOCIATION ENEMPLOYMENT COMPENSATION FENE

Notes to Figureial Statement

December 31, 1998 and 1997

(in thousand)		enh0
\$	(151)	(186)
-	(44)	(40)
_	1099	(149
	47	
	, , , ,	\$ (151) 

Settled claims have not exceeded insurance reserver, in our of the next three fraud years.

## (4) Cash and Exceptances

Cash in balas is carlied at our. Coefficient of deposit, money market accurate and reporthane agreements are included in investments at their average material is general than 80 days and the answers are referenced exercises.

The densed depends are margorized to give an indensities of the level of stick assessed as seen end. Tassess<sup>2</sup> depends are finance balances presented by folderal dependers inseasure or pledget collision. Universite<sup>2</sup> depends are these balances in accesses of folderal dependery inseasure. Death accesses balances and corridorates of deposit as linear balance are uniter inseased or meaned by cultareau and balances.

	-	1998	1997
Incerned United area	5	15,147	33,640
	5	15,147	33,840

Under Rufe Namher 4 of the Commissioner of Assertance, State of Louisiana, the Fand may involve any samplar monitor in this patient of the U.S. Commission and in agencies, as well as financial toolmeter builded its involvement as or certificates of denotes', money manufact accounts and remember accounter.

The Fund's increasements are compared on follows on give an indication of the level of sitk assumed by first Fund at your end. Chargency I successful can half by the Fund at its approximation for a same. Compary 2 includes minimum I and comparison of investments for which the meanings can hald by the behavior's or inductory many documents or negative in the Data or to can. Personally, therefore, and hald by the

Costinands

#### LOUISIANA MUNICIPAL ASSOCIATION USEMPLOYMENT COMPENSATION FUND

Nature to Ferencial Statement.

Excenter 31, 1999 and 1995

complatered investments for which the securities are held by the hwiter or dealer, or by its insedependences or agent, but not in the Pand's name.

The fair value for involutions by accurity type at December 31, 1998 and 1997 are as follows:

	2998		1997	
	Fair value	Сатерну	Fair value	Calegory
Morey market accounts 5 U.S. Dependenci Append	499,668		\$28,449	
	3,745,216			
U.S. Theasury securities	2.066,910	i	2.873,853	i
,	6,332,794		3.837.326	

The scheduled enterthics of acceptions held were as follows at December 31-

1

۱

		1995	1997
Dat in one year		1.131.212	903.799
Due after the scars through sea years			
Due after ten years		1,642,987	2,843,856
	5	6312,294	5,811,325

Included in investment laboration as of Discontine 31, 1998 and 1997 are derivative investments. These investments included U.S. Trensery steps and collisionshoed neurogen eldopation with marchs values of SPORMS and SERDELAS as as Descenter 33, 1998 and 1997, respectively. These constraints investments are intercent net scenterious, and as a result, could acportance signalicant famous marks, value discussions. NEQURED SUPPLEMENTARY INFORMATION

#### LOUISIANA NUNICIPAL ASSOCIATION UNEMPLOYMENT COMPENSATION FUSI

### Year 2000 Disclosures (Unandiref)

The differing is a systepsi of Leaking Manippl Association – Unexployment Comparation Fund's the Panel actions to ensure that our approx is your 2000 complete. The Leaking Manippl Associations (LMA) is the administration of the famil. The Fund and LMA are adficient fixingly common negatively and consequence control. Therefore, LMA must be your 2000 complete for the Fund is be compliant.

#### Amarchen Marr

The Deputy Discussor of LMA began assessing the computer systems in 1998. Assessment Since

The Departy Director of LMA assumed the company systems and determined which systems needed opposing to be your 2000 compliant. \$13,400 was independ in 1999 for company sequences, and \$4,000 was independ in 1999 for communic advancement researchers.

#### Rewardhading Many

AII LMA computer howingse and software method to became year 2000 compliant was purchased and installed in the first quester of 1999. Written metification from accounting refresse provider was obtained sourcise consultance.

#### Validation/Tortine Step:

LMA has accounted, from its venders that its readonness and software are near 2000 curvellant

Because of the improvednated statuse of the year 2006 issue, its effects and the nearess of remediation efficiency well not be fully distinuished be used for year 2000 and detective. With the successful and the LHMMA is or will be year 2000 mesh, that the Agnecy's transflation affects will be successful in wheth or is part, or that parties with wheth the Agnecy due business will be used 2000 study.



Earler 2000 Drue (Shell Equine Name Orlinging LA 2000-2000

### Report on Compliance and on Internal Control over Planacial Reporting Based on an Audit of Planacial Statements Performed in Accordance with Generatory Auditor Statements

Officen and TRIMER Locisiona Manicipal Association Dominipant Composition Fund:

We have undered the financial structures of Landsians Materiapal Association - Uncorphyrene Componential field the financial of and for the year cauded December 31, 1999, and have insued one spontaneous stand large 11, 1999. We conducted our and in accordance with generally accordance of second text Concernible applicable to financial audits contained in Generower' Auditing Standards, issues for the Concernible Testing.

#### Comphanie

As part of obtaining mean-pailer summace shows whether the TheoD Manuscki statements are free of moriesial instantaneous, we performed texts of the compliance with centing provisions of these, regulations, construct and games, neuroscopilance with which could have a direct and anarying efforts on the dominantias of financial instances assumes. However, providing an options on compliance with flower provisions and the abspective of not andle and, accordingly, we do not impect as such as reprints. The results of our gets debrace to pisatance of sources flower that providingly, we do not impect and our proteins. The results of our gets debrace to pisatance of sources flower that prove that the source of an administry of the source of the dominantial of the source of the dominantial sources of the source of the source of the source of the dominantial of the dom

#### Internet County Over Financial Reporting

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KPMG UP

Aug 11, 1999