

**THE LMTA FOUNDATION, INC**  
Baton Rouge, Louisiana

**FINANCIAL REPORT**

December 31, 2020

**THE LMTA FOUNDATION, INC**

Baton Rouge, Louisiana

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## INDEPENDENT AUDITOR'S REPORT

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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of LMTA Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LMTA Foundation, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of LMTA Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LMTA Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LMTA Foundation's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
June 28, 2021

**THE LMTA FOUNDATION, INC**

Baton Rouge, Louisiana

**STATEMENT OF FINANCIAL POSITION**

December 31, 2020

**ASSETS**

**2020**

**ASSETS**

Cash	\$ 803,394
Receivables	194,355
Prepaid expenses	<u>3,122</u>
Total assets	<u>\$ 1,000,871</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Payables	\$ 11,526
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**NET ASSETS WITHOUT DONOR RESTRICTION**

989,345

Total liabilities and net assets	<u>\$ 1,000,871</u>
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The accompanying notes to financial statements  
are an integral part of these statements.

**THE LMTA FOUNDATION, INC**

Baton Rouge, Louisiana

**STATEMENT OF ACTIVITIES**

For the year ended December 31, 2020

	<u>2020</u>
<b>REVENUE AND SUPPORT</b>	
Program	\$ 1,037,520
Interest Income	1,342
Donations	<u>4,453</u>
Total revenue and support	<u>1,043,315</u>
<b>EXPENSES</b>	
Program	51,672
Management/general	<u>2,298</u>
Total expenses	<u>53,970</u>
Change in net assets	989,345
<b>NET ASSETS WITHOUT DONOR RESTRICTION</b>	
Beginning of year	<u>-</u>
End of year	<u>\$ 989,345</u>

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

**THE LMTA FOUNDATION, INC**

Baton Rouge, Louisiana

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 989,345
Increase in receivables	(194,355)
Increase in prepaid expenses	(3,122)
Increase in accounts payable	<u>11,526</u>
Net increase in cash and cash equivalents	803,394

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>-</u>
End of year	<u><u>\$ 803,394</u></u>

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

**THE LMTA FOUNDATION, INC**

Baton Rouge, Louisiana

**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended December 31, 2020

	<b>Program</b>	<b>Management &amp; General</b>	<b>Total</b>
Legal and professional services	\$ 50,473	\$ 2,260	\$ 52,733
Donations	1,041	-	1,041
Meals and entertainment	158	-	158
Office supplies and software	-	38	38
Total expenses	<u>\$ 51,672</u>	<u>\$ 2,298</u>	<u>\$ 53,970</u>

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



**THE LMTA FOUNDATION, INC**

Baton Rouge, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and operations**

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

**Financial statement presentation**

The financial statements report activities and amounts by class of net assets:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restriction and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Foundation does not have net assets with donor restrictions at December 31, 2020.

The statement of activities presents expenses of the Foundation's operations.

**Basis of presentation**

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

(Continued)

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **New accounting pronouncement**

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this ASU to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. The Foundation adopted ASU 2018-08 upon beginning of operations. The provisions of this standard resulted in no significant changes in the way the Foundation recognizes contributions.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the fair value of donated assets and depreciation. The Foundation had no estimates as of December 31, 2020.

### **Revenue recognition**

Program revenue is recognized when earned on a quarterly basis. Revenues from exchange transactions primarily consist of surcharges collected from program participants by the Louisiana Office of Motor Vehicles.

Donations primarily consist of grants and gifts from individuals, corporations, and foundations. Unconditional contributions are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are released into net assets without donor restrictions.

### **Cash and cash equivalents**

For purposes of the statement of cash flows, the Foundation considers cash in bank accounts as cash. Cash equivalents include investments with original maturities of three months or less.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Receivables**

Receivables consist primarily of amounts due for program services. The Foundation recognizes an allowance for receivables in an amount equal to the probable losses net of recoveries. The allowance is based on an allowance of historical experience, current receivables aging, and expected future write-offs. The expense associated with the allowance is recognized as a program expense. As of December 31, 2020, management has determined that no allowance for uncollectible receivables is deemed necessary.

**Functional allocation of expenses**

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

**Income taxes**

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

**Subsequent events**

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 28, 2021, which was the date the financial statements were available to be issued.

**NOTE 2 - CONCENTRATION OF RISK**

The Foundation typically maintains cash and cash equivalents in local banks that may, at times exceed the FDIC limits. Management believes this risk is limited. The cash accounts at this time exceeds the limit with an exposure in excess of the FDIC insured limits by \$553,394.

**NOTE 3 - LIQUIDITY AND AVIALABILITY OF FINANCIAL ASSETS**

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

Financial assets, at year-end:	
Cash	\$ 803,394
Receivables	<u>194,355</u>
Financial assets available for general expenditures within one year	<u>\$ 997,749</u>

The Foundation does not have any amounts with contractual or donor-imposed restrictions within one year of the balance sheet date.

**NOTE 4 - RECEIVABLES**

As of December 31, 2020, The Foundation has a receivable balance of \$194,355, which is expected to be received during the month of January in the subsequent year. The receivable balance is the expected fourth quarter revenue.

**NOTE 5 - RELATED PARTY TRANACTIONS**

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

Also, the Foundation has a relationship with the Louisiana Motor Transport Association. The two work together in providing the same goal of improving highway safety. For the year ended December 31, 2020, the Foundation made payments in total of \$39,283 for legal and professional services.

**NOTE 6 - REVENUE CONCENTRATION RISK**

The Foundation received approximately 99% of its revenue from surcharges collected by the Louisiana Office of Motor Vehicles as set forth by Act 314 of the 2019 Legislative Session.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of LMTA Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2021.

### *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered LMTA Foundation's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LMTA Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of LMTA Foundation's internal control.

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

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

