

LOUISIANA MOTOR VEHICLE COMMISSION

OFFICE OF THE GOVERNOR

A COMPONENT UNIT OF THE

STATE OF LOUISIANA

FOR THE FISCAL YEAR

ENDED JUNE 30, 2004

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

Release Date 9-15-04

ERICKSEN KRENTEL & LA PORTE LLP

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM

CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>		1 - 2
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>		4 - 7
<u>BASIC FINANCIAL STATEMENTS</u>		
Statement of Net Assets	A	9
Statement of Revenues, Expenses, and Changes in Net Assets	B	10
Statement of Cash Flows	C	11
Notes to Basic Financial Statements		13 - 20
<u>REQUIRED SUPPLEMENTARY INFORMATION (RSI)</u>		
Budgetary Comparison Schedule	<u>Schedule</u> 1	22
<u>SUPPLEMENTARY INFORMATION SCHEDULES</u>		
Schedule of Per Diem Paid to Commissioners	2	24
Schedule of Comparison Figures	3	25
Schedule of Findings and Questioned Costs		26-27
Management's Corrective Action Plan		28-29
Schedule of Prior Year Findings		30
<u>OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS</u>		
Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		32 - 33
<u>OTHER SUPPLEMENTARY INFORMATION REQUIRED BY LOUISIANA LAW</u>		
Financial Information Required by the Office of Statewide Reporting and Accounting Policy		35

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM

JAMES E. LA PORTE*
RICHARD G. MUELLER
RONALD H. DAWSON, JR.*
KEVIN M. NEYREY
CLAUDE M. SILVERMAN*
KENNETH J. ARNEY*
W. ERIC POWERS

*PROFESSIONAL CORPORATION
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - RETIRED

INDEPENDENT AUDITORS' REPORT

Louisiana Motor Vehicle Commission
Office of the Governor
State of Louisiana
Metairie, Louisiana

We have audited the basic financial statements of the Louisiana Motor Vehicle Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Louisiana Motor Vehicle Commission's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Louisiana Governmental Audit Guide, 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Motor Vehicle Commission as of June 30, 2004, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2004, on our consideration of the Louisiana Motor Vehicle Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

ERICKSEN KRENTEL & LA PORTELLE

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Louisiana Motor Vehicle Commission
Office of the Governor
July 21, 2004
Page 2

The Management's Discussion and Analysis, as listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of expressing an opinion on the basic financial statements taken as a whole. All other accompanying financial information listed as supplementary information, or other supplementary information, in the table of contents is presented to comply with the requirements issued by the State of Louisiana, and is not a required part of the financial statements of the Louisiana Motor Vehicle Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

July 21, 2004

Erickson, Krentel & LaPorte LLP

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

The Management's Discussion and Analysis (MD&A) of the Louisiana Motor Vehicle Commission's business-type activity basic financial statements presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements.

The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" issued June, 1999. Certain comparative information between the current year and prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

Basic Financial Statements:

The basic financial statements present information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets presents the current and long-term portion of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Assets presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

The Statement of Cash Flows presents information showing how cash changed as a result of current year operations. The Cash Flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement No. 34.

FINANCIAL ANALYSIS OF THE ENTITY

**Statement of Net Assets
As of June 30, 2004 and 2003**

	<u>As of 6/30/04</u>	<u>As of 6/30/03</u>
Current and other assets	\$ 1,051,965	\$ 916,718
Capital assets	<u>488,178</u>	<u>495,349</u>
Total assets	<u>1,540,143</u>	<u>1,412,067</u>
Current liabilities	72,987	32,927
Long-term liabilities	<u>56,314</u>	<u>52,989</u>
Total liabilities	<u>129,301</u>	<u>85,916</u>
Net Assets:		
Invested in capital assets, net of debt	488,178	495,349
Restricted	-	-
Unrestricted	<u>922,664</u>	<u>830,802</u>
Total net assets	<u>\$ 1,410,842</u>	<u>\$ 1,326,151</u>

The Commission does not have any "restricted" net assets. It does have "unrestricted" net assets that do not have any limitations on how amounts may be spent.

Net assets of the Commission increased by \$84,691, or 6.0%, from June 30, 2003 to June 30, 2004. The costs associated with the operation of the office and the revenues generated have remained relatively constant, with increases in fees charged to fund additional staff and statewide travel in 2004.

**LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

**Statement of Revenues, Expenses, and Changes in Net Assets
For the years ended June 30, 2004 and 2003**

	<u>As of 6/30/04</u>	<u>As of 6/30/03</u>
Operating revenues	\$ 1,409,860	\$ 1,177,714
Operating expenses	<u>1,334,809</u>	<u>1,155,607</u>
Operating income	75,051	22,107
Net operating revenues (expenses)	<u>9,640</u>	<u>12,184</u>
Net increase in net assets	<u>\$ 84,691</u>	<u>\$ 34,291</u>

The Commission's total revenues increased by \$232,146, or 16.5%. The total cost of all programs and services increased by \$179,202, or 13.4%. Revenues increased because of a planned change in fees. Expenses increased due to additional staff and an increase in statewide travel by the staff.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

At June 30, 2004, the Commission had \$488,178 invested in a broad range of capital assets, including furniture, office equipment, automobiles, office building and improvements, and land. This amount is net of accumulated depreciation on those assets. In addition, it represents the original cost of the capital assets, and reflects a net decrease (including additions, deductions and depreciation) of \$7,171 or 1.5%, over last year's net total amount. The table below lists capital assets by type, net of accumulated depreciation:

**Capital Assets at Year-End
(Net of depreciation)**

	<u>As of 6/30/04</u>	<u>As of 6/30/03</u>
Furniture and equipment	\$ 54,099	\$ 59,189
Automobiles	17,935	35,339
Buildings and improvements	318,944	303,621
Land	<u>97,200</u>	<u>97,200</u>
Total	<u>\$ 488,178</u>	<u>\$ 495,349</u>

**LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

Debt:

The Commission had no debt outstanding at year-end. However, the Commission had long-term liabilities totaling \$56,314 all of which was accrued annual leave outstanding at year-end. This is an increase of \$3,325, or 6.3% from prior year figures.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Please see the Schedule of Comparison Figures found later on in the audit report for the original and final budget amount comparisons.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Commission's appointed officials considered the following factors and indicators when setting up next year's budget, rates and fees. These factors and indicators include: (1) increased litigation costs due to an increase in vehicle manufacturer and dealer disputes as well as hearings on other violations by the industry; (2) additional personnel and related costs due to the growth of our industry.

CONTACTING THE COMMISSION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Commission's finances, and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Louisiana Motor Vehicle Commission at 3519 12th Street in Metairie, Louisiana 70002 or call them at 504-838-5207.

BASIC FINANCIAL STATEMENTS

**LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004**

ASSETS

Cash and cash equivalents	\$ 1,051,965
Capital assets, net of accumulated depreciation	<u>488,178</u>
Total assets	<u>1,540,143</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	53,029
Payroll liabilities	19,958
Accrued annual leave	<u>56,314</u>
Total liabilities	<u>129,301</u>

NET ASSETS:

Investment in capital assets, net of related debt	488,178
Unrestricted	<u>922,664</u>
Total net assets	<u>\$ 1,410,842</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004**

OPERATING REVENUES:

Licenses, permits and fees	\$ 1,364,469
Fines and penalties	44,974
Other revenue	417
	<hr/>
Total operating revenues	1,409,860
	<hr/>

OPERATING EXPENSES:

Salaries and related benefits	811,391
Professional services	228,557
Operating services	116,733
Materials and supplies	38,498
Travel and other charges	84,865
Depreciation	54,765
	<hr/>
Total operating expenses	1,334,809
	<hr/>

Operating income	75,051
	<hr/>

NON-OPERATING REVENUES (EXPENSES):

Interest income	9,640
	<hr/>
Total non-operating revenue (expenses)	9,640
	<hr/>

Change in net assets	84,691
----------------------	--------

Net assets at beginning of year	1,326,151
	<hr/>

Net assets at end of year	\$ 1,410,842
	<hr/> <hr/>

See accompanying NOTES TO FINANCIAL STATEMENTS

**LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:

Cash received from license fees, permits and fines	\$ 1,409,443
Cash payments for salaries and related benefits	(804,871)
Cash payments to suppliers for goods and services	(431,789)
Other operating revenue	417
	<hr/>
Net cash provided (used) by operating activities	173,200
	<hr/>

CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital expenditures	(47,594)
	<hr/>
Net cash provided (used) by capital and related financing activities	(47,594)
	<hr/>

CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:

Interest on investments	9,640
	<hr/>
Net cash provided (used) by investing activities	9,640
	<hr/>

Net increase in cash and cash equivalents	135,246
Cash and cash equivalents at beginning of year	916,719
	<hr/>
Cash and cash equivalents at end of year	\$ 1,051,965
	<hr/> <hr/>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating income	\$ 75,051
Adjustments to reconcile operating income to net cash:	
Depreciation	54,765
Changes in assets and liabilities:	
Increase (decrease):	
Accounts payable	36,864
Payroll deductions and accrued expenses	3,195
Accrued annual leave	3,325
	<hr/>
Net cash provided (used) by operating activities	\$ 173,200
	<hr/> <hr/>

See accompanying NOTES TO FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Louisiana Motor Vehicle Commission (the Commission) is a component unit of the State of Louisiana created within the Office of the Governor, as provided by Louisiana Revised Statutes 36:109 E (9), 32:1251 et seq. and 6:969.1 et seq. The Commission is currently composed of 15 members, who are appointed by and serve at the pleasure of the Governor. The Commission is charged with the responsibility of regulating all areas of the new car industry, including motor vehicle sales finance companies, operating in Louisiana. Operations of the Commission are funded with license fees, fines and interest earnings.

Basis of Presentation

The accompanying financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. Application of GAAP often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The State of Louisiana and its components have adopted the provisions of GASB Statement No. 34, Statement No. 37 and Interpretation No. 6 effective July 1, 2001. This statement calls for significant changes to a governmental entity's financial presentation format, including the requirement for management's discussion and analysis and presentation of "government-wide" financial statements (statement of net assets and statement of activities) on a full accrual basis of accounting.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting, therefore, revenues, including license fees, interest and other revenues of the Commission, are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

The State of Louisiana is the governing authority and the governmental financial reporting entity for the Louisiana Motor Vehicle Commission. The financial reporting entity consists of (a) the primary government (State of Louisiana), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the State of Louisiana to impose its will on that organization, and/or,
 - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State of Louisiana.
2. Organizations for which the State of Louisiana does not appoint a voting majority, but are fiscally dependent on the State of Louisiana.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the state has the ability to significantly influence the designation of management by the Governor appointing the Commissioners, and public service is rendered within the state's boundaries. The accompanying financial statements represent activity of the Louisiana Motor Vehicle Commission, and, therefore, are a part of the fund and account group structure of the State of Louisiana and its basic financial statements.

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

(1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Office furniture and equipment	5 years
Automobiles	5 years
Office building and improvements	40 years

Annual and Sick Leave

Employees earn vacation and sick leave at rates established by the Louisiana Department of Civil Service. The rate varies from twelve days of vacation time and twelve days of sick leave per year for new employees and up to twenty-four days of each for employees with over fifteen years of service. Employees can carry over unused vacation and sick leave time indefinitely. Upon termination of employment, the Commission is obligated to pay employees at their current hourly rate for all unused vacation time up to 300 hours. Upon retirement, any unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

At June 30, 2004, employees of the Commission had accumulated and vested \$56,314 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The amount is recorded as a long-term liability on the Statement of Net Assets with a current portion established for estimated usage within one year. The cost of leave privileges are recognized as a current year expenditure when leave is earned.

Risk Management

The Commission pays insurance premiums to the State of Louisiana, Office of Risk Management to cover risks that may occur in normal operations. The State pays premiums to the state's self-insurance program and to various insurance agencies for stop-loss coverage.

Encumbrances

Encumbrances are not recorded, and therefore, no reservation of net assets is necessary.

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The presentation 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) BUDGETARY ACCOUNTING

The Commission adopts a budget each fiscal year. The budget is submitted to the Legislative Auditor and other legislative offices in compliance with LSA-R.S. 39:1331-1342. The original budget for the fiscal year 2003-2004 was adopted on February 11, 2003, and was prepared and reported using the same accounting procedures and practices that are used in preparing the annual financial statements. The Commission reserves all authority to make changes to the budget. Budgeted amounts in the accompanying financial statements include the original budget and all subsequent amendments. Appropriations lapse at year-end.

(3) DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include cash reported on the balance sheet. Under state law, the Commission may deposit funds with a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Commission may invest in time certificates of deposit of state banks organized under laws of the State of Louisiana, the laws of any other state of the union, or the laws of the United States. Louisiana statutes permit the Commission to invest in United States bonds, treasury notes, certificates, or other obligations and agencies of the U.S. Government which are federally insured, and certificates of deposit of states banks organized under the laws of Louisiana and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

(3) DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

The carrying amount of all cash on the Statement of Net Assets totaled \$1,051,965 at June 30, 2004, with petty cash of \$100 included in that figure. The bank balance per the bank statement totaled \$1,061,523. These deposits were secured from risk by \$100,000 of federal depository insurance, and \$961,523 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

The following is the only banking institution, account number and amount of the bank balance shown above.

<u>Banking Institution</u>	<u>Account Number</u>	<u>Amount</u>
Bank One	0700362096	\$ 1,061,523
Petty Cash	N/A	100

(4) CAPITAL ASSETS

The capital assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the Statement of Net Assets of the Commission and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the Commission is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets. A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

Capital Assets:

	<u>Balance</u> <u>7/1/03</u>	<u>Additions</u>	<u>Balance</u> <u>6/30/04</u>
Furniture and equipment	\$ 333,807	\$ 21,552	\$ 355,359
Automobiles	87,017	-	87,017
Buildings and improvements	366,893	26,042	392,935
Land	97,200	-	97,200
Total	<u>\$ 884,917</u>	<u>\$ 47,594</u>	<u>\$ 932,511</u>

Accumulated Depreciation:

	<u>Balance</u> <u>7/1/03</u>	<u>Additions</u>	<u>Balance</u> <u>6/30/04</u>
Furniture and equipment	\$ 274,618	\$ 26,642	\$ 301,260
Automobiles	51,678	17,404	69,082
Buildings and improvements	63,272	10,719	73,991
Total	<u>\$ 389,568</u>	<u>\$ 54,765</u>	<u>\$ 444,333</u>

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

(5) RETIREMENT SYSTEM

Substantially all employees of the Commission are members of the Louisiana State Employees Retirement System (LASERS), cost-sharing, multiple-employer, defined benefit pension plan administered and controlled by a separate board of trustees. LASERS is a statewide public employee retirement system which provides retirement, disability and survivors' benefits to plan members (state employees) and beneficiaries. Benefits granted by LASERS are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in LASERS, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature.

LASERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the retirement system. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (504) 922-0608 or (800) 256-3000.

The contribution requirements of plan members and the Commission are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate to equal the actuarially required employer contribution as set forth in Louisiana Revised Statute 11:102.

Funding Policy

Employees are required by state statute to contribute 7.5% of their annual covered salaries, and the Commission is required to make employer contributions based on an actuarially determined rate. The current employer rate is 15.8% of annual covered payroll. The Commission's employer contributions to the System for the years ended June 30, 2004, 2003 and 2002 were \$55,152, \$51,367 and \$44,648, respectively, and these amounts equaled the required contributions for those years.

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

(6) POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Commission provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Commission's employees become eligible for these benefits if they reach normal retirement age while working for the Commission. These benefits for retirees and similar benefits for active employees are provided through the Louisiana State Employee Group Benefits Insurance Program, whose monthly premiums are paid jointly by the employee and by the Commission. The Commission recognizes the cost of the employers portion of the insurance premiums of retirees as an expenditure when the monthly premiums are paid during the year (on a pay-as-you-go basis). For the year ended June 30, 2004, the Commission's cost of benefits paid for two retirees in the program totaled \$8,020.

(7) LONG-TERM LIABILITIES

The only long-term liabilities during the fiscal year were for accrued annual leave. The following is a summary of the accrued annual leave liability changes during the year:

Accrued annual leave at July 1, 2003	\$ 52,989
Increase	36,298
Decrease	<u>(32,973)</u>
Accrued annual leave at June 30, 2004	56,314
Amount estimated to be used within one year	<u>(13,175)</u>
Long-term portion	<u>\$ 43,139</u>

Many of the Commission's employees have accumulated annual leave in excess of 300 hour maximum referred to earlier. Therefore, any increases in accrued annual leave arise primarily from annual increases in hourly wage rates applied to the hours accumulated.

(8) LITIGATION AND CLAIMS

According to the Commission's legal counsel, there is no litigation pending, or claim, against the Commission which has the probability of a material adverse affect on the Commission's statement of net assets as of June 30, 2004.

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

(9) DEFERRED COMPENSATION

Substantially all employees of the Louisiana Motor Vehicle Commission participate in the Louisiana Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code 457.

Funding Policy

Insofar as budgetary constraints permit, the Commission will contribute 25% of each permanent employee's taxable income, up to the maximum prescribed by law, into the State of Louisiana Deferred Compensation Fund. For the year ended June 30, 2004, the Commission's cost of benefits paid for employees in the program totaled \$118,896.

Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, permits and fees	\$ 1,330,000	\$ 1,330,000	\$ 1,364,469	\$ 34,469
Fines and penalties	50,000	50,000	44,974	(5,026)
Interest income	9,000	9,000	9,640	640
Other revenue	1,000	1,000	417	(583)
	<u>1,390,000</u>	<u>1,390,000</u>	<u>1,419,500</u>	<u>29,500</u>
EXPENDITURES:				
Salaries and related benefits	811,000	811,000	811,391	(391)
Professional services	202,800	202,800	228,557	(25,757)
Operating services	130,000	130,000	116,733	13,267
Materials and supplies	35,000	35,000	38,498	(3,498)
Travel and other charges	85,000	85,000	84,865	135
Depreciation	54,000	54,000	54,765	(765)
	<u>1,317,800</u>	<u>1,317,800</u>	<u>1,334,809</u>	<u>(17,009)</u>
Net change in fund balance	72,200	72,200	84,691	12,491
Fund balance at beginning of year			<u>1,326,151</u>	
Fund balance at end of year			<u>\$ 1,410,842</u>	

See Auditors' Report

SUPPLEMENTARY INFORMATION SCHEDULES

Schedule "2"

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO COMMISSIONERS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Meetings Attended</u>	<u>Per Diem</u>
Jacob Drago	32	\$ 1,600
Arthur W. Tait	27	1,350
Gerald R. Lane	20	1,000
C. Robert Bohn, Jr.	18	900
L. Peter Roy, III	18	900
V. Price LeBlanc, Jr.	16	800
David M. Mann	16	800
W. Lee Domingue, Sr.	13	650
Cloid White	10	500
Alexis D. Hocevar	10	500
Michael E. Shetler	6	300
W. Julian Foy	4	200
Terry G. McFillen	2	100
Allen I. Boudreaux	2	100
Ernest A. Burguieres, III	2	100
Ralph E. Pool	2	100
Marshall Hebert	2	100
Calvin W. Braxton	2	100
Jacqueline L. Edgar	2	100
	<u>204</u>	<u>\$ 10,200</u>

The schedule of per diem paid commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Commissioners are paid \$50 for each Commission meeting they attend, as authorized by LSA-R.S. 32:1253.

LOUISIANA MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
SCHEDULE OF COMPARISON FIGURES
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 1,419,500	\$ 1,189,898	\$ 229,602	19.3%
Expenses	1,334,809	1,155,607	179,202	15.5%

Revenues increased due to a planned increase in license fees. Expenses increased due to additional staff and an increase in state-wide travel by the staff.

2) Capital assets	\$ 488,178	\$ 495,349	\$ 7,171	1.4%
Long-term debt	56,314	52,989	3,325	6.3%
Net assets	1,410,842	1,326,151	84,691	6.4%

None of the differences resulted in a 10% change.

	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
3) Revenues	\$ 1,390,000	\$ 1,390,000	-	0.0%
Expenditures	1,317,800	1,317,800	-	0.0%

None of the differences resulted in a 10% change.

	<u>2004 Final Budget</u>	<u>2004 Actual Amount</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 1,390,000	\$ 1,419,500	\$ 29,500	2.1%
Expenditures	1,317,800	1,334,809	17,009	1.3%

None of the differences resulted in a 10% change.

**LOUISIANA MOTOR VEHICLE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

We have audited the financial statements of Louisiana Motor Vehicle Commission as of and for the year ended June 30, 2004, and have issued our report thereon dated July 21, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2004 resulted in an unqualified opinion.

SECTION I SUMMARY OF AUDITORS' REPORTS

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ___ Yes X No

Reportable Conditions X Yes ___ No

Compliance

Compliance Material to Financial Statements ___ Yes X No

b. Federal Awards **Not Applicable**

Internal Control

Material Weaknesses ___ Yes ___ No

Reportable Conditions ___ Yes ___ No

Type of Opinion on Compliance Unqualified ___ Qualified ___
for Major Programs Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

___ Yes ___ No

c. Identification of Major Programs: **Not Applicable**

CFDA Number(s) Name of Federal Program (or Cluster)

LOUISIANA MOTOR VEHICLE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

Dollar threshold used to distinguish Type A and Type B Programs \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ___ Yes ___ No
Not Applicable

SECTION II FINANCIAL STATEMENT FINDINGS

2004-1 Leave

Criteria: Employees earn vacation and sick leave at rates established by the Louisiana Department of Civil Service. Each employee's rate depends on their years of service.

Condition: During the year two employees earned vacation and sick leave at a higher rate than their years of service allowed. One of the employees took leave in excess of the amount earned.

Effect: The two employees were earning more leave time than the established rate allows.

Cause: Management failed to periodically review leave reports to verify the accuracy of data relating to each employee's earnings rate.

Recommendation: Management should review each employee's earnings rate and years of service on a regular basis to ensure proper credit is being given.

Management's Response: Management agrees with the recommendation, and will begin to comply immediately.



State of Louisiana
LOUISIANA MOTOR VEHICLE COMMISSION

Kathleen Babineaux Blanco
Governor

Lessie A. House
Executive Director

July 21, 2004

**CORRECTIVE ACTION PLAN RELATIVE TO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Louisiana Motor Vehicle Commission respectfully submits the following corrective action plan for the year ended June 30, 2004.

Name and address of independent public accounting firm:

Ericksen, Krentel & LaPorte, L.L.P.
4227 Canal Street
New Orleans, Louisiana 70119
Contact: Ronald H. Dawson, Jr.

Audit Period: 07/01/03 to 06/30/04

The findings from the June 30, 2004 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule. Section I of the schedule, Summary of Audit Results, does not include findings and is not addressed.

II. FINANCIAL STATEMENT FINDINGS

REPORTABLE CONDITIONS

2004-1. Leave

Recommendation: Management should review each employee's earnings rate and years of service on a regular basis to ensure proper credit is being given.

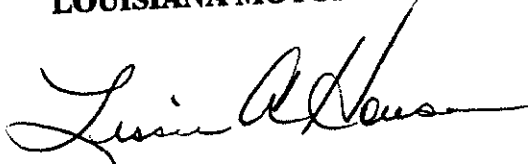
Management's Response: Management agrees with the recommendation, and will begin to comply immediately.

July 21, 2004
Page 2

If there are any questions regarding this plan, please call Lessie House at (504) 838-5207.

Yours very truly,

LOUISIANA MOTOR VEHICLE COMMISSION

A handwritten signature in cursive script, appearing to read "Lessie A. House".

Lessie A. House
Executive Director

**LOUISIANA MOTOR VEHICLE COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

2003-1 Budget Submitted Late

The original budget for the fiscal year ended June 30, 2004 was submitted to the proper authorities on February 11, 2003. In accordance, with Louisiana Revised Statutes, the budget should have been submitted by January 1, 2003.

Management filed its June 30, 2005 budget report in a timely manner by January 1, 2004.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

Not Applicable

SECTION III MANAGEMENT LETTER

Not Applicable

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM

JAMES E. LAPORTE*
RICHARD G. MUELLER
RONALD H. DAWSON, JR.*
KEVIN M. NEYREY
CLAUDE M. SILVERMAN*
KENNETH J. ABNEY*
W. ERIC POWERS

*PROFESSIONAL CORPORATION
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - RETIRED

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Louisiana Motor Vehicle Commission
Office of the Governor
State of Louisiana
Metairie, Louisiana

We have audited the basic financial statements of Louisiana Motor Vehicle Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated July 21, 2004. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Motor Vehicle Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Louisiana Motor Vehicle Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-1.

ERICKSEN KRENTEL & LAPORTELLER

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Louisiana Motor Vehicle Commission
Office of the Governor
State of Louisiana
July 21, 2004

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of management and State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

July 21, 2004

Ericksen, Krentel & LaPorte LLP

Certified Public Accountants

**OTHER SUPPLEMENTARY INFORMATION
REQUIRED BY LOUISIANA LAW**

LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities (includes Instructions)	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments (Instructions in back)
D.	Capital Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Post Retirement Health Care and Life Insurance Benefits
J.	Leases
K.	Long-Term Liabilities
L.	Litigation
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Cooperative Endeavors
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets

Schedules

1	Schedule of Per Diem Paid Board Members
2	Schedule of State Funding
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
5	Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non GAAP Basis
15	Schedule of Comparison Figures

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2004

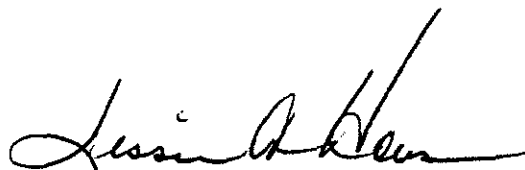
LOUISIANA MOTOR VEHICLE COMMISSION

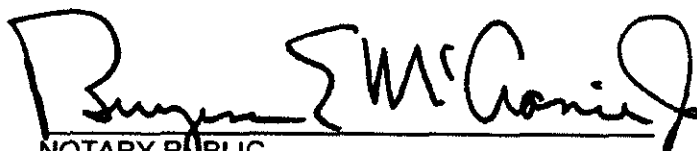
Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Lessie House,
Executive Director of Louisiana Motor Vehicle Commission who duly sworn, deposes and says, that
the financial statements herewith given present fairly the financial position of
Louisiana Motor Vehicle Commission at June 30, 2004 and the results of operations for the year then
ended in accordance with policies and practices established by the Division of Administration or in
accordance with Generally Accepted Accounting Principles as prescribed by the Governmental
Accounting Standards Board. Sworn and subscribed before me, this 25 day of August, 2004.


Signature of Agency Official


NOTARY PUBLIC

Prepared by: Ing-Ya Cattle

Title: Accounting Technician

Telephone No.: (504) 838-5207

Date: August 25, 2004

STATE OF LOUISIANA
LOUISIANA MOTOR VEHICLE COMMISSION
BALANCE SHEET
AS OF JUNE 30, 2004

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$	1,051,965
Investments (Note C2)		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		1,051,965

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Capital assets (net of depreciation)(Note D):		
Land		97,200
Buildings and improvements		318,944
Machinery and equipment		72,034
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		488,178
Total assets	\$	1,540,143

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	72,987
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		13,175
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		86,162

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		43,139
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		43,139
Total liabilities		129,301

NET ASSETS

Invested in capital assets, net of related debt		488,178
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		922,664
Total net assets		1,410,842
Total liabilities and net assets	\$	1,540,143

The accompanying notes are an integral part of this financial statement.

Statement A

STATE OF LOUISIANA
LOUISIANA MOTOR VEHICLE COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	1,409,443
Other	417
Total operating revenues	1,409,860
OPERATING EXPENSES	
Cost of sales and services	1,280,044
Administrative	_____
Depreciation	54,765
Amortization	_____
Total operating expenses	1,334,809
Operating income(loss)	75,051
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	_____
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	9,640
Total non-operating revenues(expenses)	9,640
Income(loss) before contributions and transfers	84,691
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	84,691
Total net assets -- beginning as restated	1,326,151
Total net assets -- ending	\$ 1,410,842

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA
 LOUISIANA MOTOR VEHICLE COMMISSION
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
BTA	\$ <u>1,334,809</u>	\$ <u>1,409,443</u>	\$ _____	\$ <u>74,634</u>
General revenues:				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				<u>9,640</u>
Miscellaneous				<u>417</u>
Special items				_____
Transfers				_____
Total general revenues, special items, and transfers				<u>10,057</u>
Change in net assets				<u>84,691</u>
Net assets - beginning				<u>1,326,151</u>
Net assets - ending				\$ <u><u>1,410,842</u></u>

STATE OF LOUISIANA
LOUISIANA MOTOR VEHICLE COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

Cash flows from operating activities		
Cash received from customers	\$	1,409,443
Cash payments to suppliers for goods and services		(431,789)
Cash payments to employees for services		(804,871)
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		417
Net cash provided(used) by operating activities		<u>173,200</u>
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>-</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		(47,594)
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(47,594)</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		9,640
Net cash provided(used) by investing activities		<u>9,640</u>
Net increase(decrease) in cash and cash equivalents		<u>135,246</u>
Cash and cash equivalents at beginning of year		<u>916,719</u>
Cash and cash equivalents at end of year	\$	<u>1,051,965</u>

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
 LOUISIANA MOTOR VEHICLE COMMISSION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2004**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>75,051</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>54,765</u>	
Provision for uncollectible accounts	<u> </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u> </u>	
(Increase)decrease in due from other funds	<u> </u>	
(Increase)decrease in prepayments	<u> </u>	
(Increase)decrease in inventories	<u> </u>	
(Increase)decrease in other assets	<u> </u>	
Increase(decrease) in accounts payable and accruals	<u>36,864</u>	
Increase(decrease) in accrued payroll and related benefits	<u>3,195</u>	
Increase(decrease) in compensated absences payable	<u>3,325</u>	
Increase(decrease) in due to other funds	<u> </u>	
Increase(decrease) in deferred revenues	<u> </u>	
Increase(decrease) in other liabilities	<u> </u>	
Net cash provided(used) by operating activities		\$ <u><u>173,200</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	<u> </u>
Contributions of fixed assets	<u> </u>
Purchases of equipment on account	<u> </u>
Asset trade-ins	<u> </u>
Other (specify)	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
Total noncash investing, capital, and financing activities:	<u><u> </u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

INTRODUCTION

The Louisiana Motor Vehicle Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 36:109 E(9), 32:1251 et seq. and 6:969.1 et seq. The following is a brief description of the operations of Louisiana Motor Vehicle Commission which includes the parish/parishes in which the Louisiana Motor Vehicle Commission is located:

The Commission, which is located in Jefferson Parish, is charged with the responsibility of regulating all areas of the new car industry, including motor vehicle sales finance companies operating in Louisiana. Operations of the Commission are funded with license fees, fines and interest earnings.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Motor Vehicle Commission present information only as to the transactions of the programs of the Louisiana Motor Vehicle Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Motor Vehicle Commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Motor Vehicle Commission are annual lapsing appropriations.

1. *The budgetary process is an annual appropriation valid for one year.*
2. *The agency is prohibited by statute from over expending the categories established in the budget.*
3. *Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.*

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>1,317,800</u>
Amendments:	_____

Final approved budget	\$ <u>1,317,800</u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Motor Vehicle Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana Motor Vehicle Commission may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, and share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

Following the issuance of GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held.

Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name. **(separate disclosure no longer required)**

Category 2 – Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name. **(separate disclosure no longer required)**

Category 3 – Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution's trust department or agent and they are not in the entity's name. **(separate disclosure still required)**

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

GASB Statement 40 only requires category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial institution,

or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2004, consisted of the following:

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 1,051,965	\$ _____	\$ _____	\$ 1,051,965
Bank balances (category 3 only, if any) Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	_____	_____	_____	-
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held held by the pledging institution's trust department or agent, but not in the entities name	_____	_____	_____	-
Total Category 3 bank balances	\$ _____	\$ _____	\$ _____	\$ _____
Total bank balances (All categories including category 3 reported above)	\$ 1,051,965	\$ _____	\$ _____	\$ 1,051,965

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	Bank One	Operating	\$ 1,061,523
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ 1,061,523

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the Balance Sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the Balance Sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ 100

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

2. INVESTMENTS – Not Applicable

The Louisiana Motor Vehicle Commission does not maintain investment accounts as authorized by State Law.

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk. **Beginning with fiscal year ending June 30, 2004, only risk category 3 has to be broken out separately. However, the total reported amount and fair value columns still must be reported for total investments (including category 3).**

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name. (separate disclosure no longer required)

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name. (separate disclosure no longer required)

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name. (separate disclosure still required)

NOTE: GASB Statement 40 requires investments to be listed by type, and whether any of those are category 3 investments. If so, those category 3 investments are reported in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.

<u>Type of Investment</u>	<u>Amount Reported in Risk</u>		<u>Total Reported Amount - All Categories (Including Category 3)</u>	<u>Total Fair Value - All Categories (Including Category 3)</u>
	<u>Held by Counterparty</u>	<u>Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>		
Repurchase agreements	\$ _____	\$ _____	\$ _____	_____
U.S. Government securities	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total investments	\$ _____	\$ _____	\$ _____	_____

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

The institution does/does not (circle one) invest in **derivatives** as part of its investment policy. Accordingly, the exposure to risks from these investments is as follows:

credit risk _____
market risk _____
legal risk _____

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds Not Applicable _____
- b. Securities underlying reverse repurchase agreements Not Applicable _____
- c. Unrealized investment losses Not Applicable _____
- d. Commitments as of June 30, 2004, to resell securities under yield maintenance repurchase agreements:
1. Carrying amount and market value at June 30 of securities to be resold Not Applicable _____
 2. Description of the terms of the agreement Not Applicable _____
- e. Losses during the year due to default by counterparties to deposit or investment transactions _____
Not Applicable _____
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____
Not Applicable _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements _____
Not Applicable _____
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____
Not Applicable _____

Reverse Repurchase Agreements at Year-End

- i. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
Not Applicable _____
- j. Commitments on June 30, 2004, to repurchase securities under yield maintenance agreements _____
Not Applicable _____
- k. Market value on June 30, 2004, of the securities to be repurchased Not Applicable _____
- l. Description of the terms of the agreements to repurchase _____
Not Applicable _____

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements Not Applicable
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement Not Applicable

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices Not Applicable
- p. Basis for determining which investments, if any, are reported at amortized cost Not Applicable
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool Not Applicable
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares Not Applicable
- s. Any involuntary participation in an external investment pool Not Applicable
- t. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate Not Applicable
- u. Any income from investments associated with one fund that is assigned to another fund Not Applicable

Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

- v. Briefly describe the deposit and/or investment policies related to the custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact. Not Applicable
- w. List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments Not Applicable
- x. List the fair value and terms of any debt investments that re highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.)
- y. Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are unrated, disclose that amount). Not Applicable

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

- z. Disclose the interest rate risk of debt investments by listing the investment type and the method that is used to identify and manage the interest rate risk of those investments (by one of the following 5 methods: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model.)

Not Applicable

- aa. Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

Not Applicable

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2004						Balance 6/30/2004
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003	Additions	Transfers*	Retirements	
Capital assets not being depreciated							
Land	97,200	--	--	--	--	--	97,200
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	97,200	--	--	--	--	--	97,200
Other capital assets							
Furniture, fixtures, and equipment	420,824	--	--	21,552	--	--	442,376
Less accumulated depreciation	(326,298)	--	--	(44,048)	--	--	(370,342)
Total furniture, fixtures, and equipment	94,528	--	--	(22,494)	--	--	72,034
Buildings and improvements	366,893	--	--	26,042	--	--	392,935
Less accumulated depreciation	(83,272)	--	--	(10,719)	--	--	(73,991)
Total buildings and improvements	303,621	--	--	15,323	--	--	318,944
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	398,149	--	--	(7,171)	--	--	390,978
Capital Asset Summary:							
Capital assets not being depreciated	97,200	--	--	--	--	--	97,200
Other capital assets, at cost	787,717	--	--	47,594	--	--	835,311
Total cost of capital assets	884,917	--	--	47,594	--	--	932,511
Less accumulated depreciation	(389,568)	--	--	(54,785)	--	--	(444,333)
Capital assets, net	495,349	--	--	(7,171)	--	--	488,178

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

E. INVENTORIES – Not Applicable

The unit's inventories are valued at _____ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: Do not include postage. This must be shown as a prepayment.**

F. RESTRICTED ASSETS – Not Applicable

Restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current assets section on Statement A, consist of \$ _____ in cash with fiscal agent, \$ _____ in receivables, and \$ _____ investment in _____ (identify the type investments held.) State the purpose of the restriction: _____

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Motor Vehicle Commission has the following policy on annual and sick leave: (

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE – Not Applicable

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at _____ (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$ _____. The leave payable (is) (is not) recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana Motor Vehicle Commission are members of the Louisiana State Employees Retirement System (LASERS), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana Motor Vehicle Commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Louisiana Motor Vehicle Commission is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2004, increased to 15.8% of annual covered payroll from the 14.1% and 13.0% required in fiscal years ended June 30, 2003 and 2002, respectively. The Louisiana Motor Vehicle Commission contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$55,152, \$51,367, and \$44,648, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

**If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all Louisiana Motor Vehicle Commission employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the Louisiana Motor Vehicle Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the (BTA). For 2004, the cost of providing those benefits for the 2 retirees totaled \$8,020.

The _____ (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the (BTA). Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the (BTA). The (BTA) recognizes the cost of providing these benefits ((BTA)'s portion of premiums) as an expenditure when paid during the year, which was \$ _____ for the year ended _____, 20____. The cost of providing those benefits for _____ retirees is not separable from the cost of providing benefits for the _____ active employees. (or, The (BTA)'s cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended _____, 20____ the costs of _____ retiree benefits totaled \$ _____).

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

J. LEASES - Not Applicable

1. OPERATING LEASES

The total payments for operating leases during fiscal year _____ amounted to \$ _____.
 A schedule of payments for operating leases follows:

Nature of lease	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010-2014	FY2015-2019
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

2. CAPITAL LEASES - Not Applicable

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

SCHEDULE A - TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending June 30:</u>	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

3. LESSOR DIRECT FINANCING LEASES – Not Applicable

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Provide a general description of the direct financing agreement, and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining Principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____		
Less: Estimated Residual Value of Leased Property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____		

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2004 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year):

Year ending _____:	
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total	\$ _____

4. LESSOR – OPERATING LEASE – Not Applicable

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

STATE OF LOUISIANA
LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20__:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year):

Year Ended	Office Space	Equipment	Land	Other	Total
June 30, 2005	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2006	_____	_____	_____	_____	_____
2007	_____	_____	_____	_____	_____
2008	_____	_____	_____	_____	_____
2009	_____	_____	_____	_____	_____
2010-2014	_____	_____	_____	_____	_____
2015-2019	_____	_____	_____	_____	_____
2020-2024	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year _____ totaled \$ _____.

Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2004:

	Balance June 30, 2003	Year ended June 30, 2004		Balance June 30, 2004	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Reimbursement contracts payable	_____	_____	_____	_____	_____
Bonds payable	_____	_____	_____	_____	_____
Total notes and bonds	_____	_____	_____	_____	_____
Other liabilities:					
Contracts payable	_____	_____	_____	_____	_____
Compensated absences payable	52,989	36,298	32,973	56,314	13,175
Capital lease obligations	_____	_____	_____	_____	_____
Liabilities payable from restricted assets	_____	_____	_____	_____	_____
Claims and litigation	_____	_____	_____	_____	_____
Other long-term liabilities	_____	_____	_____	_____	_____
Total other liabilities	52,989	36,298	32,973	56,314	13,175
Total long-term liabilities	52,989	36,298	32,973	56,314	13,175

LOUISIANA MOTOR VEHICLE COMMISSION

Notes to the Financial Statement

As of and for the year ended June 30, 2004

A detailed summary, by issues, of all debt outstanding at June 30, 2004, including outstanding interest of \$-0- is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. LITIGATION – Not Applicable

1. The _____ (BTA) is a defendant in litigation seeking damages as follows:

<u>Date of Action</u>	<u>Description of Litigation and Probable outcome (remote, reasonably possible or probable)</u>	<u>Primary Attorney</u>	<u>Damages Claimed</u>	<u>Insurance Coverage</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals			\$ _____	\$ _____

The _____ (BTA)'s legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

2. Claims and litigation costs of \$ _____ were incurred in the current year and are reflected in the accompanying financial statement.

M. RELATED PARTY TRANSACTIONS – Not Applicable

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions). _____

N. ACCOUNTING CHANGES – Not Applicable

Accounting changes made during the year involved a change in accounting _____ (principle, estimate, error or entity). The effect of the change is being shown in _____.

O. IN-KIND CONTRIBUTIONS – Not Applicable

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
	\$ _____
Total	\$ _____ -

P. DEFEASED ISSUES – Not Applicable

In _____, 20____, the _____(BTA), issued \$_____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$_____, plus an additional \$_____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt of \$_____.

Q. COOPERATIVE ENDEAVORS – Not Applicable

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding as of June 30, 2004, by funding source, is as follows:

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

<u>Funding Source</u>	<u>Balance</u> <u>June 30, 2004</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

NOTE: Amounts in excess of contract limits cannot be used to reduce the outstanding contract balance at June 30, 2004. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2003. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – Not Applicable

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2003-2004:

<u>CFDA</u> <u>Number</u>	<u>Program Name</u>	<u>State Match</u> <u>Percentage</u>	<u>Total Amount</u> <u>of Grant</u>
_____	_____	\$ _____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total government-mandated nonexchange transactions (grants)</u>		\$ _____	_____

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS - Not Applicable

At June 30, 20____, the _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____ The _____ (BTA) did _____ to correct this deficiency.

T. SHORT-TERM DEBT – Not Applicable

The _____ (BTA) issues short-term notes for the following purposes: _____

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of S-T debt (e.g., tax anticipation notes):	Beginning Balance	Issued	Redeemed	Ending Balance
_____		\$ _____	\$ _____	\$ _____ -

The _____ (BTA) uses a revolving line of credit for the following purposes: _____ . Short-term debt activity for the year ended June 30, 20__, was as follows:

Line of credit	Beginning Balance	Draws	Redeemed	Ending Balance
	\$ _____	\$ _____	\$ _____	\$ _____ -

U. DISAGGREGATION OF RECEIVABLE BALANCES - Not Applicable

Receivables at June 30, 20__, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$ _____	\$ _____	\$ _____	\$ _____	_____

Gross receivables	\$ -	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	-	-	-	-
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ _____	_____

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 53,029	19,958	\$ _____	\$ _____	72,987

Total payables	\$ 53,029	19,958	\$ -	-	72,987

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

W. SUBSEQUENT EVENTS – Not Applicable

[Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.]

X. SEGMENT INFORMATION – Not Applicable

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment _____

A. Condensed Balance Sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted; unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance Sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____	_____
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	-	-
Beginning net assets	_____	_____
Ending net assets	-	-

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	-	-

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Y. DUE TO/DUE FROM AND TRANSFERS – Not Applicable

1. List by fund type the amounts due from other funds detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type all transfers from other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total transfers to other funds		\$ _____

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – Not Applicable

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS – Not Applicable

The following adjustments were made to restate beginning net assets for June 30, 20__.

LOUISIANA MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Fund balance July 1, 2003, <u>previously reported</u>	\$	Adjustments <u>+ or (-)</u>	\$	Beginning net assets, July 1, 2003, <u>As restated</u>
_____		_____		--
_____		_____		--
_____		_____		--
_____		_____		--
_____		_____		--
_____		_____		--

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 20__, previously reported, must correspond to Net Assets at June 30, 20__, per the information received from OSRAP.)

STATE OF LOUISIANA
SCHEDULE OF STATE FUNDING (BTA)
For the Year Ended _____
(Fiscal Close)

Not Applicable

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ _____

STATE OF LOUISIANA
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
 (BTAs)
 _____, 20____
 (Fiscal Close)

Not Applicable

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF NOTES PAYABLE _____, 20__
 (Fiscal close)

Not Applicable

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF BONDS PAYABLE
 _____, 20__
 (Fiscal close)

Not Applicable

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION For The Year
 Ended _____
 (Fiscal Close)

Not Applicable

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
 (BTA)
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended June 30, 20__

Not Applicable

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Balance
2005	\$ _____	\$ _____	\$ _____	\$ --
2006	_____	_____	_____	--
2007	_____	_____	_____	--
2008	_____	_____	_____	--
2009	_____	_____	_____	--
2010-2014	_____	_____	_____	--
2015-2019	_____	_____	_____	--
2020-2024	_____	_____	_____	--
2025-2029	_____	_____	_____	--
 Total	 \$ --	 \$ --	 --	 --

STATE OF LOUISIANA
(BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 20__

Not Applicable

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010-2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
 _____(BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended June 30, 20__

Not Applicable

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
 Total	 \$ _____ --	 \$ _____ --

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

JUNE 30, 2004

Not Applicable

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/04	Revised Budget	Variance Positive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	-
Sales of Commodities and Services					-
Other					-
Total Operating revenues					
Operating Expenses:					
Personal services	\$	\$	\$	\$	-
Travel					-
Operating Services					-
Supplies					-
Professional services					-
Capital outlay					-
Interagency transfers					-
Other charges					-
Total Operating Expenses					
Nonoperating Expenses:					
Use of Money and Property					-
Gain (Loss) on Disposal of Fixed Assets					-
Federal Grants					-
Interest Expense					-
Other					-
Total Nonoperating Expenses					
Capital Contributions					-
Operating Transfers In					-
Operating Transfers Out					-
Change in Net Assets	\$	\$	\$	\$	-

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

JUNE 30, 2004

Not Applicable

Budgeted Income (Loss)	\$ _____
Reconciling items:	
Cash carryover	_____
Depreciation	_____
Payroll accrual	_____
Compensated absences adjustment	_____
Capital outlay	_____
Change in inventory	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____

Concluded

STATE OF LOUISIANA
LOUISIANA MOTOR VEHICLE COMMISSION
 COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 1,419,500	\$ 1,189,898	\$ 229,602	\$ 16.2%
Expenses	1,334,809	1,155,607	179,202	13.4%
2) Capital assets	488,178	495,349	7,171	1.5%
Long-term debt	56,314	52,989	3,325	5.9%
Net Assets	1,410,842	1,326,151	84,691	6.0%

Explanation for change:

Revenues increased due to a planned increase in license fees.
Expenses increased due to an increase in the budget.

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 1,390,000	\$ 1,390,000	\$ -	\$ 0.0%
Expenditures	1,317,800	1,317,800	-	0.0%

Explanation of change:

	<u>2004 Final Budget</u>	<u>2004 Actual</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	1,390,000	1,419,500	29,500	2.1%
Expenditures	1,317,800	1,334,809	17,009	1.3%

Explanation of change: