



American Institute of Certified Public Accountants
Society of Louisiana CPAs

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March 27, 2026

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

Re: Revised Audit Report Submission
Louisiana Motor Vehicle Commission
For the Year Ended June 30, 2025

Dear Sir or Madam:

We are submitting a revised audit report for the Louisiana Motor Vehicle Commission for the year ended June 30, 2025. After the issuance of our original report dated November 6, 2025, errors were identified in the recognition of certain pension-related amounts, including deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense.

Management has revised the financial statements to correct these errors. As a result, the accompanying audit report has been reissued and is dated March 6, 2026, reflecting the completion of our audit procedures related to the revised financial statements.

The Annual Financial Report (AFR) previously submitted to the Louisiana Division of Administration included the original amounts reported prior to these corrections. Because the State's reporting process has closed, the AFR could not be revised. Accordingly, the AFR is presented as other information in the report, and a reconciliation of the AFR to the audited financial statements has been included.

No other changes were made to the financial statements or the audit report.

Please contact our office if you have any questions regarding this submission.

Covington

205 E. Lockwood St.
Covington, LA 70433
Phone (985) 727-9924
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Baton Rouge

2915 S. Sherwood Forest Blvd.,
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4900 Cypress St. #15
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New Orleans

525 St Charles Ave,
New Orleans, LA 70130
Phone (504) 299-3434

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Furman", with a long, sweeping horizontal line extending to the right.

Robert J. Furman, CPA
Partner
Griffin & Furman, LLC

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Financial Statements with Supplementary Information

June 30, 2025

(With Independent Auditor's Report Thereon)

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

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Independent Auditor's Report

**Board of Commissioners
Louisiana Motor Vehicle Commission
State of Louisiana
Metairie, Louisiana**

Opinion

We have audited the accompanying financial statements of the business-type activities of the Louisiana Motor Vehicle Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana Motor Vehicle Commission, as of June 30, 2025, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Reissuance of Financial Statements

Subsequent to the issuance of our report dated November 6, 2025, errors were identified in the recording of pension-related items. The accompanying financial statements have been revised to correct deferred outflows of resources, deferred inflows of resources, pension expense, and net position. Accordingly, these financial statements have been reissued. Our opinion is not modified with respect to this matter.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's financial statements as a whole. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

As discussed in Note 10 to the financial statements, the Annual Fiscal Report (AFR) was prepared and submitted prior to completion of the audit in order to meet the reporting requirements of the Louisiana Division of Administration. During the audit, adjustments were identified that resulted in changes to amounts reported in the Commission's audited basic financial statements. Because the Office of Statewide Reporting and Accounting Policy (OSRAP) reporting portal was closed when the audit was completed, the AFR could not be revised to reflect those audit adjustments. Accordingly, certain amounts presented in the AFR differ materially from the accompanying audited basic financial statements.

The Annual Fiscal Report (AFR) required by the Division of Administration is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matter described above, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2026, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal

control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Griffin & Furman, LLC

March 6, 2026

Covington, Louisiana

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Management's Discussion and Analysis

June 30, 2025

The management's discussion and analysis of the Louisiana Motor Vehicle Commission's (the Commission) financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2025. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the Commission's financial statements.

Financial Highlights

- The Commission's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2025 by \$3,163,642 which represents an increase in net position of \$184,017 for the current year.
- The Commission's operating revenues increased by \$707,418 or 21% and operating expenses decreased by \$261,055 or 6% from the prior year. The decrease in operating expenses was primarily due to a decrease in salaries and related benefits for the current year.
- The Commission's non-operating revenues decreased by \$202,312. The decrease was primarily due to decreases in interest income rates and non-employer pension contributions by the State of Louisiana.

Overview of the Basic Financial Statements

The Commission's financial statements comprise three components: 1) Management's Discussion and Analysis, 2) Basic Financial Statements (including the notes to the financial statements), and 3) Required Supplementary Information. This report also contains other supplementary information in addition to the financial statements themselves.

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 Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows.

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between total assets plus deferred outflows and liabilities plus deferred inflows is net position, which 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 Net Position presents information showing how the Commission's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Commission's 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 as required by GASB Statement No. 34.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Management's Discussion and Analysis

June 30, 2025

Financial Analysis of the Commission

The following is a summary of the Statements of Net Position:

**Condensed Statements of Net Position
June 30, 2025 and 2024**

	<u>2025</u>	(Restated) <u>2024</u>	<u>Change</u>
Current assets	\$ 8,414,292	7,666,486	747,806
Capital assets, net of depreciation	<u>2,816,364</u>	<u>2,793,489</u>	<u>22,875</u>
Total assets	<u>11,230,656</u>	<u>10,459,975</u>	<u>770,681</u>
Deferred outflows of resources	1,388,398	999,207	389,191
Current liabilities	3,023,423	2,394,337	629,086
Long-term liabilities	<u>5,658,310</u>	<u>5,645,601</u>	<u>12,709</u>
Total liabilities	<u>8,681,733</u>	<u>8,039,938</u>	<u>641,795</u>
Deferred inflows of resources	773,679	439,619	334,060
Net position			
Net investment in capital assets	2,816,364	2,793,489	22,875
Unrestricted	<u>347,278</u>	<u>186,136</u>	<u>161,142</u>
Total net position	<u>\$ 3,163,642</u>	<u>2,979,625</u>	<u>184,017</u>

The following is a summary of the Statement of Revenues, Expenses, and Changes in Net Position:

**Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	(Restated) <u>2024</u>	<u>Change</u>
Operating revenues	\$ 4,110,854	3,403,436	707,418
Operating expenses	<u>4,078,166</u>	<u>4,339,221</u>	<u>(261,055)</u>
Operating income (loss)	32,688	(935,785)	968,473
Non-operating revenues	<u>151,329</u>	<u>353,641</u>	<u>(202,312)</u>
Change in net position	<u>\$ 184,017</u>	<u>(582,144)</u>	<u>766,161</u>

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Management's Discussion and Analysis

June 30, 2025

Capital Assets

As of June 30, 2025, the Commission had \$2,816,364 invested in capital assets including furniture and equipment, building and building improvements, automobiles, and land. This amount represents a net increase of \$22,875 or 0.82% compared to the prior year. The increase in capital assets was due to the purchase of automobiles offset by current year depreciation expense.

Long-Term Liabilities

As of June 30, 2025, the Commission had long-term liabilities totaling \$5,658,310, consisting of compensated absences, other postemployment benefits liability, and net pension liability. The obligations increased by \$12,709 or 0.23% from the prior year. This increase was primarily due to increases in the Commission's net pension and other postemployment benefits liabilities.

Economic Factors and Next Year's Budgets

The following currently known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations:

- Revenues from license renewals.
- Continued efforts on maintaining and controlling operating costs
- Continuing increases in the net pension liability based on LASERS's actuarial valuations.

Contacting the Commission

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Commission's finances and demonstrate 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 3017 Kingman Street, Metairie, Louisiana 70006.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Statement of Net Position

June 30, 2025

Assets

Current assets:

Cash	\$ 8,414,292	
Total current assets		8,414,292

Capital assets, net of depreciation		<u>2,816,364</u>
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Total assets		11,230,656
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Deferred Outflows of Resources

Deferred outflows of resources related to OPEB	331,983	
Deferred outflows of resources related to pensions	<u>1,056,415</u>	
Total deferred outflows of resources		<u>1,388,398</u>

Total assets and deferred outflows of resources	\$	<u><u>12,619,054</u></u>
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Liabilities

Current liabilities:

Accounts payable	\$ 88,308	
Unearned revenue	2,675,187	
Payroll liabilities	75,852	
Compensated absences	134,936	
Other postemployment benefits liability	<u>49,140</u>	
Total current liabilities		3,023,423

Long-term liabilities:

Compensated absences	281,286	
Other postemployment benefits liability	1,620,954	
Net pension liability	<u>3,756,070</u>	
Total long-term liabilities		<u>5,658,310</u>

Total liabilities		8,681,733
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Deferred Inflows of Resources

Deferred inflows of resources related to OPEB	290,806	
Deferred inflows of resources related to pensions	<u>482,873</u>	
Total deferred inflows of resources		<u>773,679</u>

Net Position

Net investment in capital assets	2,816,364	
Unrestricted	<u>347,278</u>	
Total net position	\$	<u><u>3,163,642</u></u>

See accompanying notes to the financial statements.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2025

Operating revenues:		
Licenses	\$	3,002,689
Fines and penalties		1,102,348
Other operating revenues		<u>5,817</u>
Total operating revenues		4,110,854
Operating expenses:		
Salaries and related benefits		2,918,097
Professional services		743,781
Operating services		200,986
Materials and supplies		37,323
Travel and other charges		44,089
Depreciation		<u>133,890</u>
Total operating expenses		<u>4,078,166</u>
Operating loss		32,688
Non-operating revenues:		
Non-employer pension contribution		20,805
Interest income		130,309
Gain on disposal of capital assets		<u>215</u>
Total non-operating revenues		<u>151,329</u>
Increase in net position		<u>184,017</u>
Net position, beginning of year		3,618,013
Prior period adjustment		<u>(638,388)</u>
Net position, beginning of year as restated		<u>2,979,625</u>
Net position, end of year	\$	<u><u>3,163,642</u></u>

See accompanying notes to the financial statements.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Statement of Cash Flows

For the Year Ended June 30, 2025

Cash flows from operating activities:		
Cash received from customers	\$ 4,655,656	
Cash paid to suppliers for goods/services	(983,922)	
Cash paid to employees for services	(2,918,492)	
Net cash provided by operating activities		753,242
Cash flows from non-capital financing activities:		
Non-employer pension contribution	20,805	
Net cash provided by non-capital activities		20,805
Cash flows from investing activities:		
Purchases of capital assets	(156,550)	
Interest income	130,309	
Net cash used by investing activities		(26,241)
Net increase in cash and cash equivalents		747,806
Cash, beginning of year		7,666,486
Cash, end of year		\$ 8,414,292
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss		\$ 32,688
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	\$ 133,890	
Decrease in deferred outflows related to net pension and other postemployment benefits liability	(389,191)	
Increase (decrease) in liabilities:		
Accounts payable	42,257	
Payroll liabilities	7,819	
Compensated absences	(360,361)	
Unearned revenue	544,801	
Other postemployment benefits liability	272,408	
Net pension liability	134,871	
Increase in deferred inflows related to net pension and other postemployment benefits liabilities	334,060	
Total adjustments		720,554
Net cash provided by operating activities		\$ 753,242

See accompanying notes to the financial statements.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

(a) Introduction

The Louisiana Motor Vehicle Commission (the Commission) is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statutes 32:1251-1279 within the Office of the Governor and is domiciled in Metairie, Louisiana. The Commission consists of 18 members appointed by the Governor. The Commission is charged with the responsibility of regulating all areas of the new car and recreational vehicle industries, including motor vehicle sales finance companies, operating in Louisiana. Operations of the Commission are funded through self-generated revenues.

(b) Measurement Focus, Basis of Accounting, and Financial Basis Presentation

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Commission is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the commission members, and the Commission primarily serves state residents. The accompanying financial statements present only the activity of the Commission. Annually, the State of Louisiana issues a comprehensive financial report, which includes the activity contained in the accompanying financial statements. The Commission has no component units to report.

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

For financial reporting purposes, the Commission is considered a special-purpose government engaged only in business-type activities. All activities of the Commission are accounted for within a single proprietary (enterprise) fund.

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 transactions of the Commission are accounted for on the economic resources measurement focus. With this measurement focus, all assets and deferred outflows and all liabilities and deferred inflows associated with the operations are included on the Statement of Net Position.

Under the full accrual basis, revenues are recognized in the accounting period when they are earned, and expenses are recognized when the related liability is incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with the Commission's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the Commission consist of licenses, permits, and fees. Operating expenses include administrative expenses. When both

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2025

restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first then unrestricted resources as they are needed.

(c) Budgets and Budgetary Accounting

Annually, the Commission adopts a budget as prescribed by Louisiana Revised Statutes 39:1331-1342. The Statutes require the Commission to annually prepare a comprehensive budget for the subsequent fiscal year. No later than the first day of January in each year, the budget is to be submitted to the Joint Legislative Committee on the Budget, to each chairman of a standing committee of the legislature having jurisdiction over the Commission, to the Legislative Auditor, and to the Legislative Fiscal Office. The budget is prepared on the modified accrual basis of accounting. Although budget amounts lapse at year-end, the Commission retains its unexpended net position to fund expenses of the succeeding year.

(d) Assets, Liabilities, and Net Position

Cash

Cash includes amounts in demand deposits and certificates of deposit with an original maturity of 90 days or less when purchased. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

Capital assets are recorded at cost, if purchased or constructed. Assets acquired through donations are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the donation. The Commission capitalizes capital asset purchases in excess of \$1,000. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

Buildings and improvements	40 years
Furniture and equipment	5 years
Automobiles	5 years

Compensated Absences

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. Compensated absences are recognized as an expense and liability in the financial statements when incurred. Compensated absences are computed in accordance with GASB Statement No. 101, *Compensated Absences*, as further detailed in (f).

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2025

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and changes in LASERS's fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments of the pension plan are reported at fair value.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources that represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. The Commission has two items that qualify for reporting in this category, which are deferred amounts related to pensions and deferred amounts related to postemployment benefits other than pensions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources that represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Commission has two items that meet the criteria for this category, which are deferred amounts related to pensions and deferred amounts related to postemployment benefits other than pensions.

Net Position

Net position comprises the various net earnings from operations, non-operating revenues, and expenses. Net position is classified in the following components:

Net investment in capital assets consists of all capital assets, net of accumulated depreciation.

Unrestricted net position consists of all other resources that are not included in the other category previously mentioned.

Unrestricted net position represents resources derived from the Commission's licenses, permits, and fees and is used for transactions related to the Commission's general operations. Unrestricted net position may be used at the discretion of the Commission to meet its current expenses and for any purpose.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2025

(e) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(f) New Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* effective for fiscal years beginning after December 15, 2023. The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for reporting on outstanding compensated absences. See Note 9 for the effect of the restatement due to the change in accounting principle.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024, which the Board implemented in fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The implementation of this standard did not require any changes to the Commission's financial reporting requirements.

(2) Cash

As of June 30, 2025, the Commission had cash deposits (book balances) with financial institutions totaling \$8,414,292. Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or collateralized by the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. As of June 30, 2025, the Commission had \$8,450,324 in demand deposits (bank balances), \$250,000 of which was insured by the Federal Deposit Insurance Corporation with the remaining balance being secured by a pledge of securities in the held in an unaffiliated bank in the name of the Commission.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2025

(3) Capital Assets

The following is a summary of changes in capital assets during the year ended June 30, 2025:

	Balance July 1, <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2025</u>
Capital assets not being depreciated:				
Land	\$ 215,800	-	-	<u>215,800</u>
Capital assets being depreciated:				
Buildings and improvements	2,709,181	-	-	2,709,181
Furniture and equipment	187,292	-	(31,503)	155,789
Automobiles	158,179	156,550	(80,672)	234,057
Total	<u>3,054,652</u>	156,550	(112,175)	<u>3,099,027</u>
Less: accumulated depreciation	<u>(476,963)</u>	(133,890)	112,390	<u>(498,463)</u>
Total capital assets being depreciated, net	<u>2,577,689</u>	22,660	215	<u>2,600,564</u>
Capital assets, net	<u>\$ 2,793,489</u>	22,660	215	<u>2,816,364</u>

Depreciation expense for the year ended June 30, 2025 was \$133,890.

(4) Unearned Revenue

As of June 30, 2025, the Commission had unearned revenue totaling \$2,675,187. Most of this amount represents fees that have been received; however, a portion or all of the license period extends into the subsequent year. Accordingly, the portion of the revenue associated with the subsequent year was unearned. Also, a small portion of the unearned revenues represents fees that have been received for licenses but have not been issued as of the year end.

(5) Post-Retirement Health Care and Life Insurance Benefits

Plan Description: The Commission's employees may participate in the State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible active employees, retirees, and their beneficiaries. The postemployment benefits plan is a multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the State OPEB Plan; however, it is included in the State of Louisiana's Annual Comprehensive Financial Report (ACFR). You may obtain a copy of the ACFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

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There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2025. The plan is funded on a “pay-as-you-go basis” under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Medical Benefits: Retirees under the age of 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access

Retirees age 65 and over can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- People's Medicare Advantage HMO
- BCBS Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

Monthly Contributions: Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement. Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

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Monthly rates effective January 1, 2025 are as follows:

<u>Medical Plan</u>		<u>Pre-Medicare Member</u>				<u>Medicare Member</u>		
		<u>Active Single</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>
People's MA HMO	\$	N/A	N/A	N/A	N/A	175	N/A	175
BCBS Pelican HRA	\$	581	1,013	828	218	351	947	280
BCBS Mag. Local Plus	\$	930	1,735	1,329	363	574	1,524	455
BCBS Magnolia OA	\$	966	1,798	1,377	362	585	1,576	466
BCBS MA HMO Reg. 1	\$	N/A	N/A	N/A	N/A	204	N/A	204
BCBS MA HMO Reg. 2	\$	N/A	N/A	N/A	N/A	232	N/A	232
BCBS MA HMO Reg. 3-4	\$	N/A	N/A	N/A	N/A	208	N/A	208
BCBS MA HMO Reg. 5-8	\$	N/A	N/A	N/A	N/A	259	N/A	259
BCBS MA HMO Reg. 9	\$	N/A	N/A	N/A	N/A	244	N/A	244
Humana MA HMO Reg. 1	\$	N/A	N/A	N/A	N/A	83	N/A	83
Humana MA HMO Reg. 2	\$	N/A	N/A	N/A	N/A	229	N/A	229
Humana MA HMO Reg. 3	\$	N/A	N/A	N/A	N/A	193	N/A	193
Humana MA HMO Reg. 4	\$	N/A	N/A	N/A	N/A	194	N/A	194
Humana MA HMO Reg. 5	\$	N/A	N/A	N/A	N/A	190	N/A	190
Humana MA HMO Reg. 6	\$	N/A	N/A	N/A	N/A	242	N/A	242
Humana MA HMO Reg. 7	\$	N/A	N/A	N/A	N/A	252	N/A	252
Humana MA HMO Reg. 8	\$	N/A	N/A	N/A	N/A	252	N/A	252
Humana MA HMO Reg. 9	\$	N/A	N/A	N/A	N/A	227	N/A	227

For purposes of the OPEB valuation, the above amounts were trended back six months to the valuation date.

Life Insurance Benefits: OGB provides eligible retirees the following life insurance plans:

	<u>Basic</u>	<u>Supplemental Maximum</u>
Under age 65	\$ 5,000	50,000
Ages 65 to 70	4,000	38,000
After age 70	3,000	25,000

In force life insurance amounts are reduced to 75% of the initial value at age 65 and 50% of the original amount at age 70. Spouse life insurance amounts of \$1,000, \$2,000, or \$4,000 are available. Retiree pays 50% of the Prudential Company of America premium. Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability:

At June 30, 2025, the Commission reported a liability of \$1,670,094 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2024 and was determined by an actuarial valuation as of that date.

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The Commission's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2024, the Commission's proportion was 0.02140%.

Actuarial Assumptions:

Valuation Date: July 1, 2024.

Measurement Date: July 1, 2024.

Actuarial Cost Method: Entry Age Normal, level percent of pay. Service Costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.

Discount Rate: The discount rate used as of July 1, 2024 is 3.93% based on the Bond Buyer 20 Index rate as of June 30, 2024.

Inflation Rate: 2.40%

Salary Increases: The rates of salary increases are consistent with the assumption used in the June 30, 2024 Louisiana State Employees' Retirement System Actuarial Valuation.

Healthcare Cost Trend Rates: The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information on trend expectations for the coming year from various insurers and PBMs. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). We selected plans that most closely match the State of Louisiana's benefits to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates applicable to medical and prescription drug benefits are as follows:

<u>Year</u>	<u>Medical and Drug Pre-65</u>	<u>Medical and Drug Post-65</u>
2024-2025	8.50%	7.50%
2025-2026	8.25%	7.00%
2026-2027	8.00%	6.50%
2027-2028	7.75%	6.30%
2028-2029	7.50%	6.10%
2029-2030	7.00%	6.00%
2030-2031	6.50%	5.75%
2031-2032	6.00%	5.50%
2032-2033	5.50%	5.25%
2033-2034	5.00%	5.00%
Thereafter	4.50%	4.50%

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The retiree contribution trend is the same as the medical and drug trend.

Healthcare Claim Cost: Per capita costs for the self-insured plans administered by BCBS were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2023 through December 31, 2024. The claims experience was trended to the valuation date.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2025 premiums adjusted to the valuation date using the Medicare trend reflecting IRA assumption on the prior page.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found under Age-related Morbidity assumptions below.

The table below indicates the assumed 2024 per capita costs normalized to male retiree age 65:

<u>Plan</u>	<u>Without Medicare Retirement Date</u>	<u>With Medicare Before 3/1/15</u>	<u>Without Medicare Retirement Date</u>	<u>With Medicare After 3/1/15</u>
People's MA HMO	N/A	1,646	N/A	1,646
BCBS MA HMO	N/A	2,277	N/A	2,277
Humana MA HMO	N/A	1,665	N/A	1,665
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	15,446	3,356	15,446	3,356
BCBS Magnolia Local/Local Plus	22,146	4,166	21,623	4,095
BCBS Magnolia Open Access	22,963	3,809	22,642	3,745

Administrative Expenses: Included in medical claim is a 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes, as well as insurer margin and profit (where applicable).

Age Related Morbidity: Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender-distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

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<u>Age</u>	<u>Male Factor</u>	<u>Female Factor</u>
50	0.4612	0.5736
55	0.6085	0.6667
60	0.7829	0.7791
65	1.0000	0.9438
70	1.1873	1.1094
75	1.2752	1.2009
80	1.3381	1.2697
85	1.3479	1.3171
90	1.3235	1.3303
95	1.3047	1.2765
100	1.2878	1.1701

Basis for Demographic Assumptions: The actuary relied upon the assumptions used in the June 30, 2023 Louisiana State Employees' Retirement System (LASERS) pension valuation for the mortality, retirement, termination, disability, and salary scale assumptions.

The assumptions used in the June 30, 2024 LASERS pension valuation were revised as of the June 30, 2014 valuation based on an experience study for the period July 1, 2018 through June 30, 2023.

Mortality: For General active lives: the PubG-2010 Employee Table, adjusted by 1.055 for males and 1.034 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General healthy retiree lives: the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, not projected with mortality improvement.

For Public Safety active lives: the PubS-2010 Below Median Employee Table, adjusted by 1.050 for males and 0.974 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For Public Safety healthy retiree lives: the PubS-2010 Below Median Retiree Table, adjusted by 1.049 for males and 1.020 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For Public Safety disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.978 for males and 1.002 for females, not projected with mortality improvement.

For survivors: the PubG-2010 Contingent Survivor Table, adjusted by 1.264 for males and 1.326 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

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Rates of Retirement: The rates of retirement are consistent with the assumptions used in the June 30, 2024 pension valuations. The retirement rates for LASERS include DROP rates. Sample rates are shown below.

<u>Age</u>	<u>Regular Members</u> <u>Years of Service</u>				
	<u><10</u>	<u>10-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>
55	0%	12%	12%	60%	48%
60	17%	35%	35%	28%	28%
62	14%	17%	17%	17%	17%
65	18%	18%	18%	18%	18%
70	16%	19%	19%	19%	19%
72	16%	19%	19%	19%	19%
75+	100%	100%	100%	100%	100%

Disability Rates: Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

<u>Age</u>	<u>Rate</u>
40	0.070%
45	0.110%
50	0.150%
55	0.250%
60	0.000%

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Termination Rates: Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

<u>Age</u>	<u>≤1</u>	<u>1</u>	<u>2-3</u>	<u>4-6</u>	<u>7-9</u>	<u>10+</u>
20	50.0%	33.3%	22.5%	20.0%	13.0%	5.3%
30	30.0%	22.0%	18.0%	13.0%	7.3%	5.3%
40	25.0%	18.5%	14.0%	10.5%	7.3%	4.3%
45	25.0%	18.5%	12.0%	10.5%	7.3%	4.3%
50	25.0%	18.5%	12.0%	10.5%	6.5%	4.3%
55	25.0%	15.5%	12.0%	8.5%	6.5%	4.3%
60	25.0%	15.5%	12.0%	8.5%	6.5%	4.3%

Participation Rate - Medical: Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024.

<u>Years of Service</u>	<u>Participation %</u>
<10	33%
10 - 14	60%
15 - 19	80%
20+	88%

Participation Rate - Life Insurance: 36% of future retirees are assumed to participate in the life insurance. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Plan Election Percentage: Current retirees are assumed to remain in their current plan. Future retirees are assumed to elect coverage based on the coverage elections of recent retirees, as follows:

<u>Medical Plan</u>	<u>Pre-Medicare %</u>	<u>Medicare %</u>
BCBS Pelican HRA	13%	6%
BCBS Magnolia L/LP	80%	73%
BCBS Magnolia OA	7%	15%
People's MA HMO	N/A	1%
BCBS MA HMO	N/A	3%
Humana MA HMO	N/A	1%
Via Benefits HRA	N/A	1%

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This assumption has been updated since the prior valuation based on a review of the past three years of experience.

Dependents: Actual data was used for spouses of current retirees. Of those future retirees electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected. 35% of future retirees are also assumed to elect life insurance benefit for their spouses.

For future retirees, male retirees are assumed to be three years older than their spouses and female retirees are assumed to be two years younger than their spouses.

No divorce or remarriage after widowhood was reflected.

These assumptions are based on a review of plan experience from July 1, 2021 through June 30, 2024.

Medicare Eligibility: 99% of future retirees are assumed to be eligible for Medicare at age 65. Retirees under age 65 at July 1, 2017 are assumed to become eligible for Medicare at age 65 at varying rates based on how soon they turn age 65, as follows:

<u>Turns Age 65 by</u>	<u>Medicare Eligibility %</u>
7/1/2024	93%
7/1/2025	94%
7/1/2026	95%
7/1/2027	96%
7/1/2028	97%
7/1/2029	98%
After 7/1/2030	99%

Retirees over age 65 are valued according to their reported Medicare status, which is assumed to never change. All current spouses are assumed to be Medicare eligible at age 65. Medicare eligibility assumptions for future spouses are consistent with the assumptions for future retirees. These assumptions are based on a review of experience from July 1, 2021 through June 30, 2024.

DROPS: Current DROPS are valued using actual DROP end dates, where available. Otherwise, the DROP period was assumed to be three years from the DROP start dates. This assumption is consistent with the plan provisions of the DROP program in LASERS.

60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS. 50% of DROPS are assumed to return to active employment at the end of the DROP period.

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The following changes in actuarial assumptions have been made since the prior measurement date:

- The discount rate has decreased from 4.13% to 3.93%.
- Baseline per capita costs (PCCs) were updated to reflect 2024 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- The mortality, retirement, termination, disability, and salary increase rates for the LASERS group were updated.
- The healthcare cost trend was updated.

Required Supplementary Information

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate: The following presents the proportionate share of the total collective OPEB liability of the Commission, as well as what the Commission's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate one percentage lower and one percentage higher than the current discount rate.

	1% Decrease (<u>2.93%</u>)	Current Discount Rate (<u>3.93%</u>)	1% Increase (<u>4.93%</u>)
Proportionate Share of the Total Collective OPEB liability	\$ <u>1,989,160</u>	<u>1,670,094</u>	<u>1,418,367</u>

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the proportionate share of the total collective OPEB Liability of the Commission, as well as what the Commission's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates one percentage lower and one percentage higher than the current healthcare cost trend rates.

	1% Decrease (<u>7.50%</u>)	Current Healthcare Cost Trend Rate (<u>8.50%</u>)	1% Increase (<u>9.50%</u>)
Proportionate Share of the Total Collective OPEB liability	\$ <u>1,397,738</u>	<u>1,670,094</u>	<u>2,026,923</u>

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2025, the Commission recognized an OPEB expense of \$60,213. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 124,227	(191,773)
Changes in experience	28,622	-
Changes in proportionate share of collective OPEB expense	129,994	(68,252)
Difference in proportionate share of employer payments and actual payments	-	(30,781)
Contributions made subsequent to measurement date	<u>49,140</u>	<u>-</u>
	<u>\$ 331,983</u>	<u>(290,806)</u>

\$49,139 reported as deferred outflows of resources related to OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended:

June 30, 2026	\$ (67,290)
June 30, 2027	\$ (21,822)
June 30, 2028	\$ 54,255
June 30, 2029	\$ 26,894

(6) Retirement System

Plan Description

Employees of the Commission are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

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Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary employed after January 1, 2011 was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011 who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annually earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual while judges receive a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014 may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a benefit provided that the member lives to the minimum service retirement age and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

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Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004 are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

Disability Benefits

Generally, active members with 10 or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making an application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

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Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a, is an amputee incapable of serving as a law enforcement officer, or is permanently or legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is 10 years for a surviving spouse with no minor children and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years earned immediately prior to death and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

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Notes to the Financial Statements

June 30, 2025

Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership.

The Commission's contractually required composite contribution rate for the year ended June 30, 2025 was 34.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Commission were \$542,923 for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Commission reported a liability of \$3,756,070 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Commission's proportion of the Net Pension Liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Commission's proportion was 0.06907%.

For the year ended June 30, 2025, the Commission recognized pension expense of \$385,869.

**LOUISIANA MOTOR VEHICLE COMMISSION
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Notes to the Financial Statements

June 30, 2025

At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	(16,612)
Net difference between projected and actual earnings on pension plan investments	-	(447,833)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	487,236	(18,428)
Change in proportion and assumption of contribution	26,256	-
Employer contributions subsequent to measurement date	<u>542,923</u>	<u>-</u>
	<u>\$ 1,056,415</u>	<u>(482,873)</u>

\$542,923 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:

June 30, 2026	\$ (269,303)
June 30, 2027	\$ 115,708
June 30, 2028	\$ (172,601)
June 30, 2029	\$ 356,815

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Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.34% for 2024. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	0.76%
Domestic equity	4.29%
International equity	5.22%
Domestic Fixed Income	2.04%
International Fixed Income	5.24%
Alternative Investments	8.19%
Total Fund	5.61%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**LOUISIANA MOTOR VEHICLE COMMISSION
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June 30, 2025

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Employer's proportionate share of the net pension liability	<u>\$ 5,187,032</u>	<u>3,756,070</u>	<u>2,540,079</u>

The information above can be found in the current GASB 68 Schedules of Employer located at <https://lasersonline.org/employers/gasb-68-resources/>.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued current LASERS Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan

As of June 30, 2025, the Commission had no amount of employee and employer contributions that were due to the pension plan.

**LOUISIANA MOTOR VEHICLE COMMISSION
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Notes to the Financial Statements

June 30, 2025

(7) Long-Term Liabilities

A summary of changes in long-term liabilities follows:

	<u>Type of Obligations</u>		
	<u>Compensated absences</u>	<u>Other post- employment benefits liability</u>	<u>Net pension liability</u>
Balance at June 30, 2024	\$ 138,195	1,397,686	3,621,199
Restatement due to GASB Statement 101	<u>638,388</u>	<u>-</u>	<u>-</u>
Restated Balance at June 30, 2024	776,583	1,397,686	3,621,199
Additions (Reductions)	<u>(360,361)</u>	<u>272,408</u>	<u>134,871</u>
Balance at June 30, 2025	\$ <u>416,222</u>	<u>1,670,094</u>	<u>3,756,070</u>
Amounts Due Within One Year	\$ <u>134,936</u>	<u>49,140</u>	<u>-</u>

(8) Deferred Compensation Plan

Employees of the Commission have the option to participate in the Louisiana Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code 457. As budgetary constraints permit, the Commission will contribute 25% of each permanent employee's taxable income, up to the maximum amount prescribed by law, into the state's deferred compensation fund. For the year ended June 30, 2025 the Commission's cost of benefits paid for employees in the program totaled \$285,207. There were no outstanding payables related to the deferred compensation plan as of June 30, 2025.

(9) Prior Period Adjustment

Net position as of June 30, 2024 has been restated as follows for implementation of GASB Statement No. 101, *Compensated Absences*, as amended.

	<u>Governmental Activities</u>
Net position as previously reported at June 30, 2024	\$ 3,618,013
Prior period adjustment - implementation of GASB No. 101 Change in compensated absences payable	<u>(638,388)</u>
Net position as restated, June 30, 2024	\$ <u>2,979,625</u>

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2025

(10) Annual Financial Report Submitted to the State

The Louisiana Motor Vehicle Commission is required to submit an Annual Fiscal Report (AFR) to the Louisiana Division of Administration. The accompanying AFR included in this report as supplementary information was submitted prior to completion of the annual independent audit.

During the audit, adjustments were identified that resulted in changes to certain amounts reported in the Commission's basic financial statements. The adjustments primarily affected deferred outflows of resources, deferred inflows of resources, pension expense, operating expenses, change in net position, and ending net position.

After completion of the audit, the Commission was unable to revise and resubmit the AFR because the Office of Statewide Reporting and Accounting Policy (OSRAP) reporting portal was closed. Accordingly, certain amounts presented in the AFR differ materially from the audited basic financial statements.

The accompanying AFR is presented to satisfy the reporting requirements of the Louisiana Division of Administration and is not part of the Commission's basic financial statements. The independent auditor's report includes a separate opinion regarding the AFR as supplementary information. The audited basic financial statements should be relied upon as the Commission's official financial statements.

(11) Evaluation of Subsequent Events

Subsequent events were evaluated through March 6, 2026, which is the date the financial statements were available to be issued. In May 2025, legislation was introduced in the Louisiana Legislature to create a task force to study the feasibility of merging the Louisiana Motor Vehicle Commission and the Louisiana Used Motor Vehicle Commission. As of the date the financial statements were available to be issued, the legislation had not been enacted and no changes to the Commission's structure or operations have occurred.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Schedule of Employer's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Employer's proportion of net pension liability	0.043%	0.051%	0.053%	0.048%	0.052%	0.054%	0.054%	0.052%	0.054%	0.069%
Employer's proportionate share of net pension liability	\$ 2,944,441	4,025,611	3,740,153	3,285,091	3,803,291	4,461,036	2,967,031	3,954,577	3,621,199	3,756,070
Employer's covered-employee payroll	\$ 779,907	857,732	899,687	905,860	1,000,940	1,075,139	1,176,074	1,145,765	1,170,684	1,227,818
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	378%	469%	416%	363%	380%	415%	252%	345%	309%	306%
Plan fiduciary net position as a percentage of the total pension liability	63%	58%	63%	64%	63%	58%	73%	64%	68%	68%

This schedule reflects the participation of the Board's employees in LASERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability

See accompanying notes to required supplementary information.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Schedule of Employer's Pension Contributions

Last 10 Fiscal Years

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2016	319,076	319,076	-	857,732	37.2%
2017	322,088	345,761	(23,673)	899,687	38.4%
2018	344,541	344,541	-	905,860	38.0%
2019	369,913	369,913	-	1,000,940	37.0%
2020	437,585	437,585	-	1,075,139	40.7%
2021	471,605	471,605	-	1,176,074	40.1%
2022	452,577	452,577	-	1,145,765	39.5%
2023	472,956	472,956	-	1,170,684	40.4%
2024	507,089	507,089	-	1,227,818	41.3%
2025	542,923	542,923	-	1,562,815	34.7%

This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

See accompanying notes to required supplementary information.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of Net
Pension Liability and Schedule of Employer’s Pension Contributions**

Last 10 Fiscal Years

Changes in Benefit Terms:

Measurement Date: June 30, 2014:

- 1. A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the Louisiana Regular Legislative System.**
- 2. Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.**

Measurement Date: June 30, 2016:

- 1. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.**
- 2. Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.**

Measurement Date: June 30, 2019:

- 1. Act 595 of 2018 provides for a disability benefit equal to 100 percent of final average compensation for members of the Hazardous Duty, Corrections Primary and Secondary, Wildlife and Harbor Police plans who are totally and permanently disabled in the line of duty by an intentional act of violence.**

Measurement Date: June 30, 2021:

- 1. Act 37 of 2021 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.**

Changes in Assumptions:

Measurement Date: June 30, 2017:

- 1. The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2020.**
- 2. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.**

**LOUISIANA MOTOR VEHICLE COMMISSION
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**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of Net
Pension Liability and Schedule of Employer’s Pension Contributions**

Last 10 Fiscal Years

3. The projected contribution requirement for fiscal year 2018/2020 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

Measurement Date: June 30, 2018:

1. In accordance with the Board's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.70% to 7.65%.

Measurement Date: June 30, 2019:

1. In rate was reduced from 7.7% to 7.6%.
2. The Board reduced the inflation assumption from 2.75% to 2.50%, effective July 1, 2019. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.

Measurement Date: June 30, 2020:

1. In accordance with the Board's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.60% to 7.55.
2. The Board reduced the inflation assumption from 2.50% to 2.30%, effective July 1, 2020. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .20%.

Measurement Date: June 30, 2021:

1. In accordance with the Board's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.55% to 7.4.

Measurement Date: June 30, 2022:

1. In accordance with the Board's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.4% to 7.25.
2. The expected long-term real rates of return were increased from 5.81 to 5.91.

Measurement Date: June 30, 2023:

1. The expected long-term real rates of return were decreased from 5.91% to 5.75%

Measurement Date: June 30, 2024:

1. The Board increased the inflation assumption from 2.30% to 2.40%, effective July 1, 2024. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions increased by .10%.
2. The Board conducted an experience study for the observation period of July 1, 2018 through June 30, 2023. The results of the study impacted actuarial assumptions, mortality assumptions, disability assumption, retirement/DROP assumption, termination assumption, salary growth, and converted leave.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Schedule of Employer's Proportionate Share of Total Collective OPEB Liability

Last Ten Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Employer's proportion of total collective OPEB liability	0.0239%	0.0208%	0.0206%	0.0200%	0.0216%	0.0201%	0.0196%	0.0214%
Employer's proportionate share of total collective OPEB liability	\$ 2,076,141	1,776,243	1,587,332	1,653,511	1,975,918	1,356,689	1,397,686	1,670,094
Employer's covered-employee payroll	\$ 873,394	808,153	933,367	1,040,320	1,102,099	1,075,251	1,005,680	1,562,815
Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll	237.7%	219.8%	170%	159%	179%	126%	139%	107%
Measurement date	July 1, 2017	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Total Collective OPEB Liability**

Last 10 Fiscal Years*

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

Changes in Benefit Terms:

There were no changes of benefit terms for the OPEB Plan during any of the years presented.

Changes in Assumptions:

Measurement Date: July 1, 2017:

1. The discount rate increased from 2.71% to 3.13%.

Measurement Date: July 1, 2018:

1. The discount rate decreased from 3.13% to 2.98%.
2. Baseline per capita costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2020 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums.
3. The mortality assumption for the Louisiana State Employees' Retirement System was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018.
4. The percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.

Measurement Date: July 1, 2019:

1. The discount rate decreased from 2.98% to 2.79%.
2. Baseline per capita costs (PCCs) were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience.
3. Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates.
4. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019.
5. Demographic assumptions for the Louisiana State Employee Retirement System (LASERS) were updated based on a recent experience study performed by LASERS.

Measurement Date: July 1, 2020:

1. The discount rate decreased from 2.79% to 2.66%.
2. Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, the actuaries do not believe this experience is reflective of what can be expected in future years. Plan claims and premiums increased less than had been expected, which decreased the Plan’s liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the Plan’s liability.

**LOUISIANA MOTOR VEHICLE COMMISSION
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**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Total Collective OPEB Liability**

Last 10 Fiscal Years*

3. The actuaries rely upon the economic assumptions used in the June 30, 2020 actuarial valuations for the four Statewide Retirement Systems. Two of these systems, the Louisiana State Employee Retirement System (LASERS) and the Teachers’ Retirement System of Louisiana (TRSL) have adopted new salary scale assumptions for the June 30, 2020 valuation. Economic assumptions were updated to reflect the updated salary scale assumptions.
4. Several demographic assumptions were updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.
 - a. Medical participation rates have been decreased as follows:

<u>Years of Service</u>	<u>From</u>	<u>To</u>
<10	52%	33%
10-14	73%	60%
15-19	84%	80%
20+	88%	88%

- b. The life participation rate has been decreased from 52% to 36% since the previous valuation, which decreased the Plan’s liability.
- c. The age difference between future retirees and their spouses was changed from three years for all retirees to three years for male retirees and two years for female retirees.
- d. The assumed percent of participants assumed to be Medicare-eligible upon reaching age 65 was changed from 95% to 99%.
- e. Medical plan election percentages decreased as follows: Towers Extend HIX – 3% to 0%; BCBS MA HMO – 0% to 2%; Humana MA HMO – 0% to 1%.

Measurement Date: July 1, 2021:

1. The discount rate was decreased from 2.66% to 2.18%.
2. Baseline per capita costs were updated to reflect 2021 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.
4. The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.

Measurement Date: July 1, 2022:

1. The discount rate has increased from 2.18% to 4.09%.
2. Baseline per capita costs were updated to reflect 2022 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.

Measurement Date: July 1, 2023:

1. The discount rate has increased from 4.09% to 4.13%.
2. Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.
4. The mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated. Additionally, all TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).
5. The healthcare cost trend was updated.

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**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Total Collective OPEB Liability**

Last 10 Fiscal Years*

Measurement Date: July 1, 2024:

- 1. The discount rate decreased from 4.13% based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2023 to 3.93% based on the Bond Buyer 20 Index as of June 30, 2024.**
- 2. Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2024 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the Plan’s liability.**
- 3. The mortality, retirement, termination, disability, and salary increase rates for the LASERS groups were updated to be consistent with the pension valuation assumptions.**
- 4. The healthcare cost trend was updated.**

*** These notes are intended to show information for 10 years. Additional years will be displayed as they become available.**

ANNUAL FISCAL REPORT (AFR)
FOR 2025

AGENCY: 20-11-14 - Louisiana Motor Vehicle Commission
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/27/2025 10:21 AM

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	8,414,292.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$8,414,292.00
NONCURRENT ASSETS:	
RESTRICTED ASSETS:	
CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	215,800.00
BUILDINGS AND IMPROVEMENTS	2,410,042.00
MACHINERY AND EQUIPMENT	190,522.00
INFRASTRUCTURE	0.00
OTHER INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	0.00
INTANGIBLE RIGHT-TO-USE ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)	0.00
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (P3) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$2,816,364.00
TOTAL ASSETS	\$11,230,656.00
DEFERRED OUTFLOWS OF RESOURCES	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00

ANNUAL FISCAL REPORT (AFR) FOR 2025

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DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Operator)	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	331,983.00
PENSION-RELATED	569,178.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$901,161.00

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES **\$12,131,817.00**

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUALS	164,160.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	2,675,187.00
OTHER CURRENT LIABILITIES	0.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	134,936.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	49,140.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$3,023,423.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	281,286.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	1,620,954.00
NET PENSION LIABILITY	3,756,070.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
TOTAL NONCURRENT LIABILITIES	\$5,658,310.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2025**

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TOTAL LIABILITIES	\$8,681,733.00
DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Transferor)	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGATION	0.00
LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED	290,806.00
PENSION-RELATED	464,445.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$755,251.00
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	2,816,364.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	\$(121,531.00)
TOTAL NET POSITION	\$2,694,833.00

ANNUAL FISCAL REPORT (AFR)
FOR 2025

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SUBMITTAL DATE: 10/27/2025 10:21 AM

STATEMENT OF ACTIVITIES

PROGRAM REVENUES				
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
4,546,975.00	4,110,854.00	0.00	0.00	\$(436,121.00)
GENERAL REVENUES				
PAYMENTS FROM PRIMARY GOVERNMENT				0.00
OTHER				151,329.00
ADDITIONS TO PERMANENT ENDOWMENTS				0.00
CHANGE IN NET POSITION				\$(284,792.00)
NET POSITION - BEGINNING				\$3,618,013.00
NET POSITION - RESTATEMENT - ERROR CORRECTION				0.00
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE				(638,388.00)
NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY				0.00
NET POSITION - ENDING				\$2,694,833.00

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DUES AND TRANSFERS

Account Type		
Amounts due from Primary		
Government	Intercompany (Fund)	Amount
	Total	\$0.00

Account Type		
Amounts due to Primary		
Government	Intercompany (Fund)	Amount
	Total	\$0.00

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SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
		0.00	0.00	0.00	\$ 0.00	0.00
		Totals	\$0.00	\$0.00	\$0.00	\$0.00

Series - Unamortized Premiums:

Series Issue	Date of Issue		Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
			0.00	0.00	\$ 0.00
		Totals	\$0.00	\$0.00	\$0.00

Series - Unamortized Discounts:

Series Issue	Date of Issue		Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
			0.00	0.00	\$ 0.00
		Totals	\$0.00	\$0.00	\$0.00

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
2058	0.00	0.00
2059	0.00	0.00
2060	0.00	0.00
Premiums and Discounts	\$0.00	
Total	\$0.00	\$0.00

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2024 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the OGB Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported.	49,140.00
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Covered Employee Payroll for the PRIOR fiscal year (not including related benefits)	1,461,884.00
--	--------------

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2024 - 6/30/2025). This information will be provided to the actuary for the valuation report early next year.	0.00
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For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2025 for their OPEB valuation report.)

Covered Employee Payroll for the CURRENT fiscal year (not including related benefits)	0.00
--	------

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CERTAIN RISK DISCLOSURES (GASB 102)

A concentration or constraint must meet the following criteria before disclosure is required:

- a. The concentration or constraint is known prior to the issuance of the financial statements.
 - b. The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact.
 - c. An event associated with the concentration or constraint that could cause a substantial impact has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are issued.
- Note: The State's financial statements are issued December 31 for the fiscal year ended June 30.

If the concentration or constraint meets all the criteria above, disclose the following for each concentration or constraint.
Note: If the agency has taken mitigation action that causes any of the disclosure criteria not to be met, no disclosure is required.

Do you have any concentrations or constraints to disclose that meet the criteria described above? No

List each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred, has begun to occur, or is more likely than not to begin to occur prior to December 31, 2026.

Disclose the actions taken by the entity to mitigate the risk.

List the concentration or constraint:

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FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

For each beginning net position restatement resulting from a correction of an error, select the SNP account and the SOA account affected by the error. Only material errors should be restated. Immaterial errors should be corrected through current period revenue or expenses, as applicable. In the description field, explain the nature of the error, and its correction, including periods affected by the error.

Account Name/Description	Beginning Net Position Restatement Amount
Total Restatement - Error Corrections	\$0.00

CHANGES IN ACCOUNTING PRINCIPLE

For each beginning net position restatement resulting from the application of a new accounting principle, select the SNP account and the SOA account that are affected by the change in accounting principle. In the description field explain the nature of the change in accounting principle and the reason for the change. If the change is due to the implementation of a new GASB pronouncement, identify the pronouncement that was implemented.

Account Name/Description	Beginning Net Position Restatement Amount
SNP NONCURRENT LIABILITIES - COMPENSATED ABSENCES PAYABLE	
SOA EXPENSES Description: GASB 101	(638,388.00)
Total Restatement - Changes in Accounting Principle	\$(638,388.00)

CHANGES IN REPORTING ENTITY

Describe the nature and reason for the change to or within the financial reporting entity and list the effect (amount) on beginning net position.

Description	Effect on Beginning Net Position
	0.00
Total Restatement - Changes in Reporting Entity	\$0.00

ANNUAL FISCAL REPORT (AFR) FOR 2025

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SUBMITTAL DATE: 10/27/2025 10:21 AM

SUBMISSION

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year 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.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address:
LLAFileroom@lla.la.gov.

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Commissioners
Louisiana Motor Vehicle Commission
State of Louisiana
Metairie, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Louisiana Motor Vehicle Commission, (the Commission), as of and for the year then ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 6, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

March 6, 2026

Covington, Louisiana

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Schedule of Findings and Management's Corrective Action Plan

June 30, 2025

Summary of Audit Results:

- 1. Type of Report Issued - Unmodified**
- 2. Internal Control Over Financial Reporting**
 - a. Significant Deficiencies - No**
 - b. Material Weaknesses - No**
- 3. Compliance and Other Matters - No**
- 4. Management Letter - No**

**LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA**

Status of Prior Year Findings

June 30, 2025

Not applicable.