

MANCHAC VOLUNTEER FIRE DEPARTMENT

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2011

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

Release Date **SEP 26 2012**

PHIL HEBERT
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL ACCOUNTING CORPORATION

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Phil Hebert, CPA
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MEMBER
Society of Louisiana
Certified Public
Accountants

Independent Accountant's Review Report

To the Members
Manchac Volunteer Fire Department
Manchac, Louisiana

I have reviewed the accompanying statement of financial position of Manchac Volunteer Fire Department (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Manchac Volunteer Fire Department, Inc.'s management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Sincerely,

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation

August 3, 2012

**Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Financial Position -
Rural Fire District No. 2 Current Restricted Fund**

December 31, 2011

Assets

Current Assets:

Cash and Cash Equivalents	\$ 390,063
Due From Fire Protection District No. 2	54,441
Prepaid Insurance	<u>9,903</u>
Total Current Assets	<u>\$ 454,407</u>

Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$ 5,336
Insurance Payable	<u>2,303</u>
Total Current Liabilities / Total Liabilities	<u>7,639</u>

Net Assets:

Temporarily Restricted	<u>446,768</u>
Total Net Assets	<u>446,768</u>
Total Liabilities and Net Assets	<u>\$ 454,407</u>

See accompanying notes and independent accountant's review report

**Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Activities -
Rural Fire District No. 2 Current Restricted Fund**

For the Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Fire Protection District No. 2 Contract Fees	\$ -	\$ 201,900	\$ 201,900
Interest	-	702	702
Total Support and Revenues	-	202,602	202,602
 Net Assets Released From Restrictions			
Restriction Satisfied by Payments	83,486	(83,486)	-
 Program Services			
Accounting	4,340	-	4,340
Bank Charges	185	-	185
Capital Outlay, Equipment	725	-	725
Debt, Principal	30,000	-	30,000
Debt, Interest	4,127	-	4,127
Fuel & Lubricants	1,265	-	1,265
Insurance	13,375	-	13,375
Office Supplies	84	-	84
Postage & Delivery	44	-	44
Repairs & Maintenance	13,037	-	13,037
Fire Station Supplies	5,206	-	5,206
Telephone	2,393	-	2,393
Uniforms	840	-	840
Utilities	7,865	-	7,865
Total Program Services	83,486	-	83,486
 Changes in Net Assets	-	119,116	119,116
 Net Assets, Beginning	-	327,652	327,652
Net Assets, Ending	\$ -	\$ 446,768	\$ 446,768

See accompanying notes and independent accountant's review report.

**Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Cash Flows -
Rural Fire District No. 2 Current Restricted Fund**

For the Year Ended December 31, 2011

Cash Flow From Operating Activities	
Changes in Net Assets	\$ 119,116
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities	
Change in Due From Fire Protection District No. 2	(14,127)
Change in Prepaid Insurance	(84)
Change in Accounts Payable	4,632
Change in Insurance Payable	30
Net Cash Provided by Operating Activities	<u>109,567</u>
Net Increase in Cash	109,567
Cash, Beginning of Year	<u>280,496</u>
Cash, End of Year	<u><u>\$ 390,063</u></u>

See accompanying notes and independent accountant's review report

Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

Introduction

The Manchac Volunteer Fire Department (hereinafter referred to as the "Fire Department") is a nonprofit organization. Its purpose is to operate exclusively as a volunteer fire fighting organization to provide fire protection and emergency response services in Manchac, Louisiana

1. Summary of Significant Accounting Policies

Basis of Presentation

The Fire Department is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Fund Accounting

The accounts of the Fire Department are maintained in accordance with the principles of fund accounting whereby resources are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. Externally restricted funds may only be utilized in accordance with the purposes established by the source of the funds and are in contrast with unrestricted funds over which the Board retains full control to use in achieving any of its purposes.

The accompanying financial statements present financial resources accounted for in the following fund:

The Rural Fire District No. 2 Current Restricted Fund represents revenue and expenses related to the operation of fire protection and emergency response services in the Manchac area under the terms of an agreement between the Fire Department and the Rural Fire Protection District No. 2 of Tangipahoa Parish.

The accompanying financial statements do not include the assets, liabilities, and net assets and the support, revenue, expenses, capital additions and cash flows reported in any fund other than the Rural Fire District No. 2 Current Restricted Fund. Accordingly, the financial statements being presented are not intended to present the financial position of the Manchac Volunteer Fire Department as of December 31, 2011, or its results of operations or cash flows for the year then ended in conformity with generally accepted accounting principles.

Restrictions on Net Assets

Revenues received from Tangipahoa Parish Rural Fire Protection District No. 2 are considered to be temporarily restricted because under the terms of the contract with the Rural Fire Protection District No. 2 of Tangipahoa Parish these funds "shall be expended solely for the purposes of operating, maintaining and /or purchasing of equipment and supplies and salaries if approved by the Fire District No. 2."

**Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011**

Support and Revenue

Support consists primarily of contract payments received from Rural Fire Protection District No. 2 in the form of ad valorem taxes, state revenue sharing funds, and fire insurance rebate funds. The Fire Department receives a percentage of the total funds available to Rural Fire Protection District No. 2 based on a formula contained in the original contract agreed to by all participating fire departments in Tangipahoa Parish. The ad valorem tax allocation is established in January of each year and disbursed by Rural Fire Protection District No. 2 on a quarterly basis. Allocations for the fourth quarter of 2011 are accrued at December 31, 2011. State revenue sharing and fire insurance rebate funds are disbursed to participating fire departments by Rural Fire Protection District No. 2 as the funds become available. As a result, ad valorem taxes and interest income are recognized as income in the period earned. State revenue sharing funds, fire insurance rebate funds, and all other revenue are recognized as income when received.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Department may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Statement of Cash Flows

For the purpose of the statement of cash flows, all investments, if any with a maturity of ninety (90) days or less from the date of purchase are considered to be cash equivalents.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

Donated Materials and Facilities

The Department is allowed use of buildings and fire equipment from Tangipahoa Parish Rural Fire Protection District No 2. All of the Fire Department's program and supporting services are provided by volunteers. No amounts have been included in the financial statements for donated services or facilities since no objective basis is available to measure the value of such services and facilities.

Income Tax Status

The Department is classified as a Section 501 (c) (4) organization under the Federal Internal Revenue Code. As a result, it has been determined to be exempt from federal and state income taxes.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Fire Department in estimating its fair value disclosures for financial instruments:

Cash, and Cash Equivalents: The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

2. Cash and Cash Equivalents

At December 31, 2011, the Department had cash and cash equivalents (book balances) totaling \$390,063 as follows:

Demand Deposits	<u>\$ 390,063</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Manchac maintains deposits at two local financial institutions. At December 31, 2011, the Department had \$390,063 in collected bank balances secured by \$390,063 of federal deposit insurance.

Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

3. Receivables

Receivables include amounts due from Fire Protection District No. 2 at December 31, 2011, and are summarized as follows:

Due From Fire Protection District No. 2	\$ 54,441
Total	<u>\$ 54,441</u>

No allowance for uncollectible accounts is required at December 31, 2011.

4. Payables

Payables at December 31, 2011 were as follows:

Accounts Payable	\$ 5,336
Insurance Payable	2,303
Total	<u>\$ 7,639</u>

5. Net Assets

Net assets at December 31, 2011 were as follows:

Temporarily	\$ 446,768
Total	<u>\$ 446,768</u>

6. Concentrations of Credit Risk

For the fiscal year ended December 31, 2011, \$201,900, or 99.65%, of the Department's gross revenues were derived from funding provided by Tangipahoa Parish Rural Fire Protection District No. 2.

**Manchac Volunteer Fire Department
 Manchac, Louisiana
 Notes to the Financial Statements
 As of and for the Year Ended December 31, 2011**

7. Contract with Rural Fire Protection District No.2

The Tangipahoa Parish Council (the parish governing authority) created Rural Fire Protection District No. 2 of Tangipahoa Parish. The Fire Protection District is funded by an ad valorem tax, state revenue sharing and 2% fire insurance rebate to provide fire protection and emergency response services to the rural areas of Tangipahoa Parish.

The Manchac Volunteer Fire Department entered into an agreement with Rural Fire Protection District No 2 to provide fire protection and emergency response services in Manchac. Funding is provided by an appropriation from Rural Fire Protection District No 2. Under the terms of the contract with the Fire Protection District, these funds "shall be expended solely for the purposes of operating, maintaining, and/or purchasing of equipment or supplies and salaries if approved by Rural Fire Protection District No. 2." Equipment purchased with monies received from Rural Fire Protection District No. 2 remains the property of the Rural Fire Protection District No 2 and is not recorded in the accompanying financial statements.

8. Certificate of Indebtedness, Series 2007 B

On November 20, 2007, Tangipahoa Parish Rural Fire Protection District No. 2 issued \$180,000 of Certificate of Indebtedness Bonds, Series 2007 B at an interest rate of 3.93% to be used by Manchac to purchase a new fire engine. The fire engine remains the property of Tangipahoa Parish Rural Fire Protection District No. 2. Manchac is expected to pay the annual debt service on these certificates of indebtedness bonds from the annual appropriation to be received from the Rural Fire Protection District No 2. The final payment is due on March 1, 2014.

At December 31, 2011, the balance owed by Rural Fire Protection District No. 2 on the Certificate of Indebtedness, Series 2007B bonds were as follows:

	Balance 12/31/10	Payments	Balance 12/31/11
Certificate of Indebtedness, Series 2007 B	\$ 120,000	\$ 30,000	\$ 90,000

9. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, August 3, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Manchac Volunteer Fire Department, Inc.
Akers, Louisiana 70421

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Manchac Volunteer Fire Department, Inc. (A nonprofit corporation) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Manchac Volunteer Fire Department, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire* and the additional agreed-upon procedures as required by the Legislative Auditor, State of Louisiana for the fiscal year ended December 31, 2011. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose

Federal, State, and Local Awards

- 1 Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Manchac Volunteer Fire Department, Inc. Had the following local awards at December 31, 2011:

Tangipahoa Parish Rural Fire District No. 2	\$ 201,900
Total	<u>\$ 201,900</u>

2. For each federal, state, and local award:
 - Randomly select 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements in total will be selected.

Six disbursements were selected for each local award.

Phil Hebert, CPA

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- Trace the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for all selected disbursements and found that payment was for the proper amount and made to the correct payee.

- Determine if the six disbursements were properly coded to the correct fund and general ledger account.

All disbursements were properly coded

- Determine whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting the selected disbursements indicated approval from proper authorities.

- For federal awards, determine whether the disbursements comply with the applicable specific program compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:

- Activities
- Eligibility
- Reporting

There were no federal awards.

For the local awards, I determined that each of the disbursements selected were expended for the purposes of operating, maintaining, and/or purchasing equipment and supplies, and additionally for salaries if approved by Fire District No 2, as required in the 2011 agreement with Tangipahoa Parish Rural Fire Protection District No. 2.

3. For the programs selected for testing in item (2) that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no close out reports for awards during the period.

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Meetings

4. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law)

Manchac Volunteer Fire Department, Inc. did not post the required notice of each meeting and the accompanying agendas as an open meeting as required by LSA-RS 42.1 through 42:12 (the open meetings law).

Comprehensive Budget

5. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

A comprehensive budget was submitted to the Tangipahoa Parish Rural Fire District No. 2.

6. My engagement will include a review of any prior-year suggestions, recommendation, and/or comments and will indicate the extent to which such matters have been resolved.

The prior year report did not include any prior-year suggestions, recommendations, and/or comments and will indicate the extent to which such matters have been resolved

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you

This report is intended solely for the used of management of Manchac Volunteer Fire Department, Inc and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation

August 3, 2012

Manchac Volunteer Fire Department, Inc.

**Schedule of Current Year Findings and Responses
For the Year Ended December 31, 2011**

Meetings

Criteria: Louisiana Revised Statutes 42:19 states that all public bodies, except the legislature and its committees and subcommittees, shall give written public notice of their regular, special, or rescheduled meeting no later than twenty-four hours before the meeting. Such notice shall include the agenda, date, time, and place of the meeting. Written public notice shall include, but need not be limited to posting a copy of the notice at the principal office of the public body holding the meeting, or if no such office exists, at the building in which the meeting is to be held; or by publication of the notice in an official journal of the public body no less than twenty-four hours before the meeting.

Condition: Manchac Volunteer Fire Department, Inc posted the written notice of their public meetings including the date, time, and place of meeting, however; the Department did not include agendas on the notice

Cause: Management was not aware of the requirement.

Effect: Manchac Volunteer Fire Department, Inc. was not in compliance with the public meetings law.

Recommendation: I recommend Manchac Volunteer Fire Department, Inc include the agenda on the public notice of their scheduled meetings.

Management's Response: Effective immediately, management will include the agenda on the public notice of scheduled meetings .

RESOLUTION

WHEREAS, Manchac Ward Volunteer Fire Department, as a part of its review of the financial statements as of December 31, 2011, and for the one year period then ended, is required to complete the Louisiana Attestation Questionnaire furnished by the Louisiana Legislative Auditor, and,

WHEREAS, upon completion, the questionnaire must be presented to and adopted by the board of directors of the Manchac Ward Volunteer Fire Department, by means of a formal resolution in an open meeting, and,

WHEREAS, the completed questionnaire and a copy of its adoption must then be given to the accountant at the beginning of the attestation engagement. The accountant will, during the course of his attestation engagement, test the accuracy of the responses in the questionnaire,

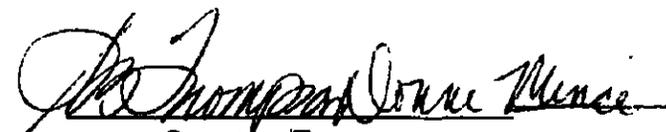
WHEREAS, the Louisiana Attestation Questionnaire was reviewed and all questions answered by the board of directors of the Manchac Ward Volunteer Fire Department,

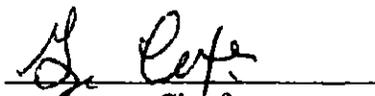
THEREFORE BE IT RESOLVED that the Manchac Ward Volunteer Fire Department hereby adopts this resolution on 8/3/12 by the following roll call vote:

YEAS: 8

NAYS: 0

ABSENT: 7


Secretary/Treasurer


Chief

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

Phil Hebert, CPA
P O Box 1151
Ponchatoula, LA 70454

In connection with your review of our financial statements as of December 31, 2011 and for the period then ended, and as required by Louisiana Revised Statute 24 513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 8/3/12

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year

Yes [] No [] N/A []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials

Yes [] No [] N/A []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation

Yes [] No [] N/A []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements

Yes [] No [] N/A []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42 1 through 42 12 (the open meetings law)

Yes [] No [] N/A []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No [] N/A []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments

Yes [] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report

<u><i>[Signature]</i></u>	Fire Chief	<u>8-3-12</u>	Date
<u><i>[Signature]</i></u>	Treasurer	<u>8/3/12</u>	Date
<u><i>[Signature]</i></u>	Secretary	<u>8/3/12</u>	Date
	President		

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LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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

Release Date SEP 26 2012

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

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INDEPENDENT AUDITORS' REPORT

To the Commissioners of the
Louisiana Used Motor Vehicle Commission
3132 Valley Creek Drive
Baton Rouge, Louisiana 70808-3146

I have audited the accompanying business-type activities of the Louisiana Used Motor Vehicle Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Louisiana Used Motor Vehicle Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my 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 Used Motor Vehicle Commission as of June 30, 2012, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 5, 2012, on my consideration of the Louisiana Used Motor Vehicle Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Louisiana Used Motor Vehicle Commission's basic financial statements. The accompanying supplemental information, as listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in blue ink that reads "John L. McKowen, CPA". The signature is written in a cursive style.

John L. McKowen, CPA

September 5, 2012

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

The purpose of this section is to offer a narrative overview and analysis of the Louisiana Used Motor Vehicle Commission's (hereafter referred to as the Commission) financial performance - past and present - and its future prospects. It focuses, however, on the current year activities, resulting changes and currently known facts. It should be read in conjunction with the financial report taken as a whole.

Overview of the Commission

Ten commissioners, who are appointed by the Governor, provide guidance to this Commission. They hold at least 12 meetings per year. During meetings, the Commissioners review and approve financial statements consisting of the balance sheet, revenue and expenditure statements (which includes month-to-date, year-to-date and budgeted figures), the certificate of deposit summary and accounts receivable - hearings reports.

The Commission has 12 employees, other than the Commissioners. The annual financial report is obtained on a contract basis and the Commission accounting staff assists in its preparation. The Commission has one checking account and five certificates of deposit. Two signatures are required on each check and the authorized signatures are that of the Executive Director, the Administrative Supervisor 2 and the Accounting Technician. The Administrative Coordinator 3 prepares the accounts payable checks. The Accounting Technician prepares the payroll and reconciles the bank statements.

Overview of the Financial Statement Presentation

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplemental information. There is also other supplemental schedules and information contained in this report provided for additional information.

Basic Financial Statements. The basic financial statements present information for the Commission as a whole. Statements in this section include the following:

Statement of Net Assets This statement presents information on all of the Commission's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or not.

Statement of Revenues, Expenses and Changes in Fund Net Assets This statement presents information showing how the Commission's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Commission's financial reliance on general revenues.

Statement of Cash Flows The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash

**LOUISIANA USED MOTOR VEHICLE COMMISSION
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JUNE 30, 2012**

provided by or used for operating activities as required by GASB No 34

The basic financial statements can be found on pages 10-13 of this report

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements

The index of the notes is found on page 14 with the actual notes beginning immediately afterwards

Required Supplemental Information. As a component unit of the State of Louisiana, the Commission complies with the reporting requirements of the Division of Administration, Office of Statewide Reporting and Accounting. The Louisiana Comprehensive Annual Financial Report completed with information relative to the Commission is included as other required supplemental information

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to readers of this report

Financial Analysis of the Commission

Net assets are an indicator of the Commission's financial position from year to year. A summary of net assets follows

SUMMARY OF NET ASSETS

	<u>2012</u>	<u>2011</u>
Assets		
Current assets	\$ 1,172,102.66	\$ 730,455.62
Non-current assets	669,139.48	559,312.40
Total Assets	<u>1,841,242.14</u>	<u>1,289,768.02</u>
Liabilities		
Current liabilities	294,210.36	84,907.41
Non-current liabilities	652,313.05	645,232.18
Total Liabilities	<u>946,523.41</u>	<u>730,139.59</u>
Net Assets		
Invested in capital assets, net of related debt	171,161.34	161,342.40
Unrestricted	723,557.39	398,286.03
Total Net Assets	<u>894,718.73</u>	<u>559,628.43</u>

Between June 30, 2011 and June 30, 2012 the net assets of the Commission increased by \$335,090, or 60%

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

A summary of changes in net assets is as follows

SUMMARY OF CHANGES IN NET ASSETS

	<u>2012</u>	<u>2011</u>
Operating Revenues	\$ 1,236,665 11	\$ 1,051,611 90
Operating Expenses	<u>(940,354 03)</u>	<u>(985,157 65)</u>
Operating Income (Loss)	296,311 08	66,454 25
Non-operating Revenues (Expenses)	<u>7,368 13</u>	<u>25,922 46</u>
Prior Period Adjustment	<u>31,410 83</u>	<u>0 00</u>
Change in Net Assets	<u>335,090 04</u>	<u>92,376 71</u>

Operating revenues increased by \$185,053 or 18%. Expenses decreased by \$44,803 or 5% of the prior year's expenses. This positive change is a result of changes instituted within the office providing for more efficiency of operations.

During the year, management identified fixed assets in the amount of \$2,167 that had been previously unrecorded and payroll liabilities totaling \$29,244 that should have been expensed in prior periods. Because of these discoveries, management chose to adjust the totals as of prior periods, resulting in an increase to net assets.

Cash flow activity of the Commission for the past two years is as follows

STATEMENT OF CASH FLOWS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents provided by (used for)		
Operating activities	\$ 527,434 42	\$ 173,596 78
Non-capital financing activities	0.00	17,369 44
Capital and related financing activities	(29,347 37)	(13,595.00)
Investing activities	<u>(92,640 01)</u>	<u>8,553 02</u>
Net Increase in Cash and Cash Equivalents	405,447 04	185,924 33
Cash and cash equivalents, beginning of year	<u>708,025 62</u>	<u>522,101.39</u>
Cash and cash equivalents, end of year	<u>1,113,472 66</u>	<u>708,025 62</u>

**LOUISIANA USED MOTOR VEHICLE COMMISSION
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Budgetary Highlights

Revenues were less than anticipated by \$74,267 or 6%. Expenses, on the other hand, were less than budgeted \$326,096 or 26%. This resulted in an overall positive change in net assets of \$251,830 more than budgeted.

Capital Asset and Debt Administration

Capital Assets The Commission's investment in capital assets, net of accumulated depreciation, at June 30, 2012 and 2011, was \$171,161 and \$161,342, respectively. The most significant capital asset is the Commission's building at a total cost of \$255,488 including land.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
	<u>2012</u>	<u>2011</u>
Non-depreciable Assets		
Land	\$ 50,000 00	\$ 50,000 00
Depreciable Assets		
Buildings	88,911 90	94,142 01
Parking lot	9,775 00	10,350 00
Autos and equipment	22,474 44	6,850 39
Total	<u>171,161 34</u>	<u>161,342 40</u>

Capital acquisitions during the year included telephone and computer equipment costing \$25,014. Additionally, management identified equipment that had been previously unrecorded in its financial records and adjusted the records accordingly. Finally, several fully depreciated items of equipment that were no longer being utilized were retired as surplus to the State of Louisiana during the year.

Debt Administration Long-term debt of the Commission includes compensated absences at amounts of \$63,874 and \$30,654 at June 30, 2012 and 2011, respectively. There is also an actuarially determined obligation for post-employment benefits of \$615,439 at June 30, 2012, up from \$614,578 at June 30, 2011.

Future Plans and Next Year's Budget

During the 2012 license year, the Commission began the process of moving all licensees to a two-year license. Districts 4 and 5 were licensed for two years with an expiration date of December 31, 2013. Districts 1, 2 and 3 will move to the two-year license for license year 2013, with an expiration date of December 31, 2014. All salesperson licenses in all districts will continue to renew for one year and will expire December 31, 2013. Licensees will continue to be encouraged to use the online renewal process.

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In an effort to increase the lines of communication and ensure maximum efficiency each licensee will receive an email address provided by the Commission. The provided email address will allow for broader functionality between the licensee and the Commission which will increase our levels of service and communication. The Commission is improving service by moving away from mailing and faxing documents and will use this email address as the primary communication with licensees.

The Accounting Department of this Commission is also in a transition phase. Concerted efforts have been and will continue to be made to move this department to a more automated operation with greater internal controls. Benefit payments to the State of Louisiana and other vendors have been converted to online transfers. Payroll and timekeeping records have also been automated. The Commission began providing employees with an online paycheck record. This allows the employee to keep a secure electronic file of their pay which they can access at any time via the Internet. In addition, an online timekeeping resource has been retained to track employee work and leave hours. This resource provides a permanent record of all employee time, with unlimited storage availability. It will also automate the leave request process. The accounting records will be migrated to a new, flexible accounting software program that will provide greater internal controls, wider reporting capabilities, and a more efficient workflow. This program will also allow accounting records, such as paid invoices, to be scanned and stored, which will decrease research time and storage requirements.

Overall, this Commission is moving toward new policies and procedures which will enable a leaner, more efficient operation and will benefit the licensees and public which it serves.

Request for Information

This financial report is designed to provide a general overview of the Commission's finances, comply with finance-related laws and regulations and demonstrate the Commission's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Mr. Derek Parnell at 3132 Valley Creek Drive, Baton Rouge, Louisiana 70808, 225-925-3874.

BASIC FINANCIAL STATEMENTS

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	Business-type Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,113,472 66
Accounts receivable, net of allowance of \$5,470	58,630 00
Total Current Assets	1,172,102 66
Non-Current Assets	
Investments	497,978 14
Land	50,000 00
Building/parking lot	205,488 00
Auto and equipment	170,845 25
Accumulated depreciation	(255,171 91)
Total Non-Current Assets	669,139 48
Total Assets	1,841,242 14
LIABILITIES	
Current Liabilities	
Accounts payable	8,729 31
Payroll taxes withheld and related payables	32,824 28
Accrued salaries payable	6,536 77
Deferred revenue	246,120 00
Total Current Liabilities	294,210 36
Non-Current Liabilities	
Compensated absences payable	36,874 04
Other post-employment benefits plan payable	615,439 01
Total Non-Current Liabilities	652,313 05
Total Liabilities	946,523 41
NET ASSETS	
Invested in capital assets, net of related debt	171,161 34
Unrestricted	723,557 39
Total Net Assets	894,718 73

See Accompanying Notes and Auditors' Report

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2012**

	Business-type Activities
<u>OPERATING REVENUES</u>	
Licenses and other fees	\$ 791,826 00
Auction fees	233,564 25
Hearing costs and fines, net of uncollectibles of \$243,359 59	189,740 41
Mailing lists/labels/other revenue	21,534 45
Total Operating Revenues	1,236,665 11
<u>OPERATING EXPENSES</u>	
Salaries and related benefits	666,087 49
Meetings, conferences and travel	8,618 34
Professional services	118,062 12
Maintenance and repairs	26,737 86
General and administrative	103,486 31
Depreciation	17,361 91
Total Operating Expenses	940,354 03
Operating Income	296,311 08
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest income	7,368 13
Total Non-Operating Revenues (Expenses)	7,368 13
Change in Net Assets	303,679 21
Total Net Assets, beginning	559,628 69
Prior Period Adjustments	31,410 83
Total Net Assets, ending	894,718 73

See Accompanying Notes and Auditors' Report

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATEMENT OF CASH FLOWS
YEAR END JUNE 30, 2012**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,430,687 26
Cash paid to suppliers for goods/services	(223,327 28)
Cash paid to employees for services	<u>(679,925 56)</u>
Net Cash Provided by Operating Activities	527,434 42
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(29,347 37)</u>
Net Cash Used for Capital and Related Financing Activities	(29,347 37)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Certificate of Deposit	(100,008 14)
Interest received from investments	<u>7,368 13</u>
Net Cash Provided by Investing Activities	<u>(92,640 01)</u>
Net Increase in Cash and Cash Equivalents	405,447 04
Cash and Cash Equivalents, beginning of year	<u>708,025 62</u>
Cash and Cash Equivalents, end of year	<u><u>1,113,472 66</u></u>

Continued

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
STATEMENT OF CASHFLOWS (Continued)
YEAR END JUNE 30, 2012**

	Business-type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	296,311 08
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	17,361 91
(Increase) decrease in assets	
Accounts receivable	(36,200 00)
Increase (decrease) in liabilities	
Accounts payable	(15,897 85)
Accrued salaries and retirement payable	(20,918 94)
Deferred revenue	246,120 00
Compensated absences payable	6,219 68
Other post-employment benefits plan payable	861 19
Prior period adjustment	33,577 35
Net Cash Provided by Operating Activities	527,434 42

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

INTRODUCTION

The Louisiana Used Motor Vehicle Commission is a component unit of the State of Louisiana. It was created within the Office of the Governor as provided by Louisiana Revised Statute 32:772 in 1984, and is governed by La R S 32:783. The Commission serves as a statewide authority to license and regulate used motor vehicle dealers, sales personnel, motor vehicle crushers, dealers of used parts and accessories and dismantlers and parts recyclers. It also conducts hearings, if warranted, on complaints against these individuals or businesses. Headquartered in Baton Rouge, the Commission's operations are funded by self-generated funds which are primarily license fees.

The Commission is composed of 10 members appointed by the Governor of the State of Louisiana and serve concurrent terms with that of the Governor. Five of the members must be licensed used motor vehicle dealers from each of the Public Service Commission districts. Three of the members must be consumers selected at large. One each of the following make up the remaining members – (1) licensed automotive dismantler or parts recycler, and (2) licensed conductor of used motor vehicle auctions or salvage pool auctions. Commission members, as authorized by Louisiana Administrative Code 46:317(C), may receive a per diem of \$75 per day in addition to actual expense reimbursement to attend meetings or conduct Commission-approved business.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Louisiana Used Motor Vehicle Commission conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, 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 public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Louisiana Used Motor Vehicle Commission.

Fund Accounting: The Commission uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

**LOUISIANA USED MOTOR VEHICLE COMMISSION
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A fund is a separate entity with a self-balancing set of accounts. Funds of the Commission are classified under one category – proprietary. This category, in turn, is further divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds – account for activities that are similar to activities found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds of the Commission include the following fund types:

1. **Enterprise** – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Masurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Commission (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification, and subsequent GASB pronouncements, is recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund financial statements of the Commission are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

Application of FASB Statements and Interpretations: Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Operating Revenues: Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Commission's licensing activities are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Budgets and Budgetary Accounting: Subject to the Louisiana Licensing Agency Budget Act established by Louisiana Revised Statutes 39 1331-1342, the Commission adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The Commission must approve any revisions that alter the total expenditures. Although budget amounts lapse at year-end, the Commission retains its unexpended fund balances to fund expenditures of the succeeding year.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in interest-bearing demand deposits and certificates of deposit. 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.

For purposes of the statement of cash flows, all highly liquid investments with a maturity date of three months or less are considered to be cash equivalents.

Investments: Investments are limited by Louisiana Revised Statute 33 2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

The Commission's policy (#21) is tailored after Louisiana Revised Statute 49 327 and prohibits investments with maturities extending beyond 12 months. The policy also requires that three quotes be obtained by allowable financial institutions as to interest rates and that the amounts of the investment not exceed an amount insured by FDIC (\$250,000) and pledged collateral at any one institution.

Inventory: Inventory of the Commission includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Receivables: Receivables consist of fines and costs associated with disciplinary action taken against licensees. The Commission uses the allowance method to account for uncollectible accounts, and receivables are presented net of an allowance of \$5,470 at June 30, 2012.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The Commission's assets are recorded at historical cost. Depreciation is recorded using the straight-line method of depreciation over the useful lives of the assets. This period is considered 10-50 years for buildings and improvements and 5-10 years for vehicles and equipment. Generally, the Commission includes all capital acquisitions with a cost of \$1,000 or more in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Commission wants to monitor the item.

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
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JUNE 30, 2012**

Compensated Absences: Employees of the Commission earn and accumulate vacation and sick leave at varying rates depending on their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, however, employees or their heirs are compensated for only up to 300 hours of unused vacation leave. This is computed at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. At June 30, 2012, employees of the Commission had accumulated and vested \$36,874 in employee leave benefits, which was computed in accordance with GASB Codification Section C60 150.

Net Assets: In the statement of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are reserved by external sources, such as banks or by law, are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use. Restricted resources are exhausted before unrestricted net assets are used.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2012:

	<u>Book Balance</u>	<u>Bank Balance</u>
Petty cash	\$ 500 00	\$ 500 00
Interest-bearing demand deposits	<u>1,112,972 66</u>	<u>1,141,516 32</u>
Total	<u>1,113,472 66</u>	<u>1,142,016 32</u>

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

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

With the adoption of GASB Statement No 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Commission does not have any deposits that fall within this category.

NOTE 3 – INVESTMENTS

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter-party or the counter-party's trust department or agent but not in the entity's name. The Commission does not have any investments subject to credit risk. All investments are certificates of deposit with maturities extending beyond 90 days. At June 30, 2012, the Commission had certificates whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Concordia Bank & Trust	1/03/13	0.75%	\$ 200,000.00
La Capitol FCU	8/21/12	0.40%	100,000.00
Landmark Bank	4/24/13	0.80%	99,008.14
Landmark Bank	4/17/13	0.80%	<u>98,970.00</u>
Total			<u>497,978.14</u>

NOTE 4 – RECEIVABLES

The following is a summary of receivables at June 30, 2012:

Class of Receivables

Accounts - hearings, net of allowance of \$5,470	<u>\$ 58,630.00</u>
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**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 50,000 00	\$ 00	\$ 00	\$ 50,000 00
Capital Assets, being depreciated				
Buildings and improvements	205,488 00	00	00	205,488 00
Less accumulated depreciation	100,995 99	5,805 11	00	106,801 10
Net Buildings and Improvements	104,492 01	(5,805 11)	00	98,686 90
Autos and equipment	206,930 60	27,180 85	(63,266 20)	170,845 25
Less accumulated depreciation	200,080 21	11,556 80	(63,266 20)	148,370 81
Net Autos and Equipment	6,850 39	15,624 05	00	22,474 44
Net Capital Assets, being depreciated	111,342 40	9,818 94	00	121,161 34
Net Capital Assets	161,342 40	9,818 54	00	171,161 34

NOTE 6 – LEAVE

Annual and Sick Leave The Commission's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to the employee's immediate supervisor and approved by the Executive Director or his/her designee. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net assets, the amount unpaid at June 30, 2012 and 2011, being \$36,874 04 and \$30,564 36, respectively.

Compensatory Leave Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. Compensatory leave was not accrued at June 30, 2012.

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7 – RETIREMENT SYSTEM

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

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P O Box 44213, Baton Rouge, La 70804-4213, 225-922-0605 or 800-256-3000.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the Commission is required to contribute at an actuarially determined rate as required by Louisiana R.S. 11:102. That rate for the year ended June 30, 2012, was 25.6%. Contributions to the System for the years ended June 30, 2012, 2011 and 2010, were \$89,637.30, \$87,244 and \$68,990, respectively.

NOTE 8 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Commission may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Commission's employees become eligible for those benefits if they reach normal retirement age while working for the Commission and were covered by the Commission's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Plan Description The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

La R S 42 801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report, however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

Funding Policy LRS 42 801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Commission with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs - 81%, 10-14 yrs - 62%, 15-19 yrs - 44%, 20+ yrs - 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or herself and 88% for his/her spouse. Maximum coverage is capped at \$50,000. Premiums paid for healthcare coverage vary depending on the plan chosen. The plan is currently financed on a pay-as-you-go basis by the Commission.

OPEB Cost/Obligation The Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2008, is as follows:

Normal cost	\$ 40,300
30 year UAL amortization amount	<u>81,900</u>
Annual Required Contribution (ARC)	<u>122,200</u>

The Commission's OPEB obligation for the year ended June 30, 2012, is as follows:

Annual required contribution/OPEB Cost	\$ 86,599
Contributions made	<u>(85,738)</u>
Change in Net OPEB Obligation	861
Net OPEB obligation, beginning	<u>614,579</u>
Net OPEB obligation, ending	<u>615,439</u>

Utilizing the pay-as-you-go method, the Commission contributed 99% of the annual post-employment benefits cost during the current year.

Funding Status and Funding Progress As of June 30, 2012, the Commission had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year.

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below:

Unfunded actuarial accrued liability (UAAL)	\$ 615,439
Covered payroll (active employees)	426,791
 UAAL as a percentage of covered payroll	 144%

Actuarial Methods/Assumptions Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 7.0% and 8.1% for pre-Medicare and Medicare eligible, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis.

NOTE 9 – LEASES

Operating Leases A copier was leased from Kyocera for \$346.49 per month and is paid on a month-to-month basis or \$5,158 annually.

Capital Leases The Commission has no capital leases.

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 10 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2012

Class of Payables

Accounts	\$ 8,729 31
Payroll taxes withheld and related	32,824 28
Salaries	6536 77
Deferred revenue	<u>246,120 00</u>
 Total	 <u>294,210.36</u>

The deferred revenue balance is the result of the Commission transitioning to two year licenses starting with Districts 4 and 5 in 2012. The remaining districts renew for two years beginning in 2013.

NOTE 11 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012, was as follows

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 30,654 36	\$ 6,219 68	\$ 00	\$ 36,874 04	\$ 00
Other post-employment benefits	<u>614,577 82</u>	<u>861 19</u>	<u>00</u>	<u>615,439 01</u>	<u>00</u>
Total	<u>645,232 18</u>	<u>7,080 87</u>	<u>.00</u>	<u>652,313.05</u>	<u>.00</u>

NOTE 12– PRIOR PERIOD ADJUSTMENTS

The Commission adjusted net assets at July 31, 2011 for the following

Capital assets	\$ 2,166 52
Benefits payable	3,909 01
Salary payable	<u>25,335 31</u>
Total	<u>31,410.83</u>

During the year, management identified fixed assets in the amount of 2,166 52 that had been previously unrecorded and payroll liabilities totaling 29,244 32 that should have been expensed in prior periods. The Commission has chosen to adjust the totals as of prior periods, resulting in an increase to net assets.

NOTE 13– RELATED PARTY TRANSACTIONS

There were no related party transactions during the year

NOTE 14 – LITIGATION

There is no litigation that would require disclosure in this financial report

NOTE 15 – SUBSEQUENT EVENTS

There were no events subsequent to year-end and prior to the issuance of this report that would materially impact the accompanying financial statements

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
BUDGETARY COMPARISON SCHEDULE
YEAR END JUNE 30, 2012**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Licenses and other fees	\$ 1,030,000 00	\$ 1,030,000 00	\$ 1,025,390 25	\$ (4,609 75)
Auction fees	-	-	-	-
Hearing costs and fines	32,000 00	275,600 00	189,740 41	(85,859 59)
Mailing lists/labels	6,100 00	6,100 00	6,903 68	803 68
Interest income	6,600 00	6,600 00	7,368 13	768 13
Other revenues	-	-	14,630 77	14,630 77
Total Revenues	1,074,700 00	1,318,300 00	1,244,033 24	(74,266 76)
EXPENDITURES				
Salaries and related benefits	681,534 60	681,534 60	666,087 49	15,447 11
Meetings, conferences and travel	11,500 00	8,500 00	8,618 34	(118 34)
Professional services	126,400 00	119,400 00	118,062 12	1,337 88
Maintenance and repairs	21,600 00	21,600 00	26,737 86	(5,137 86)
General and administrative	164,815 63	418,415 63	103,486 05	314,929 58
Depreciation	17,000 00	17,000 00	17,361 91	(361 91)
Total Expenditures	1,022,850 23	1,266,450 23	940,353 77	326,096 46
Change in Net Assets	51,849 77	51,849 77	303,679 47	251,829 70
Net Assets, beginning	559,628 43	559,628 43	559,628 43	-
Prior period adjustment			31,410 83	
Net Assets, ending	611,478 20	611,478 20	894,718 73	283,240 53

The final budget projected Hearing Costs and Fines of \$275,600 and Bad Debt Expense of \$243,600. Footnote 41 of GASB Statement No. 34 states, however, that revenues should be reported net of discounts and allowances.

After year end, Bad Debt Expense was eliminated and Hearing Costs and Fines was adjusted to conform with GASB Statement No. 34. The adjustments caused both revenues and expenditures for the year to be stated at levels lower than had been anticipated. Otherwise, actual revenues and expenditures were within acceptable ranges based on the final budget.

See Auditors' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
SCHEDULE OF PER DIEM PAID TO COMMISSION MEMBERS
JUNE 30, 2012**

In compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem/compensation paid to Commission members is presented for the year ended June 30, 2012

<u>Name</u>	<u>Amount</u>
Poteet, John	\$ 825 00
Bourgeois, Rhett	450 00
Brewer, George	600 00
Cormier, Tony	450 00
Duplessis, Ron (waived)	0 00
Floyd, George	825 00
Roy, Kirby	675 00
Smith, Henry	675 00
Turner, Doug	525 00
Taylor, Steven	<u>450 00</u>
Total	<u>5,475.00</u>

See Auditors' Report

John L. McKowen, CPA
2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

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

To the Commissioners of the
Louisiana Used Motor Vehicle Commission
3132 Valley Creek Drive
Baton Rouge, Louisiana 70808

I have audited the financial statements of the governmental activities and the aggregate remaining fund information of the Louisiana Used Motor Vehicle Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements as listed in the table of contents and have issued my report thereon dated September 5, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Used Motor Vehicle Commission's financial statements are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Louisiana Used Motor Vehicle Commission's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Used Motor Vehicle Commission's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Louisiana Used Motor Vehicle Commission's internal control over financial reporting.

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.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

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

A handwritten signature in blue ink that reads "John L. McKowen, CPA". The signature is written in a cursive style.

John L. McKowen, CPA
September 5, 2012

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

I have audited the basic financial statements of the Louisiana Used Motor Vehicle Commission as of and for the year ended June 30, 2012, and have issued my report thereon dated September 5, 2012. I conducted my 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. My audit of the financial statements as of June 30, 2012, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1 Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	<input type="checkbox"/> No
	Significant Deficiencies	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No

2 Federal Awards

N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

Section IV Management Letter

N/A

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2012**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2012**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

OTHER REQUIRED SUPPLEMENTAL INFORMATION

**LOUISIANA USED MOTOR VEHICLE COMMISSION
OFFICE OF THE GOVERNOR
SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2012**

LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

As a component unit of the State of Louisiana, the financial statements of the Louisiana Used Motor Vehicle Commission are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration for reporting purposes. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2012

Used Motor Vehicle Commission
3132 Valley Creek Drive
Baton Rouge, Louisiana 70808

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

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

Physical Address.
1201 N Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Derek Parnell, Executive Director of the Louisiana Used Motor Vehicle Commission (the Commission) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Commission at June 30, 2012, and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board Sworn and subscribed before me, this 5th day of September, 2012


Signature of Agency Official


NOTARY PUBLIC
38117

Prepared by. Derek Parnell
Title: Executive Director
Telephone No.. 225-925-3865
Date: September 4, 2012
Email Address: dparnell@lumvc.louisiana.gov

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2012

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See the Appendix Packet on our Website (OSRAP Memo 13-01)

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
BALANCE SHEET
AS OF JUNE 30, 2012**

Statement A

ASSETS

CURRENT ASSETS

Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	1,670,081

NONCURRENT ASSETS

Restricted assets (Note F)	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	50,000
Buildings and improvements	98,686
Machinery and equipment	22,475
Infrastructure	
Intangible assets	
Construction/Development-in-progress	
Other noncurrent assets	
Total noncurrent assets	171,161
Total assets	\$ 1,841,242

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accruals (Note V)	\$ 48,090
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	246,120
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	294,210

NONCURRENT LIABILITIES (Note K)

Contracts payable	
Compensated absences payable	36,874
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OP&B payable	615,439
Other long-term liabilities	
Total noncurrent liabilities	652,313
Total liabilities	946,523

NET ASSETS

Invested in capital assets net of related debt	
Restricted for	
Capital projects	171,161
Debt Service	
Unemployment compensation	
Other specific purposes	
Unrestricted	723,558
Total net assets	894,719
Total liabilities and net assets	\$ 1,841,242

The accompanying notes are an integral part of this financial statement

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE COMMISSION
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2012**

Statement B

Operating income(loss)	296,311
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	7,368
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue	
Other expense	
Total non-operating revenues(expenses)	7,368
Income(loss) before contributions, extraordinary items, & transfers	303,679
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	303,679
Total net assets – beginning	559,629
Prior period adjustment	31,411
Total net assets – ending	\$ 894,719

The accompanying notes are an integral part of this financial statement

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Statement C

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Entity	\$ <u>940,354</u>	\$ <u>1,236,665</u>	\$ _____	\$ _____
General revenues				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				<u>7,368</u>
Miscellaneous				_____
Special items				_____
Extraordinary item - Loss on impairment of capital assets				_____
Transfers				_____
Total general revenues special items and transfers				<u>7,368</u>
Change in net assets				<u>303,679</u>
Net assets - beginning as restated				<u>559,629</u>
Prior period adjustment				<u>31,411</u>
Net assets - ending				\$ <u>894,719</u>

The accompanying notes are an integral part of this statement

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2012

INTRODUCTION

The Louisiana Used Motor Vehicle Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 32:772. The following is a brief description of the operations of the Louisiana Used Motor Vehicle Commission and includes the parish/parishes in which the Louisiana Used Motor Vehicle Commission is located.

The Louisiana Used Motor Vehicle Commission is a component unit of the State of Louisiana. It was created within the Office of the Governor as provided by Louisiana Revised Statute 32:772 in 1984, and is governed by La. R.S. 32:783. The Commission serves as a statewide authority to license and regulate used motor vehicle dealers, sales personnel, motor vehicle crushers, dealers of used parts and accessories and dismantlers and parts recyclers. It also conducts hearings, if warranted, on complaints against these individuals or businesses. Headquartered in Baton Rouge, the Commission's operations are funded by self-generated funds which are primarily license fees.

The Commission is composed of 10 members appointed by the Governor of the State of Louisiana and serve concurrent terms with that of the Governor. Five of the members must be licensed used motor vehicle dealers from each of the Public Service Commission districts. Three of the members must be consumers selected at large. One each of the following make up the remaining members – (1) licensed automotive dismantler or parts recycler, and (2) licensed conductor of used motor vehicle auctions or salvage pool auctions. Commission members, as authorized by Louisiana Administrative Code 46:317(C), may receive a per diem of \$75 per day in addition to actual expense reimbursement to attend meetings or conduct Commission-approved business.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2012

- C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C) See Memo 13-01, Appendix A, for information related to Note C

1 DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit Under state law the Louisiana Used Motor Vehicle Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents

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

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

The deposits at June 30, 2012, consisted of the following

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 1,112,973	\$ 497,978	\$	\$ 1,610,951
Deposits in bank accounts per bank	\$ 1,141,516	\$ 497,978	\$	\$ 1,639,494
Bank balances exposed to custodial credit risk	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above

	Banking Institution	Program	Amount
1	JPMorgan Chase	Operating	\$ 1,141,516
2	Concordia Bank & Trust	Operating	200,000
3	Landmark Bank	Operating	197,978
4	LaCapitol Fed Credit Union	Operating	100,000
	Total		\$ 1,639,494

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

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

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

2 INVESTMENTS

The Louisiana Used Motor Vehicle Commission does not maintain investment accounts as authorized by La. R S 33 2955 All investments are long term certificates of deposit held at financial institutions in Louisiana

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or held by the counterparty's trust department or agent, but not in the entity's name Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
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<u>Type of Investment</u>	<u>*Unregistered, and Held by Counterparty</u>	<u>Trust Dept or Agent Not in Entity's Name</u>	<u>Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U S Government Obligations **	_____	_____	_____	_____
U S Agency Obligations***	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ****	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U S government. (See Appendix A, Memo 13-01 for the definition of US Government Obligations)

*** These obligations may not be exposed to custodial credit risk (See Appendix A, Memo 13-01 for discussion of FNMA & FHLMC)

**** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level

3 CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

N/A

4 DERIVATIVES (GASB 53)

N/A

5 POLICIES

N/A

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

6 OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

N/A

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

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

STATE OF LOUISIANA
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 Notes to the Financial Statement
 As of and for the year ended June 30, 2012

Schedule of Capital Assets (includes capital leases)

Agency	Balance 6/30/2011	Prior Period Adjustments	Restated Balance 6/30/2011	Additions	Reclassifi- cation of CIP	** Retirements	Balance 6/30/2012
Capital assets not depreciated	\$ 50,000		\$ 50,000	\$	\$	\$	\$ 50,000
Land							
Non-depreciable land improvements							
Non-depreciable easements							
Capitalized collections							
Software - development in progress							
Construction in progress							
Total capital assets not depreciated	\$ 50,000		\$ 50,000	\$	\$	\$	\$ 50,000
Other capital assets							
Depreciable land improvements							
** Accumulated depreciation							
Total land improvements							
Buildings	205,488		205,488				205,488
** Accumulated depreciation	(100,996)		(100,996)	(5,805)			(106,801)
Total buildings	104,492		104,492	(5,805)			98,687
Machinery & equipment	206,931	2,167	209,098	25,014		(63,266)	170,846
** Accumulated depreciation	(200,081)		(200,081)	(11,557)		63,266	(148,372)
Total machinery & equipment	6,850	2,167	9,017	13,457			22,474
Infrastructure							
** Accumulated depreciation							
Total infrastructure							
Software (internally generated & purchased)							
Other intangibles							
** Accumulated amortization - software							
** Accumulated amortization - other intangibles							
Total intangibles							
Total other capital assets	\$ 111,342	2,167	\$ 113,509	\$ 7,652	\$	\$	\$ 121,161
Capital asset summary							
Capital assets not depreciated	\$ 50,000		\$ 50,000	\$	\$	\$	\$ 50,000
Other capital assets, book value	412,419	2,167	414,586	25,014		(63,266)	376,334
Total cost of capital assets	462,419	2,167	464,586	25,014		(63,266)	426,334
Accumulated depreciation/amortization	(301,077)		(301,077)	(17,362)		63,266	(255,173)
Capital assets, net	\$ 161,342	2,167	\$ 163,509	\$ 7,652	\$	\$	\$ 171,161

* Should only be used for those completed projects coming out of construction-in-progress to capital assets
 ** Enter a negative number except for accumulated depreciation in the retirement column

E. INVENTORIES

N/A

F. RESTRICTED ASSETS

N/A

G. LEAVE

1 COMPENSATED ABSENCES

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

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

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

2 COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2012 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60 105 is estimated to be \$36,874. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana Used Motor Vehicle Commission are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time Louisiana Used Motor Vehicle Commission employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their

option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2011 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. A copy of the report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at http://www.lasersonline.org/uploads/2011_CAFR_web_version.pdf

All members are required by state statute to contribute with the vast majority of employees of the state who became members before July 1, 2006 contributing 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. The (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2012 increased to 25.6% of annual covered payroll from the 22.0% and 18.6% required in fiscal years ended June 30, 2011 and 2010 respectively. The (BTA) contributions to the System for the years ending June 30, 2012, 2011, and 2010, were \$89,637, \$87,244, and \$68,990, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's

website - <http://www.doa.louisiana.gov/OSRAP/afipackets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2011, to be used for fiscal year ending June 30, 2012" Report note disclosures for other plans, not administrated by OGB, separately

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	6/30/2012
1 * ARC	<u>\$85,500</u>
2 * Interest on NOO	<u>\$24,583</u>
3 * ARC adjustment	<u>(\$23,484)</u>
4 * Annual OPEB Expense (1 + 2 - 3)	<u>\$86,599</u>
5 Contributions (employer pmts to OGB for retirees' cost of 2012 insurance premiums)	<u>(\$85,738)</u>
6 Increase in Net OPEB Obligation (4 - 5)	<u>\$861</u>
7 *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	<u>\$614,578</u>
8 **NOO, end of year (6 + 7)	<u><u>\$615,439</u></u>

J. LEASES

1 OPERATING LEASES

The total payments for operating leases during fiscal year 2012 amounted to \$5,158

Nature of lease	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018-2022	FY 2023-2027
Office Space	\$ 5,158						
Equipment							
Land							
Other							
Total	<u>\$ 5,158</u>	<u>\$ -</u>	<u>\$ -</u>				

2 CAPITAL LEASES

N/A

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2012

	Balance June 30, 2011	Year ended June 30, 2012		Balance June 30, 2012	Amounts due within one year
		Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	-	-	-	-	-
Total notes and bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Contracts payable	-	-	-	-	-
Compensated absences payable	30,654	6,220	-	36,874	-
Capital lease obligations	-	-	-	-	-
Claims and litigation	-	-	-	-	-
Pollution remediation obligation	-	-	-	-	-
OPEB payable	614,578	861	-	615,439	-
Other long-term liabilities	-	-	-	-	-
Total other liabilities	<u>645,232</u>	<u>7,081</u>	<u>-</u>	<u>652,313</u>	<u>-</u>
Total long-term liabilities	\$ <u>645,232</u>	\$ <u>7,081</u>	\$ <u>-</u>	\$ <u>652,313</u>	\$ <u>-</u>

L. CONTINGENT LIABILITIES

N/A

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

N/A

T. SHORT-TERM DEBT

N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2012, were as follows

Fund (gen fund, gas tax fund, etc)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General	\$ 58,650	\$	\$	\$	\$ 58,650
Gross receivables	\$ 58,650	\$ -	\$ -	\$ -	\$ 58,650
Less allowance for uncollectible accounts					
Receivables, net	\$ 58,650	\$ -	\$ -	\$ -	\$ 58,650
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DI

Payables at June 30, 2012, were as follows

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 8,729	\$ 39,361	\$	\$	\$ 48,090
					-
Total payables	\$ 8,729	\$ 39,361	\$ -	\$ -	\$ 48,090

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2012

Ending net assets 6/30/11 as reported to OSRAP on PY AFR	*Adjustments to ending net assets 6/30/11 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/11) + or (-)	Beg net assets @ 7/1/11 as restated
\$ 559,629	\$	31,411	\$ 591,040
			-
			-
			-
			-

The

Commission adjusted net assets at July 31, 2011 for the following

Capital assets	\$ 2,166 52
Benefits payable	3,909 01
Salary payable	<u>25,335 31</u>
Total	<u>31,410.83</u>

During the year, management identified capital assets in the amount of \$2,166 52 that had been previously unrecorded and payroll liabilities totaling 29,244 32 that should have been expensed in prior periods. The Commission has chosen to adjust the totals as of prior periods, resulting in an increase to net assets

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

EE. POLLUTION REMEDIATION OBLIGATIONS

N/A

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

N/A

GG. RESTRICTED NET ASSETS – OTHER SPECIFIC PURPOSES

N/A

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE COMMISSION
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$3 million, explain the reason for the change.

	<u>2012</u>	<u>2011</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 1,244,033	\$ 1,051,612	\$ 192,421	\$ 18.3%
Expenses	940,350	985,158	(44,808)	(4.5%)
2) Capital assets	171,161	161,342	9,819	6.1%
Long-term debt	652,313	645,232	7,081	1.1%
Net Assets	894,719	559,628	335,091	59.9%
Explanation for change	<hr/> <hr/> <hr/> <hr/>			