LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

Financial Statements with Supplementary Information

June 30, 2024

(With Independent Auditors' Report Thereon)

LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

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American Society of Certified Public Accountants
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Independent Auditors' Report

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

Opinions

We have audited the accompanying financial statements of the business-type activities of the Louisiana Motor Vehicle Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana Motor Vehicle Commission as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The annual financial report required by Division of Administration, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Griffin & Furman, LLC

October 1, 2024

Covington, Louisiana

The management's discussion and analysis of the Louisiana Motor Vehicle Commission's (the Commission) financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2024. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the Commission's financial statements.

Financial Highlights

- **The Commission's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of fiscal year 2024 by $3,618,013 which represents an increase in net position of $55,704 for the current year.**

- **The Commission's operating revenues decreased by $36,516 or 1% and operating expenses increased by $563,766 or 18% from the prior year. The increase operating expenses was primarily due to an increase in salaries and related benefits for the current year.**

- **The Commission's non-operating revenues increased by $254,933. The increase was primarily due to an increase in interest income rates and a non-employer pension contribution by the State of Louisiana.**

Overview of the Basic Financial Statements

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

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

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between total assets plus deferred outflows and liabilities plus deferred inflows is net position, which may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

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

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

Financial Analysis of the Commission

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

**Condensed Statements of Net Position
June 30, 2024 and 2023**

		2024	2023	Change
Current assets	$	7,666,486	7,895,874	(229,388)
Capital assets, net of depreciation		2,793,489	2,806,877	(13,388)
Total assets		10,459,975	10,702,751	(242,776)
Deferred outflows of resources		999,207	1,140,988	(141,781)
Current liabilities		2,394,337	2,318,670	75,667
Long-term liabilities		5,007,213	5,303,863	(296,650)
Total liabilities		7,401,550	7,622,533	(220,983)
Deferred inflows of resources		439,619	658,897	(219,278)
Net position				
Net investment in capital assets		2,793,489	2,806,877	(13,388)
Unrestricted		824,524	755,432	69,022
Total net position	$	3,618,013	3,562,309	55,704

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

**Condensed Statements of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended June 30, 2024 and 2023**

		2024	2023	Change
Operating revenues	$	3,403,436	3,439,952	(36,516)
Operating expenses		3,700,833	3,137,067	563,766
Operating income (loss)		(297,397)	302,885	(600,282
Non-operating revenues		353,101	98,168	254,933
Change in net position	$	55,704	401,053	(345,349)

Capital Assets

As of June 30, 2024, the Commission had $2,793,489 invested in capital assets including office furniture and equipment, building and building improvements, automobiles, and land. This amount represents a net decrease of $13,388 or 0.5% compared to the prior year. The decrease in capital assets was due to depreciation expense recorded on the Commission's capital assets during the current year.

Long Term Debt

As of June 30, 2024, the Commission had long-term liabilities totaling $5,007,213, consisting of annual leave outstanding, other postemployment benefits liability, and net pension liability at year-end. The obligations decreased by $296,650 or 6% from the prior year. This decrease was primarily due to a change in deferred outflows from projected versus actual earnings associated with the Commission's net pension liability.

Economic Factors and Next Year's Budgets

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

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

Contacting the Commission

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Commission's finances and demonstrate the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Louisiana Motor Vehicle Commission at 3017 Kingman Street, Metairie, Louisiana 70006.

LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

Statement of Net Position

June 30, 2024

Assets		
Current assets:		
Cash	$ 7,666,486	
Total current assets		7,666,486
Capital assets, net of depreciation		2,793,489
Total assets		10,459,975
Deferred Outflows of Resources		
Deferred outflows related to OPEB	208,826	
Deferred outflows related to pensions	790,381	
Total deferred outflows of resources		999,207
Liabilities		
Current liabilities:		
Accounts payable	46,051	
Unearned revenue	2,130,386	
Payroll liabilities	68,033	
Compensated absences	104,280	
Other postemployment benefits liability	45,587	
Total current liabilities		2,394,337
Long-term liabilities:		
Compensated absences	33,915	
Other postemployment benefits liability	1,352,099	
Net pension liability	3,621,199	
Total long-term liabilities		5,007,213
Total liabilities		7,401,550
Deferred Inflows of Resources		
Deferred inflows related to OPEB	428,982	
Deferred inflows related to pensions	10,637	
Total deferred inflows of resources		439,619
Net Position		
Net investment in capital assets	2,793,489	
Unrestricted	824,524	
Total net position		$ 3,618,013

See accompanying notes to the financial statements.

LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2024

Operating revenues:		
Licenses	$ 2,809,260	
Fines and penalties	587,607	
Other operating revneues	6,569	
Total operating revenues		3,403,436
Operating expenses:		
Salaries and related benefits	2,680,664	
Professional services	656,914	
Operating services	181,145	
Materials and supplies	32,877	
Travel and other charges	51,689	
Depreciation	97,544	
Total operating expenses		3,700,833
Operating loss		(297,397)
Non-operating revenues		
Non-employer pension contribution	203,710	
Interest income	149,391	
Total non-operating revenues		353,101
Increase in net position		55,704
Net position, beginning of year		3,562,309
Net position, end of year		$ 3,618,013

See accompanying notes to the financial statements.

LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

Statement of Cash Flows

For the Year Ended June 30, 2024

Cash flows from operating activities:				
Cash received from customers	$	3,444,333		
Cash paid to suppliers for goods/services		(913,787)		
Cash paid to employees for services		(3,028,879)		
Net cash used by operating activities				(498,333)
Cash flows from non-capital financing activities:				
Non-employer pension contribution		203,710		
Net cash provided by non-capital activities				203,710
Cash flows from investing activities:				
Purchases of fixed assets		(84,156)		
Interest income		149,391		
Net cash provided by investing activities				65,235
Net decrease in cash and cash equivalents				(229,388)
Cash and cash equivalents, beginning of year				7,895,874
Cash and cash equivalents, end of year			$	7,666,486

Reconciliation of operating loss to net cash provided by operating activities

Operating loss			$	(297,397)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	$	97,544		
Decrease in deferred outflows related to net pension & other postemployment liabilities		141,781		
Increase (decrease) in liabilities				
Accounts payable		8,838		
Payroll liabilities		11,031		
Compensated absences		10,633		
Unearned revenue		40,896		
Other postemployment benefits liability		40,997		
Net pension liability		(333,378)		
Decrease in deferred inflows related to net pension & other postemployment benefits liability		(219,278)		
Total adjustments				(200,936)
Net cash used by operating activities			$	(498,333)

See accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

(a) Introduction

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

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

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

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

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

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the Commission are accounted for on the economic resources measurement focus. With this measurement focus, all assets and deferred outflows and all liabilities and deferred inflows associated with the operations are included on the Statement of Net Position.

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

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

(c) Budgets and Budgetary Accounting

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

(d) Assets, Liabilities, and Net Position

Cash

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

Capital Assets

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

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

Compensated Absences

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

Pensions

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

Deferred Outflows and Inflows of Resources

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

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

Net Position

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

> ***Net investment in capital assets*** **consists of all capital assets, net of accumulated depreciation.**
>
> ***Unrestricted net position*** **consists of all other resources that are not included in the other category previously mentioned.**

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

(e) <u>Estimates</u>

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(2) Cash

As of June 30, 2024, the Commission had cash deposits (book balances) with financial institutions totaling $7,666,486. Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or collateralized by the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. As of June 30, 2024, the Commission had $7,677,627 in demand deposits (bank balances), $250,000 of which was insured by the Federal Deposit Insurance Corporation with the remaining balance being secured by a pledge of securities in the held in an unaffiliated bank in the name of the Commission.

(3) Capital Assets

The following is a summary of changes in capital assets during the year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	$ 215,800	-	-	215,800
Capital asset being depreciated:				
Buildings and improvements	2,709,181	-	-	2,709,181
Furniture and equipment	139,877	47,415	-	187,292
Automobiles	139,091	36,741	(17,653)	158,179
being depreciated	2,988,149	84,156	(17,653)	3,054,652
Less: accumulated depreciation	(397,072)	(97,544)	17,653	(476,963)
Total capital assets being depreciated, net	2,591,077	(13,388)	-	2,577,689
Capital assets, net	$ 2,806,877	(13,388)	-	2,793,489

Depreciation expense for the year ended June 30, 2024 was $97,544.

(4) Unearned Revenue

As of June 30, 2024, the Commission had unearned revenue totaling $2,130,386. Most of this amount represents fees that have been received; however, a portion or all the license period extends into the subsequent year. Accordingly, the portion of the revenue associated with the subsequent year was unearned. Also, a small portion of the unearned revenues represents fees that have been received for licenses but have not been issued as of the year end.

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

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2024. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

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

- **BCBS Pelican HRA**
- **BCBS Magnolia Local/Local Plus**
- **BCBS Magnolia Open Access**
- **Vantage Medical Home HMO (no longer offered after December 31, 2023)**

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

- **BCBS Pelican HRA**
- **BCBS Magnolia Local/Local Plus**
- **BCBS Magnolia Open Access**
- **Vantage Medical Home HMO (Premium/Standard/Basic) (no longer offered after December 31, 2023)**
- **People's Medicare Advantage HMO**
- **Vantage Medical Home HMO (no longer offered after December 31, 2023)**
- **BCBS Medicare Advantage HMO (varies by region)**
- **Humana Medicare Advantage HMO (varies by region)**
- **Via Benefits HRA**

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

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

Monthly rates effective January 1, 2024 are as follows:

		Pre-Medicare Member				Medicare Member		
Medical Plan		Active Single	Member Only	Pre-65 Spouse	Medicare Spouse	Member Only	Pre-65 Spouse	Medicare Spouse
People's MA HMO	$	N/A	N/A	N/A	N/A	160	N/A	160
BCBS Pelican HRA	$	545	1,013	776	204	330	888	263
BCBS Mag. Local Plus	$	872	1,627	1,246	340	538	1,429	427
BCBS Magnolia OA	$	906	1,686	1,291	340	548	1,478	437
BCBS MA HMO Reg. 1	$	N/A	N/A	N/A	N/A	174	N/A	174
BCBS MA HMO Reg. 2	$	N/A	N/A	N/A	N/A	217	N/A	217
BCBS MA HMO Reg. 3-4	$	N/A	N/A	N/A	N/A	197	N/A	197
BCBS MA HMO Reg. 5-8	$	N/A	N/A	N/A	N/A	227	N/A	227
BCBS MA HMO Reg. 9	$	N/A	N/A	N/A	N/A	212	N/A	212
Humana MA HMO Reg. 1	$	N/A	N/A	N/A	N/A	34	N/A	34
Humana MA HMO Reg. 2	$	N/A	N/A	N/A	N/A	178	N/A	178
Humana MA HMO Reg. 3	$	N/A	N/A	N/A	N/A	145	N/A	145
Humana MA HMO Reg. 4	$	N/A	N/A	N/A	N/A	158	N/A	158
Humana MA HMO Reg. 5	$	N/A	N/A	N/A	N/A	158	N/A	158
Humana MA HMO Reg. 6	$	N/A	N/A	N/A	N/A	208	N/A	208
Humana MA HMO Reg. 7	$	N/A	N/A	N/A	N/A	224	N/A	224
Humana MA HMO Reg. 8	$	N/A	N/A	N/A	N/A	214	N/A	214
Humana MA HMO Reg. 9	$	N/A	N/A	N/A	N/A	204	N/A	204

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

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

		Basic	Supplemental Maximum
Under age 65	$	5,000	50,000
Ages 65 to 70		4,000	38,000
After age 70		3,000	25,000

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

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

At June 30, 2024, the Commission reported a liability of $1,397,686 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2023 and was determined by an actuarial valuation as of that date.

The Commission's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2023, the Commission's proportion was 0.0196%.

Actuarial Assumptions:

Valuation Date: **July 1, 2023.**

Measurement Date: **July 1, 2023.**

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

Discount Rate: **The discount rate used as of July 1, 2023 is 4.13% based on the June 30, 2023 S&P 20-year municipal bond index rate.**

Inflation Rate: **2.40%**

Salary Increases: **The rates of salary increases are consistent with the assumption used in the June 30, 2023 Louisiana State Employees' Retirement System Actuarial Valuation.**

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

Year	Medical and Drug Pre-65	Medical and Drug Post-65
2023-2024	7.00%	6.50%
2024-2025	7.00%	6.50%
2025-2026	6.75%	6.25%
2026-2027	6.50%	6.00%
2027-2028	6.25%	5.75%
2028-2029	6.00%	5.50%

2029-2030	5.75%	5.25%
2030-2031	5.50%	5.00%
2031-2032	5.25%	4.75%
2032-2033	5.00%	4.50%
2033-2034	4.75%	4.50%
Thereafter	4.50%	4.50%

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

Healthcare Claim Cost: Per capita costs for the self-insured plans administered by BCBS were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2022 through December 31, 2023. The claims experience was trended to the valuation date.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2024 premiums adjusted to the valuation date using the Medicare trend reflecting IRA assumption on the prior page.

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

The table below indicates the assumed 2023 per capita costs normalized to male retiree age 65:

Plan	Without Medicare	With Medicare	Without Medicare	With Medicare
	Retirement Date Before 3/1/15		Retirement Date After 3/1/15	
Medical Home HMO	23,492	5,558	23,506	5,561
People's MA HMO	N/A	1,554	N/A	1,554
BCBS MA HMO	N/A	2,040	N/A	2,040
Humana MA HMO	N/A	1,243	N/A	1,243
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	15,643	3,030	15,643	3,030
BCBS Magnolia Local/Local Plus	21,406	3,856	20,687	3,758
BCBS Magnolia Open Access	21,808	3,478	20,993	3,404

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

Age Related Morbidity: Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender-distinct and assumed a cost allocation of

60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

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

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

The assumptions used in the June 30, 2023 LASERS pension valuation were revised as of the June 30, 2019 valuation based on an experience study for the period July 1, 2013 through June 30, 2018.

Mortality: **For General active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.**

For General healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For Public Safety active lives: the RP-2014 Blue Collar Employee Table, adjusted by 1.005 for males and 1.129 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For Public Safety healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.185 for males and 1.017 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

Rates of Retirement: **The rates of retirement are consistent with the assumptions used in the June 30, 2023 pension valuations. The retirement rates for LASERS include DROP rates. Sample rates are shown below.**

	Regular Members Years of Service				
Age	<10	10-19	20-24	25-29	30+
55	0%	18%	18%	60%	60%
60	35%	35%	35%	35%	35%
65	20%	20%	20%	20%	20%
66	18%	18%	18%	18%	18%
67	18%	18%	18%	18%	18%
68	18%	18%	18%	18%	18%
69	18%	18%	18%	18%	18%
70 - 74	18%	18%	18%	18%	18%
75+	100%	100%	100%	100%	100%

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

Age	Rate
40	0.10%
45	0.15%
50	0.22%
55	0.30%
60	0.00%

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

Age	<1	1	2-3	4-6	7-9	10+
20	50.0%	38.0%	33.0%	23.0%	10.5%	8.0%
30	29.0%	23.0%	18.0%	13.3%	10.5%	8.0%
40	28.0%	18.0%	15.0%	13.0%	8.0%	5.5%
45	25.0%	18.0%	14.0%	12.5%	8.0%	5.0%
50	25.0%	18.0%	12.5%	11.5%	7.5%	5.0%

55	20.0%	18.0%	11.5%	8.5%	7.0%	5.0%
60	20.0%	18.0%	11.5%	8.5%	7.0%	5.0%

Participation Rate - Medical: Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of OPEB experience from July 1, 2017 through June 30, 2020. To be eligible for retiree coverage, the participant's coverage must be in effect immediately prior to retirement. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.

Participation Rate - Life Insurance: 36% of future retirees are assumed to participate in the life insurance plan. This assumption is based on a review of plan experience from July 1, 2017 through June 30, 2020. Future retirees are assumed to elect a total of $45,000 in basic life insurance and supplemental life insurance coverage before any age reductions. Spouses are assumed to elect $2,000 of coverage.

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

Medical Plan	Pre-Medicare %	Medicare %
BCBS Pelican HRA	10%	6%
BCBS Magnolia L/LP	83%	73%
BCBS Magnolia OA	7%	15%
People's MA HMO	N/A	1%
BCBS MA HMO	N/A	3%
Humana MA HMO	N/A	1%
Via Benefits HRA	N/A	1%

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

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

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

No divorce or remarriage after widowhood was reflected.

These assumptions are based on a review of plan experience from July 1, 2017 through June 30, 2020.

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

Turns Age 65 by	Medicare Eligibility %
7/1/2023	92%
7/1/2024	93%
7/1/2025	94%
7/1/2026	95%
7/1/2027	96%
7/1/2028	97%
7/1/2029	98%
After 7/1/2030	99%

Retirees over age 65 are valued according to their reported Medicare status, which is assumed to never change. All current spouses are assumed to be Medicare eligible at age 65. Medicare eligibility assumptions for future spouses are consistent with the assumptions for future retirees. These assumptions are based on a review of experience from July 1, 2017 through June 30, 2020.

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

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

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

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

Required Supplementary Information

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate: The following presents the proportionate share of the total collective OPEB liability of the Commission, as well as what the Commission's proportionate share of the total

collective OPEB liability would be if it were calculated using a discount rate one percentage lower and one percentage higher than the current discount rate.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Proportionate Share of the Total Collective OPEB liability	$ 1,650,099	1,397,686	1,198,180

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

	1% Decrease (5.25%)	Current Healthcare Cost Trend Rate (6.25%)	1% Increase (7.25%)
Proportionate Share of the Total Collective OPEB liability	$ 1,190,007	1,397,686	1,665,194

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

For the year ended June 30, 2024, the Commission recognized an OPEB expense of $20,957. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB form the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 88,112	(292,312)
Changes in experience	28,208	-
Changes in proportionate share of collective OPEB expense	46,919	(112,882)
Difference in proportionate share of employer payments and actual payments	-	(23,788)
Contributions made subsequent to measurement date	45,587	-
	$ 208,826	(428,982)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended:		
June 30, 2025	**$**	**(80,638)**
June 30, 2026	**$**	**(113,368)**
June 30, 2027	**$**	**(71,605)**
June 30, 2028	**$**	**(132)**

(6) Retirement System

Plan Description

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

Benefits Provided

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

Retirement Benefits

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

Average compensation is defined as the member′s average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member′s age at retirement. Judges, court officers, and certain elected

officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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

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

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

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

Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree

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

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

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

Disability Benefits

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

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

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

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, is an amputee incapable of

serving as a law enforcement officer, or is permanently or legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits

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

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

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

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. For a surviving spouse with children under 18 or turning 18, benefits are equal to 60% of final average compensation and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of

final average compensation to surviving spouse or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage and then benefit is paid to children under 18.

Cost-of-Living Adjustments

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

Employer Contributions

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

The Board's contractually required composite contribution rate for the year ended June 30, 2024 was 41.3% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Board were $630,530 for the year ended June 30, 2024.

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

At June 30, 2024, the Boards reported a liability of $3,621,199 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Board's proportion of the Net Pension Liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Board's proportion was 0.0540%, which was an increase of 0.0017% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Board recognized pension expense of $545,161 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $14,258. Additionally, during the year ended June 30, 2024, the Board recognized other income totaling $203,710 for its proportionate share of funds contributed to the System by the State of Louisiana.

At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 78,389	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	20,702	-
Changes in proportion and differences		

between Employer contributions and proportionate share of contributions	60,760	(10,637)
Employer contributions subsequent to measurement date	630,530	-
	$ 790,381	(10,637)

$630,530 reported as deferred outflows of resources related to pensions resulting from the Examiner's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
June 30, 2025	$ 149,106
June 30, 2026	$ (130,773)
June 30, 2027	$ 178,355
June 30, 2028	$ (47,474)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	Two years
Investment Rate of Return	7.25% per annum, net of investment expenses
Inflation Rate	2.3% per annum
Mortality	Non-disabled members – The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement scale MP-2018. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018)

experience study of the System's members.

Salary Increases — **Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:**

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.19% for 2023. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.80%
Domestic equity	4.45%
International equity	5.44%
Domestic Fixed Income	2.04%
International Fixed Income	5.33%
Alternative Investments	8.19%
Total Fund	5.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension liability	$ 4,741,661	3,621,199	2,671,931

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

Pension Plan Fiduciary Net Position

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

At June 30, 2024, the Board did not have any payables to LASERS for the June 2024 employee and employer legally required contributions.

(7) Long-Term Liabilities

A summary of changes in long-term liabilities follows:

Type of Debt	Balance 7/1/2023	Additions (Reductions)	Balance 6/30/2024	Amounts Due Within One Year
Compensated absences	$ 127,562	10,633	138,195	104,280
Other postemployment benefits liability	1,356,689	40,997	1,397,686	45,587
Net pension payable	3,954,577	(333,378)	3,621,199	-
	$ 5,438,828	(281,748)	5,157,080	149,867

(8) Deferred Compensation Plan

Employees of the Commission have the option to participate in the Louisiana Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code 457. As budgetary constraints permit, the Commission will contribute 25% of each permanent employee's taxable income, up to the maximum amount prescribed by law, into the state's deferred compensation fund. For the year ended June 30, 2023 the Commission's cost of benefits paid for employees in the program totaled $280,365. There were no outstanding payables related to the deferred compensation plan as of June 30, 2024.

(9) Evaluation of Subsequent Events

Subsequent events were evaluated through October 1, 2024, which is the date the financial statements were available to be issued.

LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

Schedule of Employer's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of net pension liability	**0.038%**	**0.043%**	**0.051%**	**0.053%**	**0.048%**	**0.052%**	**0.054%**	**0.054%**	**0.052%**	**0.054%**
Employer's proportionate share of net pension liability	**2,385,978**	**2,944,441**	**4,025,611**	**3,740,153**	**3,285,091**	**3,803,291**	**4,461,036**	**2,967,031**	**3,954,577**	**3,621,199**
Employer's covered-employee payroll	**615,775**	**779,907**	**857,732**	**899,687**	**905,860**	**1,000,940**	**1,075,139**	**1,176,074**	**1,145,765**	**1,170,684**
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	**387%**	**378%**	**469%**	**416%**	**363%**	**380%**	**415%**	**252%**	**345%**	**309%**
Plan fiduciary net position as a percentage of the total pension liability	**65%**	**63%**	**58%**	**63%**	**64%**	**63%**	**58%**	**73%**	**64%**	**68%**

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

See accompanying notes to required supplementary information.

LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

Schedule of Employer's Pension Contributions

Last 10 Fiscal Years

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	288,566	279,589	8,977	779,907	35.8%
2016	319,076	319,076	-	857,732	37.2%
2017	322,088	345,761	(23,673)	899,687	38.4%
2018	344,541	344,541	-	905,860	38.0%
2019	369,913	369,913	-	1,000,940	37.0%
2020	437,585	437,585	-	1,075,139	40.7%
2021	471,605	471,605	-	1,176,074	40.1%
2022	452,577	452,577	-	1,145,765	39.5%
2023	472,956	472,956	-	1,170,684	40.4%
2024	507,089	507,089	-	1,227,818	41.3%

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

See accompanying notes to required supplementary information.

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

Last 10 Fiscal Years

Changes in Benefit Terms:

Measurement Date: June 30, 2014:

1. **A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the Louisiana Regular Legislative System.**

2. **Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.**

Measurement Date: June 30, 2016:

1. **A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.**

2. **Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.**

Measurement Date: June 30, 2019:

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

Measurement Date: June 30, 2021:

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

Changes in Assumptions:

Measurement Date: June 30, 2017:

1. **The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2020.**

2. **The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.**

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

Last 10 Fiscal Years

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

Measurement Date: June 30, 2018:

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

Measurement Date: June 30, 2019:

1. **In rate was reduced from 7.7% to 7.60.**
2. **The Board reduced the inflation assumption from 2.75% to 2.50%, effective July 1, 2019. Since the inflation assumption is a component of the salary increase assumption, all salary increase. assumptions decreased by .25%.**

Measurement Date: June 30, 2020:

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

Measurement Date: June 30, 2021:

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

Measurement Date: June 30, 2022:

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

Measurement Date: June 30, 2023:

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

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

Last Ten Fiscal Years*

	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of total collective OPEB liability	0.0864%	0.0239%	0.0208%	0.0206%	0.0200%	0.0216%	0.0201%	0.0196%
Employer's proportionate share of total collective OBEB liability	7,835,298	2,076,141	1,776,243	1,587,332	1,653,511	1,975,918	1,356,689	1,397,686
Employer's covered-employee payroll	2,019,014	873,394	808,153	933,367	1,040,320	1,102,099	1,075,251	1,005,680
Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll	388.1%	237.7%	219.8%	170%	159%	179%	126%	139%
Measurement date	July 1, 2016	July 1, 2017	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023

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

See accompanying notes to required supplementary information.

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

Last 10 Fiscal Years

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

<u>Changes in Benefit Terms</u>:

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

<u>Changes in Assumptions</u>:

Measurement Date: July 1, 2017:

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

Measurement Date: July 1, 2018:

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

Measurement Date: July 1, 2019:

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

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

Last 10 Fiscal Years

Measurement Date: July 1, 2020:

1. **The discount rate decreased from 2.79% to 2.66%.**

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

3. **The actuaries rely upon the economic assumptions used in the June 30, 2020 actuarial valuations for the four Statewide Retirement Systems. Two of these systems, the Louisiana State Employee Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) have adopted new salary scale assumptions for the June 30, 2020 valuation. Economic assumptions were updated to reflect the updated salary scale assumptions.**

4. **Several demographic assumptions were updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.**
   a. **Medical participation rates have been decreased as follows:**

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

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

Measurement Date: June 30, 2021:

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

LOUISIANA MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

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

Last 10 Fiscal Years

Measurement Date: July 1, 2022:

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

Measurement Date: June 30, 2023:

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

ANNUAL FISCAL REPORT (AFR)
FOR 2024

AGENCY: 20-11-14 - Louisiana Motor Vehicle Commission
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/01/2024 11:13 AM

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	7,666,486.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	**$7,666,486.00**
NONCURRENT ASSETS:	
RESTRICTED ASSETS:	
CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	215,800.00
BUILDINGS AND IMPROVEMENTS	2,477,771.00
MACHINERY AND EQUIPMENT	99,918.00
INFRASTRUCTURE	0.00
OTHER INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	0.00
INTANGIBLE RIGHT-TO-USE ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)	0.00
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (P3) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	**$2,793,489.00**
TOTAL ASSETS	**$10,459,975.00**
DEFERRED OUTFLOWS OF RESOURCES	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00

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DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Operator)	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	208,826.00
PENSION-RELATED	790,381.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$999,207.00**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$11,459,182.00**
LIABILITIES	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE AND ACCRUALS	114,084.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	2,130,386.00
OTHER CURRENT LIABILITIES	0.00
CURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	104,280.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	45,587.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	**$2,394,337.00**
NONCURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	33,915.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	1,352,099.00
NET PENSION LIABILITY	3,621,199.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
TOTAL NONCURRENT LIABILITIES	**$5,007,213.00**

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TOTAL LIABILITIES	**$7,401,550.00**
DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Transferor)	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED	428,982.00
PENSION-RELATED	10,637.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$439,619.00**
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	2,793,490.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	**$824,523.00**
TOTAL NET POSITION	**$3,618,013.00**

ANNUAL FISCAL REPORT (AFR)
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PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/01/2024 11:13 AM

STATEMENT OF ACTIVITIES

	PROGRAM REVENUES			
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	**NET (EXPENSE) REVENUE**
3,700,833.00	3,403,436.00	0.00	0.00	**$(297,397.00)**

GENERAL REVENUES	
PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	353,101.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	**$55,704.00**
NET POSITION - BEGINNING	**$3,562,309.00**
NET POSITION - RESTATEMENT - ERROR CORRECTION	0.00
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	0.00
NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY	0.00
NET POSITION - ENDING	**$3,618,013.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2024

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PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/01/2024 11:13 AM

DUES AND TRANSFERS

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

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

ANNUAL FISCAL REPORT (AFR)
FOR 2024

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PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/01/2024 11:13 AM

SCHEDULE OF BONDS PAYABLE

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

Series - Unamortized Premiums:

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

Series - Unamortized Discounts:

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

ANNUAL FISCAL REPORT (AFR)
FOR 2024

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PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
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SUBMITTAL DATE: 10/01/2024 11:13 AM

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2025	0.00	0.00
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
2058	0.00	0.00
2059	0.00	0.00
Premiums and Discounts	**$0.00**	
Total	**$0.00**	**$0.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2024

AGENCY: 20-11-14 - Louisiana Motor Vehicle Commission
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/01/2024 11:13 AM

Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2023 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported.	45,587.00
Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits)	1,005,680.00
For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2023 - 6/30/2024). This information will be provided to the actuary for the valuation report early next year.	0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2024 for their OPEB valuation report.)

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

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FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

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

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

CHANGES IN ACCOUNTING PRINCIPLE

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

Account Name/Description	Beginning Net Position Restatement Amount
Total Restatement - Changes in Accounting Principle	**$0.00**

CHANGES IN REPORTING ENTITY

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

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

ANNUAL FISCAL REPORT (AFR)
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SUBMITTAL DATE: 10/01/2024 11:13 AM

SUBMISSION

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

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

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

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

GRIFFIN & FURMAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

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American Society of Certified Public Accountants
Society of Louisiana CPAs

<u>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*</u>

Louisiana Motor Vehicle Commission
State of Louisiana
Metairie, Louisiana

We have audited, 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, the financial statements of the business-type activities of the Louisiana Motor Vehicle Commission, (the Commission), as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated October 1, 2024.

<u>Internal Control Over Financial Reporting</u>

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Griffin & Furman, LLC

October 1, 2024

Schedule of Findings and Management Corrective Action Plan

June 30, 2024

Summary of Audit Results:

1. **Type of Report Issued – Unmodified**

2. **Internal Control Over Financial Reporting**
   a. **Significant Deficiencies – No**
   b. **Material Weaknesses - No**

3. **Compliance and Other Matters – No**

4. **Management Letter - No**

Status of Prior Year Findings

June 30, 2024

Not applicable.