

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
Component Unit Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended  
June 30, 1999

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

Release Date ~~OCT 05 1999~~

**KEITH J. ROVIRA**  
*Certified Public Accountant*

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## INDEPENDENT AUDITOR'S REPORT

Louisiana Motor Vehicle Commission  
Department of Economic Development  
State of Louisiana  
Metairie, Louisiana

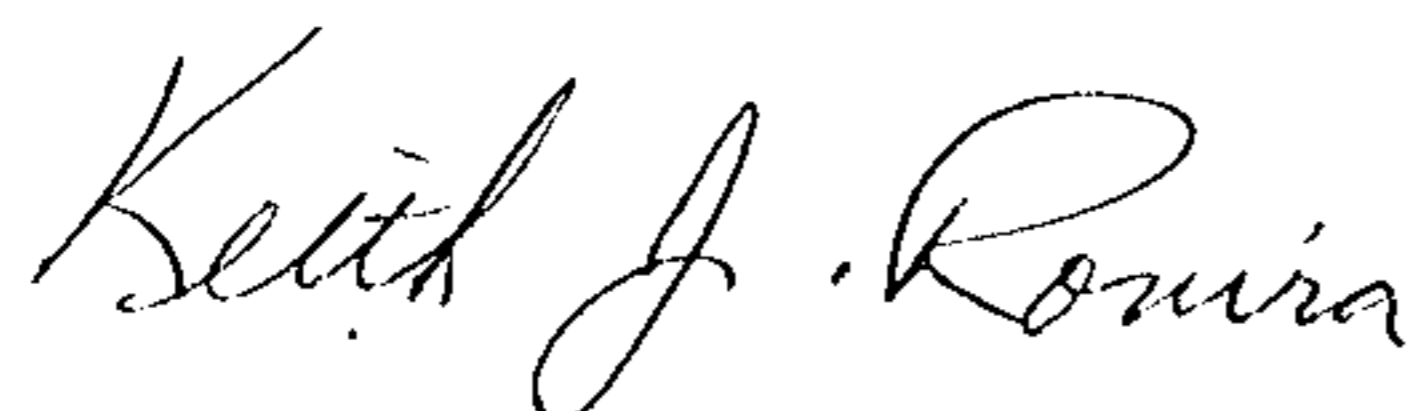
I have audited the accompanying component unit financial statements of the Louisiana Motor Vehicle Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These component unit financial statements are the responsibility of the Louisiana Motor Vehicle Commission. My responsibility is to express an opinion on these component unit financial statements based on my audit.

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

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Motor Vehicle Commission as of June 30, 1999, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated August 23, 1999, on my consideration of the Louisiana

Motor Vehicle Commission's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. This report is presented separately after the notes to the financial statements of this audit report.

A handwritten signature in cursive script that reads "Keith J. Rovira".

Keith J. Rovira  
Certified Public Accountant

August 23, 1999

**COMPONENT UNIT FINANCIAL STATEMENTS**

**LOUISIANA MOTOR VEHICLE COMMISSION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
 State of Louisiana  
 Balance Sheet - All Fund Types and Account Groups  
 June 30, 1999

Statement A

	Governmental Fund - General Fund	<u>Account Groups</u> General      General Fixed      Long-Term Assets      Obligations		Total (Memorandum Only)
<b>ASSETS AND OTHER DEBITS</b>				
<u>Assets</u>				
Cash (Note B)	\$114,657	-	-	\$114,657
Investments (Note C)	445,465	-	-	445,465
Fixed assets (Note D)	-	\$784,697	-	784,697
<u>Other Debits</u>				
Amount to be provided for retirement of general long-term obligations (Note G)	-	-	\$49,828	49,828
TOTAL ASSETS	<u>\$560,122</u>	<u>\$784,697</u>	<u>\$49,828</u>	<u>\$1,394,647</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$24,858	-	-	\$24,858
Accumulated annual leave	-	-	\$49,828	49,828
Total Liabilities	<u>24,858</u>	-	<u>49,828</u>	<u>74,686</u>
<u>Equity and Other Credits</u>				
Investment in general fixed assets	-	\$784,697	-	784,697
Fund balance - unreserved and undesignated	535,264	-	-	535,264
Total Equity and Other Credits	<u>535,264</u>	<u>784,697</u>	-	<u>1,319,961</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$560,122</u>	<u>\$784,697</u>	<u>\$49,828</u>	<u>\$1,394,647</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA MOTOR VEHICLE COMMISSION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
 State of Louisiana  
 Governmental Fund Type - General Fund  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 For the Year Ended June 30, 1999

Statement B

**REVENUES**

Licenses, permits and fees	\$ 979,118
Fines and penalties	164,474
Interest earnings	8,355
Other revenue	<u>527</u>
Total Revenues	<u>1,152,474</u>

**EXPENDITURES**

Salaries and related benefits	579,330
Professional services	131,036
Operating services	95,952
Materials and supplies	21,881
Travel and other charges	63,636
Capital outlay	<u>2,747</u>
Total Expenditures	<u>894,582</u>

EXCESS OF REVENUES OVER EXPENDITURES	257,892
Fund Balance at Beginning of Year	<u>277,372</u>
Fund Balance at End of Year	<u>\$535,264</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA MOTOR VEHICLE COMMISSION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
 State of Louisiana  
 Governmental Fund Type - General Fund  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 1999

Statement C

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Licenses, permits and fees	\$881,325	\$ 979,118	\$97,793
Fines and penalties	70,000	164,474	94,474
Interest earnings	8,500	8,355	(145)
Other revenue	<u>1,000</u>	<u>527</u>	<u>(473)</u>
Total Revenues	<u>960,825</u>	<u>1,152,474</u>	<u>191,649</u>
 <b>EXPENDITURES</b>			
Salaries and related benefits	468,446	579,330	(110,884)
Professional services	121,000	131,036	(10,036)
Operating services	89,610	95,952	(6,342)
Materials and supplies	19,000	21,881	(2,881)
Travel and other charges	63,000	63,636	(636)
Capital outlay	<u>66,000</u>	<u>2,747</u>	<u>63,253</u>
Total Expenditures	<u>827,056</u>	<u>894,582</u>	<u>(67,526)</u>
EXCESS OF REVENUES OVER EXPENDITURES	133,769	257,892	124,123
Fund Balance at Beginning of Year	<u>277,372</u>	<u>277,372</u>	<u>-</u>
Fund Balance at End of Year	<u>\$411,141</u>	<u>\$535,264</u>	<u>\$124,123</u>

The accompanying notes are an integral part of this statement.



**NOTES TO THE FINANCIAL STATEMENTS**

**LOUISIANA MOTOR VEHICLE COMMISSION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

INTRODUCTION

The Louisiana Motor Vehicle Commission (the Commission) is a component unit of the State of Louisiana created within the Louisiana Department of Economic Development, as provided by Louisiana Revised Statutes 36:109 E(9), 32:1251 et seq. and 6:969.1 et seq. The Commission is currently composed of 14 members, who are appointed by and serve at the pleasure of the Governor. The Commission is charged with the responsibility of regulating all areas of the new car industry, including motor vehicle sales finance companies, operating in Louisiana. Operations of the Commission are funded with license fees, fines and interest earnings.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation  
The accompanying component unit financial statements of the Louisiana Motor Vehicle Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.
  
2. Reporting Entity  
The State of Louisiana is the governing authority and the governmental financial reporting entity for the Louisiana Motor Vehicle Commission. The financial reporting entity consists of (a) the primary government (State of Louisiana), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes.

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

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

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Fund Accounting

The accounts of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The Commission uses a fund (General Fund) and two account groups (General Fixed Assets and General Long-Term Obligations Account Groups) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The General Fund is classified as a governmental fund, and it is the general operating fund of the Commission and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

The General Fixed Assets Account Group is used to account for all fixed assets of the Commission.

The General Long-Term Debt Account Group is used to account for all long-term debt of the Commission and for those long-term liabilities to be liquidated with resources to be provided in future periods.

**LOUISIANA MOTOR VEHICLE COMMISSION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Basis of Accounting

Basis of accounting refers to the recognition of revenues and expenditures in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The Commission's records are maintained on the modified accrual basis of accounting and is used by the General Fund governmental fund type. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities within the current period. Revenues are considered measurable and available when received within 60 days after the current year ended.

License fees are received at the beginning of the licensee's annual license period. License fees, as well as other revenues, are reported when received. Interest revenue on short-term investments is recognized as it is earned.

Expenditures are generally recorded when the liability is incurred.

5. Budget Practices

The Commission adopts an annual budget for the General Fund. The budget is submitted to the Department of Economic Development in compliance with LSA-R.S. 36:1331-1342. The original budget, adopted on January 19, 1998, was prepared and reported using the same accounting procedures and practices that are used in preparing the annual financial statements. The Commission reserves all authority to make changes to the budget. The original budget for the fiscal year ended June 30, 1999, was amended on July 13, 1998. Budgeted amounts in the accompanying financial statements include the original budget and all subsequent amendments. Appropriations lapse at year-end.

**LOUISIANA MOTOR VEHICLE COMMISSION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The only significant variance between budget and actual amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual for the year ended June 30, 1999, occurred for the line item, salaries and related benefits. Actual amounts exceeded budget by \$110,884. This was primarily due to the Commission expanding the benefits package of its employees and overtime earned by the employees.

6. Deposits with Financial Institutions

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

7. Investments

The investment of the Commission is a mutual fund (U. S. Treasury Securities Money Market Mutual Fund), and its reported amount is the same as its fair value.

8. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized and reported in the general fixed assets account group. Depreciation is not recorded on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

9. General Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Such liabilities include the capital lease obligations.

10. Annual and Sick Leave

The Commission has the following policy related to vacation and sick leave:

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

At June 30, 1999, employees of the Commission had accumulated and vested \$49,828 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$-0- is recorded as an obligation of the General Fund and \$49,828 is recorded within the General Long-Term Obligation Account Group because the Commission does not expect to pay it out of current resources. Upon retirement, any unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

11. Risk Management

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

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Encumbrances  
Encumbrances are not recorded, and therefore, no reservation of fund balance is necessary.
13. Use of Estimates  
The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
14. Total Column on Balance Sheet  
The total column on the balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.



**LOUISIANA MOTOR VEHICLE COMMISSION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
 State of Louisiana  
 Notes to the Financial Statements  
 June 30, 1999

NOTE B - DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions totaled \$114,657, and is listed as follows:

Interest bearing demand deposits	\$62,488
Noninterest bearing demand deposits	52,069
Petty cash	<u>100</u>
Total	<u>\$114,657</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The Commission had \$125,250 in deposits (collected bank balances). These deposits were secured from risk by \$125,250 of federal depository insurance.

NOTE C - INVESTMENTS

The investment of the Commission is a mutual fund (U. S. Treasury Securities Money Market Mutual Fund), and it is reported at fair value. The Commission uses this fund as a depository of idle cash funds in order to achieve a better rate of return on monies held. Each day excess available funds are "swept" into this account, and a predetermined amount is left in the checking account for use.

The investment at year-end is categorized by governmental accounting and auditing standards to give an indication of the level of risk assumed by the Commission. Category 1 includes investments that are insured or registered or for which the securities are held by the Commission or its agent in the Commission's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Commission's name. Category 3 includes uninsured and

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE C - INVESTMENTS (CONTINUED)

unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Commission's name. The mutual fund is a Category 2 type of investment, and it had a fair value of \$445,465 at June 30, 1999. This fair value amount is the market value amount that was received from the financial institution where the funds are deposited. The reported amount was the same amount.

There are no investments in, loans to, or leases with parties related to the Commission.

NOTE D - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets during the year is as follows:

	Balance <u>7/1/98</u>	Additions	Disposi- tions	Balance <u>6/30/99</u>
Furniture and equipment	\$262,840	\$2,747	-	\$265,587
Automobiles	60,767	-	-	60,767
Office building	<u>458,343</u>	-	-	<u>458,343</u>
Total	<u>\$781,950</u>	<u>\$2,747</u>	<u>-</u>	<u>\$784,697</u>

NOTE E - PENSION PLAN

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

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE E - PENSION PLAN (CONTINUED)

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

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

Funding Policy

Employees are required by state statute to contribute 7.5 percent of their annual covered salaries, and the Commission is required to make employer contributions based on an actuarially determined rate. The current employer rate is 12.4 percent of annual covered payroll. The Commission's employer contributions to the System for the years ended June 30, 1999, 1998 and 1997 were \$40,365, \$40,756 and \$35,344, respectively, and these amounts equaled the required contributions for those years.

NOTE F - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Commission provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Commission's employees become eligible for these benefits if they reach normal retirement age while working for the Commission. These benefits for retirees and similar benefits for active employees are provided through the Louisiana State Employee Group Benefits Insurance program, whose monthly premiums are paid jointly by the employee and by the Commission. The Commission recognizes the cost of the employer's portion of the insurance premiums of retirees as an expenditure when the monthly premiums are paid during the year (on a pay-as-you-go basis). For the year ended June 30, 1999, the Commission's cost of benefits paid for retirees in the program totaled \$8,268.

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE G - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

Accumulated annual leave at June 30, 1998	\$46,194
Increase	3,634
Decrease	<u>-</u>
Long-term obligations payable at June 30, 1999	<u>\$49,828</u>

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

NOTE H - LITIGATION AND CLAIMS

According to the Commission's legal counsels, there is no pending litigation or claim against the Commission as of June 30, 1999.

NOTE I - DEFERRED COMPENSATION

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

Funding Policy

Insofar as budgetary constraints permit, the Commission will contribute 25% of each permanent employee's adjusted gross income, up to \$8,000, into the State of Louisiana Deferred Compensation Fund. For the year ended June 30, 1999, the Commission's cost of benefits paid for employees in the program totaled \$49,583.

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

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Notes to the Financial Statements  
June 30, 1999

NOTE J - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the operations of the Commission.

As of June 30, 1999, the Commission was in the process of completing the awareness stage. After completing the awareness stage, the Commission began the assessment stage and completed that stage on July 26, 1999.

It was not necessary to commit significant resources to the compliance project. The Commission had completed tests of existing hardware and software for Y2K compliance as of July 26, 1999, and it was discovered that the dealer licensing program needed to be rewritten in order to be in compliance with the Year 2000 (remediation stage).

The Commission has set a contingency plan (validation and testing stage) which includes the following steps: (1) beginning August 15th all systems will be tested monthly for compliance; (2) all fleet vehicles will be filled up prior to December 30, 1999; (3) all data stored on computer systems will be backed up prior to December 30, 1999; (4) all licensing would be done manually until a stand alone PC system could be installed; (5) licensing fees, payroll and accounts payable checks will be handled manually if a problem were to occur.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Therefore, the Commission cannot completely assure that it will be ready for the Year 2000, and that its efforts will be successful in whole or in part.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL DATA

I have reported separately herein on the component unit financial statements of the Louisiana Motor Vehicle Commission. The supplemental information included in the Schedule of Per Diem Paid to Commissioners has been subjected to the same auditing procedures and, in my opinion, is stated fairly in all material respects when considered in conjunction with the component unit financial statements taken as a whole.



Keith J. Rovira  
Certified Public Accountant

August 23, 1999

**SUPPLEMENTAL INFORMATION SCHEDULES**

**LOUISIANA MOTOR VEHICLE COMMISSION**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
 State of Louisiana  
 Supplemental Information Schedules  
 Schedule of Per Diem Paid to Commissioners  
 For the Year Ended June 30, 1999

	<u>Meetings Attended</u>	<u>Per Diem</u>
Arthur W. Tait	41	\$2,050
C. Robert Bohn, Jr.	16	800
V. Price LeBlanc, Jr.	20	1,000
Gerald R. Lane	14	700
G. Gordon Grant, III	22	1,100
W. Julian Foy	18	900
L. Peter Roy, III	20	1,000
Donald E. Shelter	16	800
David M. Mann	20	1,000
Terry G. McFillen	21	1,050
Jacob G. Drago	10	500
Allen I. Boudreaux	2	100
Ernest A. Burguieres, III	2	100
Ralph E. Pool	<u>2</u>	<u>100</u>
	<u>224</u>	<u>\$11,200</u>

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



LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
State of Louisiana  
Supplemental Information Schedules  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 1999

There were no audit findings for the prior year's audit covering the fiscal year ended June 30, 1998.

LOUISIANA MOTOR VEHICLE COMMISSION  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
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Supplemental Information Schedules  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended June 30, 1999

There were no audit findings for the current year's audit covering the fiscal year ended June 30, 1999.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

Louisiana Motor Vehicle Commission  
Department of Economic Development  
State of Louisiana  
Metairie, Louisiana

I have audited the general purpose financial statements of the Louisiana Motor Vehicle Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated August 23, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance


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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Louisiana Motor Vehicle Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements

and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovira  
Certified Public Accountant

August 23, 1999