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**LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

**Basic Financial Statements
and Independent Auditors' Reports**

**As of and for the Year Ended June 30, 2004
With Supplemental Information**

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

Release Date 9.1.04

LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION
3132 VALLEY CREEK DRIVE
BATON ROUGE, LOUISIANA 70808
(225) 925-3870

GOVERNING BOARD

As of

<u>Board Member</u>	<u>Representing</u>
Charles Healey	District 1 - Dealer
Hoytt Adcock	District 2 - RV Dealer
Vacant Position	District 3 - Dealer
James Cook	District 4 - Dealer
Marvin Ramsey	District 5 - Dealer
Michael Roberts	Motorcycle Dealer
Rex Carey	Manufacturer
Bernhardt Hunter	Consumer
Steve Berry	Marine Dealer
Henry Smith	Dismantler
Chester J. Richard	Consumer
Kevin Kimball	Consumer

John M. Torrance, Executive Director

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report on the Financial Statements	1
Required Supplementary Information	
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Assets.....	8
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Other Report Required by <i>Government Auditing Standards</i>:	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20
Schedule of Findings.....	22
Resolution of Prior Year Findings.....	23
Supplemental Information Required by Division of Administration:	
Annual Financial Report.....	25

LEROY J. CHUSTZ AND BEVERLY A. RYALL

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CERTIFIED PUBLIC ACCOUNTANT

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Baton Rouge, LA 70817
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**Board Members of
Louisiana Used Motor Vehicle and Parts Commission
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana**

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

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

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

The accompanying required supplementary information, which consists of the Management's Discussion and Analysis as listed in the Table of Contents is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2004, on our consideration of the **Louisiana Used Motor Vehicle and Parts Commission's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Louisiana Used Motor Vehicle Parts and Commission's** basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of the **Louisiana Used Motor Vehicle and Parts Commission**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Leroy J. Chustz
Certified Public Accountant, APAC
August 2, 2004

Beverly A. Ryall
Certified Public Accountant

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

The Management's Discussion and Analysis of the Louisiana Used Motor Vehicle and Parts Commission's (BTA) financial performance presents a narrative overview and analysis of Louisiana Used Motor Vehicle and Parts Commission's (BTA) financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with Louisiana Used Motor Vehicle and Parts Commission's (BTA) financial statements.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana Used Motor Vehicle and Parts Commission's assets exceeded its liabilities at the close of fiscal year 2004 by \$1,662,701.
- ★ The net assets decreased by \$177,455 or 9.65%.
- ★ The Louisiana Used Motor Vehicle and Parts Commission's revenue increased \$62,079 or 5%. Operating expenses increased by \$228,767 or 20% and the net results from activities decreased by \$166,688 or 165%.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of two sections - Management's Discussion and Analysis, required supplementary information (this section) and the basic financial statements (including the notes to the financial statements).

Basic Financial Statements

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

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

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

The Cash Flow Statement presents information showing how Louisiana Used Motor Vehicle and Parts 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 (indirect method) as required by GASB 34.

STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (3TA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2004

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 as of June 30, 2004 and 2003

	Total	
	2004	2003
Current and other assets	\$ 1,542,289	\$ 1,655,261
Capital assets	266,298	277,628
Total assets	<u>1,808,587</u>	<u>1,932,889</u>
Other liabilities	67,805	30,612
Long-term debt outstanding	78,081	62,122
Total liabilities	<u>145,886</u>	<u>92,734</u>
Net assets:		
Invested in capital assets, net of debt	266,298	277,628
Restricted		
Unrestricted	1,398,403	1,562,527
Total net assets	<u>\$ 1,662,701</u>	<u>\$ 1,840,155</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of Louisiana Used Motor Vehicle and Parts Commission decreased by \$177,455 or 9.65%, from June 30, 2003 to June 30, 2004. One of the major causes of this decrease is due to licensing fees related to new licensing software.

Changes in Net Assets
 for the years ended June 30, 2004 and 2003

	Total	
	2004	2003
Revenues:		
Operating revenues	\$ 1,162,388	\$ 1,094,379
Non-operating revenues	34,489	40,419
Total Revenues	<u>1,196,877</u>	<u>1,134,798</u>
Operating expenses	<u>1,374,332</u>	<u>1,145,535</u>
Income (loss) before transfers	<u>-177,455</u>	<u>-10,737</u>
Transfers in		
Transfers out		
Net increase (decrease) in net assets	<u>\$ -177,455</u>	<u>\$ -10,737</u>

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

The Louisiana Used Motor Vehicle and Parts Commission's total revenues increased by \$62,079 or 5%. The total cost of all programs and services increased by \$228,767 or 20%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the Louisiana Used Motor Vehicle and Parts Commission had \$266,298 invested in a broad range of capital assets. See table below. This amount represents a net decrease (including additions and deductions) of \$11,330 or 4% less than last year.

	Capital Assets at Year-end (Net of Depreciation)	
	<u>2004</u>	<u>2003</u>
Land	\$ 50,000	\$ 50,000
Buildings and improvements	145,128	150,933
Equipment	<u>71,170</u>	<u>76,695</u>
Totals \$	<u><u>266,298</u></u>	<u><u>277,628</u></u>

This year's major additions included :

- Equipment purchases in the amount of \$31,334.

Debt

The Louisiana Used Motor Vehicle and Parts Commission had no debt. Other obligations include accrued vacation pay of \$78,081 outstanding at year-end compared with \$62,122 last year.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

The original budget was amended two times during the year. Expenditures per the final budget increased by \$233,640 (20%) from the original budget due mainly to the increase in licensing fees for a new licensing software program.

Actual revenues were \$5,688 more than the final budget. Expenditures were \$36,929 less than the final budget.

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Louisiana Used Motor Vehicle and Parts Commission's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Rate increase of license fees.
- Change in bond requirements for licensees.
- Interest rates.

The Louisiana Used Motor Vehicle and Parts Commission expects that next year's results will improve based on the following:

- Rate increase in license fees.

**CONTACTING THE LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION'S
MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana Used Motor Vehicle and Parts Commission's finances and to show the Louisiana Used Motor Vehicle and Parts Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lynette Binning, Accountant 3, (225) 925-3870 ext. 213.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Proprietary Fund Financial Statements:
 - Enterprise funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LOUISIANA MOTOR VEHICLE AND PARTS COMMISSION
OFFICE OF THE GOVERNOR
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2004

ASSETS

Current Assets

Cash and cash equivalents	\$ 28,410.25
Certificates of Deposit	1,489,985.00
Receivables	23,893.66
Total Current Assets	1,542,288.91

Noncurrent Assets

Land	50,000.00
Building and parking lot	205,488.00
Equipment	218,706.00
Accumulated depreciation	(207,895.91)
Total noncurrent assets	266,298.09

TOTAL ASSETS	1,808,587.00
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LIABILITIES

Current Liabilities

Accounts payable	21,299.00
Bond claim payable	28,046.76
Payroll deductions and accruals	10,366.34
Accrued salaries payable	8,092.71
Total Current Liabilities	67,804.81

Noncurrent Liabilities

Compensated absences	78,080.86
Total Noncurrent Liabilities	78,080.86

TOTAL LIABILITIES	145,885.67
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NET ASSETS

Investment in capital assets	266,298.09
Unrestricted	1,396,403.24
TOTAL NET ASSETS	\$ 1,662,701.33

The accompanying notes are an integral part of this statement.

LOUISIANA MOTOR VEHICLE AND PARTS COMMISSION
OFFICE OF THE GOVERNOR
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2004

OPERATING REVENUES:

Charges for services -		
Licenses	\$	1,138,620.00
Trade show fees		5,050.00
Enforcement actions		17,767.55
Non-sufficient fund fees		950.00
Total Operating Revenues		<u>1,162,387.55</u>

OPERATING EXPENSES:

Personal services -		
Commissioners per diem		6,300.00
Salaries		666,688.36
Employee benefits		190,086.98
Travel		32,010.22
Operating services		179,132.91
Supplies		69,026.75
Professional services		188,452.15
Depreciation expense		42,634.00
Total Operating Expenses		<u>1,374,331.37</u>

Operating Income (Loss)	<u>(211,943.82)</u>
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NONOPERATING REVENUES:

Interest earnings	30,052.00
Other revenues	4,437.09
Total Nonoperating Revenues	<u>34,489.09</u>

Increase (Decrease) in net assets	(177,454.73)
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NET ASSETS AT JUNE 30, 2003	<u>1,840,156.06</u>
NET ASSETS AT JUNE 30, 2004	<u>\$ 1,662,701.33</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA MOTOR VEHICLE AND PARTS COMMISSION
OFFICE OF THE GOVERNOR
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

Cash flows from operating activities	
Cash received from customers	\$1,147,879.50
Cash payments to suppliers for goods and services	438,528.10
Cash payments to employees for services	840,016.89
	<hr/>
Net cash provided (used) by operating activities	(130,665.49)
Cash flows from non-capital financing activities	
Other revenues	4,437.09
	<hr/>
Net cash provided (used) by non-capital financing activities	4,437.09
Cash flows from capital and related financing activities	
Aquisition/construction of capital assets	31,304.00
	<hr/>
Cash flows from investing activities	
Sale of investment securities	99,000.00
Interest earned on investment securities	30,974.91
	<hr/>
Net cash provided (used) by investing activities	129,974.91
	<hr/>
Net increase (decrease) in cash and cash equivalents	(27,557.49)
	<hr/>
Cash and cash equivalents at beginning of year	55,967.74
	<hr/>
Cash and cash equivalents at the end of the year	<u>\$ 28,410.25</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (211,943.82)
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	42,634.00
Changes in assets and liabilities:	
Change in receivables	(14,508.05)
Change accounts payable	14,051.51
Change in bond claims payable	16,042.42
Change in payroll deductions payable	1,115.07
Change in accrued salaries payable	5,984.19
Change in compensated absences payable	15,959.19
	<hr/>
Net cash provided (used) by operating activities	<u>\$ (130,665.49)</u>

The accompanying notes are an integral part of this statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. INTRODUCTION

The Louisiana Used Motor Vehicle and Parts Commission (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 32:772. The Board is under the control of the Office of the Governor of the State of Louisiana, and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board is composed of twelve (13) members appointed by the Governor of Louisiana for a term coterminous with that of the governor making the appointment with the chairman being appointed by the governor. The Board consists of:

1. Five members shall be licensed used motor vehicle dealers, one selected from each Public Service Commission district.
2. One member shall be a licensed automotive dismantler or parts recycler.
3. Two members shall be consumers selected from the state at large.
4. One member shall be a licensed motorcycle dealer.
5. One member shall be a licensed marine dealer.
6. One member shall be a representative of the recycling industry.
7. One member shall be a representative of the manufacturer licensed by the commission.
8. One member shall be a representative authorized to conduct used motor vehicle or salvage pool auctions..

As authorized by Louisiana Revised Statute 32:772 C.(1), each member of the Board shall receive \$75.00 for each and every day actually and necessarily spent in attending the meetings of the commission, including any commission committee meetings, and shall be reimbursed for subsistence and traveling expenses incurred in the performance of their duties hereunder as provided by the commissioner of the Division of Administration. Such payments shall not exceed the sum of \$1,800 per annum to any one person.

The Board is responsible for licensing and regulating used motor vehicle dealers, salesmen, automotive dismantlers, auto crushers, parts recyclers, and marine dealers, as well as hearing complaints on used vehicles and parts.

The Board's office is located in Baton Rouge, Louisiana, and its operations are funded entirely through annual self-generated revenues.

The accounting and reporting framework and the more significant accounting principles and practices of the Board are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Board's financial activities for the fiscal year ended June 30, 2004. The Board implemented new reporting model standards beginning July 1, 2001. Comparability with reports of all prior years will be affected.

1.B. FINANCIAL REPORTING ENTITY

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Louisiana Used Motor Vehicle Parts and Commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Louisiana Used Motor Vehicle Parts and Commission, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of

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

Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

1.C. BASIS OF PRESENTATION

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

1.D. ASSETS, LIABILITIES AND NET ASSETS

Cash and Cash Equivalents, Investments

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Investments are carried at fair value. Fair value is based on quoted market price.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses, trade shows, enforcement actions and interest which are accrued when earned.

Prepays

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

Capital Assets and Depreciation

Proprietary fund fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$5,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net

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

Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

-	Buildings	25-50 years
-	Improvements	10-50 years
-	Equipment	3-20 years
-	Infrastructure	25-50 years

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation 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 vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term debt in the proprietary fund statements. The current portion of this debt can not be estimated and accordingly, it is reported as a noncurrent liability.

Equity Classifications

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets— Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “investment in capital assets.”

1.E. REVENUES AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

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

2.A. FUND ACCOUNTING REQUIREMENTS

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required separate funds.

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 49:327 and the Board's investment policy.

NOTE 3. - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenses.

3.A. CASH AND INVESTMENTS

Deposits

The table presented below is designed to disclose the level of custody credit risk assumed by the Board based upon how its deposits were insured or secured with collateral at June 30, 2004. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Board or by its agent in its name

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Board's name

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Board's name; or collateralized with no written or approved collateral agreement

Type of Deposits	Total Bank Balance	Custody Credit Risk Category			Total Carrying Value
		1	2	3	
Demand deposits	\$ 79,425	\$ 79,425			\$ 27,910
Certificates of Deposit	1,489,985	1,091,985		398,000	1,489,985
Total Deposits	1,569,410	1,171,410	\$ 0	\$ 398,000	\$ 1,517,895

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

Reconciliation to Statement of Net Assets:

Petty cash	\$ 500
Unrestricted cash	27,910
Certificates of Deposit	1,489,985
Total Cash	<u>\$ 1,518,395</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 49:321 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

3.B. ACCOUNTS RECEIVABLE

Receivables detail at June 30, 2004, is as follows:

Accrued interest	\$ 1,671
Hearings	22,223
Total receivable	<u>\$ 23,894</u>

3.C. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2004, was as follows:

	Balance at June 30, 2003	Additions	Disposals	Balance at June 30, 2004
Capital assets not being depreciated				
Land	\$ 50,000			\$ 50,000
Total assets not being depreciated	<u>\$ 50,000</u>			<u>\$ 50,000</u>
Capital Assets, being depreciated				
Buildings	\$ 182,488			\$ 182,488
Accumulated depreciation	(46,505)	(5,230)		(51,735)
Total Buildings	<u>135,983</u>	<u>(5,230)</u>		<u>130,753</u>
Parking Lot	23,000			23,000
Accumulated depreciation	(8,050)	(575)		(8,625)
Total Parking Lot	<u>14,950</u>	<u>(575)</u>		<u>14,375</u>
Machinery, Equipment and Autos	216,178	31,304	(28,776)	218,706
Accumulated depreciation	(139,483)	(36,829)	28,776	(147,536)
Total Machinery, Equipment and Autos	<u>76,695</u>	<u>(5,525)</u>		<u>71,170</u>

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

Total Capital Assets, being depreciated	227,628	(11,330)	216,298
Total Capital Assets, net	<u>\$ 277,628</u>	<u>\$ (11,330)</u>	<u>\$ 266,298</u>

3.D. ACCOUNTS PAYABLE

Payables are composed of payables to vendors (31%) and accrued salaries and benefits (28%) and payables on bond claims (41%).

3.E. LONG-TERM DEBT

As of June 30, 2004, the long-term debt of the Board consists of the following:

Accrued Compensated Absences:		
Current portion (not determinable)		
Noncurrent portion		\$ 78,081
Total Long -Term Debt		<u>\$ 78,081</u>

Changes in Long-Term Debt

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

Type of Debt	Balance June 30, 2003	Additions	Deductions	Balance June 30, 2004
Accrued Compensated Absences	\$ 62,122	\$ 16,023	\$ (64)	\$ 78,081
Total Long -Term Debt	<u>\$ 62,122</u>	<u>\$ 16,023</u>	<u>\$ (64)</u>	<u>\$ 78,081</u>

NOTE 4. - OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Pension Plan

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

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

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

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2004 increased to 15.8% of annual covered payroll from the 14.1% and 13.0% in fiscal years ended June 30, 2003 and 2002 respectively. The board contributions to the System for the year ending June 30, 2004, 2003 and 2002 are \$93,647, \$72,573, and \$59,081 respectively, equal to the required contributions for that year.

Post Employment Health Care and Life Insurance Benefits

Substantially all Board employees become eligible for post employment health care, dental, and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2004, the cost of providing those benefits for three retirees and one surviving spouse totaled \$6,823.

Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

4.B. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

4.C. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters. The Board manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None

**LOUISIANA MOTOR VEHICLE AND PARTS COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

4.D. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

4.E. COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day

<u>Commissioner</u>	<u>No. of Days</u>	<u>Amount</u>
Kevin Kimball	3	\$ 225
James Cook	11	825
Charles Healey	7	525
Bernhardt Hunter	12	900
Marvin Ramsey	10	750
M. J. Smiley	5	375
Rex Carey	7	525
Steve Berry	7	525
Chester Richard	10	750
Henry A. Smith	12	900
Total		<u>\$ 6,300</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

LEROY J. CHUSTZ AND BEVERLY A. RYALL

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**Board Members of
Louisiana Used Motor Vehicle and Parts Commission
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana**

We have audited the basic financial statements of the **Louisiana Used Motor Vehicle and Parts Commission**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated August 2, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **Louisiana Used Motor Vehicle and Parts Commission's** internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 basic 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.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Louisiana Used Motor Vehicle and Parts Commission and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties.

Leroy J. Chustz
Certified Public Accountant, APAC
August 2, 2004

Beverly A. Ryall
Certified Public Accountant

**LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2004**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Louisiana Used Motor Vehicle Parts and Commission.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance were disclosed during the audit of the basic financial statements.
4. There were no federal awards received by Louisiana Used Motor Vehicle Parts and Commission.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

None

**LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION
RESOLUTION OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2004**

No findings for year ended June 30, 2003.

SUPPLEMENTAL INFORMATION REQUIRED BY

STATE OF LOUISIANA

DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
BALANCE SHEET
AS OF JUNE, 2004**

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$ 28,410
Investments (Note C2)	1,489,985
Receivables (net of allowance for doubtful accounts)(Note U)	23,894
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	1,542,289
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	50,000
Buildings and improvements	145,128
Machinery and equipment	71,170
Infrastructure	
Construction in progress	
Other noncurrent assets	266,298
Total noncurrent assets	266,298
Total assets	\$ 1,808,587
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ 67,805
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	67,805
NON-CURRENT LIABILITIES:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	78,081
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	78,081
Total liabilities	145,886
NET ASSETS	
Invested in capital assets, net of related debt	266,298
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	1,396,403
Total net assets	1,662,701
Total liabilities and net assets	\$ 1,808,587

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

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004**

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

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	<u>17,767</u>
Use of money and property	_____
Licenses, permits, and fees	<u>1,138,620</u>
Other	<u>6,000</u>
Total operating revenues	<u>1,162,387</u>
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	<u>1,331,697</u>
Depreciation	<u>42,634</u>
Amortization	_____
Total operating expenses	<u>1,374,331</u>
Operating income(loss)	<u>(211,944)</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	<u>30,052</u>
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	<u>4,437</u>
Total non-operating revenues(expenses)	<u>34,489</u>
Income(loss) before contributions and transfers	<u>(177,455)</u>
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>(177,455)</u>
Total net assets -- beginning as restated	<u>1,840,156</u>
Total net assets -- ending	<u>\$ 1,662,701</u>

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Program Revenues</u>		
	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>
<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>
		<u>Contributions</u>	<u>Contributions</u>
			<u>Net (Expense)</u>
			<u>Revenue and</u>
			<u>Changes in</u>
			<u>Net Assets</u>
BTA	\$ <u>1,374,331</u>	\$ <u>1,162,387</u>	\$ <u>(211,944)</u>
General revenues:			
Taxes			<u> </u>
State appropriations			<u> </u>
Grants and contributions not restricted to specific programs			<u> </u>
Interest			<u>30,052</u>
Miscellaneous			<u>4,437</u>
Special items			<u> </u>
Transfers			<u> </u>
Total general revenues, special items, and transfers			<u>34,489</u>
Change in net assets			<u>(177,455)</u>
Net assets - beginning			<u>1,840,156</u>
Net assets - ending			<u>\$ 1,662,701</u>

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

Cash flows from operating activities		
Cash received from customers	\$ 1,147,879	
Cash payments to suppliers for goods and services	<u>438,528</u>	
Cash payments to employees for services	<u>840,017</u>	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>(130,666)</u>
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other	<u>4,437</u>	
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>4,437</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	<u>(31,304)</u>	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(31,304)</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities	<u>99,000</u>	
Interest and dividends earned on investment securities	<u>30,975</u>	
Net cash provided(used) by investing activities		<u>129,975</u>
Net increase(decrease) in cash and cash equivalents		<u>(27,558)</u>
Cash and cash equivalents at beginning of year		<u>55,968</u>
Cash and cash equivalents at end of year	\$	<u><u>28,410</u></u>

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

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

Operating income(loss)		\$	<u>(211,944)</u>
Adjustments to reconcile operating income(loss) to net cash			
Depreciation/amortization	42,634		
Provision for uncollectible accounts			
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net	(14,507)		
(Increase)decrease in due from other funds			
(Increase)decrease in prepayments			
(Increase)decrease in inventories			
(Increase)decrease in other assets			
Increase(decrease) in accounts payable and accruals	30,093		
Increase(decrease) in accrued payroll and related benefits	7,099		
Increase(decrease) in compensated absences payable	15,959		
Increase(decrease) in due to other funds			
Increase(decrease) in deferred revenues			
Increase(decrease) in other liabilities			
Net cash provided(used) by operating activities		\$	<u>(130,666)</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
<u>Fixed Assets - Retired</u>	<u>(28,776)</u>
Total noncash investing, capital, and financing activities:	<u>(28,776)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

INTRODUCTION

The LUMVPC (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 32:772. The following is a brief description of the operations of LUMVPC (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

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

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

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

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the LUMVPC (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>1,177,620</u>
Amendments:	<u>263,529</u>
	<u>(29,889)</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u><u>1,411,260</u></u>

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

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

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

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

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

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

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

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

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

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

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

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

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 27,910	\$ 1,489,985	\$	\$ 1,517,895
Bank balances (category 3 only, if any) Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized				-
b. Uninsured and collateralized with securities held by the pledging institution				-
c. Uninsured and collateralized with securities held held by the pledging institution's trust department or agent, <u>but not in the entities name</u>		398,000		398,000
Total Category 3 bank balances	\$ -	\$ 398,000	\$ -	\$ 398,000
Total bank balances (All categories including category 3 reported above)	\$ 79,425	\$ 1,489,985	\$	\$ 1,569,410

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

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

1. Bank One	Operating Account	\$ 27,910
2. Clinton Bank	Certificate of Deposit	99,000
3. Progressive Bank	Certificate of Deposit	99,000
4. Franklin State Bank	Certificate of Deposit	99,000
5. LA Capitol Federal Credit Union	Certificate of Deposit	99,000
6. Peoples Bank	Certificate of Deposit	98,985
7. Liberty Bank	Certificate of Deposit	99,000
8. American Bank & Trust	Certificate of Deposit	99,000
9. Gibsland Bank & Trust	Certificate of Deposit	99,000
10. Delta Bank	Certificate of Deposit	300,000
11. Peoples State Bank	Certificate of Deposit	99,000
12. Concordia Bank & Trust	Certificate of Deposit	200,000
13. Peoples State Bank	Certificate of Deposit	99,000
Total		\$ 1,517,895

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

Cash in State Treasury	\$
Petty cash	\$ 500

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

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

credit risk _____
 market risk _____
 legal risk _____

3. Other Disclosures Required for Investments- N/A

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

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements _____
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements at Year-End

- i. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- j. Commitments on _____ (fiscal close), to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close), of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

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

Fair Value Disclosures

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

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

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

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

one of the following 5 methods: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model.)

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

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS

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

	Year ended June 30, 2004						
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003	Additions	Transfers*	Retirements	Balance 6/30/2004
Capital assets not being depreciated							
Land	50,000	--	50,000	--	--	--	50,000
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	50,000	--	50,000	--	--	--	50,000
Other capital assets							
Furniture, fixtures, and equipment	216,178	--	216,178	31,304	--	(28,776)	218,706
Less accumulated depreciation	139,483	--	139,483	36,829	--	(28,776)	147,536
Total furniture, fixtures, and equipment	76,695	--	76,695	(5,525)	--	--	71,170
Buildings and improvements	182,488	--	182,488	--	--	--	182,488
Less accumulated depreciation	46,505	--	46,505	5,230	--	--	51,735
Total buildings and improvements	135,983	--	135,983	(5,230)	--	--	130,753
Depreciable land improvements	23,000	--	23,000	--	--	--	23,000
Less accumulated depreciation	8,050	--	8,050	575	--	--	8,625
Total depreciable land improvements	14,950	--	14,950	(575)	--	--	14,375
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	227,628	--	227,628	(11,330)	--	--	216,298
Capital Asset Summary:							
Capital assets not being depreciated	50,000	--	50,000	--	--	--	50,000
Other capital assets, at cost	421,666	--	421,666	31,304	--	(28,776)	424,194
Total cost of capital assets	471,666	--	471,666	31,304	--	(28,776)	474,194
Less accumulated depreciation	194,038	--	194,038	42,634	--	(28,776)	207,896
Capital assets, net	277,628	--	277,628	(11,330)	--	--	266,298

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

E. INVENTORIES

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

F. RESTRICTED ASSETS

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

G. LEAVE

1. COMPENSATED ABSENCES

The LUMVPC (BTA) has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

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

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

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2004 (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable (is) (is not) recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

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

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

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

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

Members are required by state statute to contribute 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2004, increased to 15.8% of annual covered payroll from the 14.1% and 13.0% required in fiscal years ended June 30, 2003 and 2002, respectively. The (BTA) contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$93,647, \$72,573, and \$59,081, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

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

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

Substantially all (BTA) employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the (BTA). For 2003, the cost of providing those benefits for the three retirees and one surviving spouse totaled \$5,787.

The LUMVPC (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the (BTA). Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the (BTA). The (BTA) recognizes the cost of providing these benefits ((BTA)'s portion of premiums) as an expenditure when paid during the year, which was \$68,270 for the year ended June 30, 2004. The (BTA)'s cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2004 the costs of three retirees and one surviving spouse benefits totaled \$6,823.

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year_ amounted to \$0.
 A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010-2014</u>	<u>FY2015-2019</u>
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

2. CAPITAL LEASES

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

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

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ 0	\$ 0	\$ 0

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

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

<u>Year ending June 30:</u>	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

3. LESSOR DIRECT FINANCING LEASES

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

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

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

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

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining Principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		-		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		-		
Less: Estimated Residual Value of Leased Property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ <u>0</u>		

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

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

Year ending _____:	
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total	\$ <u>0</u>

4. LESSOR – OPERATING LEASE

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

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

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

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2005	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2006					-
2007					-
2008					-
2009					-
2010-2014					-
2015-2019					-
2020-2024					-
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

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

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 20__:

	Balance June 30, 2003	Year ended June 30, 2004		Balance June 30, 2004	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Reimbursement contracts payable					-
Bonds payable					-
Total notes and bonds	_____	_____	_____	_____	_____
Other liabilities:					
Contracts payable					-
Compensated absences payable	62,122	16,023	64	78,081	-
Capital lease obligations					-
Liabilities payable from restricted assets					-
Claims and litigation					-
Other long-term liabilities					-
Total other liabilities	_____ 62,122	_____ 16,023	_____ 64	_____ 78,081	_____ -
Total long-term liabilities	_____ 62,122	_____ 16,023	_____ 64	_____ 78,081	_____ -

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004**

A detailed summary, by issues, of all debt outstanding at June 30, 20__, including outstanding interest of \$ _____ is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. LITIGATION

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

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

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

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

M. RELATED PARTY TRANSACTIONS

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

N. ACCOUNTING CHANGES

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

O. IN-KIND CONTRIBUTIONS

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

(List all in-kind contributions that are not included in the accompanying financial statements.)

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

P. DEFEASED ISSUES

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

Q. COOPERATIVE ENDEAVORS

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

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

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

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

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

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

The _____ (BTA) uses a revolving line of credit for the following purposes: _____

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

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

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2004, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Hearing Fines Receivable	\$ 22,223	\$ _____	\$ _____	\$ _____	\$ 22,223
Accrued Interest Receivable	1,671	_____	_____	_____	1,671
Gross receivables	\$ 23,894	\$ -	\$ -	\$ -	\$ 23,894
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ 23,894	\$ -	\$ -	\$ -	\$ 23,894

Amounts not scheduled for collection during the subsequent year	\$ 0	\$ _____	\$ _____	\$ _____	\$ 0
---	------	----------	----------	----------	------

V. DISAGGREGATION OF PAYABLE BALANCES

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Accounts Payable	\$ 21,299	\$ 18,459	\$ _____	\$ 28,047	\$ 67,805
Total payables	\$ 21,299	\$ 18,459	\$ -	\$ 28,047	\$ 67,805

Payables at June 30, 2004 were as follows:

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

W. SUBSEQUENT EVENTS

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

X. SEGMENT INFORMATION

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

Type of goods or services provided by the segment _____.

A. Condensed Balance Sheet:

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

Condensed Balance Sheet:

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

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

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

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

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

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

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

C. Condensed statement of cash flows:

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

Condensed Statement of Cash Flows:

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

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

Y. DUE TO/DUE FROM AND TRANSFERS

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

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

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

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

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

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

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

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

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

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

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

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

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

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

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

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

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2004
(Fiscal Close)

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

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
June 30, 2004
(Fiscal Close)

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

*Send copies of new amortization schedules

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
SCHEDULE OF NOTES PAYABLE
June 30, 2004
(Fiscal close)**

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

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2004
(Fiscal Close)

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

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended June 30, 2004**

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

**STATE OF LOUISIANA
 LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
 SCHEDULE OF NOTES PAYABLE AMORTIZATION
 For The Year Ended June 30, 2004**

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

**STATE OF LOUISIANA
LOUISIANA USED MOTOR VEHICLE AND PARTS COMMISSION (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2004**

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