

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Department of Public Service
State of Louisiana
Baton Rouge, Louisiana

December 6, 2000



Financial and Compliance Audit Division

***Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor***

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LEGISLATIVE AUDITOR

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**DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA**
Baton Rouge, Louisiana

Special Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2000
With Supplemental Information Schedules

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

December 6, 2000

**DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA**

Special Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2000
With Supplemental Information Schedules

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November 17, 2000

Independent Auditor's Report
on the Financial Statements

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying special purpose (legal basis) financial statements of the Department of Public Service, a department within Louisiana state government, as of and for the year ended June 30, 2000, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Department of Public Service. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in note 1 to the financial statements, the accompanying special purpose financial statements present only the funds of the Department of Public Service. As such, they present the appropriated and non-appropriated activity of the department that are part of the accounts and fund structure of the State of Louisiana. The General Appropriation Fund reflects appropriated activities of the department that are part of the General Fund of the State of Louisiana. The non-appropriated funds are individual funds of the State of Louisiana not subject to budgetary control. Furthermore, the special purpose financial statements have been prepared on a legal basis of accounting, the purpose of which is to reflect compliance with the annual appropriation act for the appropriated fund and the financial position of the non-appropriated funds. These principles differ from generally accepted accounting principles as described in the notes to the financial statements. Accordingly, the accompanying special purpose financial statements are not intended to and do not present financial position and results of operations in conformity with generally accepted accounting principles.

LEGISLATIVE AUDITOR

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Audit Report, June 30, 2000

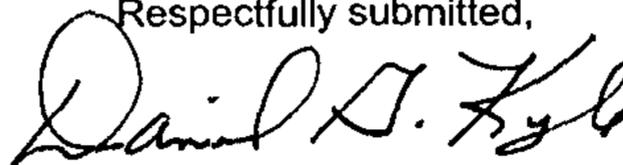
In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the balances within the appropriated and non-appropriated funds of the Department of Public Service at June 30, 2000, and the transactions of the General Appropriation Fund for the year then ended, on the basis of accounting described in note 1-B.

In accordance with Government Auditing Standards, we have also issued a report dated November 17, 2000, on our consideration of the Department of Public Service's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. 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 made for the purpose of forming an opinion on the accompanying special purpose financial statements of the Department of Public Service taken as a whole. The accompanying supplemental information schedules are presented for the purpose of additional analysis and have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are stated fairly in all material respects in relation to the special purpose financial statements taken as a whole.

This report is intended solely for the information and use of the department and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

RLT:WMB:PEP:ss

[DPS]

**DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
ALL APPROPRIATED AND NON-
APPROPRIATED FUNDS**

Balance Sheet (Legal Basis), June 30, 2000

	APPROPRIATED FUND - GENERAL APPROPRIATION	NON-APPROPRIATED FUNDS			TOTAL (MEMORANDUM ONLY)
		MAJOR STATE REVENUES AND INCOME NOT AVAILABLE	AGENCY FUND	PAYROLL CLEARING	
ASSETS					
Cash (note 1-C)	\$583,496		\$29,294	\$108,614	\$721,404
Accounts receivable	2,983	\$331,190			334,173
Inventory of materials and supplies (note 1-D)	36,770				36,770
TOTAL ASSETS	\$623,249	\$331,190	\$29,294	\$108,614	\$1,092,347
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$66,085				\$66,085
Payroll payable	83,800				83,800
Payroll deductions payable				\$46,582	46,582
Accrued employee benefits				62,032	62,032
Deposits due others			\$29,294		29,294
Advance from state treasury (note 7)	5,000				5,000
Due to other funds:					
Motor Carrier Regulation Fund	501,088				501,088
Supplemental Fee Fund	14,306				14,306
Other liabilities		\$331,190			331,190
Total Liabilities	670,279	331,190	29,294	108,614	1,139,377
Fund Equity - fund balances:					
Reserved for inventory of materials and supplies (note 1-D)	36,770				36,770
Unreserved - undesignated (deficit) (note 8)	(83,800)				(83,800)
Total Fund Equity	(47,030)	NONE	NONE	NONE	(47,030)
TOTAL LIABILITIES AND FUND EQUITY	\$623,249	\$331,190	\$29,294	\$108,614	\$1,092,347

The accompanying notes are an integral part of this statement.

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
GENERAL APPROPRIATION FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance (Legal Basis)
For the Year Ended June 30, 2000

REVENUES	<u>NONE</u>
EXPENDITURES	
Administrative	\$1,647,660
Support services	1,326,296
Motor carriers	1,010,113
District offices	<u>1,800,650</u>
Total expenditures	<u>5,784,719</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(5,784,719)</u>
OTHER APPROPRIATED FINANCING SOURCES (Uses)	
Transfers in	6,426,305
Transfers out	<u>(515,394)</u>
Total other appropriated financing sources (uses)	<u>5,910,911</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	126,192
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	(176,283)
INCREASE IN RESERVE FOR INVENTORY	<u>3,061</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u><u>(\$47,030)</u></u>

The accompanying notes are an integral part of this statement.

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
GENERAL APPROPRIATION FUND

Statement of Revenues, Expenditures, and
Unexpended Appropriation - Budget
Comparison of Current-Year Appropriation -
Budget (Legal Basis) and Actual
For the Year Ended June 30, 2000

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Appropriated by legislature - other fund sources:			
Utility and Carrier Inspection and Supervision Fund	\$4,361,465	\$4,361,465	
Motor Carrier Regulation Fund	1,354,934	853,846	(\$501,088)
Supplemental Fee Fund	709,906	695,600	(14,306)
Total appropriated revenues	<u>6,426,305</u>	<u>5,910,911</u>	<u>(515,394)</u>
EXPENDITURES			
Appropriated for:			
Administration	1,917,978	1,678,094	239,884
Support services	1,430,448	1,399,864	30,584
Motor Carriers Registration	1,196,103	1,032,303	163,800
District offices	1,881,776	1,800,650	81,126
Total appropriated expenditures	<u>6,426,305</u>	<u>5,910,911</u>	<u>515,394</u>
UNEXPENDED APPROPRIATION - CURRENT YEAR	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

The accompanying notes are an integral part of this statement.

**DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

INTRODUCTION

The Louisiana Department of Public Service is a department within the State of Louisiana reporting entity. The department was created in accordance with Title 36, Sections 721-725 of the Louisiana Revised Statutes of 1950, as a part of the executive branch of government. The Public Service Commission, consisting of five members who are elected from single-member districts, is the governing body of the department. The members are paid a yearly salary of \$45,000 as set by Louisiana Revised Statute (R.S.) 45:1162. The commission is charged with the *administration, control, and operation of the functions, programs, and affairs of the department as provided by law.* The major objective of the commission is to regulate the rates and service practices of the utility and transportation companies located in the State of Louisiana. Its goal is to secure reasonable service for the public at rates that are fair both to the consumers and to the companies. It also applies model standards and promotes compliance through forced registration and highway enforcement. The department has approximately 116 full-time employees, with work locations varying from the main office in Baton Rouge to the various district offices located throughout the state.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) promulgates generally accepted accounting principles and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. However, the accompanying financial statements have been prepared on a legal basis, which differs from generally accepted accounting principles as explained in the following notes.

The State of Louisiana has been determined to be the reporting entity under generally accepted accounting principles. The accompanying financial statements represent activity of a department of state government and, therefore, are a part of the fund and account group structure of the State of Louisiana and its general purpose financial statements.

A. FUND ACCOUNTING

The department uses fund accounting, along appropriation lines, to reflect its compliance with provisions of the annual appropriation act and to reflect the financial position of its non-appropriated funds. This differs from the fund accounting of generally *accepted accounting principles where the intent is to measure the financial position and results of operations of the governmental reporting entity as a whole.* Therefore, the funds within the accompanying financial statements have been divided between appropriated and non-appropriated funds and not by the conventional fund types of generally accepted accounting principles.

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

The funds do not include any noncurrent assets or liabilities. Noncurrent assets, general fixed assets, and long-term liabilities are reflected in the State of Louisiana's general purpose financial statements.

The funds presented in the special purpose financial statements are described as follows:

GENERAL APPROPRIATION FUND

The General Appropriation Fund accounts for all appropriated revenues, operating expenditures, and minor capital acquisitions.

NON-APPROPRIATED FUNDS

**Major State Revenues and
Income Not Available**

The department collects major state revenues that are remitted to the state treasury for deposit to statutorily dedicated funds. In addition, the department collects funds specifically identified by the Division of Administration, State Budget Office, as income not available that are remitted to the state treasury. These amounts are not available to the department for expenditure and, therefore, are not included on Statement B but are detailed on Schedule 1.

Agency Fund

The Agency Fund is used to account for assets held on behalf of outside parties, including other governments. The Agency Fund accounts for fees collected for other states under the Motor Carrier Single State Registration Program.

Payroll Clearing Fund

The Payroll Clearing Fund accounts for payroll deductions and accrued benefits.

The non-appropriated funds relating to major state revenues and income not available, agency, and payroll clearing funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

B. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The funds in the accompanying financial statements measure the resources provided by the legislature to fund current-year expenditures and the use of those resources by the department. This differs from generally accepted accounting

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

principles in which the measurement focus would be to measure the flow of current resources.

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements, regardless of the measurement focus applied. The accompanying financial statements reflect revenues and expenditures in accordance with applicable statutory provisions and regulations of the Division of Administration, Office of Statewide Reporting and Accounting Policy. These legal requirements differ from generally accepted accounting principles as follows:

1. Revenues are recognized to the extent that they have been appropriated and not necessarily when measurable and available.
2. Expenditures are recognized to the extent that appropriation authority has been extended to the department and not necessarily when the fund liability has been incurred.

Under the foregoing legal provisions, the department uses the following practices in recognizing revenues and expenditures:

Revenues

Non-appropriated revenues are recognized in the amounts earned, to the extent that they will be collected within 45 days of the close of the fiscal year.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that obligations of employee vested annual and sick leave are recognized as expenditures when paid. Furthermore, any expenditure of a long-term nature for which funds have not been appropriated during the current year are not recognized in the accompanying financial statements.

Other Financing Sources

Transfers are recognized in the year the department is authorized to receive or make the transfers.

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

C. CASH

Cash is composed of the following (book balances):

Under control of the department:	
Petty cash (in bank)	\$2,017
Cash in demand account	29,294
Cash on deposit with the state treasury	<u>690,093</u>
Total	<u><u>\$721,404</u></u>

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 bank. The department has deposit balances (collected bank balances) of \$34,568 at June 30, 2000, for which the department has control. These deposits are secured from risk by \$100,000 of federal deposit insurance (GASB Risk Category 1).

Cash balances held and controlled by the state treasurer are secured from risk by the state treasurer through separate custodial agreements, and the risk disclosures required by generally accepted accounting principles are included within the state's general purpose financial statements. The following is a summary of cash in the state treasury:

Operating account	\$581,479
Payroll clearing	<u>108,614</u>
Total	<u><u>\$690,093</u></u>

D. INVENTORIES OF MATERIALS AND SUPPLIES

Inventories for the General Appropriation Fund are valued at cost and are recorded as expenditures at the time individual inventory items are purchased. The department uses a perpetual inventory system and values its inventory using the first-in, first-out (FIFO) valuation method. Reported inventories are equally offset by fund balance reserves that indicate they do not constitute available spendable resources even though they are components of net current assets.

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

E. FIXED ASSETS

At June 30, 2000, the department has stewardship responsibility for \$1,394,760 in governmental movable property, valued at historical cost at the time of acquisition. Donated fixed assets, which comprise less than 1% of total assets, are valued at their fair market value on the date donated. The movable property is not reflected within the accompanying special purpose financial statements. A summary of changes in movable property follows:

Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
<u>\$1,340,910</u>	<u>\$242,364</u>	<u>\$188,514</u>	<u>\$1,394,760</u>

The department has complied with R.S. 39:321-332, the movable property statutes of the State of Louisiana.

F. LONG-TERM OBLIGATIONS

The department is by statute not allowed to incur bonded indebtedness and, therefore, no recognition within the accompanying financial statements is necessary. Furthermore, any long-term obligations of the department arising from lease commitments, judgments, compensated absences, or any other source are not recognized in the accompanying special purpose financial statements.

G. ENCUMBRANCE ACCOUNTING

Encumbrances represent commitments relating to unperformed contracts for goods or services. The department employs encumbrance accounting during the year to assure compliance with the annual appropriation act. Encumbrances are not included in the accompanying financial statements because R.S. 39:82 and the annual appropriation act do not allow the department to charge encumbrances against its current-year appropriation, the basis upon which the accompanying financial statements have been prepared. The department has no encumbrances at June 30, 2000.

H. BUDGET PRACTICES

The appropriation made for the general operations of the department is an annual lapsing appropriation valid for one year and is recorded in the General Appropriation Fund. Revenues and expenditures for budget purposes are recognized on the same basis of accounting as described in note 1-B, except that transfers in are recognized as revenues on Statement C and accruals of payroll at fiscal year-end are not recognized

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

as expenditures on Statement C. Revenues per Statement B are reconciled with the amounts reflected on the budget comparison, Statement C, as follows:

Amounts per Statement B	NONE
Transfers in	\$6,426,305
Transfers out	<u>(515,394)</u>
Amounts per Statement C	<u><u>\$5,910,911</u></u>

Expenditures per Statement B are reconciled with the amounts reflected on the budget comparison, Statement C, as follows:

Amounts per Statement B	\$5,784,719
Prior-year payroll accrual	209,992
Current-year payroll accrual	<u>(83,800)</u>
Amounts per Statement C	<u><u>\$5,910,911</u></u>

The department is prohibited by statute from over expending the categories established in the general appropriation act. Budget revisions are granted by the Joint Legislative Committee on the Budget. Interim emergency appropriations may be granted by the Interim Emergency Board. The budget information included in the financial statements includes the original appropriation of \$6,426,305. There were no budget adjustments during the year.

The non-appropriated funds are not subject to budgetary control.

I. LEAVE BENEFITS

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service, without limitation on the balance that can be accumulated. 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 but are not compensated for unused sick leave. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The liability for unused annual leave payable at June 30, 2000, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated to be \$341,338 for the General Appropriation Fund. The leave payable is not recorded in the accompanying special purpose financial statements.

Certain employees of the department are eligible to earn compensatory time as defined by the Department of State Civil Service and the Fair Labor Standards Act. These employees can earn and accumulate one hour or one and one-half hours for each hour of overtime worked, depending on their position and rate of pay. Generally, the

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

employees are allowed to carry up to 360 hours of accrued compensatory leave from one calendar year to another. The liability for accrued compensatory leave at June 30, 2000, computed in accordance with GASB Codification Section C60.105, is estimated to be \$1,233. Accumulated compensatory leave is not accrued (reflected) in the accompanying special purpose financial statements.

J. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position. Neither is such data comparable to a consolidation.

2. PENSION PLAN

Substantially all employees of the department are members of the Louisiana State Employees Retirement System, a cost sharing, multiple-employer defined benefit pension plan administered by a board of trustees. Required disclosures for the plan for fiscal year 1999-2000 are included in the Louisiana Comprehensive Annual Financial Report prepared by the Louisiana Division of Administration, Post Office Box 94095, Baton Rouge, Louisiana 70804-9095.

**3. POSTRETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The department provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the department's employees become eligible for these benefits if they reach normal retirement age while working for the department. These 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 the department.* The department's costs 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, 2000, the costs of retiree benefits totaled \$65,739.

**4. JUDGMENTS, CLAIMS, AND
SIMILAR CONTINGENCIES**

Obligations and losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund or by General Fund appropriations and are not reflected in the accompanying special purpose financial statements. The self-insurance fund is operated by the Office of Risk Management, the state agency responsible for the state's self-insurance program.

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

5. LEASE OBLIGATIONS

The department has an operating lease for office space. The annual operating lease payments are presented as follows:

2000-2001	\$414,872
2001-2002	378,078
2002-2003	195,830
2003-2004	<u>14,999</u>
Total	<u><u>\$1,003,779</u></u>

The lease agreement has a non-appropriation exculpatory clause that allows for lease cancellation if the Louisiana Legislature does not make an appropriation for its continuation during any future fiscal years. Lease expenditures for fiscal year ended June 30, 2000, totaled \$416,359.

6. CHANGES IN AGENCY FUNDS

A summary of changes in assets and liabilities follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at End of Year</u>
Assets - cash	<u>\$30,445</u>	<u>\$6,846,069</u>	<u>\$6,847,220</u>	<u>\$29,294</u>
Liabilities:				
Due to other states	\$17,867	\$820,282	\$826,263	\$11,886
Due to others - refunds	6	629	598	37
Due to State Treasurer's Office	<u>12,572</u>	<u>6,025,158</u>	<u>6,020,359</u>	<u>17,371</u>
Total Liabilities	<u>\$30,445</u>	<u>\$6,846,069</u>	<u>\$6,847,220</u>	<u>\$29,294</u>

7. ADVANCE FROM STATE TREASURY

The department received an advance from the state treasury for imprest fund operations totaling \$5,000. The advance, as reflected in the accompanying statements, represents a liability of the department and must be repaid if not authorized annually.

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Notes to the Financial Statements (Concluded)

8. FUND DEFICIT

The General Appropriation Fund had a deficit of \$83,800 for the year ended June 30, 2000. The deficit is the result of the recognition of accrued salaries and related benefits as required by the Office of the Governor, Division of Administration, and the fact that revenues to fund those accruals are appropriated in the subsequent year. The deficit will be resolved by paying for salaries and related benefits from fiscal year 2001 funds appropriated to pay those obligations of the 1999-2000 fiscal year.

9. EXPENDITURES PAID BY OTHERS

Certain professional service expenditures of the department are paid by various companies and/or cooperatives providing public service or utilities in the state. The payment of these expenditures by these public utilities is authorized by R.S. 45:1180-1181. The services are provided to the department for the purpose of assisting in evaluating and reviewing matters affecting services and rates charged by public utilities to Louisiana consumers and for representing the Public Service Commission in such cases, or the judicial review thereof. These expenditures incurred in the fiscal year ended June 30, 2000, and which are not included in the accompanying financial statements, are summarized as follows:

Attorneys	\$2,127,750
Consultants	<u>1,433,271</u>
Total	<u><u>\$3,561,021</u></u>

10. DEFERRED COMPENSATION PLAN

Certain employees of the Department of Public Service participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in a separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

**DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 2000**

**SCHEDULE OF NON-APPROPRIATED REVENUES -
MAJOR STATE REVENUES AND INCOME NOT AVAILABLE**

Schedule 1 reflects major state revenues and income not available collected by the department during the year that were not available to the department for expenditure.

SCHEDULE OF CHANGES IN BALANCE

Changes in balance for the Non-Appropriated - Payroll Clearing Fund for the year ended June 30, 2000, are presented on Schedule 2.

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
MAJOR STATE REVENUES AND
INCOME NOT AVAILABLE

Schedule of Non-Appropriated Revenues
For the Year Ended June 30, 2000

<u>NON-APPROPRIATED REVENUE FUND SOURCE</u>	<u>CASH RECEIPTS THROUGH JUNE 30, 2000</u>	<u>ACCOUNTS RECEIVABLE JUNE 30, 2000</u>	<u>TOTAL REVENUE</u>
Income not available	\$76		\$76
Major state revenues:			
Motor carrier fees	6,007,787	\$315,328	6,323,115
Annual report	1,900		1,900
Common carrier certificate	84,000	1,000	85,000
Citation	590		590
Fines - illegal operations	27,500	10,000	37,500
Late filing fees	1,880	850	2,730
Lease filing	8,110	535	8,645
Lobbyist registration	390		390
Name change	600	100	700
Rate application - increase	125	25	150
Rate application - decrease	20		20
Rate application - utilities	400	125	525
Rehearing application	200		200
Reinstatement	750		750
Sales non-state agency - merchandise and commodities	199		199
Sales non-state agency - services	11,365	477	11,842
Receipts - miscellaneous	34,126	2,750	36,876
Subtotal - major state revenues	<u>6,179,942</u>	<u>331,190</u>	<u>6,511,132</u>
Total non-appropriated revenues	<u>\$6,180,018</u>	<u>\$331,190</u>	<u>\$6,511,208</u>

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
NON-APPROPRIATED - PAYROLL CLEARING FUND

Schedule of Changes in Balance
For the Year Ended June 30, 2000

BALANCE AT BEGINNING OF YEAR	\$78,583
ADDITIONS	
Payroll deduction deposits	<u>2,060,870</u>
Total	2,139,453
DEDUCTIONS	
Payroll deduction disbursements	<u>(2,030,839)</u>
BALANCE AT END OF YEAR	<u><u>\$108,614</u></u>

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance 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 weaknesses in internal control or compliance matters that would be material to the presented financial statements.



DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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TELEPHONE: (225) 339-3800
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November 17, 2000

Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of the Financial Statements
Performed in Accordance With *Government Auditing Standards*

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the special purpose (legal basis) financial statements of the Department of Public Service, a department within Louisiana state government, as of and for the year ended June 30, 2000, and have issued our report thereon dated November 17, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Department of Public Service's special purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department of Public Service's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the special purpose 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 could be material in relation to the special purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

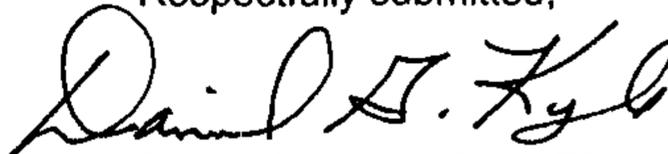
EXHIBIT A

LEGISLATIVE AUDITOR

DEPARTMENT OF PUBLIC SERVICE
STATE OF LOUISIANA
Compliance and Internal Control Report
November 17, 2000
Page 2

This report is intended solely for the information and use of the Department of Public Service and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is written in a cursive style with a large initial "D".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

RLT:WMB:PEP:ss

[DPS]