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Houma-Terrebonne Regional Planning Commission

General Purpose Financial Statements
and Independent Auditor's Report
December 31, 1999

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 Bayou Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/14/00

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

General Purpose Financial Statements
and Independent Auditor's Report
As of and for the Year Ended December 31, 1999

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Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

**General Purpose Financial Statements
and Independent Auditor's Report
As of and for the Year Ended December 31, 1999**

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**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (504) 851-3638
Fax (504) 851-3951

INDEPENDENT AUDITOR'S REPORT

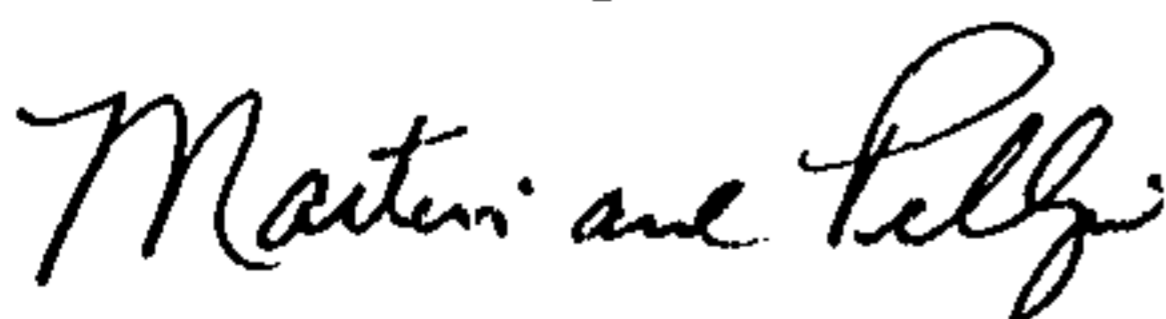
To the Board of Commissioners
Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Houma-Terrebonne Regional Planning Commission (the Commission), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1999. These general purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the *general purpose financial statements*. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Houma-Terrebonne Regional Planning Commission as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2000, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



April 14, 2000

FINANCIAL STATEMENTS SECTION

Houma-Terrebonne Regional Planning Commission
 Terrebonne Parish Consolidated Government

Combined Balance Sheet
 (All Fund Types and Account Group)

December 31, 1999

	<u>Governmental Fund Type General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Cash	\$ 95,328		\$ 95,328
Property and equipment		<u>\$ 5,176</u>	<u>5,176</u>
TOTAL ASSETS	<u><u>\$ 95,328</u></u>	<u><u>\$ 5,176</u></u>	<u><u>\$ 100,504</u></u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 579		\$ 579
Performance bonds payable	<u>18,875</u>		<u>18,875</u>
Total liabilities	<u>19,454</u>		<u>19,454</u>
FUND EQUITY			
Investment in general fixed assets		\$ 5,176	5,176
Fund balance - Unreserved	<u>75,874</u>		<u>75,874</u>
Total fund equity	<u>75,874</u>	<u>5,176</u>	<u>81,050</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 95,328</u></u>	<u><u>\$ 5,176</u></u>	<u><u>\$ 100,504</u></u>

The accompanying notes are an integral part of this statement.

Houma-Terrebonne Regional Planning Commission
 Terrebonne Parish Consolidated Government

Statement of Revenues, Expenditures,
 and Changes in Fund Balance-
 Budget and Actual-Governmental Fund Type-
 General Fund

For the Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 31,000	\$ 39,818	\$ 8,818
Miscellaneous:			
Interest earned	1,000	2,889	1,889
Other	2,300	1,000	(1,300)
TOTAL REVENUES	34,300	43,707	9,407
EXPENDITURES			
General government:			
Travel and training	8,063	7,808	255
Per diems	7,000	6,100	900
Meeting and public notices	5,000	5,960	(960)
Postage	2,500	2,367	133
Other services and charges	3,303	2,794	509
TOTAL EXPENDITURES	25,866	25,029	837
EXCESS OF REVENUES OVER EXPENDITURES	\$ 8,434	18,678	\$ 10,244
FUND BALANCE - Beginning		57,196	
FUND BALANCE - Ending		\$ 75,874	

The accompanying notes are an integral part of this statement.

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
As of and for the Year Ended December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Financial accountability by the consolidated government is determined on the basis of the following criteria:

1. Appointment of voting majority of governing board
2. Imposition of will
3. Financial benefit or burden
4. Fiscal dependence
5. Designation of management

Because the consolidated government appoints the governing board and can impose its will, the Houma-Terrebonne Regional Planning Commission was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the consolidated government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

B. FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental Funds are those through which the governmental functions of the Houma-Terrebonne Regional Planning Commission are financed. The acquisition, use, and balances of the Commission's expendable financial resources and the

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
As of and for the Year Ended December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. FUND ACCOUNTING (Cont.)

related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Commission:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources.

C. BASIS OF ACCOUNTING

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

The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. OPERATING BUDGETARY DATA

The Commission's Board adopted a budget for the General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Commission's Board. *All budgeted amounts that are not expended or obligated through contracts lapse at year end.*

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

The Commission amended the budget once during the year.

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
As of and for the Year Ended December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. GENERAL FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

F. ACCUMULATED VACATION AND SICK LEAVE

The Commission has no full-time employees. There is no accumulated unpaid vacation and sick leave at December 31, 1999.

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Commission.

H. ESTIMATES

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

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
As of and for the Year Ended December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 – DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The Commission's deposits are categorized to give an indication of the level of risk assumed at December 31, 1999. The categories are as follows:

- Category 1 - Insured or collateralized with securities held by the Commission or by its agent in the Commission's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Commission's name.
- Category 3 - Uncollateralized

Deposits, categorized by level of risk, are:

	Bank Balance	Category		
	1	2	3	
Cash and cash equivalents	\$ 104,877	\$ 104,877	\$ -	\$ -

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
As of and for the Year Ended December 31, 1999

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

The Commission's deposits were not in excess of FDIC insurance and acceptable pledged securities at December 31, 1999.

NOTE 3 - GENERAL FIXED ASSETS

There were no additions or retirements of any of the general fixed assets of the Commission during 1999, which consisted primarily of equipment.

NOTE 4 - IN-KIND SERVICES

The Terrebonne Parish Consolidated Government provided clerical, accounting, legal, administrative and engineering services at no charge to the Commission during the year ended December 31, 1999.

NOTE 5 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to commission members for the year ended December 31, 1999:

<u>Commissioner</u>	<u>Total</u>
W. Alex Ostheimer	\$ 850
Charles Pitre	850
Wiltz LeBlanc	800
Harold T. Smith, Jr.	800
Keith Authement	750
Valarae Bates	650
Eddie Pullaro	650
Emile Richard	450
Carey Hebert	<u>300</u>
	<u>\$ 6,100</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (504) 851-3638
Fax (504) 851-3951

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

To the Board of Commissioners
Houma-Terrebonne Regional Planning Commission
Houma, Louisiana

We have audited the general purpose financial statements of the Houma-Terrebonne Regional Planning Commission (the Commission), as of and for the year ended December 31, 1999, and have issued our report thereon dated April 14, 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 Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 are required to be reported under *Government Auditing Standards*.

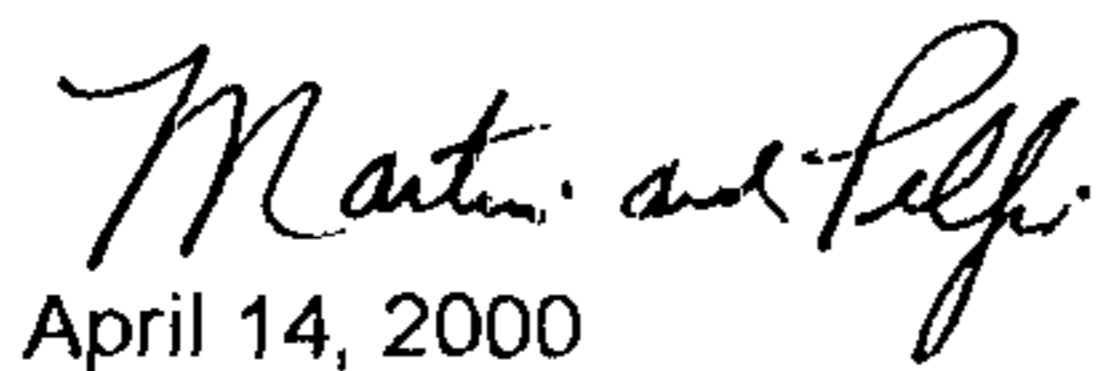
Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control *over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general 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

To the Board of Commissioners
Houma-Terrebonne Regional Planning Commission
Houma, Louisiana

amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 solely for the information and use of the Board of Commissioners, management, the reporting entity, others within the organization, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.


April 14, 2000

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1999

Section I -- Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Houma-Terrebonne Regional Planning Commission.
2. No reportable conditions were noted during the audit of the general purpose financial statements.
3. No instances of noncompliance material to the general purpose financial statements of the Houma-Terrebonne Regional Planning Commission were disclosed during the audit.
4. A management letter was not issued.

Section II -- Financial Statement Findings

No findings material to the general purpose financial statements of the Houma-Terrebonne Regional Planning Commission were disclosed during the audit.

Section III -- Federal Award Findings and Questioned Costs

This section is not applicable.

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

Management's Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 1999

Section I – Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

Houma-Terrebonne Regional Planning Commission
Terrebonne Parish Consolidated Government

Schedule of Prior Findings and Resolution Matters
For the Year Ended December 31, 1999

Note: The prior finding relates to the December 31, 1998 audit engagement.

Section I -- Internal Control and Compliance Material to the Financial Statements

98-1

Criteria: In our consideration of internal control, we noted that the size of the Commission's operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Recommendation: The Board of Commissioners of the Houma-Terrebonne Regional Planning Commission should closely monitor the day-to-day activities of the Commission until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal control.

Status: Resolved. At December 31, 1999, the Board of Commissioners is closely monitoring the day to day activities of the organization.

Section II -- Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III -- Management Letter

This section is not applicable.