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**Houma-Terrebonne Regional  
Planning Commission**

General Purpose Financial Statements  
and Independent Auditor's Report  
December 31, 1998

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

Release Date 6-30-99

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 and at the office of the parish clerk of court.

**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, 1998

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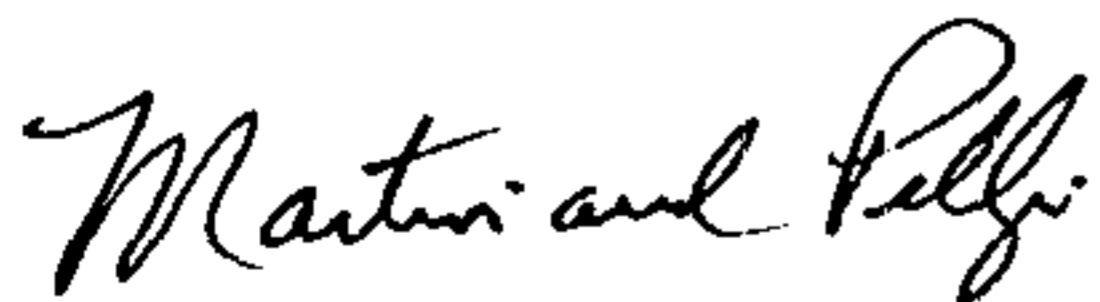
## INDEPENDENT AUDITOR'S REPORT

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, 1998. 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 *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, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.



April 30, 1999

**FINANCIAL STATEMENTS SECTION**

**Houma-Terrebonne Regional Planning Commission**  
Terrebonne Parish Consolidated Government

Combined Balance Sheet  
(All Fund Types and Account Group)

December 31, 1998

	<u>Governmental Fund Type General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>			
Cash	\$ 108,236		\$ 108,236
Accounts receivable	3,500		3,500
Property and equipment		\$ 5,176	5,176
	<u>111,736</u>	<u>5,176</u>	<u>116,912</u>
<b>TOTAL ASSETS</b>	<u>\$ 111,736</u>	<u>\$ 5,176</u>	<u>\$ 116,912</u>
 <b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 2,415		\$ 2,415
Performance bonds payable	52,125		52,125
	<u>54,540</u>		<u>54,540</u>
Total liabilities	<u>54,540</u>		<u>54,540</u>
 <b>FUND EQUITY</b>			
Investment in general fixed assets		\$ 5,176	5,176
Fund balance - Unreserved	57,196		57,196
	<u>57,196</u>	<u>5,176</u>	<u>62,372</u>
Total fund equity	<u>57,196</u>	<u>5,176</u>	<u>62,372</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 111,736</u>	<u>\$ 5,176</u>	<u>\$ 116,912</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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Charges for services	\$ 35,100	\$ 36,512	\$ 1,412
Miscellaneous:			
Interest earned	2,200	2,878	678
Other	500	1,000	500
	<u>37,800</u>	<u>40,390</u>	<u>2,590</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
General government:			
Meeting and public notices	6,500	7,429	(929)
Materials and supplies	3,850	3,942	(92)
Per diems	6,150	6,150	-
Capital expenditures	3,815	3,815	-
Other services and charges	6,414	6,099	315
	<u>26,729</u>	<u>27,435</u>	<u>(706)</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 11,071</u>	12,955	<u>\$ 1,884</u>
<b>FUND BALANCE - Beginning</b>		<u>44,241</u>	
<b>FUND BALANCE - Ending</b>		<u>\$ 57,196</u>	

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, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTANT 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



**Houma-Terrebonne Regional Planning Commission**  
Terrebonne Parish Consolidated Government

Notes to Financial Statements  
As of and for the Year Ended December 31, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTANT POLICIES (Cont.)**

**B. FUND ACCOUNTING (Cont.)**

and balances of the Commission's expendable financial resources and the 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.



**Houma-Terrebonne Regional Planning Commission**  
Terrebonne Parish Consolidated Government

Notes to Financial Statements  
As of and for the Year Ended December 31, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTANT 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, 1998.

**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, 1998

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTANT 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, 1998. 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

**Houma-Terrebonne Regional Planning Commission**  
 Terrebonne Parish Consolidated Government

Notes to Financial Statements  
 As of and for the Year Ended December 31, 1998

**NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)**

Deposits, categorized by level of risk, are:

	Bank Balance	Category		
	1	2	3	
Cash and cash equivalents	\$ 116,643	\$ 116,643	\$ -	\$ -

The Commission's deposits were not in excess of FDIC insurance and acceptable pledged securities at December 31, 1998.

**NOTE 3 - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets (consisting primarily of equipment) follows:

Balance, January 1, 1998	\$ 6,160
Additions	3,815
Retirements	(4,799)
Balance, December 31, 1998	\$ 5,176

**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, 1998.

**Houma-Terrebonne Regional Planning Commission**  
Terrebonne Parish Consolidated Government

Notes to Financial Statements  
As of and for the Year Ended December 31, 1998

**NOTE 5 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to commission members for the year ended December 31, 1998:

<u>Commissioner</u>	<u>Total</u>
Keith Authement	\$ 800
Johnson A. Buquet	250
Valarae Bates	550
Carey Hebert	300
Wiltz LeBlanc	800
Linwood Liner	450
W. Alex Ostheimer	800
Charles Pitre	750
Eddie Pullaro	150
Emile Richard	800
Harold T. Smith, Jr.	100
Royal White	400
	<hr/>
	\$ 6,150

**NOTE 6 – YEAR 2000 COMPLIANCE**

At December 31, 1998, the Commission did not possess any mission-critical equipment that would require Year 2000 compliance. The Terrebonne Parish Consolidated Government supplies accounting services to the Commission, and is responsible for remediating these systems and for any costs associated with this project.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Houma-Terrebonne Regional Planning Commission is or will be Year 2000 compliant, that the Commission's remediation efforts will be successful in whole or in part, or that parties with whom the Commission does business will be Year 2000 compliant.

**SUPPLEMENTAL INFORMATION**

**Houma-Terrebonne Regional Planning Commission**  
Terrebonne Parish Consolidated Government

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1998

**FINDING**

**QUESTIONED  
COSTS**

98-1

Statement of Condition: A reportable condition in internal control.

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.

Effects of Condition: Internal control, in our judgement, could adversely affect the Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: Due to the limited activity of the Commission, it is not cost beneficial to have more than one person performing accounting functions.

Recommendation: The Board of Commissioners of the Houma-Terrebonne Regional Planning Commission should closely monitor the day-to-day activities of the Commission.

Response: The management of the Houma-Terrebonne Regional Planning Commission agrees with the finding.

Questioned Costs:

\$ -0-



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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**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, 1998, and have issued our report thereon dated April 30, 1999. 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 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

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

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 for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Martin and Relfi*

April 30, 1999

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**INDEPENDENT AUDITOR'S COMMENTS ON AUDIT RESOLUTION  
MATTERS RELATING TO PRIOR AUDIT COMMENTS AND FINDINGS**

**97-1 – Collateralization of Deposits**

Condition: The independent auditor's report on compliance and internal control for the year ended December 31, 1997 included an instance of noncompliance related to the collateralization of bank deposits.

Recommendation: The recommendation to the Commission was that it should contact its fiscal agent and have securities pledged in amounts sufficient to fully collateralize deposits and that coverage should be monitored regularly.

Status: Based on the procedures performed in our audit of the Commission's financial statements for the year ended December 31, 1998, we conclude that the Commission has fully collateralized its deposits as asserted.

**97-2 – Lack of Segregation of Duties**

Condition: The independent auditor's report on compliance and internal control for the year ended December 31, 1997 included a reportable condition related to the lack of segregation of duties in the accounting functions due to only one person being involved in the accounting process.

Recommendation: The recommendation to the Commission was that the Board of Commissioners should closely monitor the day-to-day activities of the Commission.

Status: Based on the procedures performed in our audit of the Commission's financial statements for the year ended December 31, 1998, we conclude that the Commission has been actively involved in the day-to-day operations of the Commission as asserted.

*Martin and Pellegrin*

April 30, 1999