

**Houma-Terrebonne Regional  
Planning Commission**

**Annual Financial Report  
As of and for the  
Year Ended December 31, 2003**

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 8.25.04

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**

**Annual Financial Report  
As of and for the Year Ended December 31, 2003**

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**Martin  
and  
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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 basic 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, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Commission's 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. Those standards 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 Houma-Terrebonne Regional Planning Commission as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2004, 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. 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.

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

The Management's Discussion and Analysis on page 3 through 6 and the budgetary comparison information on page 15 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Martin and Kelly*

March 29, 2004

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Houma –Terrebonne Regional Planning Commission**  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2003

As management of the Houma-Terrebonne Regional Planning Commission (HTRPC), we offer readers of HTRPC's financial statements this narrative overview and analysis of the financial activities of HTRPC for the year ended December 31, 2003.

**FINANCIAL HIGHLIGHTS**

- Houma-Terrebonne Regional Planning Commission's assets exceeded its liabilities by \$116,216 (net assets) as of December 31, 2003.
- Revenues exceeded expenditures by \$12,794 during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to HTRPC's basic financial statements. The Houma-Terrebonne Regional Planning Commission's basic financial statements consist of following:

**Statement of Net Assets.** This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

**Statement of Activities.** Consistent with the full accrual basis method of accounting, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

**Balance Sheet – Governmental Fund.** This statement presents the HTRPC's assets, liabilities, and fund balance for its general fund only.

**Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – General Fund.** Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in net assets.

**Notes to the Financial Statements.** The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

**Houma –Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**  
**Management's Discussion and Analysis**  
**December 31, 2003**

**BASIC FINANCIAL ANALYSIS**

As noted earlier, fund balance may serve over time as a useful indicator of an entity's financial position. In the case of HTRPC, assets exceeded liabilities by \$116,216 at the close of the most recent year, December 31, 2003. The largest portion of HTRPC's total assets is cash (99%).

<b>HTRPC's Net Assets</b>		<b>December 31,</b>	
<b>ASSETS</b>	<b>2003</b>	<b>2002</b>	
Cash	\$ 162,398	\$ 127,945	
Receivables	1,310	1,128	
<b>TOTAL ASSETS</b>	<b>\$ 163,708</b>	<b>\$ 129,073</b>	
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 1,716	\$ 876	
Performance bonds payable	45,776	24,775	
Total liabilities	47,492	25,651	
<b>NET ASSETS</b>			
Fund balance - unreserved	116,216	103,422	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 163,708</b>	<b>\$ 129,073</b>	

- Performance bonds payable account for 96% of the total liabilities of HTRPC for the most recent year ended.

**Houma –Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**  
**Management's Discussion and Analysis**  
**December 31, 2003**

During the year, HTRPC's fund balance increased by \$12,794. The elements of the increase are as follows:

**HTRPC's Changes in Net Assets**

	<b>For the Year Ended December 31,</b>	
	<b>2003</b>	<b>2002</b>
<b>REVENUES</b>		
Charges for services	\$ 38,305	\$ 28,717
Interest earned	1,184	1,827
Total operating revenues	39,489	30,544
<b>EXPENDITURES</b>		
Postage	7,996	5,208
Per diems	7,550	7,150
Meeting and public notices	5,193	4,708
Other services and charges	3,067	2,785
Travel and training	2,410	6,780
Insurance	479	-
Total operating expense	26,695	26,631
<b>CHANGE IN NET ASSETS</b>	<b>\$ 12,794</b>	<b>\$ 3,913</b>

As indicated above, fund balance increased by \$12,794. The increase in the excess of revenues over expenditures from 2002 to 2003 is attributed to the increase in charges for services.

**ORIGINAL VERSUS REVISED BUDGET**

As a matter of practice, the Commission amends its budget once during the fiscal year. For the year ended December 31, 2003, the budget was amended in October 2003. The budget for revenues was decreased by 11%.

**Revenues**

Total revenues revised budget	\$ 32,000
Total revenues original budget	36,000
	<b>\$ (4,000)</b>



**Houma –Terrebonne Regional Planning Commission**  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2003

**Decrease in Revenue Budget**

The Commission's actual revenues were more than the revised budgeted revenues by \$7,489, a variance of 23%.

**Expenditures**

The Commission's budget for expenditures decreased by less than 1% for the year ended December 31, 2003.

Total expenditures revised budget	\$ 28,781
Total expenditures original budget	28,943
	<u>\$ (162)</u>

**Decrease in Expenditure Budget**

The Commission's actual expenditures were less than the revised budget by 7%.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of HTRPC's finances for all those with such an interest. Call the HTRPC office (985-873-6446) attention Sonja Chiasson, bookkeeper, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

**FINANCIAL STATEMENTS SECTION**

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

Statement of Net Assets

December 31, 2003

	<b>Government Activities</b>
<b>ASSETS</b>	
Cash	\$ 162,398
Receivables	1,310
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 163,708</b>
	<hr/> <hr/>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 1,716
Performance bonds payable	45,776
	<hr/>
Total liabilities	47,492
<b>NET ASSETS</b>	
Fund balance - Unreserved	116,216
	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 163,708</b>
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

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

Statement of Activities

For the Year Ended December 31, 2003

	<b>Government Activities</b>
<b>REVENUES</b>	
Charges for services	\$ 38,305
Interest earned	1,184
	<hr/>
<b>TOTAL REVENUES</b>	<b>39,489</b>
	<hr/>
<b>EXPENSES</b>	
General government:	
Postage	7,996
Per diems	7,550
Meeting and public notices	5,193
Other services and charges	3,067
Travel and training	2,410
Insurance	479
	<hr/>
<b>TOTAL EXPENSES</b>	<b>26,695</b>
	<hr/>
<b>CHANGE IN NET ASSETS</b>	<b>12,794</b>
<b>NET ASSETS - Beginning</b>	<b>103,422</b>
	<hr/>
<b>NET ASSETS - Ending</b>	<b>\$ 116,216</b>
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government

Balance Sheet  
Government Fund Type – General Fund

December 31, 2003

<b>ASSETS</b>	\$ 162,398
Cash	<u>1,310</u>
Receivables	
<b>TOTAL ASSETS</b>	<u><u>\$ 163,708</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 1,716
Performance bonds payable	<u>45,776</u>
Total liabilities	47,492
<b>FUND BALANCE</b>	
Fund balance - Unreserved	<u>116,216</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 163,708</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-  
Governmental Fund Type-  
General Fund

For the Year Ended December 31, 2003

**REVENUES**

Charges for services	\$ 38,305
Interest earned	<u>1,184</u>

<b>TOTAL REVENUES</b>	<u>39,489</u>
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**EXPENDITURES**

General government:

Postage	7,996
Per diems	7,550
Meeting and public notices	5,193
Other services and charges	3,067
Travel and training	2,410
Insurance	<u>479</u>

<b>TOTAL EXPENDITURES</b>	<u>26,695</u>
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<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	12,794
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<b>FUND BALANCE - Beginning</b>	<u>103,422</u>
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<b>FUND BALANCE - Ending</b>	<u><u>\$ 116,216</u></u>
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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, 2003

**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. GASB 34 – FUND FINANCIAL STATEMENTS**

During the year ended December 31, 2002, the Bureau adopted GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 37 and No. 38, and applied those standards on a retroactive basis.

The fund statements are similar to financial presentations of years past. The Account Group: General Fixed Assets is no longer reported as the Commission has no fixed assets with significant value or remaining useful life. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available. Expenditures are accounted for in the period that goods and services are used.

**C. 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.

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

Notes to Financial Statements  
As of and for the Year Ended December 31, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**C. FUND ACCOUNTING (Cont.)**

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 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.

**D. 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.

**E. 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 accounting principles generally accepted in the United States of America.



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

Notes to Financial Statements  
As of and for the Year Ended December 31, 2003

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**F. ACCUMULATED VACATION AND SICK LEAVE**

The Commission has no full-time employees. There is no accumulated unpaid vacation and sick leave as of December 31, 2003.

**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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Under state law HTRPC may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States. 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 as of December 31, 2003. 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	\$ 164,271	\$ 164,271	\$ -	\$ -

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

Notes to Financial Statements  
As of and for the Year Ended December 31, 2003

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

The Commission's deposits were not in excess of FDIC insurance and acceptable pledged securities as of December 31, 2003.

**NOTE 3 – 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, 2003.

**NOTE 4 – COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to commission members for the year ended December 31, 2003:

<u>Commissioner</u>	<u>Total</u>
W. Alex Ostheimer	\$ 950
Buddy Hebert	950
Charles Pitre	900
Harold T. Smith, Jr.	900
Valarae Bates	850
Richard Elfert	850
Burney Martin	800
John Navy	750
Eddie Pullaro	600
	<u>\$ 7,550</u>

**NOTE 5 – LITIGATION**

The Organization is a defendant in three lawsuits. Management and legal counsel believe that two of the lawsuits are frivolous, and intends to defend these vigorously, and has filed and intends to counter claims in both matters and expects no losses. The third lawsuit may lead to a potential loss.

A federal jury awarded \$30,000 in damages to a Terrebonne Parish developer after finding that the Houma-Terrebonne Regional Planning Commission had violated the defendant's right to equal treatment. The Terrebonne Parish Consolidated Government has paid the \$30,000 on behalf of its component unit, the Houma-Terrebonne Regional Planning Commission. The government's legal counsel has indicated that further damages related to legal fees could equal from \$30,000 to \$98,000. Such amounts, if ultimately awarded, will be borne by the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**Budgetary Comparison Schedule**  
**Year Ended December 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Revised Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 33,000	\$ 30,000	\$ 38,305	\$ 8,305
Interest earned	2,500	2,000	1,184	(816)
Miscellaneous	500	-	-	-
<b>TOTAL REVENUES</b>	<u>36,000</u>	<u>32,000</u>	<u>39,489</u>	<u>7,489</u>
<b>EXPENDITURES</b>				
<u>General government</u>				
Travel and training	8,000	8,000	2,410	(5,590)
Per Diems	7,500	7,500	7,550	50
Meetings and public notices	5,500	4,500	5,193	693
Other services and charges				
FICA expense	465	466	467	1
Medicare expense	109	110	111	1
Postage	4,000	5,500	7,996	2,496
Office supplies	400	300	762	462
Printing	1,000	350	-	(350)
Bank service charges	210	250	241	(9)
Insurance	229	230	479	249
Audit fees	900	900	900	-
Miscellaneous expenses	20	75	-	(75)
Membership dues	610	600	585	(15)
<b>TOTAL EXPENDITURES</b>	<u>28,943</u>	<u>28,781</u>	<u>26,694</u>	<u>(2,087)</u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**Martin  
and  
Pellegrin**

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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 basic financial statements of the Houma-Terrebonne Regional Planning Commission (the Commission), as of and for the year ended December 31, 2003, and have issued our report thereon dated March 29, 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Commission's basic 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*.

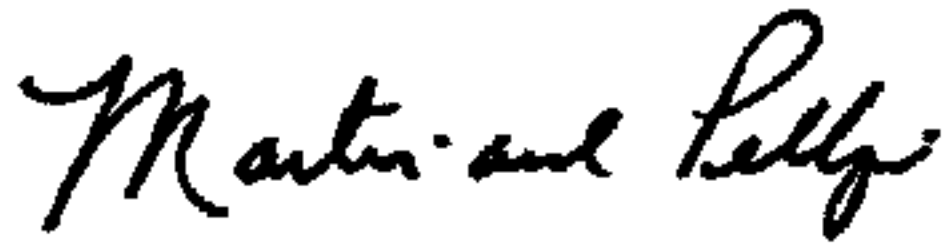
**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-01.

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

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 financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of the Board of Commissioners, management, the reporting entity, and the Louisiana Legislative Auditor, 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.



March 29, 2004

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

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2003

**Section I – Summary of Auditor’s Results**

1. The auditor’s report expresses an unqualified opinion on the basic financial statements of the Houma-Terrebonne Regional Planning Commission.
2. One reportable condition was noted during the audit of the basic financial statements. This reportable condition was not considered a material weakness.
3. No instances of noncompliance material to the basic 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 basic financial statements of the Houma-Terrebonne Regional Planning Commission were disclosed during the audit.

**Section III – Internal Control Findings**

**03-01**

Statement of Conditions: A reportable condition in the Organization’s internal control.

Criteria: In our consideration of internal control, we noted that the size of the Houma-Terrebonne Regional Planning Commission’s operations and its limited accounting staff preclude an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Conditions: The size of the Houma-Terrebonne Regional Commission and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

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

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



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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2003**

**Section III – Internal Control Findings (Cont.)**

Questioned Costs: \$ -0-

**Section IV – Findings and Questioned Costs – Major Federal Award Program Audit**

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, 2003**

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

**Inadequate Internal Control**

**Condition:** A reportable condition in the internal control related to lack of segregation of duties.

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

**Planned Action:** The Board of Commissioners will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

**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, 2003**

Note: The prior findings relate to the December 31, 2002 audit engagement.

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

**Inadequate Internal Control**

Condition: A reportable condition in the internal control related to lack of segregation of duties.

Recommendation: The Board of Commissioners of the Organization should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Commissioners will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

Status: The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. As such, the Board will continue to perform the recommendation.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.