

**CITY OF LAKE CHARLES, LOUISIANA**

**OMB CIRCULAR A-133  
SUPPLEMENTARY REPORTS**

**YEAR ENDED SEPTEMBER 30, 2009**

CITY OF LAKE CHARLES

LAKE CHARLES, LOUISIANA

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CPE - Certified Fraud Examiner  
MT - Masters of Taxation  
CVA - Certified Valuation Analyst  
CFP - Certified Financial Planner

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor Randy Roach  
and City Council  
City of Lake Charles  
Lake Charles, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 2009, which collectively comprise the City of Lake Charles, Louisiana's basic financial statements and have issued our report thereon dated March 22, 2010. 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 Audit Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lake Charles, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lake Charles, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Lake Charles, Louisiana's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Lake Charles, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Lake Charles, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the City of Lake Charles, Louisiana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Lake Charles, Louisiana's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lake Charles, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and other state and federal audit agencies 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.

*Ms Elroy Quirk & Burch*

Lake Charles, Louisiana  
March 22, 2010

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor Randy Roach  
and City Council  
City of Lake Charles  
Lake Charles, Louisiana

### Compliance

We have audited the compliance of the City of Lake Charles, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2009. The City of Lake Charles' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Lake Charles' management. Our responsibility is to express an opinion on the City of Lake Charles' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to

above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lake Charles' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Lake Charles' compliance with those requirements.

In our opinion, the City of Lake Charles, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

#### Internal Control Over Compliance

The management of the City of Lake Charles is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Lake Charles' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Lake Charles, Louisiana's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the City of Lake Charles as of and for the year ended September 30, 2009, and have issued our report thereon dated March 22, 2010. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures, applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, Legislative Auditor, and federal awarding agencies and pass-through entities 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.

*Ms Elroy Quirk & Burch*

Lake Charles, Louisiana  
March 22, 2010

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For Period Ending September 30, 2009

<u>Fund</u>	<u>Grant Type</u>	<u>Federal CFDA Number</u>
	<b>Department of Housing &amp; Urban Development:</b>	
110	Community Development Block Grant	14.218
	<b>Louisiana Department of Administration (pass thru agency):</b>	
126	HUD/Emergency Shelter Grant	14.231
126	HUD/Emergency Shelter Grant	14.231
126	HUD/HOME Grant	14.239
126	HUD/CHDOS	-
	<b>Federal Emergency Management Agency:</b>	
	Louisiana Department of Military Affairs (pass thru agency)	
109	Public Assistance Grant	97.036
109	Public Assistance Grant	97.036
124	Hazard Mitigation Grant	-
150	Public Assistance Grant	-
410	Public Assistance Grant	-
403	Public Assistance Grant	-
	<b>Department of Transportation:</b>	
401	Federal Transit Administration	20.507
411	Federal Transit Administration	-
	<b>Environmental Protection Agency:</b>	
121	Brownfields Petroleum Assessment	-
	<b>Department of Agriculture:</b>	
	Louisiana Department of Education (pass thru agency):	
122	Child Nutrition Summer Food Program	10.559
	<b>Treasury Department:</b>	
	United States Secret Service:	
130	Federal Financial Crimes Task Force	-



<u>Grant Number</u>	<u>Grant Period</u>		<u>Grant Receipts</u>	<u>Current Expenditures</u>
	<u>From</u>	<u>To</u>		
B-00-MC-22-0004	10/1/08	9/30/09	\$ 1,115,501	\$ 1,082,733
650093-370-401321	10/1/08	9/30/09	14,863	14,863
665943-370-401321	10/1/08	9/30/09	11,830	11,830
M-07-MC-22-0208	10/1/08	9/30/09	374,896	374,896
M-07-MC-22-0208	10/1/08	9/30/09	185,682	185,682
FEMA 1607-DR-LA	10/1/08	9/30/09	360,439	343,157
FEMA 1786-DR-LA	10/1/08	9/30/09	76,140	76,140
FEMA 1607-DR-LA	10/1/08	9/30/09	12,400	12,400
FEMA 1792-DR-LA	10/1/08	9/30/09	404,840	389,209
FEMA 1607-DR-LA	10/1/08	9/30/09	107,350	107,350
FEMA 1607-DR-LA	10/1/08	9/30/09	449,269	449,269
LA-902-260	10/1/08	9/30/09	8,495	8,495
LA-902-274	10/1/08	9/30/09	8,000	8,000
LA-900-304	10/1/08	9/30/09	352,100	352,100
LA-900-322	10/1/08	9/30/09	338,016	338,016
LA-900-325	10/1/08	9/30/09	371,321	371,321
LA-03011001	10/1/08	9/30/09	363,191	363,191
LA-900-274	10/1/08	9/30/09	319,596	319,596
LA-04002400	10/1/08	9/30/09	106,981	106,981
LA-900-322	10/1/08	9/30/09	164,118	164,118
BF-96660601-0	10/1/08	9/30/09	66,298	66,298
	10/1/08	9/30/09	536,345	521,550
	10/1/08	9/30/09	1,391	1,391

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For Period Ending September 30, 2009  
(Continued)

<u>Fund</u>	<u>Grant Type</u>	<u>Federal CFDA Number</u>
	<b>Department of Justice:</b>	
134	Justice Assistance Grant (Sheriff's Office)	-
130	HIDTA (Sheriff's Office)	-
130	FBI Safe Streets Taskforce	-
130	Fugitive Apprehension Taskforce	-
	<b>Louisiana Commission on Law Enforcement (pass thru agency):</b>	
131	DARE	-
132	Crime Activity Patrol	-
132	Operation Trigger Time	-
132	Anti-Gang Initiative	-
132	Command Trailer	97.067
132	GOHSEP	-
132	LCLE Equipment Grant	-
	<b>Louisiana Highway Safety Commission (pass thru agency):</b>	
130	Lake Charles Safe City Project	-
	<b>Louisiana Serve Commission/Dept of Treasury:</b>	
123	Americorps 2008-09 Grant	-
123	Americorps 2009-10 Grant	-
	<b>Total Federal Assistance</b>	

<u>Grant Number</u>	<u>Grant Period</u>		<u>Grant Receipts</u>	<u>Current Expenditures</u>
	<u>From</u>	<u>To</u>		
2007-DJ-BX-0898	10/1/08	9/30/09	19,320	19,320
G09GC0001A	10/1/08	9/30/09	24,182	24,182
166 E-NO-65645	10/1/08	9/30/09	20,621	20,621
DJMS-09-35-M-00				
DJMS-08-35-M-64	10/1/08	9/30/09	21,111	21,111
E09-6-002	10/1/08	9/30/09	24,744	24,744
B08-6-003	10/1/08	9/30/09	39,735	39,735
F08-8-000	10/1/08	9/30/09	14,328	14,328
F71-8-000	10/1/08	9/30/09	22,867	22,867
X08-6-001	10/1/08	9/30/09	59,000	59,000
2008 SHSP	10/1/08	9/30/09	23,807	23,807
PO9-6-014S01	10/1/08	9/30/09	1,239	1,239
PT 2009-44-00-00	10/1/08	9/30/09	33,537	33,537
06AFHLA001	10/1/08	9/30/09	169,917	169,917
09AC094045	10/1/08	9/30/09	<u>4,143</u>	<u>4,143</u>
			<u>\$ 6,227,613</u>	<u>\$ 6,147,137</u>

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified  
Internal control over financial reporting:  
Material weakness identified? ☐ Yes ☒ X No  
Significant deficiency identified not  
Considered to be material weakness? ☐ Yes ☒ X None reported  
Noncompliance material to financial statements  
noted ☐ Yes ☒ X No

Federal Awards

Internal control over major programs:  
Material weakness identified? ☐ Yes ☒ X No  
Significant deficiency identified not  
Considered to be material weakness? ☐ Yes ☒ X None reported  
Type of auditor's report issued on compliance  
for major programs: Unqualified  
Any audit findings disclosed that are required  
to be reported in accordance with Circular  
A-133, Section .510(a)? ☐ Yes ☒ X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	Home Program
20.507	Federal Transit Administration
10.559	Summer Feeding
97.036	FEMA Public Assistance Grant

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ X No

(continued on next page)

CITY OF LAKE CHARLES, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS  
Year Ended September 30, 2009

No prior year findings.