



***Single Audit***  
***OMB Circular A-133***  
***Supplementary Financial Report***  
***For the year ended December 31, 2005***

***TERREBONNE***

***Preserving the past...***

***Dedicated to the Future***

***Terrebonne Parish***  
***Consolidated Government***  
***Houma, Louisiana***

**Single Audit  
OMB Circular A-133  
Supplementary Financial Report**



**For The Year Ended  
December 31, 2005**

**Terrebonne Parish Consolidated Government**

**Houma, Louisiana**

**Prepared by:**

**Finance Department, Division of Accounting**

***Terrebonne Parish Consolidated Government***

***Single Audit Under OMB Circular A-133***

***Supplementary Financial Report***

***Terrebonne Parish Consolidated Government  
(the Primary Government)***

***Houma, Louisiana***

***For the year ended December 31, 2005***

# **Supplementary Financial Report**

## **Terrebonne Parish Consolidated Government (the Primary Government)**

December 31, 2005

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**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



**Bourgeois Bennett**

**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**

To the Parish President and the  
Terrebonne Parish Council,  
Houma, Louisiana.

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Terrebonne Parish Consolidated Government (the Primary Government), State of Louisiana, as of and for the year ended December 31, 2005, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon dated May 31, 2006. 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.

We did not audit the discretely presented component unit financial statements of Terrebonne General Medical Center, Houma-Terrebonne Airport Commission, Houma Area Convention and Visitors Bureau, Terrebonne Parish Port Commission, Terrebonne Economic Development Authority, Houma-Terrebonne Regional Planning Commission, Houma-Terrebonne Public Trust Financing Authority, Terrebonne Parish Coroner, City Court of Houma, District Attorney, Clerk of Court, Assessor, Bayou Cane Fire Protection District, Terrebonne Parish Recreation District No. 3, Terrebonne Parish Recreation District No. 8, Terrebonne Parish Communications District, Firemen's Pension and Relief Board and Judicial District Court Law Clerk Fund. Those financial statements were audited by other auditors and our report on internal control over financial reporting and on compliance does not include these entities. Other component units of the Primary Government have separate Boards and accounting systems for which separate reports on compliance and internal control over financial reporting have been issued.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the Primary Government's financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government'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. We noted certain matters that we reported to management of the Primary Government in a separate letter dated May 31, 2006.

This report is intended solely for the information and use of the Parish President and Parish Council, management, the Legislative Auditor for the State of Louisiana 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
May 31, 2006.



**Bourgeois Bennett**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Parish President and the  
Terrebonne Parish Council,  
Houma, Louisiana.

**Compliance**

We have audited the compliance of the Terrebonne Parish Consolidated Government (the Primary Government), State of 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 December 31, 2005. The Primary Government's 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 Primary Government's management. Our responsibility is to express an opinion on the Primary Government's compliance based on our audit.

The Primary Government's basic financial statements include the operations of the Houma-Terrebonne Airport Commission and Terrebonne Parish District Attorney, presented as component units. For the year reported, these entities expended \$3,778,974 and \$1,066,712, respectively, of federal grant funding that does not appear in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2005. Our audit of compliance, described below, did not include the programs of the Houma-Terrebonne Airport Commission and the Terrebonne Parish District Attorney, as these entities were audited by other auditors under separate engagements.

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 Primary Government's 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 of the Primary Government's compliance with those requirements.

In our opinion, the Primary Government 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 December 31, 2005.

### **Internal Control Over Compliance**

The management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Primary Government's 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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Primary Government as of and for the year ended December 31, 2005, and have issued our report thereon dated May 31, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. 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.

We did not audit the discretely presented component unit financial statements of Terrebonne General Medical Center, Houma-Terrebonne Airport Commission, Houma Area Convention and Visitors Bureau, Terrebonne Parish Port Commission, Terrebonne Economic Development Authority, Houma-Terrebonne Regional Planning Commission, Houma-Terrebonne Public Trust Financing Authority, Terrebonne Parish Coroner, City Court of Houma, District Attorney, Clerk of Court, Assessor, Bayou Cane Fire Protection District, Terrebonne Parish Recreation District No. 3, Terrebonne Parish Recreation District No. 8, Terrebonne Parish Communications District, Firemen's Pension and Relief Board and Judicial District Court Law Clerk Fund. Those financial statements were audited by other auditors and our report on compliance with the requirements applicable to each major program and on internal control over compliance and on the schedule of expenditures of federal awards does not include these entities. Other component units of the Primary Government have separate Boards and accounting systems for which separate reports on compliance with the requirements applicable to each major program and internal control over compliance have been issued, as applicable.

This report is intended solely for the information and use of the Parish President and Parish Council, management, Legislative Auditor for the State of Louisiana 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
May 31, 2006.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Terrebonne Parish Consolidated Government  
(the Primary Government)**

For the year ended December 31, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
<b>U.S. Department of Agriculture:</b>			
Natural Resources Conservation Service:			
Office of Rural Development:			
Watershed Protection and Flood Prevention - Hurricane Rita	10.904	68-7217-05-101 / DSR 109-05-001R 68-7217-05-101 / DSR 109-05-002R 68-7217-05-101 / DSR 109-05-007R 68-7217-05-101 / DSR 109-05-008R 68-7217-05-101 / DSR 109-05-009R	\$ 59,520
Food and Nutrition Service:			
<u>Pass-Through Program From:</u>			
<u>Louisiana Department of Education:</u>			
Child and Adult Care Food Program	10.558	25-013	114,388
Summer Food Service Program for Children	10.559	02-SFSP-047	25,154
Subtotal Pass-Through Programs			<u>139,542</u>
Total U.S. Department of Agriculture			<u>199,062</u>
<b>U.S. Department of Commerce:</b>			
National Oceanic and Atmospheric Administration:			
Coastal Zone Management Administration Awards - Bush Canal and Bayou Terrebonne Bank Stabilization Project			
	11.419	NA170A2165	<u>3,958</u>
<u>Pass-Through Programs From:</u>			
<u>Louisiana Department of Natural Resources:</u>			
Coastal Zone Management Administration Awards - Bush Canal and Bayou Terrebonne Bank Stabilization Project			
	11.419	435-300492 / DNR No. 2513-03-11	8,036
Terrebonne Parish Local Coastal Program	11.419	CFMS 614111 / DNR No. 2515-05-01 CFMS 629372 / DNR No. 2515-06-02	58,521
Subtotal Pass-Through Programs			<u>66,557</u>
Total U.S. Department of Commerce			<u>70,515</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Office of Community Planning and Development:			
Community Development Block Grants/ Entitlement Grants			
	14.218	B-03-MC-22-0011	1,623,306
HOME Investment Partnerships Program	14.239	M-03-MC-22-0209	390,847
Office of Economic Development:			
Opportunities for Youth_Youthbuild Program	14.243	Y-02-IM-LA-0246	313,396
Section 8 Moderate Rehabilitation Program for Single Room Occupancy Dwellings	14.249	SRO Contract	23,486
Office of Public and Indian Housing:			
Section 8 Housing Choice Vouchers	14.871	FW - 2231 - V	2,326,960
Katrina Disaster Housing Assistance Program	97.NA	LA211H	95,768
Subtotal Direct Programs			<u>4,773,763</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Terrebonne Parish Consolidated Government  
(the Primary Government)**

For the year ended December 31, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award/ Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures*</u>
Office of Community Planning and Development: <u>Pass-Through Program From:</u> <u>Louisiana Department of Social Services:</u> <u>Office of Community Services:</u> Emergency Shelter Grants Program	14.231	CFMS 610767 CFMS 624065	<u>163,890</u>
Total U.S. Department of Housing and Urban Development			<u>4,937,653</u>
<b>U.S. Department of the Interior:</b> Fish and Wildlife Service: <u>Pass-Through Program From:</u> <u>Louisiana Department of Wildlife and Fisheries:</u> Sport Fish Restoration - Ashland Boat Launch	15.605	16-01-00-86-6 (Part 4B)	1,477
<u>Louisiana Department of Natural Resources:</u> Coastal Wetlands Planning, Protection and Restoration Act - Lake Boudreaux Freshwater Diversion Project Extension of Levee System	15.614	435-400526 / DNR No. 2511-04-08	<u>17,900</u>
Total U.S. Department of the Interior			<u>19,377</u>
<b>U.S. Department of Justice:</b> Bureau of Justice Assistance: Office of Justice Programs: Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2004-DD-BX-1456	296,843
Local Law Enforcement Block Grants Program	16.592	2003-LB-BX-1130 2004-LB-BX-0661 2005-LB-BX-0004	82,385
Executive Office for Weed and Seed: Community Capacity Development Office	16.595	2002-WS-QX-0035 2004-WS-Q4-0198	120,982
Office of Community Oriented Policing Services: Public Safety Partnership and Community Policing Grants - COPS Modified Universal Hiring Award Subtotal Direct Programs	16.710	2003-UM-WX-0049	<u>158,580</u> <u>658,790</u>
Office of Victims of Crime: <u>Pass-Through Programs From:</u> <u>Louisiana Commission on Law Enforcement:</u> Crime Victim Assistance	16.575	C-03-7-021 C-04-7-021	7,834
Bureau of Justice Assistance: <u>Pass-Through Program From:</u> <u>Louisiana Commission on Law Enforcement:</u> Byrne Formula Grant Program - Street Sales Disruption Grant Subtotal Pass-Through Programs	16.579	B-04-7-020	<u>52,120</u> <u>59,954</u>
Total U.S. Department of Justice			<u>718,744</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Terrebonne Parish Consolidated Government  
(the Primary Government)**

For the year ended December 31, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
<b>U.S. Department of Transportation:</b>			
Federal Transit Administration:			
Federal Transit Formula Grants - Section 9 FTA	20.507	LA - 90 - X227 LA - 90 - X236 LA - 90 - X256 LA - 90 - X276	<u>982,584</u>
<u>Pass-Through Program From:</u>			
<u>Louisiana Department of Transportation and Development:</u>			
Formula Grants for Other Than Urbanized Areas - Rural Transportation Program	20.509	741-55-0102 / LA-18-X020	172,203
Federal Highway Administration:			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Department of Transportation and Development:</u>			
Highway Planning and Construction - Country Drive Widening	20.205	700-55-0102 / STP3005(002)M	75,871
Hollywood Road Reconstruction (South) 4-Lane	20.205	700-55-0101 / STP3008(004)M	100,142
National Highway Traffic Safety Administration:			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Highway Safety Commission:</u>			
State and Community Highway Safety - Year Long	20.600	CFMS 616079 / PT 05-19-00 CFMS 630204 / PT 06-11-00	11,295
<u>Pass-Through Programs From:</u>			
<u>South Central Planning and Development Commission:</u>			
State and Community Highway Safety - Demonstration Project Targeting Alcohol Impaired Driving by Individuals Age 21 to 34	20.600	DTNH22-01-H-35156	<u>1,174</u>
Subtotal Pass-Through Programs			<u>360,685</u>
Total U.S. Department of Transportation			<u>1,343,269</u>
<b>U.S. Department of Energy:</b>			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Housing Finance Agency:</u>			
Weatherization Assistance for Low-Income Persons - LIHEAP/PVE/DOE 2004-2005	81.042	n/a	
LIHEAP/PVE/DOE 2005-2006		n/a	<u>76,541</u>
<b>U.S. Department of Health and Human Services:</b>			
Administration for Children and Families:			
Head Start Center Based	93.600	06CH7041/02	<u>1,441,143</u>
<u>Pass-Through Programs From:</u>			
<u>Louisiana Department of Social Services -</u>			
<u>Louisiana Housing Financing Agency:</u>			
Low-Income Home Energy Assistance - LIHEAP 2005	93.568	n/a	
Hurricane Crisis Energy Assistance 2005		n/a	170,408
<u>Louisiana Department of Labor:</u>			
Community Services Block Grant	93.569	2004P0073 / CFMS 474-701232 2005P0073 / CFMS 619356	331,402

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Terrebonne Parish Consolidated Government  
(the Primary Government)**

For the year ended December 31, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
Substance Abuse and Mental Health Services Administration:			
<u>Pass-Through Program From:</u>			
<u>Louisiana Department of Health and Hospitals -</u>			
<u>Office of Addictive Disorders:</u>			
Block Grants for Prevention and Treatment of Substance Abuse -			
Social Detox Program	93.959	DHH 040532 / CFMS 610991 DHH 042931 / CFMS 622034	170,097
Subtotal Pass-Through Programs			<u>671,907</u>
Total U.S. Department of Health and Human Services			<u>2,113,050</u>
<b>U.S. Department of Homeland Security:</b>			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Office of Homeland Security and Emergency</u>			
<u>Preparedness:</u>			
Hebert Street FEMA Pump Station	83.548	UN1246-109-0002 / 1246-DR-LA	335,242
Emergency Food and Shelter National Board Program	97.024	370000-005 / LRO #005	26,424
Acquisition / Elevation Flood Mitigation Assistance	97.029	FMA 03-109-001	989
Hurricane Katrina Public Assistance Grant	97.036	1603-DR-LA	2,338,405
Hurricane Rita Public Assistance Grant	97.036	1607-DR-LA	1,081,698
Hurricane Lilli - Tropical Storm Isidore Hazard Mitigation Grant	97.039	HMGP-1437-109-0001	2,627,397
Emergency Management Performance Grants	97.042	EMF 2005	<u>221,758</u>
Total U.S. Department of Homeland Security			<u>6,631,913</u>
Total Expenditures of Federal Awards			<u>\$ 16,110,124</u>

\* Federal expenditures represent total expenditures for the program. Those expenditures may include amounts reimbursed by state and/or local matches.

See accompanying notes to schedule of expenditures of federal awards.

# **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

## **Terrebonne Parish Consolidated Government (the Primary Government)**

December 31, 2005

### **Note 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the primary government of the Terrebonne Parish Consolidated Government (the Primary Government). All federal expenditures of financial assistance received directly from federal agencies are included on the schedule, as well as expenditures of federal financial assistance passed-through other government agencies, including amounts reimbursed by state and/or local match.

### **Note 2 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting, which is described in Note 1 to the Primary Government's financial statements for the year ended December 31, 2005. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

We did not audit the following discretely presented component unit financial statements which received federal awards: Terrebonne General Medical Center, Houma-Terrebonne Airport Commission, Terrebonne Parish Port Commission and Terrebonne Parish District Attorney. Those financial statements were audited by other auditors. Terrebonne Parish Fire Districts No. 4A, 5, 6, 7 and 10, Coteau Fire Protection District, Terrebonne Association for Retarded Citizens, Inc., Terrebonne Council on Aging, Inc., Terrebonne General Medical Center, Terrebonne Parish Recreation District No. 4, 6, 7, 9 and 11, Terrebonne Parish Library and Consolidated Waterworks District No. 1 received federal funds but were not required to be audited under the Single Audit Act. Separate reports were issued on Houma-Terrebonne Airport Commission and Terrebonne Parish District Attorney as required under the Single Audit Act.

### **Note 3 - FINDINGS OF NONCOMPLIANCE**

There were no federal award findings or questioned costs reported during the audit for the year ended December 31, 2005.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Terrebonne Parish Consolidated Government  
(the Primary Government)**

For the year ended December 31, 2005

**Section I Summary of Auditor's Results**

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Reportable condition(s) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Reportable condition(s) identified that are not considered to be material weaknesses?  yes  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 section 510(a) of Circular A-133?  yes  no

c) Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
20.507	Section 9 FTA
97.036	Hurricane Katrina
97.036	Hurricane Rita

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**Terrebonne Parish Consolidated Government**  
**(the Primary Government)**

For the year ended December 31, 2005

**Section I Summary of Auditor's Results (Continued)**

Dollar threshold used to distinguish between type A  
and Type B programs: \$446,776

Auditee qualified as low-risk auditee?   X   yes        no

**Section II Financial Statement Findings**

No financial statement findings were noted during the audit of the financial statements for the year ended December 31, 2005.

**Section III Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs reported during the audit for the year ended December 31, 2005.

## **REPORTS BY MANAGEMENT**

# **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

## **Terrebonne Parish Consolidated Government (the Primary Government)**

For the year ended December 31, 2005

### **Section I Internal Control and Compliance Material to the Primary Government's Basic Financial Statements**

#### **Internal Control**

No material weaknesses were noted during the audit for the year ended December 31, 2004.  
No reportable conditions were reported during the audit for the year ended December 31, 2004.

#### **Compliance**

No compliance findings material to the Primary Government's financial statements were noted during the audit for the year ended December 31, 2004.

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

There were no federal award findings or questioned costs reported during the audit for the year ended December 31, 2004.

### **Section III Management Letter**

04-1 **Recommendation** - We recommend that the Parish comply with the State budget laws by amending its budget to ensure actual expenditures and other uses do not exceed budgeted expenditures and other uses by five percent or more.

**Management's Response** – See management letter state budget law comment 05-1. Unresolved.

# MANAGEMENT'S CORRECTIVE ACTION PLAN

## **Terrebonne Parish Consolidated Government (the Primary Government)**

For the year ended December 31, 2005

### **Section I Internal Control and Compliance Material to the Primary Government's Basic Financial Statements**

#### **Internal Control**

No material weaknesses were noted during the audit for the year ended December 31, 2005.  
No reportable conditions were reported during the audit for the year ended December 31, 2005.

#### **Compliance**

No compliance findings material to the Primary Government's financial statements were noted during the audit for the year ended December 31, 2005.

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

There were no federal award findings or questioned costs reported during the audit for the year ended December 31, 2005.

### **Section III Management Letter**

05-1 **Recommendation** - We recommend that the Parish comply with the State budget laws by amending its budget to ensure actual expenditures and other uses are not more than budgeted expenditures and other uses by five percent or more.

**Management's Corrective Action** – Budgets will be monitored closely to ensure that revenues and expenditures will not leave any variances by 5% or more.

05-2 **Recommendation** – We recommend that the Primary Government comply with the State bid laws by placing the proper advertisements in the local journal for all public works contracts and equipment purchases. We also recommend that the Primary Government obtain council approval for all supply and materials contracts with cumulative expenditure of \$15,000 or more.

**MANAGEMENT’S CORRECTIVE ACTION PLAN**  
**(Continued)**

**Terrebonne Parish Consolidated Government**  
**(the Primary Government)**

For the year ended December 31, 2005

**Section III Management Letter (Continued)**

05-2 (Continued)

**Management’s Corrective Action** – The condition that warranted the initiation of the emergency procurement was that the Montegut drainage pump station was in a state of imminent failure, affecting public health, safety and welfare. Due to the damages caused as a result of Tropical Storm Matthew and until such a time that permanent repairs to the pumping capacity at the station could be affected, the emergency condition continued to exist.

In response to the destruction to property caused by Tropical Storm Matthew, the Parish President declared a state of emergency, pursuant to RS 29:724 et seq. The Governor followed suit by declaring a statewide emergency on October 15, 2004.

On or about October 26, 2004, the Parish administration initiated a series of procurement actions to provide temporary and subsequently permanent pumping capacity for the benefit of Montegut, Point-aux-Chenes and Bourg residents.

Although the Council did not specifically approve the contracts, they were notified, in writing, of the actions taken by Administration, as was the local media as evidenced by several front-page articles in the Parish’s official journal.

In the future, Administration will make all attempts to monitor the emergency situations in the months which has and will follow the recovery and progression of these type of projects, in order to incorporate state and parish procurement procedures to the best of our ability under these “extreme and extraordinary” circumstances.



**Terrebonne Parish Consolidated Government  
Houma, Louisiana**