



*Single Audit
OMB Circular A-133
Supplementary Financial Report
For the year ended December 31, 2009*

*Terrebonne Parish
Consolidated Government
Houma, Louisiana*

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, 2009

Supplementary Financial Report

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

For the year ended December 31, 2009

TABLE OF CONTENTS

	<u>Page Number</u>
Title Page	i
Table of Contents	ii
Special Reports of Certified Public Accountants	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	1 - 2
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	3 - 6
Schedule of Expenditures of Federal Awards	7 - 10
Notes to Schedule of Expenditures of Federal Awards	11 - 13
Schedule of Findings and Questioned Costs	14 - 18
Reports by Management	
Schedule of Prior Year Findings and Questioned Costs	19
Management's Corrective Action Plan	20 - 21

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, 2009, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon dated June 26, 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 Auditing Standards, issued by the Comptroller General of the United States.

Other auditors audited the discretely presented component unit financial statements of the 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, City Court of Houma, District Attorney of the Thirty-Second Judicial District Court, Clerk of Court, Assessor, Terrebonne Parish Fire Districts No. 5 and 6, Bayou Cane Fire Protection District, Coteau Fire Protection District, Terrebonne Parish Recreation Districts No. 2/3, 3, 6, 7 and 8, Terrebonne Parish Communications District, Firemen's Pension and Relief Fund and Thirty-Second Judicial District Court as described in our report on the Primary Government's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. 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.

1

1340 West Tunnel Blvd., Suite 226
P.O. Box 2168
Houma, LA 70361-2168
Phone (985) 868-0139
Fax (985) 879-1949

**Certified Public
Accountants | Consultants**
A Limited Liability Company

P.O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, 17th Floor
Phone (504) 831-4949
Fax (504) 833-9093

507-D St. Phillip St.
P.O. Box 1205
Thibodaux, LA 70302-1205
Phone (985) 447-5243

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government'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 Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 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.

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,
June 26, 2010.



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, 2009. 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 District Attorney of the Thirty-Second Judicial District and Terrebonne Council on Aging, Inc, presented as component units, which received \$776,704 and \$1,256,581, respectively, in federal awards which is not included in the schedule for the year ended December 31, 2009. Our audit, described below, did not include the operations of the District Attorney of Thirty-Second Judicial District and Terrebonne Council on Aging, Inc., as these entities were audited under separate engagements. The component units described in Note 2 to the schedule of expenditures of federal awards received federal awards and are not included in the schedule because these entities were audited under separate audit engagements and, in addition, were not subject to the types of compliance requirements described above.

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.

As described in items 09-1 and 09-2 in the accompanying schedule of findings and questioned costs, the Primary Government did not comply with the requirements regarding eligibility and allowable costs that are applicable to its disaster housing assistance program. Compliance with such requirements is necessary, in our opinion, for the Primary Government to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2009.

Internal Control Over Compliance

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 the 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 internal control over compliance in accordance with OMB Circular A-133, 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 the Primary Government's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal

control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-1 to be a material weakness.

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, 2009, and have issued our report thereon dated June 26, 2010, which contained unqualified opinions on those financial statements. We did not audit the financial statements of the 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, City Court of Houma, District Attorney of the Thirty-Second Judicial District Court, Clerk of Court, Assessor, Terrebonne Parish Fire Districts No. 5 and 6, Bayou Cane Fire Protection District, Coteau Fire Protection District, Terrebonne Parish Recreation Districts No. 2/3, 3, 6, 7 and 8, Terrebonne Parish Communications District, Firemen's Pension and Relief Fund and Thirty-Second Judicial District Court. Those financial statements and their accompanying schedule of expenditures of federal awards, if applicable, were audited by other auditors. Other component units of the Primary Government have separate boards and accounting systems for which separate audit reports on financial statements and their accompanying schedule of expenditures of federal awards, if applicable, have been issued. Our report on the schedule of expenditures of federal awards does not include these entities. Our audit was performed for the purpose of forming opinions on the financial statements 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, Audits of States, Local Governments and Non-Profit Organization, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The Primary Government's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Primary Government's response and, accordingly, we express no opinion on it.

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.

Bougeois Bennett, L.L.C.
Certified Public Accountants.

Houma, Louisiana,
June 26, 2010.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
U.S. Department of Agriculture:			
Natural Resources Conservation Service:			
Office of Rural Development:			
Watershed Protection and Flood Prevention-			
St. Louis Bayou Reach #1	10.904	68-7217-09-0012/DSR 109-09-002G	\$ 61,071
CCC Ditch & St. Louis Canal		68-7217-09-0012/DSR 109-09-003G	
		DSR 109-09-004G	<u>31,280</u>
Subtotal Direct Programs			<u>92,351</u>
Food and Nutrition Service:			
<u>Pass-Through Program From:</u>			
<u>Louisiana Department of Education:</u>			
Child and Adult Care Food Program	10.558	n/a	99,291
Forest Service:			
<u>Pass-Through Program From:</u>			
<u>Louisiana Department of Agriculture and Forestry:</u>			
Urban and Community Forestry Program	10.675	CFMS # 673639	
Save the Trees Program			<u>5,000</u>
Subtotal Pass-Through Programs			<u>104,291</u>
Total U.S. Department of Agriculture			<u>196,642</u>
U.S. Department of Commerce:			
National Oceanic and Atmospheric Administration:			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Department of Natural Resources:</u>			
Coastal Zone Management Administration Awards -			
Terrebonne Parish Local Coastal Program	11.419	CFMS 670383 / DNR No. 2515-09-05	
		CFMS 670383 / DNR No. 2515-10-06	463,318
<u>Pass-Through Programs From:</u>			
<u>Louisiana Office of Homeland Security and Emergency</u>			
<u>Preparedness:</u>			
Public Safety Interoperable Communications Grant	11.555	2008-IO-T8-0011	
		2007-GS-7-0014	<u>127,030</u>
Total U.S. Department of Commerce			<u>590,348</u>
U.S. Department of Housing and Urban Development:			
Office of Community Planning and Development:			
Community Development Block Grants/			
Entitlement Grants	14.218	B-08-MC-22-0011	
		B-09-MC-22-0011	1,221,333
HOME Investment Partnerships Program	14.239	M-08-MC-22-0209	
		M-09-MC-22-0209	431,568
Section 8 Moderate Rehabilitation Single			
Room Occupancy	14.249	SRO Contract LA211SR0001	27,872
ARRA - Homelessness Prevention and			
Rapid Re-Housing Program	14.257	S09-MY-22-005	33,637

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2009

<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 Public and Indian Housing: Section 8 Housing Choice Vouchers	14.871	LA211VO	\$ 2,801,455
Section 8 Disaster Voucher Program	14.871	LA211D	<u>23,854</u>
Subtotal Direct Programs			<u>4,539,719</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 #665970 CFMS #679230	162,803
<u>Pass-Through Program From:</u> <u>State of Louisiana Division of Administration</u> <u>Office of Community Development:</u> CDBG Disaster Recovery Program Grant Award - Parish Recovery Planning Capacity Building Program	n/a	CFMS #664500	59,118
Parish-Implemented Recovery Program	n/a	CFMS #678958	<u>577</u>
Subtotal Pass-Through Programs			<u>222,498</u>
Total U.S. Department of Housing and Urban Development			<u>4,762,217</u>
U.S. Department of the Interior: Minerals Management Service: Coastal Impact Assistance Program- Falgout Canal Freshwater Enhancement	15.426	M07AF12821	<u>132,501</u>
U.S. Department of Justice: Office of Community Oriented Policing Services: Public Safety Partnership and Community Policing Grants COPS Interoperable Communications Technology Program	16.710	2006-IN-WX-0002	296,696
Bureau of Justice Assistance: Edward Byrne Memorial Justice Assistance Grant Program (Operation P.E.A.C.E.)	16.738	2007-DJ-BX-0857 (JAG)	<u>3,518</u>
Subtotal Direct Programs			300,214
Violence Against Women Office: <u>Pass-Through Programs Form:</u> <u>Louisiana Commission on Law Enforcement:</u> STOP Violence Against Women Formula Grants	16.588	M06-7-009	<u>9,534</u>
Total U.S. Department of Justice			<u>309,748</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
U.S. Department of Transportation:			
Federal Transit Administration:			
Federal Transit Formula Grants - Section 9 FTA	20.507	LA - 90 - X299 LA - 90 - X310 LA - 90 - X329 LA - 90 - X330 BUSNOFA-LA-6043	\$ 1,932,448
<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	741-55-0108 / LA-18-X025 741-55-0111 / LA-18-X025	325,584
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	640,794
Westside Boulevard Extension	20.205	700-55-0104 / STP3035(001)M	1,639
Hollywood Road Reconstruction (South) 4-Lane	20.205	700-55-0101 / STP3008(004)M	229,997
Recreational Trails Program - HLB Sidwalks (Construction Only)	20.219	744-55-006-ENH-5506 (500)	5,834
Tunnel Boulevard Sidewalk	20.219	744-55-005-ENH-5503(506)	166,902
Gray Pedestrian Sidewalk	20.219	744-55-003-ENH-MISC (349)	255,251
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 668994 / PT 09-38-00 CFMS 638163 / PT 2010-24-00	40,436
Subtotal Pass-Through Programs			<u>1,666,437</u>
Total U.S. Department of Transportation			<u>3,598,885</u>
U.S. Department of Energy:			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Housing Finance Agency:</u>			
Weatherization Assistance for Low-Income Persons - LIHEAP/PVE/DOE 2008-2009	81.042	n/a	
LIHEAP/PVE/DOE 2009-2010		n/a	305,146
ARRA- Weatherization Assistance Program	81.042	DE-EE0000122	<u>46,113</u>
Total U.S. Department of Energy			<u>351,259</u>
U.S. Department of Health and Human Services:			
Administration for Children and Families:			
Head Start Center Based	93.600	06CH7041/06	1,692,981
ARRA- Head Start	93.708	06SE7041/01	<u>56,800</u>
Subtotal Direct Programs			<u>1,749,781</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2009

<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>
<u>Pass-Through Programs From:</u>			
<u>Louisiana Association of Community Action Partnerships, Inc.</u>			
Client education grant	n/a	n/a	\$ 1,290
Low-Income Home Energy Assistance- LJHEAP FY2010	93.568	n/a	1,090,831
<u>Louisiana Workforce Commission:</u>			
Community Services Block Grant	93.569	2008P0073 / CFMS 657463 2009P0073 / CFMS 671909 2010P0073 / CFMS 687657	305,746
ARRA- Community Services Block Grant	93.710	2009P0073/CFMS685068	429
Subtotal Pass-Through Programs			<u>1,398,296</u>
Total U.S. Department of Health and Human Services			<u>3,148,077</u>
U.S. Department of Homeland Security:			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Office of Homeland Security and Emergency Preparedness:</u>			
Emergency Food and Shelter National Board Program	97.024	370000-005 / LRO #005 Phase 27	21,670
Disaster Grants - Public Assistance - Hurricane Rita	97.036	1607-DR-LA	210,000
Disaster Grants - Public Assistance - Hurricane Gustav	97.036	1786-DR-LA	2,086,270
Disaster Grants - Public Assistance - Hurricane Ike	97.036	1792-DR-LA	3,429,502
Hazard Mitigation Grant - Katrina/Rita Acquisition/Elevation	97.039	HMGP-1603-109-001 HMGP-1607-109-001 HMGP-1607-109-002	3,672,137
Hazard Mitigation Grant - Plan Update/Project Scoping	97.039	HMPG-1607-109-004	70,014
Statewide Generator Program	97.039	FEMA-109-DRA-LA-0079	213,747
Emergency Management Performance Grants	97.042	EMF FY2008	728,156
Citizens Corps Grant Award	97.067	2009-SS-T9-0059	19,547
Emergency Management Performance	97.067	2008-EM-E8-0047	13,121
<u>South Central Planning and Development Commission:</u>			
River Bayou Parish Mutual Aid and Assistance Task Force	97.067	n/a	104,451
<u>U.S. Department of Housing and Urban Development</u>			
Disaster Housing Assistance Program	97.109	DHAP; LA211FE	26,473
Disaster Housing Assistance Program	97.109	DHAP - Ike	1,555,890
Total U.S. Department of Homeland Security			<u>12,150,978</u>
Total Expenditures of Federal Awards			<u>\$ 25,240,655</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)

For the year ended December 31, 2009

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, 2009. 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 discretely presented component unit financial statements of the 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, City Court of Houma, District Attorney of the Thirty-Second Judicial District Court, Clerk of Court, Assessor, Terrebonne Parish Fire Districts No. 5 and 6, Bayou Cane Fire Protection District, Coteau Fire Protection District, Terrebonne Parish Recreation Districts No. 2/3, 3, 6, 7 and 8, Terrebonne Parish Communications District, Firemen's Pension and Relief Fund and Thirty-Second Judicial District Court. Those financial statements were audited by other auditors. Terrebonne Parish Coroner, Terrebonne Parish Library, Terrebonne Parish Fire Districts No. 4a, 5, 6, 7, 9 and 10, Bayou Cane Fire Protection District, Coteau Fire Protection District, Terrebonne Association for Retarded Citizens, Inc., Terrebonne Levee and Conservation District, Consolidated Waterworks District No. 1 of the Parish of Terrebonne, Terrebonne Parish Recreation Districts No. 1, 4, 9, 10 and 11 received federal funds but were not required to be audited under the Single Audit Act. Separate reports were issued on District Attorney of the Thirty-Second Judicial District Court and Terrebonne Council on Aging, Inc. as required under the Single Audit Act.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2009

Note 3 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Terrebonne Parish Consolidated Government provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Formula Grants for other than Urbanized Areas - Rural Transportation Program	20.509	\$ 287,390

Note 4 – RECONCILIATION TO FINANCIAL STATEMENTS

Total Expenditures of Federal Awards	\$ 25,240,655
Less expenditures recognized in prior years' financial statements:	
U.S Department of Homeland Security: Louisiana Office of Homeland Security and Emergency Preparedness: CFDA Number : 97.036 Pass - Through Entity Identifying Number:	
1786-DR-LA - Disaster Grant - Hurricane Gustav	(1,303,417)
1792-DR-LA - Disaster Grants - Hurricane Ike	<u>(502,021)</u>
Total Expenditures of Federal Awards recognized in the financial statements for the year ended December 31, 2009	<u>\$ 23,435,217</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

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

For the year ended December 31, 2009

Note 5 - FINDINGS OF NONCOMPLIANCE

A finding of noncompliance is disclosed in the accompanying Schedule of Findings and Questioned Costs as compliance finding 09-1 and 09-2. The potential reimbursement effect of the finding is not ascertainable.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

For the year ended December 31, 2009

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 X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes _____ no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X yes _____ no

c) Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grants - Entitlement Grants
14.871	Section 8 Housing Choice Voucher/Disaster Voucher Program
93.600	Head Start Center Based
97.036	Disaster Grants - Public Assistance
97.039	Hazard Mitigation Grant
97.109	Disaster Housing Assistance Program

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2009

Section I Summary of Auditor's Results (Continued)

c) Identification of Major Programs (continued):

Dollar threshold used to distinguish between type A
and Type B programs: \$757,220

Auditee qualified as low-risk auditee? _____ yes X 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, 2009.

Section III Federal Award Findings and Questioned Costs

Internal Control

09-1 **Information on the federal program:**

Federal Grantor – U.S. Department of Homeland Security

Program Title – Disaster Housing Assistance Program

Federal CFDA Number – 97.109

Federal Award/Pass-Through Identifying Number – DHAP-Ike

Pass-Through Entity – U.S. Department of Housing and Urban Development

Criteria – U.S. Department of Housing and Urban Development issued operating requirements that requires a rent reasonableness test to be performed before approval on the unit for leasing.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2009

Section III Federal Award Findings and Questioned Costs (Continued)

Internal Control (Continued)

09-1 (continued)

Condition – In our sample of 40 monthly payments awarded to participants for housing assistance grants, 38 monthly payments, totaling \$24,909, were for 38 participants receiving funds during the year without the determination of rent reasonableness being done before the unit was approved for leasing.

Context – Our test of the system indicates that the deficiency is systematic in nature for this grant.

Effect – The Parish was not in compliance with the program requirements.

Cause – The DHAP-Ike staff did not have a control in place to ensure all program operating requirements were met prior to approval of the housing assistance.

Questioned Costs – \$24,909

Recommendation -- We recommend the Parish develop controls designed to test rental reasonableness prior to approving the rental unit for leasing.

View of Responsible Officials of the Auditee when there is Disagreement with the Finding, to the Extent Practical – None.

Compliance

09-1 As described above is also a compliance finding.

09-2 **Information on the federal program:**

Federal Grantor – U.S. Department of Homeland Security

Program Title – Disaster Housing Assistance Program

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2009

Section III Federal Award Findings and Questioned Costs (Continued)

Compliance (Continued)

09-2 (continued)

Federal CFDA Number – 97.109

Federal Award/Pass-Through Identifying Number – DHAP-Ike

Pass-Through Entity – U.S. Department of Housing and Urban Development

Criteria – U.S. Department of Housing and Urban Development issued operating requirements that must be adhered to while administering the DHAP-Ike program.

Condition – In our sample of 40 monthly payments awarded to participants for housing assistance grants, grants were not administered in accordance with the operating requirements as follows:

Allowable Costs:

- 2 monthly payments, totaling \$1,495, were for 2 participants receiving funds during the year without a signed contract between the Parish and landlords.
- 2 monthly payments, totaling \$1,369, were for 2 participants receiving funds during the year under a lease in-place without a signed lease addendum.
- 1 monthly payment, totaling \$675, was for 1 participant receiving funds during the year without a signed lease agreement between the landlord and the participant.
- 2 monthly payments, totaling \$1,125, were for 2 participants receiving funds during the year without income verification.
- 1 monthly payment, totaling \$385, was for 1 participant receiving funds during the year with the rent subsidy calculated incorrectly.
- 7 monthly payments, totaling \$4,255, were for 7 participants receiving funds during the year that exceeded the rent reasonableness requirements.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2009

Section III Federal Award Findings and Questioned Costs (Continued)

Compliance (Continued)

09-2 (continued)

Context – Our test of the system indicates that the deficiencies are isolated in nature for this grant.

Effect – The Parish was not in compliance with the program requirements.

Cause – The program operating requirements were not adhered to when evaluating the applications and awarding housing assistance payments.

Questioned Costs – The above monthly payments extrapolated to housing assistance costs of the sample participants amounts to \$32,363.

Recommendation – We recommend that the Parish complete and document all signed contracts, leases, income verifications, approval of housing assistance awards.

View of Responsible Officials of the Auditee when there is Disagreement with the Finding, to the Extent Practical – None.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2009

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, 2008.
No reportable conditions were reported during the audit for the year ended December 31, 2008.

Compliance

No compliance findings material to the Primary Government's financial statements were noted during the audit for the year ended December 31, 2008.

Section II Internal Control and Compliance Material to Federal Awards

Internal Control

08-1 Information on the federal program:

Federal Grantor – U. S. Department of Health and Human Services

Program Title – Head Start Center Based

Federal CFDA Number – 93.600

Federal Award/Pass-Through Identifying Number – 06CH7041/03

Criteria – Enrollment level must adhere to the levels specified in the financial assistance award. Terrebonne Parish's funded enrollment level is currently at 200.

Condition – Currently, the Head Start Program is at 85.00 percent compliance in meeting funded enrollment of 200 children.

Recommendation – Appropriate action steps should be taken to reach funded enrollment levels.

Current Status – Resolved.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2009

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, 2009.

No significant deficiencies were reported during the audit for the year ended December 31, 2009.

Compliance

No compliance findings material to the Primary Government's financial statements were noted during the audit for the year ended December 31, 2009.

Section II Internal Control and Compliance Material to Federal Awards

Internal Control

09-1 Recommendation – We recommend the Parish develop controls designed to test rental reasonableness prior to approving a unit for leasing.

Management's Corrective Action – In the quick implementation of the program necessitated by the emergency nature of placing families in decent housing, HUD representatives verbally relayed instructions and interpretations of the program regulations. Housing staff followed these instructions. In 2010, a tool was implemented to assist Housing Staff. A program checklist is now in place for determination of eligibility of clients in the DHAP-Ike program. To prevent such occurrences of findings in the future, periodic internal monitoring reviews of program files will be implemented. The present findings will be addressed and remedied as needed.

MANAGEMENT'S CORRECTIVE ACTION PLAN
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2009

Section II Internal Control and Compliance Material to Federal Awards (Continued)

Compliance

09-2 Recommendation – We recommend that the Parish complete and document all signed contracts, leases, income verifications and approval of housing assistance awards.

Management's Corrective Action – In the quick implementation of the program necessitated by the emergency nature of placing families in decent housing, HUD representatives verbally relayed instructions and interpretations of the program regulations. Housing staff followed these instructions. In 2010, a tool was implemented to assist Housing Staff. A program checklist is now in place for determination of eligibility of clients in the DHAP-Ike program. To prevent such occurrences of findings in the future, periodic internal monitoring reviews of program files will be implemented. The present findings will be addressed and remedied as needed.