

Single Audit
OMB Circular A-133
Supplementary Financial Report
For the year ended December 31, 2010



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, 2010

Supplementary Financial Report

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2010

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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, 2010, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon dated June 29, 2011. 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.

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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 29, 2011.



Bourgeois Bennett

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVERCOMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

Compliance

We have audited Terrebonne Parish Consolidated Government (the Primary Government), State of Louisiana's, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Primary Government's major federal programs for the year ended December 31, 2010. 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, Terrebonne Council on Aging, Inc, Consolidated Waterworks District No. 1, Bayou Cane Fire Protection District, Terrebonne Levee and Conservation District, and Fire Protection District No. 10 presented as component units, which received \$790,266, \$3,887,180, \$588,426, \$666,710, \$580,753 and \$1,324,270 respectively, in federal awards which is not included in the schedule for the year ended December 31, 2010. Our audit, described below, did not include the operations of the District Attorney of Thirty-Second Judicial District, Terrebonne Council on Aging, Inc., Consolidated Waterworks District No. 1, Bayou Cane Fire Protection District, Terrebonne Levee and Conservation District, and Fire Protection District No. 10 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 10-1 and 10-2 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, 2010.

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 10-1 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, 2010, and have issued our report thereon dated June 29, 2011, 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 29, 2011.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2010

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	\$ 496,115
CCC Ditch & St. Louis Canal	10.904	68-7217-09-0012/DSR 109-09-003G	
		DSR 109-09-004G	<u>181,669</u>
Subtotal Direct Programs			<u>677,784</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	25-013	<u>126,957</u>
Total U.S. Department of Agriculture			<u>804,741</u>
U.S. Department of Commerce:			
Office of Economic Development Administration:			
Investments for Public Works and Economic Development			
Facilities - Dickson Road Wastewater Line Extension	11.300	08-79-73005	124,750
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	<u>269,842</u>
Total U.S. Department of Commerce			<u>394,592</u>
U.S. Department of Housing and Urban Development:			
Office of Community Planning and Development:			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/ Entitlement Grants	14.218	B-09-MC-22-0011	1,569,834
ARRA Community Development Block Grants/ Entitlement Grants	14.253	B-09-MY-22-0011	<u>269,188</u>
Subtotal CDBG Entitlement Grants Cluster			1,839,022
HOME Investment Partnerships Program	14.239	M-09-MC-22-0209 M-10-MC-22-0209	284,803
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	SRO Contract LA211SR0001	28,055
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	S09-MY-22-005	226,817

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2010

<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.S. Department of Housing and Urban Development (Continued):			
Office of Public and Indian Housing: Section 8 Housing Choice Vouchers	14.871	LA211VO	\$ 3,024,420
Section 8 Disaster Voucher Program	14.871	LA211D	<u>10,889</u>
Subtotal Direct Programs			<u>5,414,006</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 #650117 CFMS #665970	174,243
<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	14.228	CFMS #664500	45,644
Parish - Implemented Program	14.228	CFMS #678958	597,356
CDBG Fisheries Infrastructure Assistance Program - Operation Boat Launch	14.228	CFMS #673568	56,649
Houma Marina Safe Harbor Mooring	14.228	CFMS #696513	23,191
Bourg Company Canal	14.228	CFMS #696454	29,878
Comprehensive Resiliency Pilot Program Plan	14.228	CFMS #696820	<u>738</u>
Subtotal Pass-Through Programs			<u>927,699</u>
Total U.S. Department of Housing and Urban Development			<u>6,341,705</u>
U.S. Department of Justice:			
Bureau of Justice Assistance:			
Office of Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program (Operation P.O.S.S.E)	16.738	2009-DJ-BX-0923 (JAG) 2010-DJ-BX-1606 (JAG)	16,600
ARRA - Edward Byrne Memorial Justice Assistance Grant Program (JAG) Program/Grants to Units of Local Government - Operation P.E.A.C.E with P.I.	16.804	2009-SB-B9-2027	<u>53,940</u>
Subtotal Direct Programs			70,540
<u>Pass-Through Programs From:</u>			
<u>Louisiana Commission on Law Enforcement:</u>			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program (JAG) Program/Grants to States and Territories - Criminal Justice Technology Upgrade	16.803	B82-8-061	<u>122,734</u>
Total U.S. Department of Justice			<u>193,274</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2010

<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.S. Department of Transportation:			
Federal Transit Administration:			
Federal Transit Cluster			
Federal Transit Formula Grants -			
Section 9 FTA	20.507	LA - 90 - X364 LA - 90 - X358	\$ 2,828,633
Federal Transit Capital Grants -			
ARRA - Federal Transit Capital Investment Grants	20.500	49 USC 5307/LA-96-X010-00	53,998
Subtotal Federal Transit Cluster			<u>2,882,631</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	741-55-0114 / LA-18-X025 741-55-0118 / LA-18-X025	299,190
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	215,370
Hollywood Road Reconstruction (South) 4-Lane	20.205	700-55-0101 / STP3008(004)M	451,805
ARRA - Turn Lanes	20.205	ARR-5509 (507)	920,121
ARRA - Asphalt Overlay	20.205	ARR-5509 (505)	901,537
ARRA - Concrete Section Repairs Phase 1	20.205	ARR-5509 (506)	930,470
ARRA - Concrete Section Repairs Phase 2	20.205	ARR-5510 (501)	424,518
Recreational Trails Program -			
HLB Sidwalks (Construction Only)	20.219	744-55-006-ENH-5506 (500)	2,803
Tunnel Boulevard Sidewalk	20.219	744-55-005-ENH-5503(506)	6,140
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 2009-38-00 CFMS 680443 / PT 2010-24-00 CFMS 693327 / PT 2011-30-47-00	27,106
Subtotal Pass-Through Programs			<u>4,179,060</u>
Total U.S. Department of Transportation			<u>7,061,691</u>
U.S. Environmental Protection Agency:			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Department of Environmental Quality:</u>			
ARRA - Capitalization Grants for Clean Water State Revolving Funds - Build America Bonds	66.458	n/a	<u>404,209</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 2009-2010	81.042	7/01/09 - 6/30/2010	
LIHEAP/PVE/DOE 2010-2011	81.042	7/01/2010 - 6/30/2011	46,057
ARRA- Weatherization Assistance Program	81.042	DE-BE0000122	526,147

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
U.S. Department of Energy (Continued):			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Department of Natural Resources</u>			
<u>Office of the Secretary</u>			
Renew Louisiana Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	EEA-1053	\$ 29,024
Total U.S. Department of Energy			<u>601,228</u>
U.S. Department of Health and Human Services:			
Administration for Children and Families:			
Head Start Cluster:			
Head Start Center Based	93.600	06CH7041/06 06CH7041/07	1,664,640
ARRA- Head Start	93.708	06SE7041/01	<u>51,898</u>
Subtotal Direct Programs			<u>1,716,538</u>
<u>Pass-Through Programs From:</u>			
<u>Louisiana Association of Community Action Partnerships, Inc.</u>			
Client education grant	n/a	n/a	<u>3,719</u>
Low-Income Home Energy Assistance- LIHEAP FY2009	93.568	n/a	
LIHEAP FY2010	93.568	n/a	
2010 Emergency Contingency	93.568	n/a	<u>1,334,453</u>
<u>Louisiana Workforce Commission:</u>			
CSBG Cluster:			
Community Services Block Grant	93.569	2009P0073 / CFMS 671909 2010P0073 / CFMS 687657	337,805
ARRA- Community Services Block Grant	93.710	2009P0073/CFMS685068	<u>422,027</u>
Subtotal CSBG Cluster			<u>759,832</u>
Subtotal Pass-Through Programs			<u>2,098,004</u>
Total U.S. Department of Health and Human Services			<u>3,814,542</u>
U.S. Department of Homeland Security:			
Assistance to Firefighters Grant - Fire Grants	97.044	EMW-2009-FO-04203	<u>87,579</u>
<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 28	18,392
Disaster Grants - Public Assistance - Hurricane Gustav	97.036	1786-DR-LA	211,590
Disaster Grants - Public Assistance - Hurricane Ike	97.036	1792-DR-LA	5,501,758
Hazard Mitigation Grant - Katrina/Rita Acquisition/Elevation	97.039	HMGP-1603-109-001	1,782,766
		HMGP-1603c-109-001	1,944,317
		HMGP-1607-109-001	153,346
		HMGP-1607-109-002	469,332
Automatic Bar Screen Cleaners	97.039	HMGP-1603n-109-0008	89,312
Statewide Generator Program	97.039	FEMA-109-DRA-LA-0079	434,457
Emergency Management Performance Grants	97.042	2009-EP-E90004	
		2010-EP-EO-0058	286,570
Citizens Corps Grant Award	97.067	2009-SS-T9-0059	3,675
Severe Loss Repetive Program	97.110	SRL-PJ-LA-2009-014	62,525
		SRL-PJ-LA-2009-002	66,022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2010

<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.S. Department of Homeland Security (Continued):			
<u>Pass-Through Programs From:</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Disaster Housing Assistance Program	97.109	DHAP - Ike	\$ 949,027
Subtotal Pass-Through Programs			<u>11,973,089</u>
Total U.S. Department of Homeland Security			<u>12,060,668</u>
Total Expenditures of Federal Awards			<u>\$ 31,676,650</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, 2010

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, 2010. 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 Fire Districts No. 4a, 6, and 7, Coteau Fire Protection District, Terrebonne Association for Retarded Citizens, Inc., Terrebonne Parish Recreation Districts No. 1, 4, 6, 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, Terrebonne Council on Aging, Inc, Consolidated Waterworks District No. 1, Bayou Cane Fire Protection District, Terrebonne Levee and Conservation District, and Fire Protection District No. 10 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, 2010

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	\$ 299,190
ARRA - Homelessness Prevention and Rapid Re-housing Program	14.257	<u>226,667</u>
Total		<u>\$ 525,857</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

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

For the year ended December 31, 2010

Note 4 – RECONCILIATION TO FINANCIAL STATEMENTS

Total Expenditures of Federal Awards	\$	31,676,650
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		(175,973)
1792-DR-LA - Disaster Grants - Hurricane Ike		<u>(3,147,915)</u>
Total Expenditures of Federal Awards recognized in the financial statements for the year ended December 31, 2010	\$	<u><u>28,352,762</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

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

For the year ended December 31, 2010

Note 5 - FINDINGS OF NONCOMPLIANCE

Findings of noncompliance are disclosed in the accompanying Schedule of Findings and Questioned Costs as compliance finding 10-1 and 10-2. 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, 2010

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 or Cluster</u>
14.218 14.253	Community Development Block Grants – Entitlement Grants Cluster
14.257	ARRA – Homelessness Prevention and Rapid Re-Housing Program
20.507 20.500	Federal Transit Cluster

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2010

Section I Summary of Auditor's Results (Continued)

c) Identification of Major Programs (continued):

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Grant
93.568	Low-Income Home Energy Assistance
93.569 93.710	Community Services Block Grants Cluster
97.036	Disaster Grants - Public Assistance
97.109	Disaster Housing Assistance Program

Dollar threshold used to distinguish between type A
and Type B programs:

\$950,300

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, 2010.

Section III Federal Award Findings and Questioned Costs

Internal Control

10-1 **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, 2010

Section III Federal Award Findings and Questioned Costs (Continued)

Internal Control (Continued)

10-1 (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 requires a rent reasonableness test to be performed before approval on the unit for leasing is given.

Condition – In our sample of 40 monthly payments awarded to participants for housing assistance grants, 40 monthly payments, totaling \$18,397, were for 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 program was established in Terrebonne Parish during an emergency period brought on by flooding from Hurricane Ike. Federal, state and local government officials placed a greater priority on placing people into the program and subsequently into housing than adhering to this specific program requirement.

Questioned Costs – None

Recommendation – We recommend that the Parish administer the grant in accordance with the operating requirements.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2010

Section III Federal Award Findings and Questioned Costs (Continued)

Compliance

10-1 As described above is also a compliance finding.

10-2 **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 must be adhered to in 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:

- 1 payment, totaling \$775, was for a participant receiving funds during the year without an amended DHAP-Ike contract signed by in a timely manner.
- 3 payments, totaling \$925, were for 3 participants receiving funds during the year without income verification being complete in a timely manner.
- 1 payment, totaling \$490, was for a participant 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, 2010

Section III Federal Award Findings and Questioned Costs (Continued)

Compliance (Continued)

10-2 (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 questioned payments extrapolated to all payments made for program participants during the year amounted to \$23,255.

Recommendation -- We recommend that the Parish administer the grant in accordance with the operating requirements.

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, 2010

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 reportable conditions 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 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.

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

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

Current Status – Unresolved, see item 10-1.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2010

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

Compliance

09-2 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 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.

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

Current Status – Unresolved, see item 10-2.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2010

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, 2010.

No significant deficiencies were reported during the audit for the year ended December 31, 2010.

Compliance

No compliance findings material to the Primary Government's financial statements were noted during the audit for the year ended December 31, 2010.

Section II Internal Control and Compliance Material to Federal Awards

Internal Control

10-1 Recommendation – We recommend the Parish develop controls designed to test rental reasonableness prior to approving a unit for leasing.

Management's Corrective Action – All files have been updated to include rent reasonableness comparison as required. The Section Program has developed a checklist for all items needed to complete a file. This checklist is reviewed by the Section 8 Administrator prior to approving rental payments.

Compliance

10-2 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 – The Section Program has developed a checklist for all items needed to complete a file. This checklist is reviewed by the Section 8 Administrator prior to approving rental payments.



*Terrebonne Parish Consolidated Government
Houma, Louisiana*