



Single Audit
OMB Circular A-133

Supplementary Financial Report
For the year ended December 31, 2008



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, 2008

Supplementary Financial Report

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2008

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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, 2008, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon dated June 26, 2009. 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 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, Terrebonne Parish Coroner, 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 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.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 June 26, 2009.

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, 2009.



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, 2008. 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. For the year reported, these entities, which were required to be audited for the types of compliance requirements described above, expended \$715,587 and \$908,444, respectively, of federal grant funding that does not appear in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2008. Our audit of compliance, described below, did not include the programs 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 item 08-1 in the accompanying schedule of findings and questioned costs, the Primary Government did not comply with requirements regarding enrollment levels specified in the financial assistance award that are applicable to its Head Start Center Based Grant. 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, 2008.

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 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, 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.

A control deficiency in the Primary Government's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Primary

Government's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Primary Government's internal control.

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

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

The Primary Government's response 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.

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, 2008, and have issued our report thereon dated June 26, 2009. 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 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, Terrebonne Parish Coroner, City Court of Houma, District Attorney of the Thirty-Second District, 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 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.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
June 26, 2009.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2008

| <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 Agriculture: | | | |
| Natural Resources Conservation Service: | | | |
| Office of Rural Development: | | | |
| Watershed Protection and Flood Prevention- | | | |
| Lashbrook Pump Station | 10.904 | 68-7217-08-027/DSR 109-08-00011 | \$ 678,316 |
| Bayou Terrebonne Debris Removal | 10.904 | 68-7217-08-024 | 444,533 |
| Subtotal Direct Programs | | | <u>1,122,849</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>95,763</u> |
| Total U.S. Department of Agriculture | | | <u>1,218,612</u> |
| U.S. Department of Commerce: | | | |
| <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 655649 / DNR No. 2515-08-01 CFMS 670383 / DNR No. 2515-09-05 | <u>213,394</u> |
| Total U.S. Department of Commerce | | | <u>213,394</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Office of Community Planning and Development: | | | |
| Community Development Block Grants/ Entitlement Grants | | | |
| | 14.218 | B-06-MC-22-0011 B-07-MC-22-0011 B-08-MC-22-0011 | 2,032,065 |
| HOME Investment Partnerships Program | 14.239 | M-05-MC-22-0209 M-06-MC-22-0209 M-07-MC-22-0209 M-08-MC-22-0209 | 1,236,936 |
| Office of Economic Development: | | | |
| Section 8 Moderate Rehabilitation Single Room Occupancy | 14.249 | SRO Contract LA211SR0001 | 22,087 |
| Office of Public and Indian Housing: | | | |
| Section 8 Housing Choice Vouchers | 14.871 | LA211VO | 2,569,666 |
| Section 8 Disaster Voucher Program | 14.871 | LA211D | <u>18,979</u> |
| Subtotal Direct Programs | | | <u>5,879,733</u> |

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2008

| <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 636059 CFMS 650117 CFMS 665970 | \$ 178,437 |
| <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 | 24,263 |
| Subtotal Pass-Through Programs | | | <u>202,700</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>6,082,433</u> |
| U.S. Department of the Interior: Minerals Management Service: Coastal Impact Assistance Program- Falgout Canal Freshwater Enhancement | 15.426 | M07AF12821 | 132,792 |
| Fish and Wildlife Service: <u>Pass-Through Program From:</u> <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>21</u> |
| Total U.S. Department of the Interior | | | <u>132,813</u> |
| U.S. Department of Justice: Office of Justice Programs: Office of Juvenile and Delinquency Prevention: Juvenile Accountability Block Grants- Drug Testing | 16.523 | A05-8-005 | 9,960 |
| Bureau of Justice Assistance: Office of Justice Programs: Bulletproof Vest Partnership Program | 16.607 | n/a | 8,544 |
| Edward Byrne Memorial Justice Assistance Grant Program (Operation P.E.A.C.E.) | 16.738 | 2005-DJ-BX-0705 2006-DJ-BX-0579 2007-DJ-BX-0857 | 3,747 7,288 35,839 |
| Office of Community Oriented Policing Services: Public Safety Partnership and Community Policing Grants - COPS Interoperable Communications Technology Program | 16.710 | 2006-IN-WX-0002 | <u>302,988</u> |
| Total U.S. Department of Justice | | | <u>368,366</u> |

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2008

| 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 | \$ 3,825,511 |
| <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 | 192,489 |
| 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 | 78,708 |
| Westside Boulevard Extension | 20.205 | 700-55-0104 / STP3035(001)M | 2,712,086 |
| Hollywood Road Reconstruction (South) 4-Lane | 20.205 | 700-55-0101 / STP3008(004)M | 20,264 |
| Recreational Trails Program - HLB Sidwalks (Construction Only) | 20.219 | 744-55-006-ENH-5506 (500) | 3,240 |
| 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 638163 / PT 07-48-00 CFMS 657478 / PT 08-24-00 CFMS 668994 / PT 09-38-00 | 57,255 |
| Subtotal Pass-Through Programs | | | <u>3,064,042</u> |
| Total U.S. Department of Transportation | | | <u>6,889,553</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 2007-2008 | 81.042 | n/a | |
| LIHEAP/PVE/DOE 2008-2009 | | n/a | 59,597 |
| U.S. Department of Health and Human Services: | | | |
| Administration for Children and Families: | | | |
| Head Start Center Based | 93.600 | 06CH7041/05 | <u>1,623,990</u> |
| <u>Pass-Through Programs From:</u> | | | |
| <u>Louisiana Association of Community Action Partnerships, Inc.</u> | | | |
| Client education grant | n/a | n/a | 6,178 |
| Low-Income Home Energy Assistance- LIHEAP FY2008 | 93.568 | | 485,206 |
| LIHEAP Express- FY 2008 | 93.568 | | 116,587 |

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

For the year ended December 31, 2008

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Federal Award/ Pass-Through Entity Identifying Number | Federal Expenditures* |
|--|---------------------------|---|--------------------------|
| <u>Louisiana Department of Labor:</u> | | | |
| Community Services Block Grant | 93.569 | 2007P0073 / CFMS 642503 2008P0073 / CFMS 657463 2009P0073 / CFMS 671909 | \$ 307,384 |
| Subtotal Pass-Through Programs | | | <u>915,355</u> |
| Total U.S. Department of Health and Human Services | | | <u>2,539,345</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 26 | 16,984 |
| Disaster Grants - Public Assistance - Hurricane Rita | 97.036 | 1607-DR-LA | 73,848 |
| Disaster Grants - Public Assistance - Hurricane Gustav | 97.036 | 1786-DR-LA | 9,502,544 |
| Disaster Grants - Public Assistance - Hurricane Ike | 97.036 | 1792-DR-LA | 7,746,317 |
| Hazard Mitigation Grant - Hurricane Lili - Tropical Storm Isidore | 97.039 | HMGP-1437-109-001 | 2,276,581 |
| Hazard Mitigation Grant - Plan Update/Project Scoping | 97.039 | HMPG-1607-109-004 | 35,000 |
| Emergency Management Performance Grants | 97.042 | EMF FY2008 | 458,480 |
| Citizens Corps Grant Award | 97.053 | 2007 2008 | 9,057 |
| <u>Pass-Through Programs From:</u> | | | |
| <u>South Central Planning & Development Commission:</u> | | | |
| River Bayou Parish Mutual Aid and Assistance Task Force | 97.067 | 2006-GE-T6-0004 | 26,169 |
| <u>Pass-Through Programs From:</u> | | | |
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| Disaster Housing Assistance Grant | 97.109 | DHAP; LA211FE | 227,954 |
| Disaster Housing Assistance Program (DHAP)- Gustav/Ike | 97.109 | DHAP - GUSTAV/IKE | 24,617 |
| Total U.S. Department of Homeland Security | | | <u>20,397,551</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 37,901,664</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, 2008

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, 2008. 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, Terrebonne Parish Coroner, City Court of Houma, District Attorney of the Thirty-Second Judicial District, 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. 6, 7, 9 and 10, Coteau Fire Protection District, Terrebonne Economic Development Authority, Terrebonne Association for Retarded Citizens, Inc., Terrebonne Levee and Conservation District, Consolidated Waterworks District No. 1, Terrebonne Parish Recreation Districts No. 4 and 10 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 and Terrebonne Council on Aging, Inc. as required under the Single Audit Act.

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 | \$ 165,098 |

Note 4 - FINDINGS OF NONCOMPLIANCE

A finding of noncompliance is disclosed in the accompanying Schedule of Findings and Questioned Costs as compliance finding 08-1. The potential reimbursement effects 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, 2008

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
- Significant deficiencies 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
- Significant deficiencies identified that are not considered to be material weaknesses? yes 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? yes no

c) Identification of Major Programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program</u> |
|-----------------------|--|
| 10.904 | Watershed Protection and Flood Prevention- Lashbrook Pump Station and Bayou Terrebonne Debris Removal |
| 20.507 | Section 9 FTA |
| 20.205 | Road Construction Grant- Country Drive Widening, Westside Boulevard Extension, Hollywood Road Reconstruction |
| 93.600 | Head Start Center Based |
| 97.036 | Public Assistance Disaster Grants |

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2008

Section I Summary of Auditor's Results (Continued)

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

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, 2008.

Section III Federal Award Findings and Questioned Costs

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2008.
No significant deficiencies were reported during the audit for the year ended December 31, 2008.

Compliance

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2008

08-1 (Continued)

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.

Questioned Costs – None

Context – This compliance issue is known by the Administration for Children and Families.

Effect – Funding levels could be jeopardized.

Cause – Several factors currently are hindering 100 percent compliance of the enrollment of 200 children. The main factor is Terrebonne Parish School Board opening 20 Pre-Kindergarten classes for 4 year old children in the Parish; causing the Head Start enrollment to decrease significantly.

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

Views 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, 2008

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, 2007.
No reportable conditions were reported during the audit for the year ended December 31, 2007.

Compliance

No compliance findings material to the Primary Government's financial statements were noted during the audit for the year ended December 31, 2007.

Section II Internal Control and Compliance Material to Federal Awards

Internal Control

07-1 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

Condition – The Parish has met the required 20 percent match using voluntary in-kind services; however the method of accumulating and reporting the in-kind match lacks controls for linking (recapping) the details from the original source documents (Time and Travel Sheets) to the monthly reports produced from the PROMIS system (software system used by the Terrebonne Parish Head Start Program for data accumulation). Furthermore, the monthly reports that were forwarded to the Finance Department did not agree to the yearly recap of in-kind due to updates in the system after the reports were forwarded. This caused the year-end SF 269, *Financial Status Report*, to have a

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2008

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

07-1 (Continued)

Condition (continued) – different in-kind reported number than what the PROMIS system is reporting because the Finance Department accumulated the monthly reports submitted to them to include on the SF 269 report.

Recommendation – A system should be developed and implemented by the Head Start Administration to require the preparation of recaps of the original source documents of in-kind contributions which would then be compared to the monthly reports produced by the PROMIS system and then to the yearly PROMIS report. Once the recap and the PROMIS report are reconciled, then the monthly report should be forwarded to the Finance Department for use in the SF 269 reporting. In addition, prior to preparation of the year-end SF 269, *Financial Status Report*, the Finance Department should determine that their monthly accumulation of the monthly in-kind reports agrees to the year-end recap of the in-kind contributions determined by the Head Staff. Finally, a determination should be made if an amended SF 269, *Financial Status Report* should be prepared and submitted.

Current Status – Resolved.

Compliance

07-2 **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

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2008

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

07-2 (Continued)

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 – This recommendation was taken into consideration, but there are still many factors hindering full enrollment. See current year finding 08-1.

Section III Management Letter

07-3 **Recommendation** - We recommend that the Parish comply with the State budget laws by amending its budget to ensure actual revenues and other financial sources are not less than budgeted revenues and other sources by five percent or more and actual expenditures and other uses are not more than budgeted expenditures and other uses by five percent or more.

Management's Response – See management letter state budget law comment 08-2. Unresolved.

07-4 **Recommendation** – We recommend a centrally located capital projects manager review all construction projects for compliance with federal and state grants.

Management's Response – A Capital Projects Manager was hired in early January 2008. Resolved.

07-5 **Recommendation** – We recommend administration continue its efforts to convert the Sanitation Maintenance Fund to an enterprise fund.

Management's Response – As of January 1, 2008 the Sanitation Maintenance Fund is an enterprise fund. Resolved.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2008

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 significant deficiencies 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

No material weaknesses were noted during the audit for the year ended December 31, 2008.
No significant deficiencies were reported during the audit for the year ended December 31, 2008.

Compliance

08-1 **Recommendation** – Appropriate action steps should be taken to reach funded enrollment levels in the Head Start Center Based Program.

Management's Corrective Action – The Housing and Human Services Department has been approved for a reduction in enrollment from 200 to 170 for the budget period January 1, 2009 through December 31, 2009.

MANAGEMENT'S CORRECTIVE ACTION PLAN

(Continued)

Terrebonne Parish Consolidated Government (the Primary Government)

For the year ended December 31, 2008

Section III Management Letter

- 08-2 **Recommendation** - We recommend that the Parish comply with the State budget laws by amending its budget to ensure actual revenues and other financial sources are not less than budgeted revenues and other sources by five percent or more and actual expenditures and other uses are not more than budgeted expenditures and other uses by five percent or more.

Management's Corrective Action – Procedures in place to monitor and adjust the budget for State Law are as follows:

- Budget Accountant reviews electronically submitted requisitions which exceed \$3,000 and which exceed the budgeted funds for the line item account. Adjustments to the budget may be initiated at this time.
- During July through September each year, budget preparations for the next fiscal year requires updated projections of the current year using the 5 or 6 months of actual activity available. Adjustments to the budget may be initiated at this time.
- In November each year, the latest available Financial Report is reviewed by the CFO, Comptroller and Budget Accountant for the final adjustments that require a budget amendment (which needs to be introduced to the Parish Council no later than the first meeting in December for adoption at the last meeting in December).
- Various line-item adjustments continue through December 31st, as they only require the Parish President's approval.
- In addition to the four procedures above, through-out the year adjustments to the budget are prepared as the result of new grants, projects, procedures, laws, economic shifts, etc.

Even with these procedures, it is inevitable that some variances may still occur. We have reviewed the two funds, which were not in compliance and offer the following:

- Dedicated Emergency Fund: Interest rates decreased at the end of the year in 2008 causing actual revenue to be less than expected.
- Parish Prisoner Fund: From the havoc caused by the hurricanes for the Adult Jail, it was difficult to determine as to the extent of the time it would be before the prisoners would return as well as how the situation would unfold between the Parish and the Sheriff's office and Angola Prison.

MANAGEMENT'S CORRECTIVE ACTION PLAN
(Continued)

Terrebonne Parish Consolidated Government
(the Primary Government)

For the year ended December 31, 2008

Section III Management Letter (Continued)

08-2 (Continued)

Management's Corrective Action (continued) –

- Road Lighting District 7 and 8: We agree with condition, and will continue to rely on the procedures in place to insure 100% compliance.
- Criminal Court Fund: The Parish does not have direct control over the spending of the Criminal Court Fund. However, we have implemented a new spreadsheet that the Criminal Court Fund Accountant will receive on a monthly basis. This will keep the Criminal Court Fund Accountant better informed and have her request for budget changes.