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**LOUISIANA PUBLIC HEALTH
INSTITUTE**

Audits of Financial Statements

June 30, 2007 and 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/9/08

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Independent Auditor's Report

To the Board of Directors
Louisiana Public Health Institute

We have audited the statements of financial position of the Louisiana Public Health Institute (the Institute) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Public Health Institute as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2007, on our consideration of the Louisiana Public Health Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Louisiana Public Health Institute taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the accompanying financial information presented on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our 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.



A Professional Accounting Corporation

August 8, 2007

LOUISIANA PUBLIC HEALTH INSTITUTE
Statements of Financial Position
June 30, 2007 and 2006

	2007	2006 (As Restated)
Assets		
Cash - Unrestricted	\$ 1,128,053	\$ 2,504,290
Grants Receivable	3,227,835	2,166,671
Other Receivables	99,766	33,851
Cash - Restricted	82,625	71,926
Certificates of Deposit - Restricted	141,859	137,102
Furniture and Office Equipment, Net	39,562	27,686
Other Assets	1,325	1,325
Total Assets	\$ 4,721,025	\$ 4,942,851
Liabilities		
Accounts Payable	1,114,180	242,676
Accrued Liabilities	1,509	5,820
Due to Louisiana Rural Health Services Corp.	142,597	137,841
Due to LCRC	654,000	654,000
Deferred Grant Revenue	2,125,416	3,288,667
Total Liabilities	4,037,702	4,329,004
Net Assets		
Unrestricted	683,323	613,847
Total Liabilities and Net Assets	\$ 4,721,025	\$ 4,942,851

The accompanying notes are an integral part of these financial statements.

LOUISIANA PUBLIC HEALTH INSTITUTE
Statements of Activities
Years Ended June 30, 2007 and 2006

	2007	2006
Unrestricted Support and Revenue		
Grants and Contracts	\$ 20,166,399	\$10,784,637
Other Revenue	393,615	322,040
Interest Income	18,955	8,277
Total Unrestricted Support and Revenue	<u>20,578,969</u>	<u>11,114,954</u>
Expenses		
Program Services and Grants	20,170,473	10,784,636
General and Administrative	339,020	98,509
Total Expenses	<u>20,509,493</u>	<u>10,883,145</u>
Change in Unrestricted Net Assets	69,476	231,809
Unrestricted Net Assets, Beginning of Year	<u>613,847</u>	<u>382,038</u>
Unrestricted Net Assets, End of Year	<u>\$ 683,323</u>	<u>\$ 613,847</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA PUBLIC HEALTH INSTITUTE
Statements of Cash Flows
Years Ended June 30, 2007 and 2006

	2007	2006 (As Restated)
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 69,476	\$ 231,809
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash (Used in) Provided by Operating Activities		
Depreciation	26,705	21,118
Increase in Grants Receivable	(1,061,164)	(531,054)
Increase in Other Receivables	(65,915)	(24,920)
Decrease in Cash Overdraft	-	(947,981)
Increase in Accounts Payable	871,504	1,794
Decrease in Accrued Liabilities	(4,311)	(28,893)
Increase in Due to LCRC	-	654,000
(Decrease) Increase in Deferred Grant Revenue	(1,163,251)	3,184,177
Net Cash (Used in) Provided by Operating Activities	(1,326,956)	2,560,050
Cash Flows from Investing Activities		
Increase in Restricted Cash	(10,699)	(51,160)
Purchase of Furniture and Office Equipment	(38,582)	(4,600)
Net Cash Used in Investing Activities	(49,281)	(55,760)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,376,237)	2,504,290
Cash and Cash Equivalents, Beginning of Year	2,504,290	-
Cash and Cash Equivalents, End of Year	\$ 1,128,053	\$ 2,504,290

The accompanying notes are an integral part of these financial statements.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

Louisiana Public Health Institute (the Institute) is a Louisiana nonprofit organization chartered on July 1, 1997. Its purpose is to expedite public health research through collaborative efforts with higher education in health information, research, educational and training opportunities, program initiatives, and policy development.

Basis of Accounting

The Institute prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, involving the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. In accordance with SFAS No. 117, the Institute is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Institute has no temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Furniture and Office Equipment

Acquisitions of furniture and office equipment in excess of \$2,500 with an estimated useful life of three years or greater and acquisitions of computer equipment in excess of \$3,000 are capitalized. Furniture and office equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets.

Contributed Services

No amounts have been reflected in the financial statements for contributed services since the recognition criteria under accounting principles generally accepted in the United States of America have not been met.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue and Expenses

Support for the Institute is provided primarily by grants funded by private foundations and by State and Federal agencies. Grant revenue is recognized as expenditures, for allowable grant purposes, are incurred. Grant funding received in advance of expenditures for allowable grant purposes is recognized as deferred revenue.

Expenses are to be made in accordance with grant budgets that have been adopted.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Institute considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash Flow Information

The Institute did not make any cash payments for interest or income taxes during the years ended June 30, 2007 and 2006.

Economic Dependency

Support for the Institute is provided primarily by grants from private foundations and through agencies of the State of Louisiana and the Federal government. The continued operations of the Institute are dependent upon the renewal of current grants and/or the procurement of additional funding sources.

Federal Income Taxes

The Institute is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Note 2. Restatement of Prior Period

Immediately following Hurricane Katrina, the Institute developed and implemented a media campaign to respond to critical health issues associated with the impact of the hurricane. Although funding for this initiative was initially provided through the Louisiana Cancer Research Center (LCRC), management sought reimbursement through the Federal Emergency Management Agency. The Institute received reimbursement from FEMA in February 2007.

LCRC requested that the Institute reimburse LCRC for the amount of expenditures associated with the hurricane response campaign. As a result, the Institute has restated its statement of position for the year ended June 30, 2006 in order to recognize the receivable due from FEMA, and the related liability due to LCRC for these expenditures. This restatement had no impact on change in net assets for the Institute for the year ended June 30, 2006.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 3. Concentration of Risk

At June 30, 2007 and 2006, the Institute had funds deposited in a financial institution in excess of the \$100,000 FDIC guaranteed limits.

Note 4. Cash – Restricted

During the year ended June 30, 2004, the Institute entered into a contract with the Louisiana Cancer Research Center (LCRC) whereby the Institute is to provide management, operational, and monitoring supervision of specific programs for the creation of the Louisiana Tobacco Prevention and Cessation Program (TPCP). Under the contract, LCRC advanced \$930,000 to the Institute. With these funds, the Institute established two separate bank accounts for the TPCP; one account was established as an operating account, the other as a money market investment account. During the year ended June 30, 2005, the Institute closed the money market investment account. The funds within the account are to be used strictly for expenditures associated with the TPCP.

Note 5. Certificates of Deposit - Restricted

During the year ended June 30, 2002, the Institute obtained a \$500,000 loan from the Louisiana Public Facilities Authority (LPFA) in order to facilitate a low-interest loan program for rural health clinics and hospitals. The loan program was established to assist rural health clinics and hospitals in obtaining necessary equipment and facilities to *enhance their ability to provide high-quality health care to residents in rural areas of the State*. Upon receipt of the loan proceeds from LPFA, the Institute opened a separate bank account to facilitate the loans and placed \$225,000 in certificates of deposit in various financial institutions throughout the State of Louisiana.

During the year ended June 30, 2003, the Institute entered into an agreement with the Southeast Louisiana Area Health Education Foundation (Foundation) and the LPFA whereby the Institute agreed to transfer the balance of the LPFA loan and the related assets to the Foundation. In accordance with the agreement, the LPFA canceled the loan agreement it had with the Institute and initiated a new loan agreement with the Foundation. In addition, the Institute transferred the outstanding loans issued to rural health clinics and the remaining cash balance maintained in the separate bank account to the Foundation. During the year ended June 30, 2006, the Foundation transferred its rights to the certificates of deposit to the Louisiana Rural Health Services Corporation.

The amount invested in the certificates of deposit, which totals \$141,859 at June 30, 2007, and \$137,102 at June 30, 2006, respectively will be transferred to the Louisiana Rural Health Services Corporation as they mature.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 6. Other Receivables

Other Receivables consist of the following at June 30th:

	2007	2006
Due from National Public Health Institute Network	\$ 98,430	\$ 32,091
Due from Employee	<u>1,336</u>	<u>1,760</u>
Total	<u>\$ 99,766</u>	<u>\$ 33,851</u>

During the year ended June 30, 2003, the Institute entered into an agreement with the National Network of Public Health Institutes (NNPHI) whereby the Institute is to provide supervision of NNPHI business activities and affairs. As part of this agreement, the Chief Executive Officer of the institute serves as Chief Executive Officer of NNPHI, and reports directly to the board of directors of NNPHI.

The Institute bills NNPHI monthly for the management services rendered. The revenue associated with this agreement is included in "Other Revenue" in the Statements of Activities.

Note 7. Furniture and Office Equipment

Furniture and office equipment consist of the following at June 30th:

	2007	2006
Computer Equipment	\$ 96,259	\$ 118,923
Computer Software	8,184	8,184
Office Furniture	6,584	6,584
Leasehold Improvements	<u>-</u>	<u>690</u>
	111,027	134,381
Less: Accumulated Depreciation	<u>71,465</u>	<u>106,695</u>
Total	<u>\$ 39,562</u>	<u>\$ 27,686</u>

Depreciation expense for the years ended June 30, 2007 and 2006 totaled \$26,705 and \$21,118, respectively.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 8. Commitments and Contingencies

Leases

The Institute leases office facilities under operating leases expiring in various years through 2011. Minimum future rental payments under these leases follow for the years ending June 30:

<u>Years</u>	
2008	\$ 238,875
2009	223,425
2010	223,425
2011	<u>148,950</u>
Total	<u>\$ 834,675</u>

Rent expense incurred during the years ended June 30, 2007 and June 30, 2006, totaled \$262,999 and \$113,959, respectively.

Line of Credit

At June 30, 2007 and 2006, the Institute had a \$150,000 unsecured line of credit available from a financial institution.

Note 9. Related Party Transactions

Rural Loan Program

As described in Note 5, the Institute entered into an agreement with the Foundation whereby the Institute transferred the \$500,000 loan it had with the LPFA, and the related assets, to the Foundation. During the year ended June 30, 2006, the Foundation transferred its rights to the certificates of deposit currently held in the name of the Institute to the Louisiana Rural Health Services Corporation. At June 30, 2007, the Institute had \$141,859 in certificates of deposit outstanding that will be transferred to the Louisiana Rural Health Services Corporation upon their maturity.

Grants and Contracts

The Chairman of the Institute's Board serves as the chief executive officer of Catholic Charities Archdiocese of New Orleans, which provides grant money to the Institute. In addition, the Institute has a contract with City of New Orleans Health Department. The director of that agency serves on the Institute's Board.

Note 10. Pension Plan

The Institute sponsors a defined contribution retirement plan established under Section 403(b) of the Internal Revenue code. The amount contributed by the Institute for the years ended June 30, 2007 and 2006, was \$156,648 and \$125,081, respectively.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 11. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

SUPPLEMENTAL INFORMATION

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Program Services and Grants
Years Ended June 30, 2007 and 2006

Program/Grant	2007	2006
Louisiana Campaign for Tobacco-Free Living	8,401,771	7,065,351
Social Services Block Grant (SSBG)	5,498,046	-
Step Together New Orleans	1,834,159	1,433,920
Kellogg: School Health Connection	1,092,550	3,996
Metro Access Project (MAP)	1,043,734	677,912
Louisiana Population Estimates	979,654	38,091
DHH Stay Healthy	315,667	24,332
SSI - Unity for the Homeless	158,870	144,986
Children's Health Services	116,378	113,909
CDC Recovery and Response	108,049	132,951
GNO Healthcare Service Capacity Assessment	71,675	-
Maternal Child Health	69,167	109,313
GNO eHealth Record Project	49,464	-
Health Information Exchange	49,435	-
Health Info Exchange	47,079	27,903
Bayou Teche Community	44,012	28,185
BPCRH	39,155	-
Common Ground	36,901	-
Rural Health Prescription Program	31,012	-
RWJ - LA Katrina Coordination	29,971	9,329
Behavioral Health Action Network (BHAN)	29,296	-
Community Development Block Grant	23,320	-
Partnership for Access to Healthcare (PATH)	22,348	97,947
School Health Nurses Disaster Response Training	17,584	-
Coalition of Tobacco-Free Louisiana (CTFLA)	9,307	12,429
CDBG Contract Monitor	5,676	-
ITG: Special Projects	4,833	-
CSSE Conference	2,702	-
Rural Health Policy	1,660	-
Rural Health: Special Projects	731	-
REACH Louisiana	639	-
March of Dimes	264	150
Hurricane Katrina Recovery Program	-	654,000
Ascension Health	-	94,409
GNO Planning Group	-	71,063
Rapides Foundation	-	8,675
OPH - Folic Acid Council	-	3,528
Other	35,364	32,257
Total Program Services and Grants	\$ 20,170,473	\$ 10,784,636

See independent auditor's report.

OMB CIRCULAR A-133 SECTION

LOUISIANA PUBLIC HEALTH INSTITUTE
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2007

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services		
Direct Award		
<i>Community Access Program</i>	93.252	\$ 22,348
Passed through State Department of Health and Hospitals		
Children's Health Services	Not available	61,680
Maternal Child Health	93.994	69,167
Social Services Block Grant	93.667	5,498,046
Social Services Block Grant - Rx Program - Rural Health	93.667	31,012
Passed through the City of New Orleans		
Steps to a Healthier U.S.	93.283	1,834,158
Passed through the National Network of Public Health Institutes		
Louisiana Population Estimate Program	93.283	600,000
Passed through the Archdiocese of New Orleans		
Community Access Program (Metro Access Project)	93.252	<u>1,043,733</u>
Total U.S. Department of Health and Human Services		<u>9,160,144</u>
Social Security Administration		
Passed through Unity for the Homeless		
Social Security - Supplemental Security Income	96.006	<u>158,870</u>
U.S. Department of Housing and Urban Development		
Passed through State Department of Health and Hospitals		
Louisiana Population Estimate Program	14.228	274,058
Passed through Office of the Governor, Louisiana Workforce Commission		
CDBG - Rural Health Program	14.228	<u>23,320</u>
Total U.S. Department of Housing and Urban Development		<u>297,378</u>
Total Expenditures of Federal Awards		<u>\$ 9,616,392</u>

LOUISIANA PUBLIC HEALTH INSTITUTE
Year Ended June 30, 2007

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Public Health Institute and is prepared in accordance with the accrual method of accounting. 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*.

Note 2. Subrecipients

Louisiana Public Health Institute provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Social Services Block Grant	93.667	\$ 5,015,105



**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 Board of Directors
Louisiana Public Health Institute

We have audited the financial statements of Louisiana Public Health Institute as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated August 8, 2007. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits we considered Louisiana Public Health Institute's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Public Health Institute's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 organization'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 organization's financial statements that is more than inconsequential will not be prevented or detected by the organization'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 organization'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 Louisiana Public Health Institute'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 that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, 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.



A Professional Accounting Corporation

August 8, 2007



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

To the Board of Directors
Louisiana Public Health Institute

Compliance

We have audited the compliance of Louisiana Public Health Institute with the types of compliance requirements described in the *United States 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 June 30, 2007. Louisiana Public Health Institute's major federal program is 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 Louisiana Public Health Institute's management. Our responsibility is to express an opinion on Louisiana Public Health Institute's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Louisiana Public Health Institute'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 on Louisiana Public Health Institute's compliance with those requirements.

In our opinion, Louisiana Public Health Institute complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Louisiana Public Health Institute 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 Louisiana Public Health Institute's internal control over compliance with requirements that could have a *direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Louisiana Public Health Institute's internal control over compliance.

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

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

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

This report is intended for the information and use of the Board of Directors, Management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, 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.



A Professional Accounting Corporation

August 8, 2007

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Louisiana Public Health Institute.
2. No significant deficiencies relating to the audit of the financial statements of Louisiana Public Health Institute are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Louisiana Public Health Institute were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Louisiana Public Health Institute expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in Part C of this Schedule.
7. The programs tested as major programs included:

<u>PROGRAM</u>	<u>CFDA No.</u>
Social Services Block Grant	93.667
Steps to a Healthier U.S.	93.283
Louisiana Population Estimates Program	93.283
Community Access Program (Metro Access Project)	93.252

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Louisiana Public Health Institute was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None