

LEGISLATIVE AUDIT ADVISORY COUNCIL

Minutes of Meeting October 7, 2008

A meeting of the Legislative Audit Advisory Council was held on Tuesday, October 7, 2008, in House Committee Room 2 of the State Capitol Building in Baton Rouge, Louisiana.

CALL TO ORDER AND ROLL CALL

Representative Noble Ellington called the meeting to order at 10:00 a.m. A quorum was present with the following members in attendance:

Members Present

Senator Nick Gautreaux
Senator Ed Murray, Vice Chairman
Senator Ben Nevers
Senator Willie Mount
Senator John Smith
Representative Neil Abramson
Representative Noble Ellington, Chairman
Representative Charles Kleckley
Representative Anthony Ligi
Representative Cedric Richmond

APPROVAL OF MINUTES

Copies of the minutes for the meeting of May 21, 2008, were previously mailed to Council members for review. A motion was made by Senator Murray that the minutes for May 21, 2008, be approved with one correction. The motion passed without objection.

EXECUTIVE SESSION

Representative Ligi moved that the council go into Executive Session with no objections. The Council went into executive session at 10:10 a.m. to discuss litigation and perform an employee evaluation. Representative Ellington declared the public meeting back in session at 11:45 a.m.

LEGISLATIVE AUDITOR'S BUILDING

Legislative Auditor Steve Theriot explained to the council that the Legislative Auditor's office is crowded, needing space to operate, and would have to separate the office in half to move elsewhere. He had spoken to the Commissioner of Administration and to Mr. Jerry Jones regarding a new Wampold building being constructed downtown, asking them to negotiate on the Legislative Auditor's behalf for the office space. He stated that he would like to bring this before the Council first for their approval to proceed. Also the budget which was adopted last year had indicated that by the end of 2011/2012, which is when anticipated to have to pay rent, and would either have to pay rent to the Office Facility Corporation or to some private vendor. If they are successful in negotiations the cost would be about the same, and move a few years sooner than expected. The First Circuit Court has been asking him to move out for the past 4 years because they need the space for themselves.

Mr. Theriot requested the approval from the Council for negotiations to be made for office space by the Facility of Office Planning. Senator Murray moved to approve the Legislative Auditors to move forward in negotiations for office space, and there were no objections.

HB 1 AND 2 EXTENSION REQUESTS

Mr. Theriot explained the difference between HB1, HB2 and Act 36 Extension Requests: HB1 and HB2 strictly from a monetary standpoint, we provide extensions to entities so that they remain in compliance to not have their funding cut. Act 36 has to do with those entities that are requesting extensions because of the catastrophic event of a hurricane in those declared areas of the disaster. Those extension requests will not result in a finding in their audit reports when

LEGISLATIVE AUDIT ADVISORY COUNCIL

Minutes of Meeting October 7, 2008

A meeting of the Legislative Audit Advisory Council was held on Tuesday, October 7, 2008, in House Committee Room 2 of the State Capitol Building in Baton Rouge, Louisiana.

CALL TO ORDER AND ROLL CALL

Representative Noble Ellington called the meeting to order at 10:00 a.m. A quorum was present with the following members in attendance:

Members Present

Senator Nick Gautreaux
Senator Ed Murray, Vice Chairman
Senator Ben Nevers
Senator Willie Mount
Senator John Smith
Representative Neil Abramson
Representative Noble Ellington, Chairman
Representative Charles Kleckley
Representative Anthony Ligi
Representative Cedric Richmond

APPROVAL OF MINUTES

Copies of the minutes for the meeting of March 20, 2008, were previously mailed to Council members for review. A motion was made by Senator Murray that the minutes for May 21, 2008, be approved with one correction. The motion passed without objection.

EXECUTIVE SESSION

Representative Ligi moved that the council go into Executive Session with no objections. The Council went into executive session at 10:10 a.m. to discuss litigation and perform an employee evaluation. Representative Ellington declared the public meeting back in session at 11:45 a.m.

LEGISLATIVE AUDITOR'S BUILDING

Legislative Auditor Steve Theriot explained to the council that the Legislative Auditor's office is crowded, needing space to operate, and would have to separate the office in half to move elsewhere. He had spoken to the Commissioner of Administration and to Mr. Jerry Jones regarding a new Wampold building being constructed downtown, asking them to negotiate on the Legislative Auditor's behalf for the office space. He stated that he would like to bring this before the Council first for their approval to proceed. Also the budget which was adopted last year had indicated that by the end of 2011/2012, which is when anticipated to have to pay rent, and would either have to pay rent to the Office Facility Corporation or to some private vendor. If they are successful in negotiations the cost would be about the same, and move a few years sooner than expected. The First Circuit Court has been asking him to move out for the past 4 years because they need the space for themselves.

Mr. Theriot requested the approval from the Council for negotiations to be made for office space by the Facility of Office Planning. Senator Murray moved to approve the Legislative Auditors to move forward in negotiations for office space, and there were no objections.

HB 1 AND 2 EXTENSION REQUESTS

Mr. Theriot explained the difference between HB1, HB2 and Act 36 Extension Requests: HB1 and HB2 strictly from a monetary standpoint, we provide extensions to entities so that they remain in compliance to not have their funding cut. Act 36 has to do with those entities that are requesting extensions because of the catastrophic event of a hurricane in those declared areas of the disaster. Those extension requests will not result in a finding in their audit reports when

they turn them in. Under HB1 and HB2, an entity can have a finding but they still receive their funding.

Representative Ellington asked if the entity could have a finding, and they are late and the council approves their extension request, will there be a finding, and is that at the legislative auditor's discretion.

Mr. Theriot said that if the entity's report is later than six months following the close of that year for House Bill 1 and 2, they will request an extension of time to submit their audit report or their financial report due, then we can grant their extension. Their extension will not result in a noncompliance issue which would cut off their funding, but will still result in a finding for being late. House Act 36 request will not only continue the funding but also not allow them to have an audit finding because of the catastrophic incident that occurred.

Joy Irwin, Director of Advisory Services for the Legislative Auditor's Office, presented the Council with two reports in their packets: a multi page report listing entities that are asking for extensions for the first time for their particular audits (Attachment "A"); and a single page report of entities with multiple or additional extension requests for their reports (Attachment "B"). There are quite a few entities on the list, so she offered to handle going through the list anyway the council chose. If the council had any specific entities they would want to hear about, she offered to give that information. She stated that there were some entities that have representatives in the room. Ms. Irwin pointed out that a column in the report also shows if the reports had been received. These reports have to be confirmed by the Audit Advisory Council, but the Legislative Auditor has received the reports. There was just a lag between the two Legislative Audit Advisory Council meetings.

Mr. Theriot said that the ones that are highlighted requested extensions. Those reports were not received, and note that some have the date of September 30. Customarily, the entities are not put on the noncompliance list until 15 days following the deadline in order for mail to come in and to allow LLA staff to review and be sure that the reports are okay. If the reports are not okay, our staff sends the reports back to the agencies asking for some corrective action or some other matter that may occur. For the purposes of verifying those who have complied already and sent in their reports, as opposed to those who have not sent them in, even though the date has expired, we still have until the 15th of October for them to respond to it, as they may be in the mail or may be in process of being checked out. Once that date passes, they in turn will be on the noncompliant list without in the future them requesting for some other reason why they may want an additional request or extension, which we would then present before this body.

Representative Ellington asked if there were any entities on the list that Mr. Theriot would like to comment on or tell the council why they are on the list. Mr. Theriot said that there are a number of individuals who are currently in the audience that would like to provide some information as to why they are delinquent and asking for the additional request. Mr. Theriot said we can allow Joy Irwin to go through the list of the highlighted ones.

Senator Murray stated to the Chairman that he would like for those asking for their first request, to move to approve their request for an extension from the multi-page list. Representative Ellington restated that Senator Murray has moved that those making their first request for an extension on the multi-page document (Attachment "A") be granted. Motion passed with no objections.

Senator Murray questioned regarding the catastrophe, the way of the statute is worded regarding Act 36, is it limited to specific parishes or is it based on gubernatorial declaration because he said he knew it would affect other parishes going forward. Mr. Theriot said only those with gubernatorial declaration of disaster can be included in Act 36 extensions.

City of Grambling

Representative Ellington said they are left with those highlighted on the single page (Attachment "B"), starting with the City of Grambling.

Mayor Martha Andres, Mayor of the City of Grambling, asked for a second extension due to security breach problems with their Quickbook system and they also have an ongoing investigation. The accountants needed some extra testing so they had to ask for an extension. She said that they will have their report in by October 15th.

Representative Ellington asked if any council members have any questions. Senator Murray moved that the extension be granted to October 15th and there were no objections.

Ujamaa Community Development Corporation

Representative Ellington asked if anyone was present from the Ujamaa Community Development Corporation. Senator Murray asked if Mr. Theriot was in touch with anyone in the organization. Joy Irwin said that they did hear from the CPA of the entity stating that he thought that he would have the audit report to the Legislative Auditor (LLA) early in the week, but there was additional work to be done and thought he could have it to LLA by Friday.

Senator Murray moved that the extension be given. Representative Ellington asked if any stipulation that it be in by Friday. Senator Murray asked if they could set the extension date to October 15th. Mr. Theriot said that any of these agencies, who for any reason, are noncompliant and if at some point between meetings happens to remit their reports in, and find their reports to be acceptable then the auditor's office will automatically take them off the non-compliance list. His office does not have to wait until this body meets to affirm it. We do wait 15 days following the extension date before we put them on the list to provide for incoming mail.

Senator Mount asked if the 15 days were from the 10th of October. Joy Irwin said that Ujamaa's date is September 30th, so 15 days past that date is when we would put them on the list. Senator Mount asked if they would disregard the CPA saying that he would have it in by Friday. Ms. Irwin stated that the CPA said he would try to have it in by Friday, but unforeseen things that may hold them up. They would be put on the delinquent list after 15 days.

Senator Nevers asked Mr. Theriot if all on the list have been notified to be at the meeting today. Joy Irwin said that they did call all on the second request. Senator Nevers asked if these are all requesting at least a second request or more and commented that he does not assume that Ms. Irwin can tell the council why some they did not show up. Ms. Irwin said we do have some notes, some we heard from and some not. Senator Nevers said that in the past that when they requested them to come to the meeting, that they should come to the meeting before granting their request, and that they owe us an explanation for why they are continuing to request an extension for their audit. Ms. Irwin said that these are all second or subsequent extension requests and some of the people are present representing these entities. Senator Nevers asked that anyone here to come to the table, and stated that he was not for granting another extension unless they come to the table to explain why they are asking for another extension request. He stated that was how it was done in the past and hoped that the committee would continue that.

Representative Ellington said that is absolutely correct. He was not sure how the council handled it in the past for the case of agencies like Ujamaa, with the CPA contacting and saying that they would have in by Friday. Senator Murray said that in those instances we have been granting the extensions and he then made the motion to approve the extension until the 15th day after the September 30th deadline. There were no objections.

Concordia Parish Fire Protection District #2 and
Town of Ridgecrest and Seventh Judicial District Indigent Defender and
Concordia Parish Police Jury and Sewerage District No. 1 of Concordia Parish

Mr. Myles Hopkins, CPA stated that he was representing Concordia Parish Police Jury, Town of Ridgecrest, Seventh Judicial District Indigent Defender, Concordia Parish Fire Protection District No. 2, Sewerage District No. 1 of Concordia Parish, and also had Mr. Melvin Ferrington, Concordia Parish Police Jury President, present with him. Mr. Hopkins explained that the reason they were late for last year was he had quadruple bypass surgery and once he got behind, it was almost impossible to catch up. Mr. Hopkins stated that he was operating under Switzer, Hopkins and Mange out of Ferriday and Natchez, and has merged with another firm, Silas Simmons in Natchez, so now they have 45 people and will get all five reports done by October 31st and hope that solved their problem.

Senator Murray asked Mr. Theriot if he felt that Mr. Hopkins have the capacity to have the reports done. Joy Irwin said that she believes that he has taken the steps to merge with another firm and now has the available staff to do these audits.

Senator Nevers asked if the Legislative Auditor recommends that an extension be given. Mr. Theriot said that the purposes of HB1 and HB2, as long as the entity is complying and trying to get the reports done, we would allow them the time to get it done for the monetary requests. Senator Murray moved that the extension be granted, with no objections.

Eleventh Judicial District Public Defender

Joy Irwin stated that this entity asked for this extension date and that no one would be present today. Senator Mount asked why the entity asked for it. Ms. Irwin said that they asked for the extension so that their name would not go on the non-compliant list, but did not say why they were not coming to the meeting. Senator Mount said that a follow up with Senator Nevers concerns that asking for a first request is one issue, but for a second request she would certainly think that any entity should offer up if they cannot attend in writing specific information as to why they need a second request. Ms. Irwin said that her office does not ask them why they are not coming, but just offers them the opportunity to come and explains to them that the council wants to hear what the issues are with the entities.

Senator Mount asked the committee if they would want to approve a second request when they have reasons for the other entities, but did not have a reason for this particular one. Representative Ellington said that has been their policy as Senator Nevers stated earlier that they do not grant a second request if they do not show up, contact the council or give a reason for doing so. Senator Gautreaux moved that the council reject the second request for extension from the Eleventh Judicial District Public Defender. There were no objections, and the motion passed.

Independence Volunteer Fire Department

Dennis Crocker stated that he was newly appointed Fire Chief on July 1st for the Independence Volunteer Fire Department, and that he had been awaiting the release of the Legislative Auditor's report which he just recently received. He said that their CPA's did not want to do anything until that report was complete. Now that they have received the report, the CPA's would like to request a second extension request. Representative Ellington asked if Mr. Crocker's CPA feels that he can have the audit report in by what date. Mr. Crocker asked for an extension until the end of the year. Representative Ellington asked the Legislative Auditor for his opinion. Joy Irwin stated that the request is reasonable to have it turned in by the end of the year. Senator Mount moved to accept the extension.

Senator Nevers stated that the previous audits of fire departments both volunteer and town had some findings that we were quite concerned about. Senator Nevers stated that he was sure that the new Fire Chief and new Mayor of Independence are trying to resolve those issues and as long as the Legislative Auditor is satisfied that they are moving in the right direction to have these completed by the end of the year he certainly would want to support them being given an extension. Senator Nevers said he was aware of some severe findings that were just revealed that were quite shocking. He said that it again emphasized the importance of not watering down the job of the Legislative Auditor and commends them on going in and looking at situations like these. Representative Ellington said that Senator Mount has made a motion to grant the extension, and there were no objections.

Morehouse Parish Police Jury

Terry Matthews, president of the Morehouse Parish Police Jury said that he has come to request a second extension until the end of the year. The reason for his request was because they have a new treasurer who has been there for a year, but she had taken the former treasurer's position that had been charged with malfeasance in office. The new treasurer does not have the experience that she should have for governmental accounting, but he has contacted the Louisiana Department of Labor and asked for a grant for \$3,000 to get her training on the MIP Accounting System software and also for the applications of the audit.

Senator Murray said that the sheet says until December 31st, and he moves to grant the extension for Morehouse Parish Police Jury. Representative Ellington asked the Legislative Auditor if any reason not to allow it, and Ms. Irwin said that this is acceptable.

Senator Gautreaux asked if the audit is being done by an independent CPA firm, and since the audit is from 12/31/07, then all that information should have been compiled prior and be in the accountant's hands. Senator Gautreaux asked what the new treasurer had to do with the audit. Ms. Irwin said that the treasurer at the Police Jury is acting as the bookkeeper, and she was the one compiling all the documentation from 2007 to get it to the accountant and did not have the training accordingly.

Senator Mount moved to grant the extension requested to 12/31/08 and this motion was unanimously approved.

Ouachita Parish Hospital Service District No. 1 and
Ward Five Healthcare Foundation

Joy Irwin said that a representative was present from Ouachita Parish Hospital Service District No. 1 and Ward Five Healthcare Foundation, the next and last entity on the list.

Violet Liner introduced herself that in her paying job she is the Associate State Director for Small Business Development Centers, and as a volunteer she is Vice Chairman for the Board of Commissions for the Hospital Service District No. 1 of Ouachita Parish, Glenwood Hospital. She said that their Board of Commissions sold the Glenwood hospital in Jan 2007 and there was a wellness center attached to the hospital and used for rehabilitation and for senior citizens in our area. She said that they found out the buyer did not want the wellness center and was going to close it, so they decided to keep the wellness center and continue keeping it open. They got the wellness center in February and had to separate the accounting from the hospital, and all the employee records, separate all the services. They also had to set up a new billing software for the wellness center because the hospital was using it's own to handle the memberships. The wellness center has approximately 1,700 members each month. They used a local CPA that was unable to do the financials and they got another CPA, who went out on her own and was unable to handle their work and told them that she was dropping them. They have hired a larger firm who has cleared up their financials and they have the information ready for the auditor this week, so they are in control at this point and do not expect for there to be another extension request next year, but this was just their first year and a board of volunteers was all of a sudden stuck with running a wellness center, so therefore asking for the extension.

John Cameron, a board member of the Ward Five Healthcare Foundation, was present and stated that it is a related organization to the Hospital Service District. Ms. Liner stated that the books and records are ready, but the auditor who is auditing both entities wants to wait until the Ward Five Healthcare Foundation is finished before the other one is completed, which they agreed with that. Senator Murray moved to grant the extension and there were not objections.

Twin Parish Port Commission

Wendell Verrett, attorney for the Twin Parish Port Commission, stated that he was contracted to administer their affairs because they have no employees. He stated that they only have one item left to complete their audit, which is the reissuance of some rent payments by their tenant, Shaw Global Energy Services. Shaw had closed an account in 2005, so those checks were charged back to them and they have requested reissuance of those payments and Shaw has to confirm that the original checks had not been cashed, and cannot tell Mr. Verrett how long that will take, but expect it to be in any time. Because he cannot guarantee how long, in an abundance of caution, he was asking for October 31st.

Senator Gautreaux motioned to grant the extension, and added to let people know that the area has been flooded during the last hurricane and previously Rita in the Iberia and Vermillion Parishes. He made the motion to approve the extension and maybe we can see if we can help the process if Mr. Verrett can give some information after the meeting. Representative Ellington asked Mr. Theriot why this would not be under Act 36. Joy Irwin said that it is HB1 and HB 2 extension request, but eligible for the Act 36 if they are in hurricane effected areas. Mr. Theriot said that if Twin Parish is in the declared areas then they would in fact qualify for the Act 36 Extension. Representative Ellington said that if they are waiting for the checks to come in the mail and this may give them time. Mr. Theriot said that this will also prevent them from having a finding on their audit report when they complete the audit report because of Act 36, whereas House Bill 1 and 2 those extensions do not alleviate the finding. Senator Gautreaux made a motion that Twin Parish Port Commission be granted an extension under Act 36 to prevent a finding, which passed with no objections.

Property Insurance Association of Louisiana

Mr. Kenneth C. Paillet, CPA with Paillet, Meunier and LeBlanc, LLP, stated that he represents the auditors for Property Insurance Association of Louisiana. Mr. Paillet explained that the reason that they are requesting the particular extension is several fold: First, this particular entity has always been a private entity and not a public entity. This is the first time being audited as a public body as opposed to a private entity. In addition to that, we had some issues as it relates to the hurricane- our office was closed for well over a week. The audit is basically complete except for several issues. One of those issues has a legal ramification and we are awaiting the results of those ramifications and that will be material as it relates to the audit. In addition to that there has been a settlement as it relates to one area of the audit, but that document has been transmitted to the other entities and that has not been received yet and

we would like to know that that has been signed off before we complete the audit. So these are the reasons that we have requested the extension.

Representative Ellington asked Mr. Paillet what is his opinion of why it has always been private and now is public. Mr. Paillet said that he cannot answer that question, but he knows it has always been audited previously as a private entity not a public entity and the audit issues as a private entity and there are other issues that come into play that are allowable as a private entity that are not necessarily allowable as a public entity.

Representative Ellington asked Mr. Theriot about the private versus the public issue. Mr. Theriot said there was some discussion earlier when auditing PIAL and Citizens whether PIAL was public or private and since then received some Attorney General opinions and Jenifer Schaye can share the questions asking if they are public or private, and if they have to adhere to the public bid laws and laws governing public bodies.

Jenifer Schaye, General Counsel for the Legislative Auditor's Office, said many will probably recall that our office issued a compliance audit last year in regard to Citizens and the relationship that Citizens had with PIAL. Then our office issued a performance audit last October that discussed Citizens structure and because of those issues we thought it was appropriate that we would ask the Attorney General to represent the office and file a suit for Declaratory Judgment for the judge to determine whether PIAL was in fact a public entity and this body had discussed PIAL many times, and that hearing is probably what this gentleman is referring to and it is scheduled for October 27th. The Motion for Summary Judgment was filed by the Attorney General's office and has been not yet been responded to by PIAL. We would have had the Summary Judgment hearing earlier but the lawyers for PIAL have asked for two extensions that were granted by the court. It is my understanding from the Attorney General's office that this hearing will happen on October 27th, as far as they know.

Mr. Paillet said this is the major decision that they are waiting for, plus a signed document from Citizens as it relates to some assets. Those documents have been forwarded to Citizens and we are waiting to get those back. Mr. Theriot stated that there were some Attorney General opinions that address issues relative to records and other issues regarding whether PIAL was public or not. Mr. Theriot said that he assumes all those issues can be resolved in whatever court action takes place on hopefully October 27th.

Senator Nevers told Mr. Paillet that in his opening remarks when he referred to PIAL, he stated that it had been a private organization, and asked him if that was his opinion. Mr. Paillet said that what he referred to was all previous audits had been done as a private entity and not a public entity. Mr. Paillet said PIAL is a non-profit entity. Senator Nevers asked if Mr. Paillet thinks that PIAL is private or public. Mr. Paillet stated that he would love to answer that, but he is not an attorney and is not going to answer. Senator Nevers said that if it is ruled as public then maybe should also do prior audits as a public body, and hope we get a decision by October 27th.

Mr. Theriot said that prior to Mr. Paillet's firm being hired, PIAL was being audited by another firm not on our approved list of auditors for public bodies. Mr. Theriot's office and PIAL had some discussions about that and PIAL acquiesced and chose an audit firm from the approved list of auditors. Besides some of the opinions that the Attorney General's office had rendered in some of the issues in regard to access to public records, there have been some hodge podge of conformity, and the end result will be whatever happens in the courts of the 27th will make final determinations there.

Senator Murray asked Mr. Paillet if for the hearing on October 27th the lawyers for PIAL have opposed the motion for summary judgment. Mr. Paillet stated that they have. Senator Murray said that the sheet before him states that Mr. Paillet is requesting an extension until October 31st, asking if he thought that was enough time for whatever happens in court on October 27th. Mr. Paillet said that if on the 27th the opinion comes down that it is a private entity they are ready to go with the opinion; if it comes down that it is a public entity they will be ready to go with a financial statement also assuming that the documents that have been, what he understood agreed upon between several of the entities as they await this disposition of several assets, a number of assets are signed, sealed and delivered by that time. Mr. Paillet said with Murphy's Law he would prefer a later date, but did not want to push his luck.

Senator Murray said that if the court rules that it is a public entity and knowing that he does not represent them legally, but assuming that the lawyers will try to appeal that and take it up the courts. Senator Murray stated that the court may not even rule because most take it under advisement, and told Mr. Paillet that he might be putting himself into a real box.

Mr. Paillet said that if he could have a later date, he would love a later date. Senator Murray said the court may well take it under advisement and asked Mr. Paillet if he was waiting to see how they rule so he can come up with a completed audit based on whether it is public or private. Mr. Paillet said he is waiting on two issues: whether it is public or private, and that some of the issues, in his understanding, that have been agreed upon or have been signed, will be signed off and returned to PIAL.

Senator Murray asked Mr. Theriot, in respect to this, does this come into play at all with some of the other things that are happening with Citizens and the department in the documents that you are trying to see? Mr. Theriot said since early on during the previous session when we had some problems with accessibility to records with PIAL, that has since gone away. They have been granting us access. We have not been impeded in dealing with any issues relative to PIAL. Jenifer Schaye stated that she forgot about the Attorney General opinion Mr. Theriot referred to. Since then there has been no issue with us getting access to PIAL records from PIAL, as opposed to those resting at the department.

Senator Murray said that this may be a moot issue, but asked if PIAL receives money from the state. Mr. Theriot and Ms. Schaye said no, not to their knowledge. Ms. Schaye stated that the statute says it is an independent association of insurers who insure for fire protection and it has been in existence since 1700's. Senator Murray said the reason for his question: if Mr. Paillet says he will have it by the 31st and the court does not rule by then, he will be late and then he will go on the list where PIAL cannot receive public money, but if they do not receive anything, it does not make a difference. Mr. Paillet said that is a correct observation and all he can say is that the new executive director, as far as he knows, has bent over backwards to try to cooperate and he knows that anytime anyone has asked for anything they have tried to cooperate as best they can, and October 31st may not be a proper date.

Senator Murray asked if PIAL has to have its audit done and completed before Citizens can be completed. Mr. Theriot said no, that PIAL's only relationship to Citizens was that it was acting in an agency role and actually operating Citizens, which has now been separated and the employees that were previously employed by PIAL, who were working on Citizens have transferred over to Citizens, so the only relationship that it would have would be any residuals out there, basically assets that are not transferred over.

Senator Murray asked if the issue about who owns the furniture has all been resolved in terms of being PIAL's or Citizens'. Mr. Paillet said "yes and no" – the yes part is that all of the furniture that is going to be Citizens is now in Citizens' possession, as far as he understood, he am just going by what his appreciation is, however the document that says that these 3 desks have been transferred, etc. and what everyone agrees to has not yet been solved. Mr. Theriot said not only is there the issue of property, but also the employees - in terms of timing and what was due in terms of retirement, and those issues that were out there. He added that he believes they hope that once the courts resolve the first issue will help them work through the other issues.

Senator Mount said the question is why do we need to approve an extension if in fact they do not receive any public money. Mr. Theriot said first of all, they are late on the report, and again I am not sure as we are speaking right here if any local governments that use PIAL for their fire ratings, if any money comes from those coffers, if those were pass through funds that come through the state that may be appropriated. Mr. Theriot said he guesses the genesis of the funds that are being paid for doing the work - they go out to fire districts for timing, get their fire ratings - there are some costs for that if the communities are paying for that. The source of local revenues then he would not think that would have an impact, but if using any state or federal funds that come through House Bill 1 could potentially have some impact. He said as he mentioned earlier, whoever the final recipient is of those funds from HB 1 and 2 is where it lies. Not only does the Treasurer have to watch that, but other agencies of government have to watch, both state and local, as those funds flow through to the following recipient.

Senator Mount said from a procedural standpoint the question is still the same for me, they are not technically receiving the money (HB1 and 2), they are a vehicle from what you have explained. Mr. Theriot said they can be the end recipient, in other words if "XYZ Parish" uses PIAL for their fire rating and they in turn have to pay but not sure how those transactions occur. Mr. Paillet said basically an assessment. Mr. Theriot said if there is an assessment that goes through whether those dollars are strictly local dollars that are being used or are they using some federal state dollars that happens to flow through, he cannot answer that question, but he believes that is a good question. But as to the purpose for it, if any of those come through funds that come out of one for any sort of reason that might go through the community, or the parish or to the city, those funds are paid to PIAL - then they become the end recipient, so non-compliance would be important because the parish would not be able to pay.

Mr. Paillet said this is a "belt and suspenders type" of request fortunately that is going to be his (referring to Mr. Theriot's) problem and not my problem, but again if the council could extend this past October 31st, he would request that as well. Senator Mount said that would be her second question follow up for Senator Murray: If the hearing is the 27th, and no one knows what will come of the 27th and then on the 31st the report is due.... Mr. Theriot said he would be reluctant to go beyond year end which make it a year late, but up until that time if Mr. Paillet would be able to get it done earlier and that would afford them an opportunity to complete it.

Senator Mount moved to extend the date to 12/31/08 with the understanding that the company will make every attempt to file it sooner than that. Representative Ellington asked if any objections. Senator Gautreaux asked Mr. Theriot that he earlier said that the agency was operating Citizens and to me if they were operating Citizens, therefore they would receive public dollars somehow, someday, because the money that we do give to Citizens are public dollars, is that correct? Mr. Theriot said that has ceased and desisted, once they were transformed. Senator Gautreaux asked when did it cease and desist, because the audit in question is for fiscal year 2007, and they may have ceased after 2007. Mr. Theriot said the way PIAL was operating Citizens, they were getting paid as they were providing those services and that was mostly payroll. So if there is any potential billing that Citizens would have, they would owe money to PIAL if they owed them any money, but he is not sure if they owe any right now. There are some public dollars that come through Citizens, but again those dollars do not come through House Bill 1 as I am sitting here thinking out loud. Any of those things that go through HB 1 and 2 have the effect, anything outside of that has no effect.

Senator Gautreaux said that the money that we bonded out when we bonded out through HB 2 bonded out money that would have helped with the solvency problems with Citizens, could some of that money potentially go through PIAL. Mr. Theriot said those moneys that were bonded out came through Citizens. The issued bonds were issued by Citizens itself. The only money that the state put up was the \$325 million that was used as a tax credit which went through the Department of Revenue which almost did a backdoor rather than directly to Citizens. It took care of a tax credit to cover the assessment that was done. So it did not go directly to Citizens, it had no involvement with Citizens - it did, but it did not directly. Mr. Theriot said the only moneys that PIAL would be receiving through HB 1 which this legislation effects and HB2 because that is the construction items, but HB 1 from an operational standpoint would be that if any funds went through a flow through entity who in turn was levied an assessment by PIAL for its fire rating or whatever other activity, that might have some effect. Senator Gautreaux said that would lead me to another question: They are contending that they are private, but the fact is what happens if there is another private entity that supplies that service and the police jury or the local parishes that flow through money was paid by them, are they subject to your audit also?

Mr. Theriot said that private entities, like non-profits are subject to our audit. Senator Gautreaux asked what if it is a private entity that would offer a fire rating service. Mr. Theriot said private companies do not. Senator Gautreaux said they are private, non profit. Ms. Schaye said PIAL is an association created by the legislature. Mr. Theriot said the courts will make that final determination, that is what they are going to court for. Senator Gautreaux said that if we created them, why aren't they submitted to be public? Senator Mount said that is why there is a hearing on the 27th. Senator Gautreaux said that Mr. Paillet stated that they are ready to go on the 27th so it sounds like you have everything done, and you are only waiting for which report you are going to hand in, or if are you going to hand anything in.

Mr. Paillet said there will still be two to three days worth of work on the audit report. Senator Gautreaux asked why should the council grant them an extension when it sounds like they have it all compiled only awaiting court's decision. Mr. Paillet said they try to be very thorough. Ms. Schaye said the problem is if Judge Fields does not rule on the 27th - which he could very well take it under advisement, and then if there is another delay after the ruling because the lawyers for PIAL want to appeal to the First Circuit, those are the time constraints.

Mr. Paillet said there is also the other possible result. Senator Gautreaux asked if they will continue fighting it. Mr. Paillet said he does not know if they will or not, but very possible it could on like Ms. Schaye said. Senator Gautreaux said then they may come back for another extension. Mr. Paillet said hopefully not.

Representative Ellington asked if any other questions. Mr. Theriot said the longer you go beyond that 12 month period the usefulness of the audit diminishes. Representative Ellington stated that Senator Mount moved that they grant an extension until 12/31/08. Senator Gautreaux objected, so Representative Ellington asked the secretary to call the roll.

The roll call is following:	Senator Gautreaux -	No
	Senator Mount -	Yes
	Senator Murray -	Yes
	Senator Nevers-	Yes
	Senator Smith -	No
	Representative Abramson -	Yes
	Representative Ellington -	Yes
	Representative Kleckley-	Yes
	Representative Ligi -	Yes

Representative Ellington said by a vote of 7 to 2 that motion carries.

Housing Authority of Slidell

Joy Irwin stated that we are having enforcement problems with two other entities that are not on the list. First is the Housing Authority of Slidell. We have sent numerous letters, letters to the DA, phone calls, trying to work with the CPA and the Housing Authority of Slidell has not provided for a report. There is a representative here from the Housing Authority. She said that she actually sent one of her advisors from her division to the Authority to try to assess what shape the records were in and we are just having a hard time getting this report in. The House Bill 1 and 2 language does not effect the Housing Authority because they get their funding directly from the Federal Government and so being on the noncompliant list does not effect their funding.

Ms. Irwin said the other entity- the Shreveport Home Mortgage Authority, which is a component unit of the city with a volunteer board that is trying to disband, they tell me, but they are not able disband because they have outstanding debt. So we are having real enforcement issues with these two entities and we would like the assistance of the council in getting these reports in. We do have a representative here from the Housing Authority of Slidell.

Marvin Butler introduced himself as the Executive Director of the City of Slidell Housing Authority. He said that he would disagree with some of the characterizations, but the Housing Authority of Slidell is asking for an extension because they have had several factors that have caused us to delay in securing and obtaining someone to perform an audit. We initially had someone that started the audit, however they quit in the middle of the process, and he has been seeking someone else to perform the audit. Two weeks ago he obtained a contract with a firm that has submitted a request to do the audit by the end of this year.

Representative Ellington asked if there were any reason why he has not complied with the Legislative Auditor's office and corresponded with them, giving them the reasons why? Mr. Butler said that he has been working on the process of getting someone to do the audit, and as he indicated, back in December a firm was retained to do the audit, started the audit process, then terminated the audit process in March of this year. The CPA firm indicated to them in formal correspondence that they had other options that they wished to pursue. Representative Ellington said he understood what he was saying, but at the same time as the director it would have been your responsibility then to notify the legislative auditor of the situation and that way we would not be here today, looking like you are trying not to comply with what they are requesting. Mr. Butler said he is trying to comply. Representative Ellington said that if he does not respond when they correspond with you or send someone to talk to you about what the situation is, it throws up a red flag. Mr. Butler said he does understand that.

Senator Murray said that Mr. Butler contacted him several months ago because Mr. Butler said he could not find an accountant, and there were some people trying to do the audit, but were not on the approved list. Senator Murray contacted the auditor's office and they faxed to his office a list of accountants on the approved list, which he then sent over to Mr. Butler. Senator Murray said the Mr. Butler has done everything that he can do to get the audit done, just having difficult time. Representative Ellington said he feels that Mr. Butler has done everything to get it done, just has not done everything that he could do in corresponding with the legislative auditor's office. Mr. Butler said that he does not know of any correspondence that he received that has not responded to directly.

Mr. Theriot said that initially, and not sure of how the situation stands today, but the firm who had originally been engaged to perform the audit came across the problem of records and the inability to access more records. Now whether or not that was a communication problem between the entity and the firm that was doing the job, he could not say. But again that was the major reason why the individual withdrew from the engagement as opposed to anything else. Ms. Irwin mentioned earlier that she sent some auditors out to assess the detail of what was

there or missing. If in fact any new auditor comes in and meets with the same situation that the initial one did, the situation is going to be impossible to audit something that is not there, that is where the situation is. Again we would be willing to try to assist to make that happen, not only to get those records, but to take them off the noncompliance list.

Senator Gautreaux asked Mr. Butler if he had signed a contract with a company to do the audit work. Mr. Butler said that he has obtained a contract with Deemer and Associates (Deemer CPA & Consulting Services, LLC). Senator Gautreaux asked the name of the prior firm that the Legislative Auditor said withdrew because they did not receive information. Joy Irwin said it was Kolder-Champagne (Kolder, Champagne, Slaven & Company, LLC). Senator Gautreaux said that firm is in his district and knows them. Senator Gautreaux said in his opinion he does not mind granting an extension, but we need to know what was Kolder-Champagne's problem, specifically what their letter stated was not submitted. Ms. Irwin was concerned about credit card receipts which were not submitted to them. Senator Gautreaux said that the new auditor will have the same problem because they will also need those credit card receipts and asked Mr. Butler if those receipts will be there.

Mr. Butler said Kolder-Champagne began the audit in January and we took a break of about 3 weeks because of minimal staff, and we attempted to locate all documents relative to credit cards, accounting, financial, all the documents that we had. Our office was totally inundated by the hurricane, and we attempted to find all records. Senator Gautreaux asked if he was referring to Hurricane Katrina and Mr. Butler confirmed that was correct. Mr. Butler said since that time he notified Kolder-Champagne that they had put forth every effort to find all the documents relative to what they had requested. Senator Gautreaux asked which credit card company they used. Mr. Butler said they had American Express credit cards. Senator Gautreaux said all that is kept on file at American Express and do not see why the companies themselves could not have gotten the records. Mr. Butler said they went through the process of attempting to locate all documents, and they advised the CPA firm that they had exhausted their efforts in terms of finding all documents.

Senator Gautreaux asked if American Express denied giving them copies of their statements. Mr. Butler said they did not contact American Express. Senator Gautreaux said he thought that would be the best way to get the copies of their credit card statements, with detailed itemization, asking Mr. Theriot if that was correct. Mr. Theriot said he was not sure what all they were looking for, but that we have worked with areas of the state that have been inundated by the storm and lost their records. Whether or not the auditor can render an opinion by what he gets by other means, but at least they can establish some accounting procedure, and that would be a good way to get what ever records he can to substantiate what he does. Senator Gautreaux asked if the Legislative Auditor had any authority to request from American Express or whatever credit card company they used. Mr. Theriot said Mr. Butler has the authority to request those records. Senator Gautreaux stated he was trying to expedite the process to get them off the noncompliance list. Mr. Theriot said he was not sure if he had the ability to do so, but General Counsel can answer. Ms. Schaye stated that as regards public records we do have access. Senator Gautreaux said it would be easier if Mr. Butler would request since they are the agency, but he wanted to make sure that he requests it from the credit card companies and the cancelled checks which are all microfilmed at the banks, and we solve the problem.

Senator Gautreaux asked that included in the motion for extension, requiring that they request in writing the credit card companies to give them copies or summation of their accounts. Senator Gautreaux said we just need to solve the problem, because if we give the extension, and they come back having never requested the documents, then we are back at square one. Representative Ellington asked how long of an extension?

Ms. Irwin stated that the auditor is not requesting an extension be approved today, the one recommendation that Legislative Auditor could make to the Housing Authority of Slidell is to hire the resources necessary to compile these records so they can get them to the independent CPA. It is not the CPA's responsibility to go ask American Express or any companies to get those records together, it is the responsibility of the Housing Authority, and the Housing Authority needs to get the resources in place to get those records compiled for the CPA.

Representative Ellington asked Ms. Irwin that they are not requesting an extension, and Ms. Irwin confirmed that they are not requesting an extension for the Housing Authority. Mr. Theriot said that the reason for bring the Housing Authority before the council is we have not been able to get their audit reports in. We have sent requests to District Attorney and made the requests to secure the records, but again the individuals at the Housing Authority have to at least demonstrate some attempt. The CPA will not do it because of their independence, and

cannot get involved in the management of the entity so the authority has to do the records requests.

Senator Gautreaux said that is the only thing missing. He said that this is like when people were sitting on their roofs during Katrina and the federal government was watching it, and he was watching it in Broussard on television and he decided to get some folks together to rescue people. He said the Federal government decided to play politics with the state and federalization and the whole nine yards, we all know what happened with that in past history. Senator Gautreaux stated that he thinks if Mr. Butler chooses not to contact the companies, the independent auditor needs to say that they will contact the credit card companies, based on who paid by cancelled checks and just request the information and be finished with it, even though he understands it is the Housing Authority's responsibility.

Mr. Theriot said at the end of the day whether or not that is all that was missing, he is not here to say, but that was an example of what is missing and there may be others things missing. Senator Gautreaux asked if that was all Kolder-Champagne commented that they did not receive. Joy Irwin stated that the CPA firm was concerned about the credit cards, but when they did not receive those records, they had to withdraw from the engagement.

Senator Murray said that there is another engagement in place and should allow them to get it done. Senator Murray stated for the new members of the council, the Housing Authority of Slidell could have just sent in an affidavit that they could not do an audit at all because the records were gone, but they are at least trying to do it. There are a lot of people that just sent things in stating that they could not do it because of the storm, so he thinks we should give them the opportunity to try to get the audit done. As stated they do not receive any money from House Bill 1 or 2, so this is strictly something he is trying to comply with, because they do not get any money from the state.

Senator Nevers thanked Mr. Butler for coming and he asked about the completion date of the contract that he entered into. Mr. Butler said that the auditor indicated that they could perform the audit before the end of the year. Senator Nevers said then they could expect to hear back if the audit is complete at the end of this fiscal year. Senator Nevers agreed with Senator Murray that they appreciate them trying to get the information together, because sure it will effect his federal funding if he does not submit an audit, and would think the federal government expects an audit to be provided. Mr. Butler said that is correct. Senator Nevers said there is a huge penalty to the people of Slidell if in fact the Housing Authority does not get the audit complete, and want to protect the citizens' interests and that is why we assume Mr. Butler is here to get this resolved, and we expect to see it resolved by the end of the year.

Mr. Butler stated that he is just concerned as everyone else regarding this audit. This audit has been a situation going back to when the initial auditors were not approved to do the audit, and there was substantial time frame involved before we were advised that that was the case, and since that time they have taken course of actions to get this audit done as rapidly and completely as possible. Mr. Butler said that he certainly wanted to say that in terms of the Legislative Auditor's office, any correspondence or any contacts that they have made to his office he has responded to.

Senator Gautreaux asked when Kolder-Champagne requested the credit card receipts. Ms. Irwin said we were contacted on 1/30/08 that they had asked the agency for the records and Mr. Butler had not given them. She also stated that Mr. Thibodaux of Kolder-Champagne advised LLA at the end of January and then in mid February that he still did not have the records and he had other commitments, and could not get back to the Housing Authority until March. Then in March, he still had not gotten the records and that he would have to withdraw.

Senator Gautreaux asked Mr. Butler if he had accumulated anything. Mr. Butler said as he indicated earlier, they had compiled the records they had available, went back and did a complete research of all their credit card records, and all the records they had. The firm left their office the first of January and for three weeks they left because they said they were unable to find receipts, and did not contact them again until after Mardi Gras. Senator Gautreaux asked if they compiled their records. Mr. Butler said during that time, he attempted to locate documents and records they requested and compiled them, then wrote and faxed them a letter that they had exhausted all of their efforts to find all the documents that the CPA's requested and got no response from them in regards to that letter. Senator Gautreaux asked if the response that Kolder-Champagne sent to LLA was that they did not get any credit card receipts. Ms. Irwin said that was correct and when her advisor went to the Housing Authority she found the same thing, the receipts were not with the documentation. Senator Gautreaux asked Mr. Butler that in actuality they have not compiled any credit card receipts. Mr. Butler said that maybe he is not understanding the type of credit card receipts that they are asking for, but he

has provided copies of all receipts that were available at that time. Senator Gautreaux asked if Kolder-Champagne is a certified CPA firm with the state, and Ms. Irwin confirmed that to be correct.

Senator Gautreaux asked what the committee could do to make them comply. Ms. Irwin stated that if our offices could get the audit report by the end of the year, we'll have the issue resolved. Mr. Theriot said he appreciated Mr. Butler coming in, because a number of agencies do not come in to explain what their deficiencies are, and as long as he is willing to work to make it happen, and we are willing to work along with him to make it happen. Mr. Theriot stated that at the end of the day, the community is best served by every report being done. He added that surely the aggravation to Mr. Butler of having the report done late is probably weighing upon him to make it happen as quickly as he can also.

Senator Gautreaux asked if the Housing Authority was in good financial condition, or like a lot of our Council on Agings that have financial problems, asking if they have a financial problem to hire additional people to look for the records. Mr. Butler said the problem with personnel is that before the storm we had 11 people and after we only had 5, but as far as financial capacity we certainly have capacity to hire individuals and consultants to get the job done, we do not have a financial issue. Senator Gautreaux asked if this compliance was for 2006 or 2007. Joy stated 3/31/07.

Mr. Theriot said what happens often times, a firm plans an audit, gets out there and the documents are not there and cannot complete, so you leave and the client later gets it done to call you back there, you may be precommitted to other activities that restrain you from going out in a timely fashion. Senator Gautreaux stated that what he was concerned about was if the auditor does not get those receipts, what alternatives do you have – do you submit it to the District Attorney's office to subpoena the credit card companies? Senator Gautreaux said Mr. Theriot can do that right now, if would help complete it. Mr. Theriot said they work with every agency. Senator Gautreaux asked Mr. Butler if he would accept LLA's help to compile the records, and Mr. Butler agreed. Senator Murray moved to grant the extension to 12/31/08 to have the audit complete. Representative Ellington asked if any objections and there we none.

Shreveport Home Mortgage Authority

Representative Ellington asked if any representative were present from the Shreveport Authority. Joy Irwin said that the Authority had been invited to attend the council meeting, and they did not send a representative, but because they were invited some movement has been seen in the Shreveport Home Mortgage Authority report. We have received communication from the Chairman of the Board of the Authority. The issue with the Shreveport Home Mortgage Authority is that it is a component unit of the City of Shreveport, and the City of Shreveport does receive appropriations through HB 1, and they have been on the delinquent list because the Home Mortgage Authority has not issued their report which is instrumental in the city's report. So the city is waiting on the Home Mortgage Authority, and the Home Mortgage Authority is dragging their feet, and we are trying to work with the city and try to work with Home Mortgage Authority, but the Home Mortgage Authority has a volunteer board and they are not as active as they once were. Two issues were involved in this particular situation, the report has not been issued because the CPA had asked for one final payment on the audit and the Shreveport Home Mortgage Authority has not paid the CPA. Ms. Irwin continued to say that as of the day before yesterday, that request for the payment has been made, the invoice has been forwarded to their payment party, so she thinks that issue has been resolved although time will tell. The second issue that the CPA was looking for was a representation letter for several of the issues in the report and they did forward the representation letter to the CPA as of yesterday. Ms. Irwin We have seen some movement, but she wanted to report this to the council so that they could understand that the city is being held back by the component unit not reporting to us.

Representative Ellington asked when the report was due. Joy Irwin said they are looking for the report for year end 12/31/06 which was due 6/30/07. She said that as soon as we get this report in we will begin working on 12/31/07 which is also due. Senator Murray asked if the City of Shreveport is on the noncompliance list, and if the money that the City of Shreveport receives from HB 1 and 2 has been held up. Ms. Irwin said that the City of Shreveport has given their report but they received a disclaimer on their report because this entity was not able to be included. Mr. Theriot said that the end recipient, as he mentioned earlier, where flow through will go through would be the Home Mortgage Authority. Mr. Theriot explained that what happens is the Home Mortgage Authority, although they do not directly get funds from HB 1 or 2, if in fact they issue any debt that goes to the Bond Commission that would be a requirement. Also there is a requirement from the issuing agency as to outstanding indebtedness that they have to have in the norms of the audit report for secondary investors who look at buying bonds, so evidently that is not being done. Mr. Theriot stated that he does

not know how much existing debt they have outstanding but obviously it can take a toll on that at some point in the secondary market if they are not in the primary market of issuing any new debt at this point. Of course there is a safe harbor of \$10 million that provides them to make the requirement in the depository of their audit statements, but if it's over \$10 million they have to have it, but if under \$10 million they do not, but they still for the secondary trading of those bonds they need to have something out there, so they do not have that. Senator Murray said the main thing is that the city is receiving the money they are supposed to receive. Mr. Theriot said at some point of time, normally the city becomes the beneficiary of the trust because all those market authorities are trusts created by the state. The beneficiaries will be the governing body, so he said that he assumes it will be the City of Shreveport so any avails that come out of that when those things preclude will go the city, so yes, it is part of the city itself.

Senator Nevers asked the Legislative Auditor if the Shreveport Home Mortgage Authority is refusing to respond to the request to attend the meeting, why not subpoena them to our next meeting to explain to us why they cannot be in compliance with the audit laws, because we are talking about '06. Representative Ellington agreed. Senator Nevers moved that the council subpoena the Shreveport Home Mortgage Authority to be at their next meeting, and with no objections, that passed.

Mr. Theriot stated that the final last item on the agenda was an update on the Katrina Cottage Audit. Representative Ellington asked when looking at some of the entities that are on the short list who have been recipients of hurricanes of late, is there any reason why they do not go under Act 36, to prevent the entities from having a finding if not necessary. Ms. Irwin said some of those entities were late before Hurricane Gustav happened, noting a report due date of 6/30/08 on the list. Mr. Theriot said those entities with fiscal year ending on June 30 and their reports due December 31st, then Act 36 will apply. If their due date was June 30th, they were late already and if they are asking for an extension under Act 36 it does not necessarily fit, because the entity was already late before the event took place. Representative Ellington agreed.

Katrina Cottages

Mr. Theriot said regarding the update on the Katrina Cottages Audit, about a year ago our offices began looking into the Katrina Cottages issue when still at LHFA (Louisiana Housing Finance Agency), which has since been moved to the LRA (Louisiana Recovery Authority). Mr. Paul Rainwater was present earlier to lend testimony to the board about the Katrina Cottages, but he had since left for New Orleans for another meeting, and could not stay. Mr. Theriot stated that Dan Daigle, director from Compliance Audit Division has been looking into a number of issues both when it originally began at LHFA and even now at LRA, and could give the council some overview without getting into too many specifics at this point until our offices has compiled the report on Katrina Cottages.

Dan Daigle, Director of Compliance Audit with LLA, gave a brief timeline so the council could know what has been happening since the inception: Katrina Cottages is a pilot program designed to evaluate the immediate and long term alternatives to travel trailers in the wake of the disaster. The program was awarded \$ 74.5 million and assigned to LHFA, who was given the oversight of those funds in January 2007. It was October 2007 before Cypress Realty partnership was chosen as the contractor to actually run the program. The Legislative Auditor's offices got involved in January 2008, and not much had happened by that time when we received the request to look at the program. In March 2008, LHFA turned the program back over to LRA and it was not until July 2008 before LRA renegotiated the contract with Cypress. Again, in all that time not much was happening. Where we are today is that the contractor has been in place for about 2 or 3 months, they have extended about \$2 million dollars roughly and we do not have any cottages built yet, and we understand from FEMA that the program has to be completed by September 2009, so that is less than a year left to complete the project.

Mr. Theriot said that we did have specific allegations surrounding this activity, in which we are looking into the veracity of those allegations, whether or not they hold water. That is part of what our following report will be on as it moves along. The Katrina Cottage issue was part of the recent article in the Times Picayune relative to where they are in terms of the actual construction, some of them being issued at the Jackson Barracks to build some units, and also at another spot. Besides the issue of building the cottages, how Lowes' package evolved from the beginning to the end will be part of the process our office is reviewing. Mr. Theriot reiterated that from when our work began at LHFA and as it transposed into LRA it took on some different characteristics, and we do have different areas that we are looking at, but are not prepared to issue any sort of report until such time as we have completed the field work.

Representative Abramson said that he was disappointed that Mr. Rainwater was not there because to him this was Road Home déjà vu. The state has received \$74.5 million over 2 years ago from the federal government for housing, and now about 3 years post Katrina not one cottage is built. With \$ 74.5 million if we built \$ 75,000 cottages, we would have built 1,000 of them, we have not built one. Representative Abramson said that he has looked at some of the non-profit and faith based groups - Habitat of Humanity has built 95 homes as of January 1, 2008 and they have another 140 under construction. He and his wife are going to help with a Habitat Home the coming Saturday. Jericho Road has already acquired 49 lots, built 17 houses, and put 14 houses on the market which is sold. He said that he does not understand what is going on here, and understood that these 91 cottages that may be built at Jackson Barracks might be concluded by next summer. By that time we are already 4 years post Katrina, but at some point we do not need that housing anymore. The people needed the housing 4 years ago, or 3 years ago, not 4 years after the storm.

Representative Abramson acknowledged a representative from the LRA and said that he knows the LRA just took it over a year ago, but not sure that any progress has been made. Representative Abramson stated that it is a huge problem and the resources did not get to where they need to be quickly enough, and now wondering if it will ever get done and if this is an efficient use of resources.

Wil Jacobs introduced himself as the Housing Policy Director for Louisiana Recovery Authority. He stated that the LRA had taken the project over as of March 24, 2008 officially. He said that he can go as specifically as the council would like to go, but this project was proposed as a part of the Louisiana package to FEMA, one of 6 and the only one that was chosen. We as a state are required under the terms of the grant to build the proposal, the temporary trailers with hardy plank on them that can be put on properties temporarily while the homeowner rebuilt, and once the homeowner rebuilt his home the state would take the trailers away. This was purposely meant to be an immediate post storm fix for housing need. Our project was meant to do a number of things, basically to be long term affordable housing where we would build a new site, a new neighborhood in 3 different areas: Jackson Barracks, Lake Charles and Baton Rouge. We would have to get environmental approval from FEMA to build on that site, build all the infrastructure, then build the homes. We also had a part of the proposal where we would build and fill housing in the City of New Orleans on NORA (New Orleans Redevelopment Authority) controlled sites, so that is our project and all this would take environmental review, which takes some time to control these properties and build on them.

Mr. Jacobs stated that the first thing to get past was acquiring property to build these projects on, so that just takes a long time, but what he would say at this point, we are confident that we have a path forward to start building and start moving these projects forward to meet our deadlines. We know that we have designed all the buildings, they are in the final process for approval of the designs. We are in the process of designing- that's engineering infrastructure at Jackson Barracks, we'll have that complete before the end of the month. Bids will go out for construction of that sight by the end of the month and we expect construction during the month of December before the end of the year. We have gotten zoning approval in Lake Charles for a sight. We are in the process of obtaining the property and we are designing the sight right now, the engineering is ongoing and we are in the process of getting environmental approval, so that sight is going forward. We are finalizing a memorandum of understanding with the City of New Orleans, actually the New Orleans Redevelopment Authority (NORA) where we will build 100 houses on infill sights chosen by NORA across the city, that is ongoing and we expect that to begin in earnest this month. So we understand that this program is way overdue but we made considerable progress and we expect those results to show. Just to say one other thing on the spending, since we have taken over the program we have only incurred additional expenses for salaries for our dedicated staff and outside legal fees but the vast majority of the spending was approved before this agency took control of the program, and that the rest of the spending will be paid as the developer meets specific targets as outlined in the developer services agreement.

Representative Abramson asked Mr. Jacobs if the Jackson Barracks cottages will be completed by August of next year and Mr. Jacobs confirmed that to be correct. Representative Abramson asked when to expect the Lake Charles cottages to be built. Mr. Jacobs said they expect to be built before the September deadline. Representative Abramson asked about the New Orleans, NORA cottages. Mr. Jacobs said they will be completed between now and next year, these are going to be infill, and do not require infrastructure to be in place, so these will be ongoing. Representative Abramson asked about the 91 cottages at Jackson Barracks, how many in Lake Charles and NORA. Mr. Jacobs said there will be 82 built in Lake Charles and 100 with NORA and expect 80 in Baton Rouge and another 150 in New Orleans with other groups such as the Housing Authority. Representative Abramson asked if he was talking about 500-600 cottages, with \$ 74.5 million dollars. Mr. Jacobs said a total of 500 and to make a

correction the building budget is \$ 68.9 million. The balance of the funds are for the construction management which is our management of the buildings and our payment we will make for any payoffs we do with the developers; new home ownership training and other types of services provided to potential occupants; and the related salary and legal fees related to this.

Representative Abramson said that equals roughly \$ 150,000 per cottage. Mr. Jacobs said it should not be that much per cottage, but there is infrastructure cost which is significant and depending on the sight it could reach that much. Mr. Jacobs said that these are estimates, and until we get bids we will not be certain about the costs. But he could say that looking at comparable developments, as he had looked at 2 tax credit projects that are single family infill in the city of New Orleans and those projects ran from \$133 - \$ 190 per square foot in construction, so we know that construction prices will be considerable, both labor, contracting and materials. But we are making our best efforts to make that 500 number with a comparable product and think we can reach those goals.

Representative Abramson asked how large square footage the cottages will be. Mr. Jacobs said they have models from 612 SF through 1800 SF expanded. Representative Abramson asked if building 612 SF – 1800 SF cottages for \$150,000 a piece, taking out the administrative and legal costs, but divide out for 500 cottages still cost that much. Mr. Jacobs said they have estimates to build cottages in a modular fashion for \$ 90 per square foot, and if we build them onsite they will be more like \$110 - \$ 130 per square foot. These cottages are not standard with other cottages but they are steel framed, that is the proposal that was put forth and that is what FEMA is expecting us to build, and there is a significant cost between wood framed and steel framed buildings.

Representative Abramson asked the life expectancy of the cottages. Mr. Jacobs said these cottages are expected to have as long a life as any other type of construction. Representative Abramson said that Habitat for Humanity is building wood frame homes that will last for 100 years, and asked if we can expect these cottages to last 50, 75, 100 year and are these supposed to be long term permanent houses to be there forever. Mr. Jacobs said yes and that is one of the issues here, there is a perception even before he was involved with the program, because he did not know what these were and thought they were trailer type units, but these are regular living units, some of them are small but they are regular living units and houses that would fit in any neighborhood. As a matter of fact there are some here in Baton Rouge not too far from here and they look just like any other houses in the neighborhood. Representative Abramson asked if they will be built to our new construction standards that meet hurricane wind standards. Mr. Jacobs said yes they do. Representative Abramson asked Mr. Theriot when to expect to have either a completed audit or something where we know where the money has gone and a timeline for when and how the money will be spent.

Dan Daigle said right now they only have one budget to analyze- that is on Jackson Barracks, so there is not a whole lot of documentation to look at this point. Between LHFA and LRA, they have spent approximately \$ 2 million of the \$ 74.5 million as was just stated with legal fees, administrative costs and employees and some of that went to Cypress for contractor awards. Representative Abramson restated that in the past two years since having this money we have only spent \$ 2 million of \$ 74.5 million.

Representative Abramson asked if at this point whether we have we missed the window of opportunity to really provide the housing that we needed 3 years ago and whether or not the money is going to the right place and going to be used effectively, whether or not there are other opportunities for us to use this money. Representative Abramson said he realizes there are some issues to look into whether we have federal restrictions because we received the money from federal government and it came for affordable housing. He asked if the LRA has looked at this, instead of just picking up the ball from where it was dropped, into doing something more productive and more efficient with the money rather than just picking up the game plan where it was dropped.

Mr. Jacobs said that is absolutely not possible, because we have to build exactly what we were awarded to build, even variations in building are not necessarily approved. Mr. Jacobs said from a federal regulatory standpoint, the overwhelming purpose of this program is to develop alternative housing and they have awarded the project that they wanted us to experiment on, but on the same time provide housing. We do not have any options on what we can build with the funds. If we do not build what we are supposed to build, the funds are subject to recapture.

Representative Abramson asked if the timeline Mr. Jacobs gave for the program is when the funds must be used by. He added that our next project is to see what else we could do with the money, because he thinks it is a terrible waste of money, inefficient, and we should have

already had the program up and running and the cottages built. He will still looking into that and maybe we can accomplish something new, maybe we can get the congressional delegation to fix the FEMA regulations if that is something that can be changed. This whole program is a disaster, and if there is nothing else we can do with it, then he hopes we can get the project up before the funds go back to the federal government, but this was desperately needed three years ago. Representative Abramson thanked Mr. Jacobs for coming to the meeting.

Mr. Jacobs said that this committee and the Legislative Auditor's office are always welcome to ask for any information and we will be more than willing to provide anything and anytime. Mr. Theriot stated that his office expects between a 60 and 90 day turn around for a report on Katrina Cottages

Senator Nevers asked why the LRA took over the program. Mr. Jacobs said it was directed by the Governor's Office. Senator Nevers said there must have been a reason. Mr. Jacobs said that the program was going slowly with the LHFA and it was enough for the Governor's office to coordinate all the recovery activities of the state. Senator Nevers said someone definitely had to take it over, after all these years and only \$ 2 million spent, someone needed to step in, but his concern is what happens if you do not spend the money, will we lose the funding. Mr. Jacobs said that is correct. Senator Nevers asked Mr. Jacobs if they can build the homes. Mr. Jacobs said that he has a high level of confidence that they will build the homes in the time period allotted.

Senator Nevers said that we expect those homes to be built in Louisiana unless there is some alternative to spending the money somewhere else that would be more appropriate. He said he knows our people need homes, but also knows there are a lot of homes on the market and that Habitat for Humanity is not spending \$ 150,000 per home, so maybe our money would be better invested somewhere else. But nevertheless he is appalled that 4 years later we had \$ 74.5 million we sit on when we had people crying for a place to live in this state. He is anxious to see what the audit reveals because there is something that has been mishandled here, and he hopes they furnish that information shortly.

Senator Murray asked if part of the problem with getting the properties done is getting the environmental approval and curious why the homes could not go on the properties that Road Home had purchased and cleared. Mr. Jacobs said that is exactly the plan, but those properties are still not cleared at the point to go to the local jurisdictions, that is still ongoing, but we already have a group of those properties. Senator Murray said that for over a year it has been said that Road Home properties will be purchased and turned over to local authorities, he is mostly concerned about New Orleans but all across Louisiana. He said he does not know of one property that has been transferred yet to NORA. Mr. Jacobs said that is correct. Senator Murray asked what is causing the delay because if the property could just transfer to NORA so they can do something with them, but the properties of the state have already been purchased by Road Home and the cottages could have been put on those properties.

Mr. Jacobs said that the way they have to build the cottages, NORA has to have direct ownership of these properties and use them as part of their overall redevelopment strategies. Mr. Jacobs said your point is correct, these properties have not been transferred to the local jurisdictions at this time. Senator Murray asked Mr. Jacobs if he plans to build 100 of the cottages on property that plan to acquire from NORA. Mr. Jacob said that NORA will provide and continue to own the cottages.

Senator Murray said that his point is that the Road Home properties that you purchased from people already, you own already - forget NORA - these are properties still in the hands of that state, why have not the cottages been built on any of those properties? Mr. Jacob said because they are not approved to be built on at this time even by HUD, the transfer is still going on. Senator Murray said that you just gave the assurance that these homes will be built by August, but if HUD has not approved it then how can these be built by August, and when do you expect HUD to approve.

Mr. Jacobs said they have been waiting and expect approval at any time, in the next 30-45 days should have that final approval on those, maybe even sooner than that. Senator Murray said that will put us almost at the end of the year. Mr. Jacobs said correct, but the issue is those properties will remain in NORA's ownership and the improvements that we will contract will be owned by NORA. Senator Murray asked: so you have to wait for HUD approval to do the environmental assessment? Mr. Jacobs said for the Louisiana Land Trust properties have to be approved environmentally before anything can happen with them.

Senator Murray asked if before you can do the assessment, does HUD have to give you an approval and have you done any environmental assessments on the Louisiana Land Trust

properties. Mr. Jacobs said those are going on as we speak, as to whether they are complete, there are many that are complete. Senator Murray said he wants to know in Orleans Parish the number and tell me where the properties are that have had the environmental assessments already done. Mr. Jacobs said he does not know the answer. Senator Murray said someone must know, and he does not need the answer today, just get him the answer. Mr. Jacobs said he will get the answer for him. He also explained that the process is one where there were batches of 500 that were approved. The environmental was done but the approval process is triggered when those plans for disposition that the local jurisdictions proposed were approved by HUD and that is still outstanding. Mr. Jacobs said he can get Senator Murray a timeline on when they expect all the properties to come through the system.

Senator Murray said also when the construction will begin that you are telling me these will be completed in August of next year but cannot see that since the approvals have not been done and not a single property has been transferred to NORA yet. Senator Murray said this has been talked about for the last two years so what is the hold up. Mr. Jacobs said he is not certain about that. Senator Murray said it is really amazing, this money sent down for emergency housing and it is still sitting in a bank somewhere.

Representative Ellington asked if the money is sitting in a bank is it drawing interest. Mr. Jacobs said the money is in FEMA's account, not ours, and when we spend money, we get it reimbursed. Mr. Theriot said that all the federal dollars that has been vested to the state, we do not get a check, only a line of credit and on certain terms and conditions we can draw it out of those funds to make payments. Whether it comes from GOHSEP or OCD, or any of them, it is all strictly cash. When cash is advanced, any interest earned goes back to FEMA. Mr. Theriot said that everyone may recall following the storm we gave the city of New Orleans \$ 116 million, they put the money into the bank and earned substantial interest which had to go back to FEMA.

Other Business

Senator Murray asked Mr. Theriot to look into an article in the Times Picayune about a hospital in Mississippi that is suing the state for Medicaid reimbursements. The article stated a lot of people were treated and Louisiana pays a whole lot lower than what Mississippi pays, so what the going rate is supposed to be. Senator Murray asked Mr. Theriot if he could look into what sort of exposure we have if any, see what that number may be as we try to deal with these Medicaid issues, we have to cut the budget down, but wonder what our exposure might be if any. He said it could be other hospitals outside the state as well that could be doing this. Mr. Theriot said if there are any and see where some action being taken, he is sure that those will surface shortly.

ADJOURNMENT

There being no further business, a motion was made by Representative Abramson that the meeting adjourn at 1:30 p.m. The motion passed without objection.

APPROVED BY:



REPRESENTATIVE NOBLE ELLINGTON
CHAIRMAN



STEVE J. THERIOT
SECRETARY



DATE

ATTACHMENT "A"

House Bill 1 and 2 Extension Requests and/or Act 36 Extension Requests--1st Requests						
Agencies requesting extensions for the first time for their reports. Per the procedures approved by the Legislative Audit Advisory Council, we request that LAAC confirm our approval of these extension requests						
Agency ID No.	Agency Name	FYE	Report Due Date	Extension Date Requested	Rec'd Report	Notes
7402	ADAPT, INC.	12/31/07	6/30/08	9/15/08	x	
10000	Bastrop Fire District Two	12/31/07	6/30/08	9/30/08	x	
6265	Bayou Labs, L.L.C.	12/31/07	6/30/08	9/30/08	x	
7150	Beau Care, Inc.	12/31/07	6/30/08	9/30/08		
5013	Beauregard Parish Waterworks District No. 3	12/31/07	6/30/08	9/30/08	x	
7332	Big Buddy Program	12/31/07	6/30/08	9/26/08		HB 1 and 2
7332	Big Buddy Program	12/31/07	6/30/08	10/31/08		Act 36
9562	Caddo Parish Coroner's Office	12/31/07	6/30/08	9/30/08		
5699	Canal Street Development Corporation	12/31/07	6/30/08	7/22/08	x	
1553	Catahoula Parish Hospital Service District No. 2	12/31/07	6/30/08	9/30/08	x	
2103	City Court of Bogalusa	12/31/07	6/30/08	7/30/08	x	
2172	City of Franklin	4/30/08	10/31/08	12/15/08		
2254	City of Grambling	12/31/07	6/30/08	8/1/08		Add'l ext requested
2174	City of Gretna	3/31/08	9/30/08	12/31/08		
2185	City of Mansfield	12/31/07	6/30/08	8/15/08	x	
2199	City of Shreveport	12/31/07	6/30/08	8/29/08	x	
10062	Community Care Outreach Center	12/31/07	6/30/08	9/30/08		
9479	Concordia Parish Fire District #2	12/31/07	6/30/08	8/15/07		Add'l ext requested
2506	Concordia Parish Police Jury	12/31/07	6/30/08	8/15/08		Add'l ext requested
9179	Concordia Parish Sewerage District No. 1	12/31/07	6/30/08	8/15/08		Add'l ext requested
10099	Crescent Affordable Housing Corporation	12/31/06	6/30/07	9/15/08		
8782	DESIRE COMMUNITY HOUSING CORP	12/31/07	6/30/08	10/31/08		
7408	Desoto High School Alumni Association	12/31/07	6/30/08	9/30/08	x	
2507	DeSoto Parish Police Jury	12/31/07	6/30/08	8/31/08	x	
1340	District Attorney for the Thirty Sixth Judicial District	12/31/07	6/30/08	7/31/08	x	
8341	Eighth Ward Volunteer Fire Department, Inc.	12/31/07	6/30/08	7/31/08	x	
1616	Eleventh Judicial District Public Defender Board	12/31/07	6/30/08	9/15/08		Add'l ext requested
7197	Enterprise Center of Louisiana, Inc	12/31/07	6/30/08	8/29/08	x	
1221	Evangeline Community Action Agency, Inc.	1/31/08	7/31/08	9/15/08	x	
6002	EXCELth, Inc.	12/31/07	6/30/08	7/25/08		
2092	Finance Authority of New Orleans	3/31/08	9/30/08	10/31/08		
9091	Fire Protection District No. 3	12/31/07	6/30/08	9/30/08		
10096	Fischer III, LLC	12/31/07	6/30/08	10/15/08	x	
10095	Fischer I, LLC	12/31/07	6/30/08	10/15/08	x	
10110	God's Temple Ministry Outreach dba Innovative Intervention, Inc.	12/31/07	6/30/08	12/31/08		
8230	Grand Isle Volunteer Fire Company No. 1	12/31/07	6/30/08	8/31/08		HB 1 and 2
8230	Grand Isle Volunteer Fire Company No. 1	12/31/07	6/30/08	10/31/08		Act 36
5777	Greater New Orleans Development Foundation	12/21/07	6/30/08	7/25/08	x	
10097	Guste I, LLC	12/31/07	6/30/08	10/15/08		

House Bill 1 and 2 Extension Requests and/or Act 36 Extension Requests--1st Requests						
Agencies requesting extensions for the first time for their reports. Per the procedures approved by the Legislative Audit Advisory Council, we request that LAAC confirm our approval of these extension requests						
Agency ID No.	Agency Name	FYE	Report Due Date	Extension Date Requested	Rec'd Report	Notes
2088	Houma-Terrebonne Public Trust Financing Authority	3/31/08	9/30/08	11/30/08		
4073	Housing Authority of New Orleans	9/30/07	3/31/08	11/21/08		Act 36
9140	Human Services Foundation, Inc.	12/31/07	6/30/08	7/31/08	x	
8343	Husser Volunteer Fire Department	12/31/07	6/30/08	9/30/08		
8344	Independence Volunteer Fire Department	12/31/07	6/30/08	9/30/08		Add'l ext requested
5370	Jeff Davis Communities Against Domestic Abuse, Inc.	12/31/07	6/30/08	9/30/08		HB 1 and 2
5370	Jeff Davis Communities Against Domestic Abuse	12/31/07	6/30/08	11/17/08		Act 36
5877	Jefferson Parish Ambulance District No. 2	12/31/07	6/30/08	8/31/08		HB 1 and 2
5877	Jefferson Parish Ambulance District No. 2	12/31/07	6/30/08	10/31/08		Act 36
10069	Lakeshore Villages Master Community Development District	12/31/07	6/30/08	9/30/08		
5483	LaSalle Economic Development District	12/31/07	6/30/08	7/15/08	x	
5946	LaSalle Recreation District No.10	12/31/07	6/30/08	8/31/08	x	
6144	Le Petit Theatre du Vieux Carre	6/30/07	12/31/07	7/31/08	x	
5301	Lincoln Parish Coroner	12/31/07	6/30/08	7/31/08	x	
2523	Livingston Parish Council	12/31/07	6/30/08	9/30/08		HB 1 and 2
2523	Livingston Parish Council	12/31/07	6/30/08	11/30/08		Act 36
8987	Livingston Parish Fire Protection District No. 2	12/31/07	6/30/08	7/31/08	x	
6005	Louisiana Artists Guild dba Louisiana Artworks	12/31/07	6/30/08	9/30/08		HB 1 and 2
6005	Louisiana Artists Guild dba Louisiana Artworks	12/31/07	6/30/08	11/15/08		Act 36
10004	Louisiana Automobile Insurance Plan	12/31/07	6/30/08	9/30/08		
5166	Louisiana Coalition Against Domestic Violence	12/31/07	6/30/08	9/30/08		HB 1 and 2
5166	Louisiana Coalition Against Domestic Violence	12/31/07	6/30/08	10/31/08		Act 36
5527	Louisiana Horsemen's Bookkeeper Account	3/31/08	9/30/08	10/29/08		
2524	Madison Parish Police Jury	12/31/07	6/30/08	9/30/08		
8992	Maurepas Fire Protection District No. 9 of Livingston Parish	12/31/07	6/30/08	7/31/08	x	
10089	Mental Health America of LA	12/31/07	6/30/08	9/30/08	x	
9290	Morehouse Parish Communications District	12/31/07	6/30/08	9/30/08	x	
2525	Morehouse Parish Police Jury	12/31/07	6/30/08	9/30/08		Add'l ext requested
5789	New Orleans Affordable Homeownership, Inc	12/31/07	6/30/08	10/10/08		
5339	New Orleans Multicultural Tourism Network	12/31/07	6/30/08	7/31/08	x	
7215	New Orleans Public Belt Railroad Commission	12/31/07	6/30/08	7/31/08	x	
9778	O'Brien House	12/31/08	6/30/08	11/30/08		Act 36
7300	Operation REACH	12/31/07	6/30/08	8/25/08	x	
1581	Ouachita Parish Hospital Service District No. 1	12/31/07	6/30/08	9/30/08		Add'l ext requested
4134	Parochial Employees' Retirement System	12/31/07	6/30/08	7/16/08	x	
4159	Pointe Coupee Community Advancement	3/31/08	9/30/08	10/15/08		
8353	Ponchatoula Volunteer Fire Department	12/31/07	6/30/08	7/31/08	x	
4155	Preservation Alliance of New Orleans, Inc. aka Preservation Resource Center	6/30/07	12/31/07	8/6/08	x	

	House Bill 1 and 2 Extension Requests and/or Act 36 Extension Requests--1st Requests					
	Agencies requesting extensions for the first time for their reports. Per the procedures approved by the Legislative Audit Advisory Council, we request that LAAC confirm our approval of these extension requests					
Agency ID No.	Agency Name	FYE	Report Due Date	Extension Date Requested	Rec'd Report	Notes
10003	Property Insurance Association of Louisiana	12/31/07	6/30/08	9/20/08		Add'l ext requested
4317	Sanctuary, Inc. (Boys) (Girls)	6/30/04	12/31/04	8/31/08	x	
4317	Sanctuary, Inc. (Boys) (Girls)	6/30/05	12/31/05	9/15/08	x	
4317	Sanctuary, Inc. (Boys) (Girls)	6/30/06	12/31/06	9/30/08	x	
4317	Sanctuary, Inc. (Boys) (Girls)	6/30/07	12/31/07	10/15/08		
6206	Senior Citizens Outreach Entity, Inc.	12/31/07	6/30/08	7/31/08	x	
1650	Seventh Judicial District Public Defender Board	12/31/07	6/30/08	8/15/08		Add'l ext requested
2534	St. Bernard Parish Government	12/31/07	6/30/08	9/15/08	x	
7295	St. Charles Community Health Center Inc.	2/29/08	8/31/08	9/30/08		
1230	St. Mary Community Action Committee Association	3/31/08	9/30/08	10/31/08		
6152	Tensas Parish Fire Protection District No. 1	12/31/07	6/30/08	8/15/08	x	
7307	The Idea Village Inc	12/31/07	6/30/08	8/15/08	x	
10112	The Legacy Donor Foundation	3/31/08	9/30/08	10/15/08		
1638	Thirty-First Judicial District Public Defender Board	12/31/07	6/30/08	8/15/08	x	
1641	Thirty-Fourth Judicial District Public Defender	12/31/07	6/30/08	8/31/08		
7373	Tipitina's Foundation	12/31/07	6/30/08	7/31/08	x	
2235	Town of Cotton Valley	12/31/07	6/30/08	9/30/08		
2264	Town of Homer	12/31/07	6/30/08	8/29/08		
2302	Town of Oil City	12/31/07	6/30/08	9/30/08	x	
2312	Town of Ridgecrest	12/31/07	6/30/08	8/15/08		Add'l ext requested
2333	Town of Waterproof	6/30/07	12/31/07	10/8/08		
9557	Tri-District Boys & Girls Center Club of Monroe, Inc.	12/31/07	6/30/08	7/31/08	x	
2487	Twin Parish Port Commission	12/31/07	6/30/08	9/30/08		Add'l ext requested
9900	Ujamaa Community Development Corporation	12/31/07	6/30/08	7/31/08		Add'l ext requested
1233	Vernon Community Action Council	12/31/07	6/30/08	9/8/08	x	
7230	Vietnamese Initiatives in Economic Training	12/31/07	6/30/08	8/15/08	x	
2359	Village of Collinston	12/31/07	6/30/08	9/30/08	x	
10072	Ward Five Healthcare Foundation	12/31/07	6/30/08	9/30/08		Add'l ext requested
2553	West Feliciana Parish Police Jury	12/31/07	6/30/08	7/31/08		HB 1 and 2
2553	West Feliciana Parish Police Jury	12/31/07	6/30/08	10/31/08		Act 36
3275	West Feliciana Parish Waterworks District No. 13	12/31/07	6/30/08	8/31/08		HB 1 and 2
3275	West Feliciana Parish Waterworks District No. 13	12/31/07	6/30/08	10/31/08		Act 36
7172	YWCA of Greater Baton Rouge	12/31/07	6/30/08	7/31/08	x	
5823	YWCA of Northwest Louisiana, Inc.	12/31/07	6/30/08	9/30/08		

ATTACHMENT "B"

	House Bill 1 and 2 Extension Requests--2nd Requests			
	Agencies requesting additional extension requests for their reports. Per the procedures approved by the Legislative Audit Advisory Council, LAAC must approve the additional extension requests			
Agency ID No.	Agency Name	FYE	Report Due Date	Extension date requested
2254	City of Grambling	12/31/07	6/30/08	9/30/08
9479	Concordia Parish Fire Protection District #2	12/31/07	6/30/08	12/31/08
2506	Concordia Parish Police Jury	12/31/07	6/30/08	10/31/08
9179	Concordia Parish Sewerage District No. 1	12/31/07	6/30/08	10/31/08
1616	Eleventh Judicial District Public Defender	12/31/07	6/30/08	10/13/08
8344	Independence Volunteer Fire Department	12/31/07	6/30/08	12/31/08
2525	Morehouse Parish Police Jury	12/31/07	6/30/08	1/1/09
1581	Ouachita Parish Hospital Service District No. 1	12/31/07	6/30/08	11/15/08
10003	Property Insurance Association of Louisiana	12/31/07	6/30/08	10/31/08
1650	Seventh Judicial District Public Defender	12/31/07	6/30/08	10/31/08
2312	Town of Ridgecrest	12/31/07	6/30/08	10/31/08
2487	Twin Parish Port Commission	12/31/07	6/30/08	10/30/08
9900	Ujamaa Community Development Corporation	12/31/07	6/30/08	9/30/08
10072	Ward Five Healthcare Foundation	12/31/07	6/30/08	11/15/08