

**LOUISIANA PUBLIC HEALTH
INSTITUTE**

Audits of Financial Statements

June 30, 2010 and 2009

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

Release Date 3/9/11

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Independent Auditor's Report

To the Board of Directors
Louisiana Public Health Institute

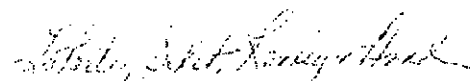
We have audited the statements of financial position of the Louisiana Public Health Institute (LPHI) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of LPHI's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Public Health Institute as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2010, on our consideration of the Louisiana Public Health Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Louisiana Public Health Institute taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the accompanying financial information presented on pages 13 and 14 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



A Professional Accounting Corporation

August 16, 2010

LOUISIANA PUBLIC HEALTH INSTITUTE
Statements of Financial Position
June 30, 2010 and 2009

	2010	2009
Assets		
Cash and Cash Equivalents - Unrestricted	\$ 1,338,903	\$ 1,734,064
Grants Receivable	1,745,827	3,604,341
Other Receivables	123,602	302,041
Cash and Cash Equivalents - Restricted	5,204,807	846,999
Certificates of Deposit	-	531,086
Furniture and Office Equipment, Net	45,980	9,433
Other Assets	1,325	1,325
	<hr/>	<hr/>
Total Assets	\$ 8,460,444	\$ 7,029,289
	<hr/>	<hr/>
Liabilities		
Accounts Payable	\$ 1,322,412	\$ 2,575,874
Accrued Liabilities	56,248	61,318
Due to Clinics - PCASG	5,209,850	423,135
Deferred Grant Revenue	1,020,581	3,059,527
	<hr/>	<hr/>
Total Liabilities	7,609,091	6,119,854
	<hr/>	<hr/>
Net Assets		
Unrestricted	851,353	909,435
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 8,460,444	\$ 7,029,289
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The accompanying notes are an integral part of these financial statements.

LOUISIANA PUBLIC HEALTH INSTITUTE
Statements of Activities
For the Years Ended June 30, 2010 and 2009

	2010	2009
Unrestricted Support and Revenue		
Grants and Contracts	\$ 23,650,903	\$ 48,029,847
Other Revenue	1,012,236	1,039,197
Interest Income	213	3,092
Total Unrestricted Support and Revenue	24,663,352	49,072,136
Expenses		
Program Services and Grants	23,999,041	48,294,333
General and Administrative	722,393	716,751
Total Expenses	24,721,434	49,011,084
Change in Unrestricted Net Assets	(58,082)	61,052
Unrestricted Net Assets, Beginning of Year	909,435	848,383
Unrestricted Net Assets, End of Year	\$ 851,353	\$ 909,435

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

LOUISIANA PUBLIC HEALTH INSTITUTE
Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ (58,082)	\$ 61,052
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	20,879	11,576
(Increase) Decrease in:		
Grants Receivable	1,858,514	(1,137,030)
Other Receivables	178,439	(122,922)
Increase (Decrease) in:		
Accounts Payable	(1,253,462)	453,480
Accrued Liabilities	(5,070)	1,759
Due to Clinics - PCASG	4,786,715	(649,709)
Deferred Grant Revenue	(2,038,946)	633,212
Net Cash Provided by (Used in) Operating Activities	3,488,987	(748,582)
Cash Flows from Investing Activities		
Capital Expenditures	(57,426)	-
(Increase) Decrease in Restricted Cash	(4,357,808)	673,299
Decrease in Investment in Certificate of Deposit	531,086	503,936
Net Cash (Used in) Provided by Investing Activities	(3,884,148)	1,177,235
Net (Decrease) Increase in Cash and Cash Equivalents	(395,161)	428,653
Cash and Cash Equivalents, Beginning of Year	1,734,064	1,305,411
Cash and Cash Equivalents, End of Year	\$ 1,338,903	\$ 1,734,064

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

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

The Louisiana Public Health Institute (LPHI) is an independent 501(c)(3) organization established in 1997. LPHI is a part of a growing movement of public health institutes in America. As a primary strategy, LPHI creates and fosters collaborative endeavors in the areas of health information, public policy, applied research, and community capacity enhancement. LPHI is dedicated to promoting the health and well-being of the people of Louisiana through public-private partnerships.

Basis of Accounting

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

Basis of Presentation

The fiscal 2010 financial statement presentation is in accordance with the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Accordingly, LPHI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. LPHI has no temporarily or permanently restricted net assets.

Use of Estimates

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

Furniture and Office Equipment

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

Contributed Services

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

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue and Expenses

Support for LPHI is provided primarily by grants funded by private foundations and by State and Federal agencies. Grant revenue is recognized as expenditures, for allowable grant purposes, are incurred. Grant funding received in advance of expenditures for allowable grant purposes is recognized as deferred revenue. Expenditures are to be made in accordance with grant budgets that have been adopted.

Cash and Cash Equivalents

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

Cash Flow Information

LPHI did not make any cash payments for interest or income taxes during the years ended June 30, 2010 and 2009.

Economic Dependency

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

Federal Income Taxes

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

Note 2. Concentration of Risk

Although LPHI maintains cash in bank accounts in excess of FDIC insured limits, it has entered an agreement with its financial institution to invest its cash in overnight repurchase agreements in order to secure its cash balances.

Note 3. Cash – Restricted

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

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 3. Cash – Restricted (Continued)

During the year ended June 30, 2008, LPHI entered into a contract with the Louisiana Department of Health and Hospitals (DHH) to serve as the local partner for the Primary Care and Access Stabilization Grant (PCASG) program. In order to facilitate and segregate the funding to be received from DHH and the funding that LPHI would be required to remit to participating medical clinics, LPHI established a separate bank account with a financial institution.

A reconciliation of the amount of restricted cash reflected on the Statements of Position at June 30, 2010 and 2009 follows:

	2010	2009
Restricted Cash - TPCP	\$ 203,624	\$ 111,320
Restricted Cash - PCASG	<u>5,001,183</u>	<u>735,679</u>
Total	<u>\$ 5,204,807</u>	<u>\$ 846,999</u>

Note 4. Other Receivables

Other receivables consist of the following at June 30th:

	2010	2009
Due from National Public Health Institute Network	\$ 76,870	\$ 272,892
Service Related Receivables	46,732	28,535
Other	<u>-</u>	<u>614</u>
Total	<u>\$ 123,602</u>	<u>\$ 302,041</u>

During the year ended June 30, 2003, LPHI entered into an agreement with the National Network of Public Health Institutes (NNPHI) whereby LPHI is to provide supervision of NNPHI business activities and affairs. As part of this agreement, the Chief Executive Officer of LPHI serves as Chief Executive Officer of NNPHI, and reports directly to the board of directors of NNPHI. LPHI bills NNPHI monthly for the management services rendered. The revenue associated with this agreement is included in "Other Revenue" in the Statements of Activities.

During the fiscal year ended June 30, 2008, LPHI began to earn fees for services related to information technology, communication, media, and program evaluations rendered to other agencies and not-for-profit organizations. This revenue is included in "Other Revenue" in the Statements of Activities.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 5. Furniture and Office Equipment

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

	2010	2009
Computer Equipment	\$ 153,685	\$ 96,259
Computer Software	8,184	8,184
Office Furniture	6,584	6,584
	168,453	111,027
Less: Accumulated Depreciation	(122,473)	101,594
Total	\$ 45,980	\$ 9,433

Depreciation expense for the years ended June 30, 2010 and 2009, totaled \$20,879 and \$11,576, respectively.

Note 6. Due to Clinics – PCASG

As disclosed in Note 3, LPHI was named the local partner for the PCASG program. As local partner, LPHI's primary role is to serve as a conduit for federal funds being passed through the Louisiana Department of Health and Hospitals to approved medical clinics serving Orleans, Jefferson, and Plaquemines parishes, as well as to monitor the utilization of these funds and the overall performance of the approved clinics. At June 30, 2010 and 2009, the amount of funding approved, but not yet disbursed, to eligible medical clinics totaled \$5,209,850 and \$423,135, respectively.

Note 7. Commitments and Contingencies

Leases

LPHI leases office facilities under an operating lease which expires in January 2012. Minimum future rental payments under this lease follow for the years ending June 30th:

Years	Amount
2011	\$ 258,381
2012	150,197
Total	\$ 408,578

LPHI also leases office facilities on a month-to-month basis. Rent expense incurred during the years ended June 30, 2010 and 2009, totaled \$234,308 and \$235,740, respectively.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 7. Commitments and Contingencies (continued)

Line of Credit

At June 30, 2010 and 2009, LPHI had a \$150,000 unsecured line of credit available from a financial institution. LPHI had no balance outstanding with the line of credit as of June 30, 2010, nor as of June 30, 2009.

Note 8. Related Party Transactions

Grants and Contracts

Several of LPHI's board members are employed by organizations with which LPHI has grant agreements or contracts for services.

Note 9. Pension Plan

LPHI sponsors a defined contribution retirement plan established under Section 403(b) of the Internal Revenue code. The amount contributed by LPHI for the years ended June 30, 2010 and 2009, was \$272,071 and \$284,745, respectively.

Note 10. Functional Allocation of Expenses

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

Note 11. Uncertain Tax Positions

LPHI accounts for uncertain tax positions in accordance with Financial Accounting Standards Board (FASB) ACS 740 (formerly Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109*). FASB ACS 740 prescribes recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. LPHI has adopted the provisions of FASB ASC 740 for the year ended June 30, 2010. There was no impact on financial position or results of operations.

LOUISIANA PUBLIC HEALTH INSTITUTE

Notes to Financial Statements

Note 12. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of LPHI through August 16, 2010 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Program Services and Grants
For the Years Ended June 30, 2010 and 2009

Schedule I

Program/Grant	2010	2009
Primary Care and Access Stabilization Grant	\$ 10,538,784	\$ 34,016,214
Louisiana Campaign for Tobacco-Free Living	7,699,661	7,134,412
Kellogg: School Health Connection	2,008,782	2,559,434
OPH Tobacco Control Program	437,000	927,038
LA Workforce Commission - CDBG	384,960	575,578
Collaborative to Improve Behavioral Health Access	306,880	244,979
New Orleans Neighborhood Health Implementation Plan	250,000	-
Maternal and Child Health	214,694	105,958
IS: Coordinated School-Based Health Centers	213,361	249,916
Ped & Bike Safety Campaign	188,125	166,625
Children's Special Health Services	169,727	170,486
School & Community Wellness Collaboration	157,283	1,558
LA Spirit Media Campaign	146,714	499,527
School Health Nurses Disaster Response Training	136,632	170,183
Information Services: Special Projects	134,584	74,266
Common Ground	112,789	236,694
New Orleans Bike & Ped Infrastructure Initiative	103,888	48,930
BCM: Behavioral Health Initiatives	102,544	108,329
National AIDS Fund: LCAP Match	87,986	-
School Health Connection: Supplemental Funding	86,093	-
Behavioral Health Services Dashboard	80,924	9,812
Hearing, Speech & Vision Program Epidemiologist	72,696	11,934
Communications: Special Projects	63,284	47,279
LA Community AIDS Partnership	63,111	136,047
Evaluation: Special Projects	53,112	64,560
Americans for Non-Smoker's Rights	43,188	-
PATH: Special Projects	39,371	38,072
Positive Charge: HIV/AIDS Initiative	22,985	-
LA Public Health Information Exchange	15,754	18,653
Rural Health: Special Projects	11,378	25,127
GNO Primary Care Outreach Campaign	11,783	177,416
Step Together New Orleans	-	233,206
American Legacy Foundation	-	74,665
LA Dept of Education Media Campaign	-	39,731
Kellogg Action Lab	-	23,098
Behavior Risk Factor Surveillance System	-	20,000
REACH Louisiana	-	17,938
Other	40,968	66,668
Total Program Services and Grants	\$ 23,999,041	\$ 48,294,333

See independent auditor's report.

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Revenues and Expenditures - TFL
For the Year Ended June 30, 2010

Schedule II

Unrestricted Support and Revenue	
Grants Revenue - Government	\$ 7,699,661
Total Revenues	<u>7,699,661</u>
Expenses	
Contractual	4,196,161
Salaries	1,488,679
Grants	514,783
Marketing	375,069
Sponsorships	205,212
Travel	144,639
Payroll Tax Expense	111,758
Meeting Costs	106,485
Health Insurance	104,950
Rent	99,347
Retirement Expense	84,758
Telephone and Communications	46,215
Professional Fees - Other	45,208
Supplies	31,485
Software	27,911
Student Interns	21,164
Monthly Parking	20,126
Conferences and Training	13,866
Equipment	12,281
Dental Insurance	8,754
Dues and Memberships	7,688
Worker's Comp	7,559
Insurance - General Liability	7,157
Postage	6,229
Professional Fees - Audit	4,710
Insurance - Directors	3,000
Professional Fees - Accounting	1,400
Printing	1,048
Recruitment	1,016
Life Insurance	600
Bank Fees	258
Publications	145
Total Expenses	<u>7,699,661</u>
Expenses in Excess of Revenues	<u><u>\$ -</u></u>

See independent auditor's report.

OMB CIRCULAR A-133 SECTION

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE (per CFDA)	Federal CFDA Number	Program Name	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through Louisiana Department of Health and Hospitals Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	Primary Care and Access Stabilization Grant	\$ 10,538,784
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	OPH Tobacco Control Program Media	317,000
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	Hearing, Speech and Vision Program	72,696
Maternal and Child Health Services Block Grant to the States	93.994	Children's Health Services	89,955
Maternal and Child Health Services Block Grant to the States	93.994	Maternal Child Health	109,495
HIV Care Formual Grants	93.917	HIV/AIDS Program	<u>11,278</u>
Total U.S. Department of Health and Human Services			11,139,208
U.S. Department of Homeland Security			
Passed through Louisiana Department of Health and Hospitals Crisis Counseling	97.032	LA Spirit Media Campaign	146,714
U.S. Department of Housing and Urban Development			
Passed through Office of the Governor, Louisiana Workforce Commission Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	LA Workforce Commission - CDBG	<u>384,960</u>
Total Expenditures of Federal Awards			<u>\$ 11,670,882</u>

LOUISIANA PUBLIC HEALTH INSTITUTE

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Public Health Institute and is prepared in accordance with the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 2. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided
Centers for Medicare and Medicaid Services (CMS)		
Research, Demonstrations and Evaluations	93.779	\$ 9,397,238
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	\$ 313,346



**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Louisiana Public Health Institute

We have audited the financial statements of Louisiana Public Health Institute as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated August 16, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits we considered Louisiana Public Health Institute's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Public Health Institute's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

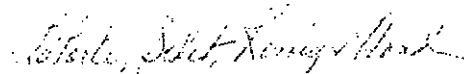
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Public Health Institute's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

August 16, 2010



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

To the Board of Directors
Louisiana Public Health Institute

Compliance

We have audited the compliance of Louisiana Public Health Institute with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Louisiana Public Health Institute's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Louisiana Public Health Institute's management. Our responsibility is to express an opinion on Louisiana Public Health Institute's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Louisiana Public Health Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Louisiana Public Health Institute's compliance with those requirements.

In our opinion, Louisiana Public Health Institute complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2010.

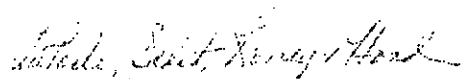
Internal Control Over Compliance

Management of LPHI is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered LPHI's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LPHI's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

August 16, 2010

LOUISIANA PUBLIC HEALTH INSTITUTE
Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2010

A. Summary of Audit Results

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

<u>Program Title</u>	<u>CFDA No.</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283

8. The threshold for distinguishing Types A and B programs was \$350,126.
9. Louisiana Public Health Institute was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

None

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

None