

---

# Louisiana Housing Finance Agency



## ENERGY ASSISTANCE

Darlene Okammor  
Program Manager

July 14, 2010

## Table of Contents

Memo to Commissioners.....	3
Agenda.....	4
Minutes.....	5
Energy Programs Activity Summary.....	10
LACAP Monthly Louisiana ARRA WAP Max Report .....	13
Discussion of LACAP Independent Auditor's Report.....	22

## M E M O R A N D U M

**To:** Commissioner Katie Anderson  
Commissioner Mayson Foster  
Commissioner Elsenia Young  
Commissioner Susan Sonnier

**From:** Darleen Okammor, Program Manager  
Energy Assistance Department

**Date:** July 7, 2010

**Re:** Energy Assistance Program Committee

---

There will be an Energy Assistance Program Committee meeting, Wednesday, July 14, 2010 at 9:00 a.m. at Louisiana Housing Finance Agency, Committee Room 1, located at 2415 Quail Drive, Baton Rouge, LA.

The following topics will be discussed:

- Energy Programs Activity Summary
- LACAP Louisiana WAP Max Report
- LACAP Independent Auditor's Report

If you have any questions or concerns, please contact me.

July 7, 2010

**ENERGY ASSISTANCE COMMITTEE MEETING**

A regular meeting of the Energy Assistance Committee to be held on Wednesday, **July 14, 2010 at 9:00 AM**, Louisiana Housing Finance Agency, **Committee Room 1**, 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

**AGENDA**

1. Call to order, roll call, and introduction of guests.
2. Approval of minutes from the June 9, 2010 Committee Meeting.
3. Energy Programs **Activity Summary**.
4. **LACAP** Monthly Report for Louisiana **WAP Max**.
5. Discussion of **LACAP Independent Auditor's Report**.
6. Other Business
7. Adjournment

---

**Milton J. Bailey**, LHFA President

**If you require special services or accommodations, please contact Barry E. Brooks  
(225) 763-8773 or via email [bbrooks@lhfa.state.la.us](mailto:bbrooks@lhfa.state.la.us)**

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter Executive Session, and by this notice, the Agency reserves its right to go into Executive Session as provided by law.

Louisiana Housing Finance Agency  
Energy Assistance Committee Meeting  
Wednesday, June 9, 2010  
2415 Quail Drive  
Committee Room 1  
Baton Rouge, LA 70808

**Commissioners Present**

Mayson H. Foster  
Allison A. Jones  
Elsenia Young  
Katie Anderson

**Commissioner Absent**

Susan Sonnier

**Staff Present**

Darleen Okammor  
Robyn Meschke  
Carolyn McQuairter  
Loretta Wallace  
Keith Cunningham  
Bridget McGee  
Rene Landry  
Mary Brooks Garriet  
Angela King

**Others Present**

See attached sign-in sheet

Commissioner Katie Anderson called the meeting to order at 9:34 a.m. The roll was called and the introduction of guests and staff followed. The minutes of the May 12, 2010 meeting were approved on a motion by Commissioner Foster, and seconded by Commissioner Young.

**Updates:** Darleen Okammor, Energy Assistance Program Manager, gave a brief overview regarding the statement released by the White House Press Secretary on May 27, 2010 introducing the Home Star legislation. Earlier this month, this legislation passes the House with a bipartisan vote of 246-161. The bill has been reintroduced to the Senate for review and final passage.

The Home Star program described in the Bill will provide temporary rebates for energy-efficient improvements in residential buildings. The initiative establishes a billion dollar rebate program directed at middle and upper income homeowners to encourage immediate investments in

energy-efficient appliances, building mechanical systems, insulation, and white-house energy efficiency retrofits. The maximum amount of rebates provided for a home is set at \$3,000 dollars or 50 percent of the total cost of the installed measures-whichever is less. The intent of the bill is to create jobs in both construction and manufacturing, while saving families money on their utility bills. Ms. Okammor provided the search engine for anyone wanting to review the full text of the legislation at Thomas (The Library of Congress): <http://thomas.loc.gov/> Bill# S.3177, Titled: Home Star Energy Retrofit Act of 2010.

Ms. Okammor briefly discussed some of the program statistics regarding the LIHEAP Program. This included the total percentage of expenditures of 54% serving 67,551 households, 18,690 of that were new households.

The Regular Weatherization Program is wrapping up with more than expected production. The programs projection was 346 units; currently they have weatherized 378 units. There is also the Energy Special Needs Program where we assist families in crisis mode were we have actually assisted 42 households.

Ms. Okammor extended her congratulations to LACAP on behalf of the recent grant they received for their training center. On June 4, 2010, the Department of Energy announced that several weatherization training centers throughout the country have been selected to receive \$29 million dollars under the American Recovery and Reinvestment Act. The projects will provide green job training for local workers in energy efficiency retrofitting and weatherization services.

This concluded Ms. Okammor's report.

**LACAP Monthly Report:** Jon Phelps, Energy Director briefly read through the monthly report for June 2010, which was included in the Committee's binders. He gave an update of the status and/or shortages of those agencies that did not meet their projections. He followed by opening the floor to Sylvester Spears of East Baton Rouge to advise of any recent developments, concerns, and/or updates to the committee.

**Sylvester Spears, East Baton Rouge Parish:** Gave a brief update of the most recent production progress made by East Baton Rouge regarding their targeted projections. He also made mention of their dilemma with pending staff shortages due to retiring staff and the plan implemented for a suitable solution.

**Update on LACAP Audit:** Jane Killen, Executive Director has been in contact with the auditors nearly every day and it is her understanding that the audit report should be complete by the end of the week.

Jon Phelps, Energy Director expanded on the grant they received on behalf of the proposal they submitted in January to the Department of Energy. He mentioned that LACAP was selected to

receive \$956,700 dollars in recovery act funding. It will assist in linking the missing component of our training triage.

**The Shaw Group:** Keith Boeneke, Project Manager gave a brief summary of statistics. Regarding Davis-Bacon Compliance, we are receiving approximately 30 to 35 payroll reports per week. We have an estimate of 110 to 125 laborers in the field and we are currently conducting and documenting field interviews of laborers during our in progress home visits.

The Home Agency Monitoring, we have inspected 64 homes through May which, equal 6% of the completed homes state wide. We are currently performing second quarter home and agency visits. We have 6 agencies scheduled to visit in June and we are scheduled to inspect 19 completed homes.

The Physical Controls, we have conducted and completed 6 onsite and annual monitoring events and three scheduled in June.

The ARRA Reporting, we are currently collecting our May Department of Energy metrics data that will be available by June 17, 2010. The preliminary numbers are showing that we have 160 to 180 full-time equivalent jobs, 637 total training hours at LACAP and the agencies, 34 desktop monitoring events during May that include production and physical monitoring and also completed 6 on-site monitoring events.

Commissioner Anderson opened the floor to entertain questions and/or comments. There being no other business to discuss, Commissioner Anderson adjourned the meeting at 10:03 a.m.



LOUISIANA HOUSING FINANCE AGENCY

ENERGY ASSISTANCE COMMITTEE MEETING

WEDNESDAY, JUNE 9, 2010 @ 9:30 AM

Guest Sign-In Sheet

GUEST NAME

FIRM

PLEASE, PLEASE PRINT

- |                       |               |
|-----------------------|---------------|
| 1. Jane Killen        | LACAP         |
| 2. Kylee Dye          | EBR           |
| 3. Gerry              | EBR           |
| 4. John Schneider     | LACAP Counsel |
| 5. Angel M. Muzz      | Staff         |
| 6. Carolyn McQuartern | Staff         |
| 7. B. Keith Boenke    | SHAW          |
| 8. Jon Phelps         | LACAP         |

**ENERGY ASSISTANCE COMMITTEE BOCM**  
**PLEASE PRINT CLEARLY**

**GUEST NAME**

**FIRM**

- |     |                     |                         |
|-----|---------------------|-------------------------|
| 9.  | JAMES E DAWLEY      | LHFA                    |
| 10. | BRIDGET BOYER MCGEE | LHFA                    |
| 11. | ROBYN MESCHKE       | LHFA                    |
| 12. | LEWETA WALFORD      | LHFA                    |
| 13. | LAUREN FITZ         | LACAP counsel           |
| 14. | JOHN SCHNEIDER      | LACAP counsel           |
| 15. | GERRY DRAGO         | Office of Comm. Develop |
| 16. | EYLUESTER SPEARS    | ERR office of Develop.  |
| 17. | TERRY STEHR         | OCD - EBR               |
| 18. | TOM PHELPS          | LACAP                   |
| 19. | DARREN HAMM         | LHFA                    |
| 20. | ALBERT E. YOUNG     | Commissioner            |
| 21. | ALBERT E. YOUNG     | Commissioner            |



---

## ENERGY PROGRAMS STATUS REPORT

---

**TO:** Board Energy Assistance Program Committee  
**FROM:** Darleen Okammor, Program Manager  
**DATE:** July 14, 2010  
**RE:** Low Income Home Energy Assistance Program (LIHEAP)  
Weatherization Assistance Program (WAP)

### **Weatherization Assistance Program (WAP)**

On 6/29/2010, the annual 2010 WAP grant award was approved for the period 7/1/2010 – 6/30/2011. The regular WAP program ended June 30, 2010. The quarterly program expenditure totals will be reconciled in 30 days. The DOE final closeout reports are due September 30, 2010.

Legislative update: There has not been any new development on the legislation to enact the Home Star Energy Retrofit Act of 2010. In May, it was referred to the Senate Committee, and then referred to the Committee on Finance with no further action.

### **Low Income Home Energy Assistance Program (LIHEAP)**

On June 8, 2010, DHHS released an Action Transmittal to provide a format for States to submit a supplemental, “LIHEAP Program Integrity Assessment Plan” along with the FY 2011 LIHEAP State Plan. This plan will address key elements, like (1) Prevention-Steps the State will take to ensure LIHEAP payments are made on behalf of eligible households only to eligible vendors; (2) Detection – planned strategies for monitoring payments to identify improper payments, errors or fraudulent activity; (3) Correction – Executing immediate actions, if program integrity has been compromised; and (4) Prosecution – reporting of abuses to appropriate law enforcement officials.

Legislative update: In regard to the funding for FY 2011, Congress House Appropriations Committee is expected to mark-up the appropriation bills later this month. The LIHEAP advocates are hopeful the initial House mark will represent the highest level of funding for the program or maintain the \$5.1 billion as for the current program.

### **BP Oil Spill**

On June 29, 2010, Trudy Hairston, HHS-LIHEAP Program Specialist for Louisiana, requested information regarding the impact of the BP oil spill on the residents of the gulf coast. A survey is being conducted to determine the demand for LIHEAP services. Also In keeping with the Agency’s mission to make available resources to persons in need of housing and housing related services, the Agency views the devastation of the Gulf Coast due to the oil spill as an opportunity to expand our mission and assist those families struggling with their energy cost.

Under the LIHEAP, the Agency has \$500,000 available in resources to develop an initiative to implement a Gulf Coast energy crisis assistance program. This program will provide expanded home energy assistance to individuals whose economic hardships have been compounded by the deepwater horizon oil spill catastrophe.

### Program Budget and Statistical Report:

#### Low Income Home Energy Assistance Program

Grantor: Department of Health and Human Services (DHHS) \$51,945,162

(DHHS) \$12,967,605 (DHHS)2<sup>nd</sup> Allocation \$38,977,557

Type of Assistance (October 1, 2009- September 30, 2010)	Total Expenditures	Number of Households Assisted	Households with at least one member who is:			Denied	Number of New Clients
			60 Years or Older	Disabled	Age 5 or Under		
Heating (October – March)	\$29,814,055.39	66,758	24,177	27,993	13,092	405	17,003
Cooling (April - September)							
Year Round Crisis	\$3,680,601.80	12,221	1,752	4,099	3,621	73	5,262
<b>Totals</b>	<b>\$33,494,657.19</b>	<b>78,979</b>	<b>25,929</b>	<b>32,092</b>	<b>16,713</b>	<b>478</b>	<b>22,265</b>
Percentage of Total	64%		32.8%	40.6%	21.2%	0.6%	28.2%

#### Weatherization Assistance Program

Grantor: Department of Energy (DOE) \$3,623,154 (346 Units)

Type of Assistance (July 2009 - June 30, 2010)	Total Expenditures	Units Weatherized	Households with at least one member who is:			Denied
			60 Years or Older	Disabled	Number of New Clients	
DOE Production						
July 1 – June 30, 2010	\$2,609,078.91	400	232	176	57	218
<b>Totals</b>	<b>\$2,609,078.91</b>	<b>400</b>	<b>232</b>	<b>176</b>	<b>57</b>	<b>218</b>
Percentage of Total	72%		58.0%	44.0%	14.3%	54.5%

**Energy Special Needs Program**

Grantor: Department of Health and Human Services (DHHS) \$101,936

Type of Assistance (- June 30, 2010)	Total Expenditures	Number of Households Assisted	Households with at least one member who is:			Denied
			60 Years or Older	Disabled	Age 5 or Under	
DOE Production						
January 1 – March 31, 2010	\$38,165.46	49	17	27	25	7
<b>Totals</b>	<b>\$38,165.46</b>	<b>49</b>	<b>17</b>	<b>27</b>	<b>25</b>	<b>7</b>
Percentage of Total	37%		34.7%	55.1%	51.0%	14.3%

MONTHLY REPORT TO  
LOUISIANA HOUSING FINANCE AGENCY (LHFA)  
FROM  
LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS (LACAP)  
IN ACCORDANCE WITH CONTRACT FOR PROFESSIONAL SERVICES  
FOR THE ARRA WAP MAX  
ADMINISTRATION REQUIREMENTS: EXPECTATION NUMBER 19  
July, 2010

**Expectation Number 19:** In accordance with the provisions of the contract under Article 4, Statement of Work, Expectation Number 19 which states that “Contractor shall present an in-person monthly overview of the progress of the administration and production of the Louisiana WAP MAX Plan to the Energy Assistance Committee of the Board of Commissioners each month. We have submitted the written report to LHFA on June 25, 2010.

Monthly Desk Reviews

**Expectation Number 5:** Contractor shall conduct monthly desk reviews of the Subgrantees using information in the HES database and reports, as requested by Contractor, of Subgrantees. Protocol for monitoring must be agreed upon by LHFA and Contractor. LACAP conducted a desk review for the month of May, 2010, for all Subgrantees.

One Month Failure to Produce

**Expectation Number 6:** For the month of May, 2010, there was one agency that fell into this category, SMILE. A letter was sent to the agency by LACAP. SMILE’s overall production is 116%.

Two Month Failure to Produce

**Expectation Number 7:** For the month of May, 2010, no agency fell into this category.

Four Month Failure to Produce or Failure to Meet 90% by Month 5

**Expectation Number 8:** For the month of May, 2010, no agency fell into this category.

See attached table for Subgrantee ARRA Production.

**Expectation Number 14:** In accordance with the provisions of the contract under Article 4, Statement of Work, Expectation Number 3 which states that “Contractor shall fully execute the training and technical assistance activities included in the state plan.... Contractor shall document all training by subgrantee, by individual trained, by training course and by certificate/ diploma. Contractor shall seek to maintain 60% attendance rates for the classes submitted in the submitted training schedule...”

<u>COURSE:</u>	<u>DATE:</u>	<u>HOURS:</u>	<u>TRAINEES/ CERTIFICATIONS:</u>	<u>COURSE DESCRIPTION:</u>
Basic Weatherization	5/4/10-5/6/10	24	14/14	Comprehensive introduction to the principles of energy and the whole-house approach, as well as their application to weatherization services in Louisiana.
Mobile Homes Train the Trainer	5/25/10-5/28/10	32	5/5	Teaches hands-on how to assess the weatherization needs of typical mobile homes and address those needs using the right tools and measures, taking into consideration priorities and cost.
				Upon completion of this course, participants will be able to

EPA	5/7/10	8	7/7	perform Weatherization in a manner that minimizes creation and dispersal of lead contaminated dust and protects residents, especially children, from possible lead exposure.
HVAC	5/4/10-5/6/10	24	4/4	Covers the wide range of appliances, diagnostic techniques, and weatherization measures involved in home heating, venting, and cooling. Special attention will be paid to DOE WPNs and Louisiana-specific HVAC considerations, such as cooling and sun control.
Health & Safety	5/19/10-5/20/10	16	8/8	Covers health and safety concerns to the weatherization worker and to the home occupant in Louisiana, including how to address them in the field.
Electric Baseloads	5/18/10	8	2/2	After taking this course, participants will have a thorough understanding of the fundamentals of electricity. They will study home electric baseloads as they relate to client energy usage and bills in Louisiana.

**Expectation Number 18:** Contractor shall provide a monthly inventory list of all vehicles, tools and equipment purchased with ARRA funds (10 CFR 440.18, WPN 09-1B) Contractor shall obtain all prior approvals as necessary for equipment purchases in compliance with DOE and State rules and regulations. Also see attached.

Submitted By: Jon Phelps, Energy Director, LACAP

LACAP ARRA Master Inventory List 5/31/10

Agency	Description	Serial #	Source	Title	Cost	Acquisition Date	% of Federal Participation	Location	Use	Condition	Ultimate Disposition
<b>Allen Action</b>											
	1/2 Rev Spande Handle Drill	77028	ARRA	Allen	\$169.00	10/9/09	100%	Main	WAP	New	IN USE
	Hitzchi 18V Cordless Drill Flashlight	300255	ARRA	Allen	\$159.00	10/9/09	100%	Main	WAP	New	IN USE
	Fuji Digital Camera	7410148221	ARRA	Allen	\$169.00	10/12/09	100%	Main	WAP	New	IN USE
	37" Tool Box	76174832752	ARRA	Allen	\$119.00	10/12/09	100%	Main	WAP	New	IN USE
	Minneapolis Blower Door DG700	6600	ARRA	Allen	\$2,595.00	10/02/09	100%	Main	WAP	New	IN USE
	HP Laptop	DV4-1444dx	ARRA	Allen	\$649.99	10/02/09	100%	Main	WAP	New	IN USE
	12" Miter Saw	122210	ARRA	tools	\$ 299.00	11/30/2009	100%	main	WAP	New	IN USE
	6 Gal Air Compressor w/gun	299318	ARRA	tools	\$ 189.00	11/30/2009	100%	main	WAP	New	IN USE
	Circular Saw 7 1/4"	173026	ARRA	tools	\$ 129.00	11/30/2009	100%	main	WAP	New	IN USE
	Krendal Insulation Machine Kit	40-0011	ARRA	Equipment	\$ 15,035.76	12/1/2009	100%	main	WAP	New	IN USE
	Hitzchi 18V Cordless Drill Flashlight	300255	ARRA	Allen	\$159.00	10/9/09	100%	Main	WAP	New	IN USE
	Fuji Digital Camera	7410148221	ARRA	Allen	\$169.00	10/12/09	100%	Main	WAP	New	IN USE
	37" Tool Box	76174832752	ARRA	Allen	\$119.00	10/12/09	100%	Main	WAP	New	IN USE
	Minneapolis Blower Door DG700	6600	ARRA	Allen	\$2,595.00	10/02/09	100%	Main	WAP	New	IN USE
	HP Laptop	DV4-1444dx	ARRA	Allen	\$649.99	10/02/09	100%	Main	WAP	New	IN USE
	Hitachi Lithium Ion 18 V	DS18DSAL	ARRA	Allen	\$ 149.00	4/26/10	100%	Main	WAP	New	IN USE
	HEPA VAC	12WJS12343870	ARRA	Allen	\$514.59	5/20/10	100%	Main	WAP	New	IN USE
<b>APAC</b>											
	DEWALT SPADE HANDLE DRILL	847058	ARRA	APAC	\$169.00	11/19/09	100%	APAC	WAP	NEW	IN USE
	Minneapolis Blower Door DG700	5KCP39PG5727	ARRA	APAC	\$2,640.00	12/15/09	100%	APAC	WAP	New	IN USE
	DEWALT	964455	ARRA	APAC	\$299.00	02/08/10	100%	APAC	WAP	New	IN USE
<b>Assumption PPJ</b>											
<b>Avoyelles</b>											
	BACHARACH MONOXOR III	QN1118	ARRA/CONSERVATION ST	APAC	\$720.00	1/28/10	100%	APAC	WAP	NEW	IN USE
<b>Caddo CAA</b>											
	FORD TRUCK	1FTNF2AY2AEA68535	ROUNDTREE	CAA	23,600	12/29/2009	100%	CADDO	WAP	NEW	IN USE
	CARGO FAN	1FTNE2ELOADA18854	ROUNDTREE	CAA	18,759	12/29/2009	100%	CADDO	WAP	NEW	In Use
	BLOWER DOOR	21624-228077700	ARRA	CAA	2,595.00	1/27/2010	100%	CADDO	WAP	NEW	In Use
	BLOWER DOOR	21625-228057700	ARRA	CAA	2,595.00	1/27/2010	100%	CADDO	WAP	NEW	In Use
	BLOWER DOOR	21626-228067700	ARRA	CAA	2,595.00	1/27/2010	100%	CADDO	WAP	NEW	In Use
	8 X 18 TRAILER		J& R PRODUCTS	CAA	7,695.00	1/27/2010	100%	CADDO	WAP	NEW	In Use
	INFRARED CAMERA	399010736	ARRA	CAA	5,900.00	1/27/2010	100%	CADDO	WAP	NEW	In Use
	INSULATING MACHINE	436	ARRA	CAA	7,995.00	1/27/2010	100%	CADDO	WAP	NEW	In Use
	1,500 WATT GENERATOR		ARRA	CAA	2,595.00	1/27/2010	100%	CADDO	WAP	NEW	In Use
	HOSE REEL		ARRA	CAA	510	1/27/2010	100%	CADDO	WAP	NEW	In Use
	WATTS UP PRO (4)		ARRA	CAA	123.04 EACH	1/26/2010	100%	CADDO	WAP	NEW	In Use
	Toshiba laptop	29342908Q	ARRA	CAA	898	2/26/2010	100%	CADDO	WAP	NEW	In Use
	Toshiba laptop	Z9372526Q	ARRA	CAA	898	2/26/2010	100%	CADDO	WAP	NEW	In Use
	Toshiba laptop		ARRA	CAA	898	2/26/2010	100%	CADDO	WAP	NEW	In Use
	CO ANALYZERW/ PRINTER	C094155	ARRA	CAA	720	4/6/2010	100%	CADDO	WAP	NEW	In Use
	CO ANALYZERW/ PRINTER	C094159	ARRA	CAA	720	4/6/2010	100%	CADDO	WAP	NEW	In Use
	CO ANALYZERW/ PRINTER	C094150	ARRA	CAA	720	4/6/2010	100%	CADDO	WAP	NEW	In Use
	CO ANALYZERW/ PRINTER	C094144	ARRA	CAA	720	4/6/2010	100%	CADDO	WAP	NEW	In Use
	(4) SMALL PRESSURE PANS		ARRA	CAA	280	4/6/2010	100%	CADDO	WAP	NEW	In Use
	(4) LARGE PRESSURE PANS		ARRA	CAA	360	4/6/2010	100%	CADDO	WAP	NEW	In Use

LACAP ARRA Master Inventory List 5/31/10

Agency	Description	Serial #	Source	Title	Cost	Acquisition Date	% of Federal Participation	Location	Use	Condition	Ultimate Disposition
DeSoto PPJ	Minneapolis Blower Door	21287	ARRA	DPPJ	2595	Dec-09	100%	DOCS	WAP	New	In Use
	Minneapolis Blower Door	21288	ARRA	DPPJ	2595	Dec-09	100%	DOCS	WAP	New	In Use
	Minneapolis Blower Door	21289	ARRA	DPPJ	2595	Dec-09	100%	DOCS	WAP	New	In Use
	F150 Ford Truck	1FTMF1CWAKA19134	ARRA	DPPJ	15435.8	Dec-09	100%	DOCS	WAP	New	In Use
	F150 Ford Truck	1FTMF1CW6AKA98415	ARRA	DPPJ	15752	Dec-09	100%	DOCS	WAP	New	In Use
	F250 Ford Truck	1FTSW20529EA99242	ARRA	DPPJ	21269	Dec-09	100%	DOCS	WAP	New	In Use
	Skill saw w/station		ARRA	DPPJ	114	Jan-10	100%	DOCS	WAP	New	In Use
	Dewault circular saw		ARRA	DPPJ	199	1-Jan	100%	DOCS	WAP	New	In Use
	XRP reciprocating saw kit		ARRA	DPPJ	199	Jan-10	100%	DOCS	WAP	New	In Use
	8' ladder		ARRA	DPPJ	108	Jan-10	100%	DOCS	WAP	New	In Use
	Dewault miter saw		ARRA	DPPJ	219	Jan-10	100%	DOCS	WAP	New	In Use
	Dewault trimboss 2 tool combo		ARRA	DPPJ	269	Jan-10	100%	DOCS	WAP	New	In Use
	gel kneepads		ARRA	DPPJ	119.92	Jan-10	100%	DOCS	WAP	New	In Use
	18 guage cordless nailer		ARRA	DPPJ	279	1-Jan	100%	DOCS	WAP	New	In Use
	Dewalt 18V Nicard drill		ARRA	DPPJ	129	1-Jan	100%	DOCS	WAP	New	In Use
	Dewalt 4 Tool Xrp Combo kit		ARRA	DPPJ	499	Jan-10	100%	DOCS	WAP	New	In Use
	Jawhorse Work Table		ARRA	DPPJ	179	Jan-10	100%	DOCS	WAP	New	In Use
	16 Gallon quiet staines shop vac		ARRA	DPPJ	169	Jan-10	100%	DOCS	WAP	New	In Use
	Dewalt Drill		ARRA	DPPJ	129	Jan-10	100%	DOCS	WAP	New	In Use
	Krendl 2300 insulation machine		ARRA	DPPJ	7995	Jan-10	100%	DOCS	WAP	New	In Use
	GN-150 15,000 watt generator		ARRA	DPPJ	2595	Jan-10	100%	DOCS	WAP	New	In Use
	WR-100 Krnedl wireless remote 120v		ARRA	DPPJ	695	Jan-10	100%	DOCS	WAP	New	In Use
	CAM-B50 Flir color infrared camera		ARRA	DPPJ	5895	Jan-10	100%	DOCS	WAP	New	In Use
	Tr-818 8'x 18' trailer		ARRA	DPPJ	7695	Jan-10	100%	DOCS	WAP	New	In Use
	14.4 Drill		ARRA	DPPJ	199	Jan-10	100%	DOCS	WAP	New	In Use
	14.4 Drill		ARRA	DPPJ	199	Jan-10	100%	DOCS	WAP	New	In Use
	Conservation Strat.		ARRA	DPPJ	285	Dec-09	100%	DOCS	WAP	New	In Use
	Large hose reel		ARRA	DPPJ	560	Feb-10	100%	DOCS	WAP	New	In Use
	Weatherguard #205-3		ARRA	DPPJ	295	Mar-10	100%	DOCS	WAP	New	In Use
	Electric Jacks		ARRA	DPPJ	462.5	Mar-10	100%	DOCS	WAP	New	In Use
	Dee Zee Step Boards		ARRA	DPPJ	115	Mar-10	100%	DOCS	WAP	New	In Use
	Dee Zee Brackets		ARRA	DPPJ	295	Mar-10	100%	DOCS	WAP	New	In Use
	Camera Scene Catcher Handle		ARRA	DPPJ	1485	Mar-10	100%	DOCS	WAP	New	In Use
	Camera Case for Infrared Camera		ARRA	DPPJ	295	Mar-10	100%	DOCS	WAP	New	In Use
	JD 3300 PSI GX Pressure Washer		ARRA	DPPJ	692	Mar-10	100%	DOCS	WAP	New	In Use
	4 YR EPP OPE		ARRA	DPPJ	139.97	Mar-10	100%	DOCS	WAP	New	In Use
	Dewalt Nicard Lith Radio		ARRA	DPPJ	169	Mar-10	100%	DOCS	WAP	New	In Use
	Skill 18v LIION Combo kit		ARRA	DPPJ	183.2	Mar-10	100%	DOCS	WAP	New	In Use
	8' FG STEP 300 # TYPE		ARRA	DPPJ	126	Mar-10	100%	DOCS	WAP	New	In Use
	Roofing Nailer Dew		ARRA	DPPJ	249	Mar-10	100%	DOCS	WAP	New	In Use
	Pressure Washer		ARRA	DPPJ	389.99	Mar-10	100%	DOCS	WAP	New	In Use
	Gas Backpack Blower		ARRA	DPPJ	199.99	Mar-10	100%	DOCS	WAP	New	In Use
	Dewalt 18v 1/2 gallon w/d vac		ARRA	DPPJ	139	Mar-10	100%	DOCS	WAP	New	In Use
	Champion 3000W port generator		ARRA	DPPJ	329	Mar-10	100%	DOCS	WAP	New	In Use
	18 Gauge cordless Brand nailer		ARRA	DPPJ	279	Mar-10	100%	DOCS	WAP	New	In Use
	Bosch 12v multi-x oscillating kit		ARRA	DPPJ	179	Mar-10	100%	DOCS	WAP	New	In Use

LACAP ARRA Master Inventory List 5/31/10

Agency	Description	Serial #	Source	Title	Cost	Acquisition Date	% of Federal Participation	Location	Use	Condition	Ultimate Disposition
	Bosch 12v multi-x oscillating kit		ARRA	DPPJ	179	Mar-10	100%	DOCS	WAP	New	In Use
	Impulse Fram Nailer		ARRA	DPPJ	379	Mar-10	100%	DOCS	WAP	New	In Use
	Ladder 28' Alum Ext.		ARRA	DPPJ	169	Mar-10	100%	DOCS	WAP	New	In Use
<b>EBR Econ Dev</b>											
	WATTS UP PRO METER MONITOR	3110B	ARRA		\$182.59	Mar-10	100%	OCD	WAP	NEW	In Use
	WATTS UP PRO METER MONITOR	3110A	ARRA		\$182.59	Mar-10	100%	OCD	WAP	NEW	In Use
<b>Jefferson CAP</b>											
	Enclosed Trailer	4D6EB1823AC023826	ARRA	JeffCap	\$6,700	12/1/2009	100%	JeffCap	WAP	New	In Use
	Portable Generator	5443-1	ARRA	JeffCap	\$2,228.79	2/28/2009	100%	JeffCap	WAP	New	In Use
	Ext Cab Pickup		ARRA	JeffCap	\$20,292.00	on order	100%	JeffCap	WAP	New	on order
<b>Lafourche Parish</b>											
	DEWALT DRILL/18V	21000097	ARRA	LACAP	\$159.99	3/1/10	100%	LAFOURCHE	WAP	NEW	IN USE
	COATED BLUE COVERALLS		ARRA	LACAP	\$397.50	3/1/10	100%	LAFOURCHE	WAP	NEW	IN USE
	INSPECTOR KIT		ARRA	LACAP	\$175.00	3/1/10	100%	LAFOURCHE	WAP	NEW	IN USE
	GFCI TRIPLE TAP 12/3		ARRA	LACAP	\$119.00	3/4/10	100%	LAFOURCHE	WAP	NEW	IN USE
<b>LaSalle CAA</b>											
	Dewalt Jig Saw	SN# 023855Y	ARRA	LaSalle	126.95	4/29/2010	100%	Concordia	WAP	NEW	In Use
	3-Pc Senco Tool Kit	SN# 09AD3408	ARRA	LaSalle	269	4/29/2010	100%	Concordia	WAP	NEW	In Use
	7"1 /4 Skill Saw	SN# 0199208	ARRA	LaSalle	176.8	4/29/2010	100%	Concordia	WAP	NEW	In Use
	Makita Rec Saw	SN# 0057977Y	ARRA	LaSalle	184.69	4/29/2010	100%	Concordia	WAP	NEW	In Use
	18 Volt Lithium Drill	SN# 082521	ARRA	LaSalle	256	4/29/2010	100%	Concordia	WAP	NEW	In Use
	Senco 901 Framing Gun	SN#09A80188	ARRA	LaSalle	349	4/29/2010	100%	Concordia	WAP	NEW	In Use
	Dewalt Jig Saw	SN# 501420091749	ARRA	LaSalle	126.87	4/29/2010	100%	Concordia	WAP	NEW	In Use
	Senco Air Compressor	SN# R6130153	ARRA	LaSalle	219	4/29/2010	100%	Concordia	WAP	NEW	In Use
	7- 1/4 CIRC SAW	SN# 001792	ARRA	LaSalle	169	5/10/2010	100%	Concordia	WAP	NEW	In Use
	12" DEWALT MITER SAW		ARRA	LaSalle	449	5/10/2010	100%	Concordia	WAP	NEW	In Use
	12" DEWALT MITER SAW		ARRA	LaSalle	449	5/10/2010	100%	Concordia	WAP	NEW	In Use
	20GA STAND UP COMPRESSOR		ARRA	LaSalle			100%	Concordia	WAP	NEW	In Use
<b>Quad Area CAA</b>											
	3-Heat Finder Irsenecather	4226, 4225, 4227	ARRA	Quad Area	1,395.00 ea	11/25/09	N/A	Quad Area	WAP	New	IN USE
	1- 1500 watt generator	5695125	ARRA	Quad Area	\$2,299.00	11/25/09	N/A	Quad Area	WAP	New	IN USE
	17,500 watt generator	5706790	ARRA	Quad Area	2,599.00	11/25/09	N/A	Quad Area	WAP	New	IN USE
	17,500 watt generator	5706789	ARRA	Quad Area	2,599.00	11/25/09	N/A	Quad Area	WAP	New	IN USE
	INFRARED HEAT CAMERA	48280	ARRA	Quad Area	6720	11/25/09	100%	Quad Area	WAP	NEW	IN USE
	INFRARED HEAT CAMERA	48285	ARRA	Quad Area	6720	11/25/09	100%	Quad Area	WAP	NEW	IN USE
	CARGO TRAILER	1VK500H29910679232	ARRA	Quad Area	6056	2/2/10	100%	Quad Area	WAP	NEW	IN USE
	CARGO TRAILER	46VF101781117312	ARRA	Quad Area	6056	2/2/10	100%	Quad Area	WAP	NEW	IN USE
	CARGO TRAILER	IUK500H2991067923	ARRA	Quad Area	6056	2/2/10	100%	Quad Area	WAP	NEW	IN USE
	4X4 DODGE TRUCK	3OUT2CL2AG146266	ARRA	Quad Area	37023.35	2/2/10	100%	Quad Area	WAP	NEW	IN USE
	2X4 TRUCK	3D7TP2CLAG146058	ARRA	Quad Area	29749.45	2/2/10	100%	Quad Area	WAP	NEW	
	2X4 TRUCK	1FTSW20Y89EA75604	ARRA	Quad Area	29749.45	2/2/10	100%	Quad Area	WAP	NEW	
	KREDL INSULATION MACHINE	447	ARRA	Quad Area	7689.59	1/20/10	100%	Quad Area	WAP	NEW	
	COOL INSULATION	323	ARRA	Quad Area	7212.8	1/20/10	100%	Quad Area	WAP	NEW	
	MAKITA ROTARY CONCRETE		ARRA	Quad Area	349.99	2/26/10	100%	Quad Area	WAP	NEW	IN USE
	4- XL STEEL CABINET (TOOL CABINET)		ARRA	Quad Area	\$348.00 ea	3/5/10	100%	Quad Area	WAP	NEW	IN USE
	4- TALL STEEL - TOOL CABINET		ARRA	Quad Area	\$288.00 ea	3/5/10	100%	Quad Area	WAP	NEW	IN USE
	4- STEEL WALL TOOL BOX		ARRA	Quad Area	\$128.00 ea	3/5/10	100%	Quad Area	WAP	NEW	IN USE

LACAP ARRA Master Inventory List 5/31/10

Agency	Description	Serial #	Source	Title	Cost	Acquisition Date	% of Federal Participation	Location	Use	Condition	Ultimate Disposition
	4 - 1/2 inch Corded drills (dewalt)	768408, 768409, 768426, 772566	ARRA	Quad Area	\$113.54 ea	4/1/10	100%	Quad Area	WAP	NEW	IN USE
	4 - 18 volt dewalt screw guns (cordless)	602084, 602327, 602650, 602397	ARRA	Quad Area	185.37 ea	4/1/10	100%	Quad Area	WAP	NEW	IN USE
	4- extech bore scoops	2009102001039, 2009102100900, 2009102100900	ARRA	Quad Area	279.00 ea	4/1/10	100%	Quad Area	WAP	NEW	IN USE
<b>St. Charles Parish</b>											
	Canon 12NP DigitAL Camera		ARRA	ST. CHARLES	\$179.80	4/21/10	100%	ST. CHARLES	WAP	NEW	IN USE
<b>St. James Parish</b>											
<b>St. John Parish</b>											
	24' LADDER		ARRA	ST.JOHN	\$256.00	3/6/10	100%	ST.JOHN	WAP	NEW	IN USE
	Ridgid 5PC Lithium ION Combo Kit		ARRA	ST.JOHN	\$499.00	4/21/10	100%	ST.JOHN	WAP	NEW	IN USE
	DRILL		ARRA	ST.JOHN	\$299.00	3/6/10	100%	ST.JOHN	WAP	NEW	IN USE
	7 1/4 WORM DRIVE		ARRA	ST. JOHN	\$169.00	3/6/10	100%	ST.JOHN	WAP	NEW	IN USE
	RIDGID 18V LITHIUM COMPACT DRILL		ARRA	ST. JOHN	\$179.00	5/13/10	100%	ST.JOHN	WAP	NEW	IN USE
	4- WATTS UP PORTABLE PLUG IN POWER METER		ARRA	ST. JOHN	\$469.50	5/1/10	100%	ST.JOHN	WAP	NEW	IN USE
<b>St. Landry Parish</b>											
	MINNEAPOLIS BLOWER DOOR W/ DG700CTL	5KCP39PG5727	ARRA	ST. LANDRY	\$2,595	1/25/10	100%	ST.LANDRY	WAP	NEW	IN USE
	MINNEAPOLIS BLOWER DOOR W/ DG700CTL	5KCP39PG5727	ARRA	ST. LANDRY	\$2,595	1/25/10	100%	ST.LANDRY	WAP	NEW	IN USE
	DIAGNOSTIC BACHARACH INFORMANT GAS	19-7147QN1026	ARRA	ST. LANDRY	\$515	1/25/10	100%	ST.LANDRY	WAP	NEW	IN USE
	DIAGNOSTIC BACHARACH INFORMANT GAS	19-7067QN1205	ARRA	ST. LANDRY	\$515	1/25/10	100%	ST.LANDRY	WAP	NEW	IN USE
	PRESSURE PAN 12'X14"X4'	21983	ARRA	ST. LANDRY	\$140	1/25	100%	ST.LANDRY	WAP	NEW	IN USE
	PRESSURE PAN 12'X14"X4'	21984	ARRA	ST. LANDRY	\$140	1/25	100%	ST.LANDRY	WAP	NEW	IN USE
	16 PACK LEAD DETECTORS		ARRA	ST. LANDRY	\$69	1/25/10	100%	ST.LANDRY	WAP	NEW	IN USE
	16 PACK LEAD DETECTORS		ARRA	ST. LANDRY	\$69	1/25/10	100%	ST.LANDRY	WAP	NEW	IN USE
	BOSCH 6 GALLON AIR COMPRESSOR	8213350BWA033	ARRA	ST. LANDRY	\$299	2/17/10	100%	ST.LANDRY	WAP	NEW	IN USE
	TYPE II LADDER		ARRA	ST.LANDRY	\$140	4/6/10	100%	ST. LANDRY	WAP	NEW	IN USE
	FRAMING NAILER		ARRA	ST.LANDRY	\$269	4/6/10	100%	ST. LANDRY	WAP	NEW	IN USE
<b>SMILE Agency</b>											
	PAVILLION DV7 NOTEBOOK	301	ARRA	SMILE	\$917.99	11/20/09	100%	SMILE	WAP	NEW	IN USE
	BLOWER DOOR IV	BD3ALSD7#/302	ARRA	SMILE	\$2,680.81	12/08/09	100%	SMILE	WAP	NEW	IN USE
	DELL COMPUTER	FSD012604682/303	ARRA	SMILE	\$937.44	2/1/10	100%	SMILE	WAP	NEW	IN USE
	DELL COMPUTER	FSD012700676/304	ARRA	SMILE	\$937.44	2/1/10	100%	SMILE	WAP	NEW	IN USE
	BLOWER DOOR V	22452/305	ARRA	SMILE	\$2,680.81	3/12/10	100%	SMILE	WAP	NEW	IN USE
	BLOWER DOOR COVER	306	ARRA	SMILE	\$285.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	INFRARED THERMOMETER	77352/307	ARRA	SMILE	\$129.95	5/16/10	100%	SMILE	WAP	NEW	IN USE
	INFRARED CAMERA	399012470/308	ARRA	SMILE	\$4,995.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	INFRARED CAMERA	399012090/309	ARRA	SMILE	\$4,995.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	CIRCUIT ANALYZER	843452/310	ARRA	SMILE	\$299.95	5/16/10	100%	SMILE	WAP	NEW	IN USE
	CIRCUIT ANALYZER	843447/311	ARRA	SMILE	\$299.95	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BACHARACH MONOXOR III	QR1199/314	ARRA	SMILE	\$720.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BACHARACH MONOXOR III	QR1057/315	ARRA	SMILE	\$720.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BACHARACH LEAKATOR	QQ00383/316	ARRA	SMILE	\$179.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BACHARACH LEAKATOR	QQ00383/317	ARRA	SMILE	\$179.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BACHARACH LEAKATOR	QQ00383/318	ARRA	SMILE	\$179.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BORESCOPE WIRELESS INSPECTION CAMERA	2009102000539/319	ARRA	SMILE	\$299.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BORESCOPE WIRELESS INSPECTION CAMERA	2009102000539/320	ARRA	SMILE	\$299.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BACHARACH MONOXER III	QR1072/313	ARRA	SMILE	\$720.00	5/16/10	100%	SMILE	WAP	NEW	IN USE
	INFRARED THERMOMETER	77352/ 321	ARRA	SMILE	\$129.95	5/16/10	100%	SMILE	WAP	NEW	IN USE

LACAP ARRA Master Inventory List 5/31/10

Agency	Description	Serial #	Source	Title	Cost	Acquisition Date	% of Federal Participation	Location	Use	Condition	Ultimate Disposition
	INFRARED THERMOMETER	/322	ARRA	SMILE	\$129.95	5/16/10	100%	SMILE	WAP	NEW	IN USE
	BLOWER DOOR COVER	/323	ARRA	SMILE	\$285.00	5/16/10	100%	SMILE	WAP	NEW	IN USE

St. Mary

<b>AGENCY</b>	<b>OCTOBER/09</b> PROJECTIONS	OCT COMPLETED	<b>NOVEMBER</b> PROJECTIONS	NOV COMPLETED	<b>DECEMBER</b> PROJECTIONS	DEC COMPLETED	<b>JANUARY/10</b> PROJECTIONS	JANUARY COMPLETED	<b>FEBRUARY</b> PROJECTIONS	FEBRUARY COMPLETED	<b>MARCH</b> PROJECTION	MARCH COMPLETED	<b>APRIL</b> PROJECTION	APRIL COMPLETED	<b>MAY</b> PROJECTION	MAY COMPLETED
Allen Agency	1	1	1	2	2	2	2	2	2	2	2	4	2	2	2	8
Avoyelles CAA	2	0	2	4	3	8	4	6	4	4	4	7	4	7	4	8
East Baton Rouge	2	0	6	8	7	6	13	0	13	7	13	1	13	24	13	28
Caddo CAA	5	0	7	0	11	23	15	15	15	15	15	15	15	15	15	15
DeSoto, OCS	6	0	7	1	8	6	11	25	11	11	11	11	11	11	11	11
Jefferson Parish CAP	2	2	7	9	9	4	15	4	15	15	15	25	15	20	15	16
Lafourche Parish	0	0	3	2	3	3	3	4	3	3	3	1	3	3	3	3
LaSalle CAA	6	5	6	9	9	8	12	12	12	12	12	12	12	12	12	12
Quad Area CAA	7	3	7	13	9	11	14	14	14	14	14	14	14	15	14	18
SMILE CAA	7	0	7	11	9	19	13	23	13	17	13	13	13	14	13	5
St. John Parish	2	0	2	0	3	0	5	11	5	3	5	14	5	8	5	5
St. Landry Parish	2	3	2	7	3	5	4	4	4	2	4	2	4	6	4	6
St. Mary CAA	2	0	2	4	3	4	4	6	4	6	4	8	4	9	4	5
St. Tammany Parish	4	0	4	0	6	14	9	11	9	0	9	16	9	9	9	9
Terrebonne Parish	2	2	2	2	3	3	4	0	4	6	4	6	4	2	4	4
Total CAA TCA	6	0	8	15	10	20	16	18	16	19	16	18	16	20	16	18
Vernon CAC	5	11	5	0	7	4	9	9	9	12	9	9	9	9	9	9
<b>TOTAL</b>	<b>61</b>	<b>27</b>	<b>78</b>	<b>87</b>	<b>105</b>	<b>140</b>	<b>153</b>	<b>164</b>	<b>153</b>	<b>148</b>	<b>153</b>	<b>176</b>	<b>153</b>	<b>186</b>	<b>153</b>	<b>180</b>
<b>PERFORMANCE</b>		<b>44.27%</b>		<b>111.54%</b>		<b>133.33%</b>		<b>107.19%</b>		<b>96.73%</b>		<b>115.03%</b>		<b>121.57%</b>		<b>117.65%</b>

**Louisiana Association of Community Action Partnerships, Inc.**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH  
INDEPENDENT AUDITORS' REPORT

and

INDEPENDENT AUDITORS' REPORTS ON INTERNAL ACCOUNTING CONTROL  
AND COMPLIANCE AND OTHER MATTERS

For the Year Ended October 31, 2009

# CONTENTS

	<u>PAGE</u>
<u>FINANCIAL INFORMATION SECTION</u>	
Independent Auditors' Report	1-2
Basic Financial Statements	
Statement of Financial Position	3
Statement of Activity and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-12
<u>SUPPLEMENTARY INFORMATION</u>	
Schedule of Expenditures of Federal Awards	13
Notes to Schedule of Expenditures of Federal Awards	14
<u>INTERNAL ACCOUNTING CONTROL, COMPLIANCE</u>	
<u>OTHER MATTERS</u>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	15-17
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	18-20
Schedule of Findings and Questioned Costs	
A. Summary of Audit Results	21
B. Findings - Financial Statement Audit	22-26
C. Findings and Questioned Costs - Major Federal Award Program Audit	27-31
D. Summary of Prior Year Findings	32
Corrective Action Plan Prepared by Louisiana Association of Community Action Partnerships, Inc.	33-35

FINANCIAL INFORMATION SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Louisiana Association of Community  
Action Partnerships, Inc.  
Baton Rouge, Louisiana

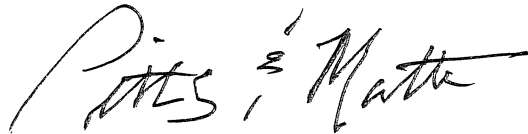
We have audited the accompanying statement of financial position of the Louisiana Association of Community Action Partnerships, Inc. (LACAP) (a nonprofit organization) as of October 31, 2009, and the related statements of activity and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of LACAP's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 audit provides 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 LACAP, as of October 31, 2009, and the changes in its net assets and its cash flows for the year 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 June 28, 2010, on our consideration of LACAP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 considered in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of LACAP 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 of LACAP. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Pitts & Matto". The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.

CERTIFIED PUBLIC ACCOUNTANTS

June 28, 2010

# LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS, INC.

## STATEMENT OF FINANCIAL POSITION OCTOBER 31, 2009

### ASSETS

#### Current assets

Cash	\$	1,211,494
Advances		10,250
Grant receivable		75,971
Due from provider agencies		14,076
Prepaid expense		<u>245,838</u>

Total current assets 1,557,629

Fixed assets - less accumulated depreciation 1,661,991

Total assets \$ 3,219,620

### LIABILITIES AND NET ASSETS

#### Current liabilities

Accounts payable and accrued expenses	\$	178,952
Contracts payable		84,207
Due to provider agencies		115,862
Note payable- current		<u>235,816</u>
Total current liabilities		<u>614,837</u>

#### Long term liabilities

Note Payable- less current 689,772

Total Liabilities 1,304,609

#### Net assets

Unrestricted 115,241

#### Temporarily restricted for:

Fixed assets with explicit restrictions on use	\$	671,070
Utility assistance programs		126,430
General & Administrative		259,016
Education		177,719
Weatherization		451,326
Disaster relief		<u>114,209</u>
Total temporary restricted net assets		<u>1,799,770</u>

Total net assets 1,915,011

Total liabilities and net assets \$ 3,219,620

LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS, INC.

STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED OCTOBER 31, 2009

Changes in unrestricted net assets:	
Revenues:	
Membership fees	\$ 34,700
Seminar fees	60,264
Other	56,605
Total revenues	<u>151,569</u>
Net assets released from restrictions:	
Satisfaction of program restrictions	<u>67,770,678</u>
Total unrestricted revenue and support	<u>67,922,247</u>
Expenses:	
Program Services:	
LIHEAP (Low Income Home Energy Assistance):	
Energy assistance	51,138,528
Education	1,074,081
Weatherization	2,731,714
Express:	
LIHEAP	2,217,888
Weatherization	2,642,010
Training & technical assistance	135,668
Weatherization:	
Weatherization Assistance	2,452,541
Leverage Funding	69,650
Training & technical assistance	468,171
ARRA (American Recovery Reinvestment Act of 2009)	
Weatherization Assistance	3,367,051
Training & technical assistance	58,070
Cleco Leverage	40,000
Energy Assistance:	
Atmos energy assistance	149,092
Black Elk	10,250
Disaster relief	3,250
Seminars	41,898
General and Administrative:	
Capacity Building Grant	1,945
LIHEAP	606,844
ARRA	35,010
Weatherization - Dept of Health & Human Services	373,069
Weatherization - Dept of Energy	209,346
Other	<u>116,266</u>
Total expenses	<u>67,942,342</u>
Decrease in unrestricted net assets	<u>(20,095)</u>
Changes in temporarily restricted net assets:	
Support:	
Federal	63,614,246
State	5,024,722
Contributions	196,731
Net assets released from restriction:	
Satisfaction of program restrictions	
Federal	(62,626,020)
State	(4,995,566)
Contributions	<u>(149,092)</u>
Total Net assets released from restriction	<u>(67,770,678)</u>
Increase in temporarily restricted net assets	1,065,021
Increase in net assets	1,044,926
Net assets beginning of year	<u>870,085</u>
Net assets end of year	<u>\$ 1,915,011</u>

LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED OCTOBER 31, 2009

	LIHEAP			Weatherization					T & T A Express
	Energy Assistance	Education	Weather- ization	LIHEAP Express	Weatheri- zation	Leverage Funding	Training & Technical	Weather-ization Express	
Expenses:									
Payroll		\$ 62,022							
Payroll taxes		3,475		\$ 4,500					
Contract services		6,283					\$ 108,619		\$ 1,350
Depreciation		14,401					10,827		
Equipment rental		7,331		1,291			1,115		
Automobile		2,384		717			1,157		
Insurance		27,737		7,045			1,200		
Seminar fees		13,655				\$ 11,025	17,273		22,843
Meeting		1,167					2,234		1,507
Training		13,590		8,720		11,692	226,087		104,029
Advertising		446,284				7,500	2,991		
Monitoring		1,870				110	944		1,771
Miscellaneous		5,450		50		531	820		
Office expense		17,070		14,271			63		2,988
Supplies		8,090							
Professional fees		38,484		7,954		38,792	24,558		
Assistance to individuals									1,180
Assistance to provider agencies	\$ 51,138,528	298,678	\$ 2,381,714	2,170,542	\$ 2,244,163			\$ 2,288,904	
Assistance to provider organizations - equipment		55,946	350,000		208,378			353,106	
Rent		4,974		1,500					
Repairs & Maintenance		16,272					70,283		
Travel									
Interest									
Utilities & Telephone		28,918		1,298					
<b>Total expenses</b>	<b>\$ 51,138,528</b>	<b>\$ 1,074,081</b>	<b>\$ 2,731,714</b>	<b>\$ 2,217,888</b>	<b>\$ 2,452,541</b>	<b>\$ 69,650</b>	<b>\$ 468,171</b>	<b>\$ 2,642,010</b>	<b>\$ 135,668</b>

TOTAL EXPENSE BY MAJOR PROGRAM ONLY

Low Income Home Energy Assistance	\$ 51,138,528	\$ 1,074,081	\$ 2,731,714						
ARRA-Community Service Block Grant									
ARRA Weatherization Assistance									
Weatherization Assistance					\$ 2,452,541	\$ 69,650	\$ 468,171		
<b>Total</b>	<b>\$ 51,138,528</b>	<b>\$ 1,074,081</b>	<b>\$ 2,731,714</b>	<b>-</b>	<b>\$ 2,452,541</b>	<b>\$ 69,650</b>	<b>\$ 468,171</b>	<b>-</b>	<b>-</b>

ARRA				General and Administrative										
Weatheri- zation	Training & Technical	Cleco Leverage	Conference	Atmos Energy	Disaster Relief	Black Elk Grant	Capacity Building	Weatherization					General	Total
								LIHEAP	ARRA	DHHS	DOE			
	\$ 4,117						\$ 1,807	\$ 332,376	\$ 21,536	\$ 86,432	\$ 110,904		\$ 619,194	
	418						138	52,286	1,933	2,983	5,206		70,939	
								6,397	888	2,306	6,481		132,324	
			\$ 1,787					13,553		30,280		\$ 14,186	85,034	
	748							5,905	320	16,651	6,319	\$ 2,928	42,608	
			194	\$ 194				4,158	145	6,733	2,236	179	18,097	
								47,020	4,483	35,120	16,893	38,181	177,679	
			11,527					16,174		3,438	1,423		97,358	
			296					8,257		1,098	958	3,878	19,395	
	51,791		9,310					19,254		6,707	2,852	12,146	466,178	
			100					1,859	159	4,172	1,309	572	464,946	
	350							1,845		13	282	402	7,587	
			100	\$ 104				2,750	24	2,775	2,750	3,670	19,024	
			284					11,055	247	42,433	6,746	5,039	100,196	
	646		1,754					13,484	1,292	10,938		7,087	43,291	
								34,162	3,333	27,771	30,315		205,369	
		\$ 40,000		148,794	\$ 3,250								193,224	
\$ 3,367,051			16,546			\$ 10,250							63,916,376	
								18,074		2,771			988,275	
								4,110	233	4,979	4,990		20,786	
								925		56,528	475	341	144,824	
												27,490	27,490	
								13,200	417	28,941	9,207	167	82,148	
<u>\$ 3,367,051</u>	<u>\$ 58,070</u>	<u>\$ 40,000</u>	<u>\$ 41,898</u>	<u>\$ 149,092</u>	<u>\$ 3,250</u>	<u>\$ 10,250</u>	<u>\$ 1,945</u>	<u>\$ 606,844</u>	<u>\$ 35,010</u>	<u>\$ 373,069</u>	<u>\$ 209,346</u>	<u>\$ 116,266</u>	<u>\$ 67,942,342</u>	
								\$ 606,844		\$ 373,069			\$ 55,924,236	
							\$ 1,945						1,945	
\$ 3,367,051	\$ 58,070								\$ 35,010				3,460,131	
											\$ 209,346		3,199,708	
<u>\$ 3,367,051</u>	<u>\$ 58,070</u>	-	-	-	-	-	<u>\$ 1,945</u>	<u>\$ 606,844</u>	<u>\$ 35,010</u>	<u>\$ 373,069</u>	<u>\$ 209,346</u>	-	<u>\$ 62,586,020</u>	

**LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS, INC.**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED October 31, 2009

Cash flows from operating activities:		
Received from federal grantors	\$ 63,699,409	
Received from state grantors	4,896,601	
Received from contributions	196,731	
Received from membership fees	34,700	
Received from seminar fees	60,264	
Received from other sources	56,605	
Paid to employees	(629,418)	
Paid to assist provider agencies	(67,504,650)	
Paid to vendors	<u>(712,642)</u>	
Net cash provided by operating activities	<u>97,600</u>	
Cash flows from investing activities:		
Purchase of fixed assets	<u>(1,615,259)</u>	
Net cash used in investing activities	<u>(1,615,259)</u>	
Cash flows from financing activities:		
Proceeds from long term debt	990,124	
Repayments of long term debt	<u>(64,536)</u>	
Net cash provided by financing activities	<u>925,588</u>	
Net decrease in cash and cash equivalents	(592,071)	
Cash and cash equivalents at beginning of year	<u>1,803,565</u>	
Cash and cash equivalents at end of year	<u>\$ 1,211,494</u>	
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets:	\$ 1,044,926	
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 85,034	
Increase in prepaid expenses	(244,338)	
Increase in grants receivable	(42,958)	
Increase in advances	(10,250)	
Decrease in due from provider agencies	101,381	
Increase in accounts payable and accrued expenses	127,665	
Increase in contracts payable	84,207	
Increase in due to provider agencies	<u>(1,048,067)</u>	
	<u>(947,326)</u>	
Net cash provided by operating activities	<u>\$ 97,600</u>	

**Louisiana Association of Community Action Partnerships, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**  
October 31, 2009

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Louisiana Association of Community Action Partnerships, Inc., (LACAP) significant accounting policies applied in the preparation of the accompanying financial statements follows:

LACAP is a non-profit, service organization that was established for the primary purpose of promotion of economic and social opportunities on behalf of the Louisiana's indigent population, as well as the promotion of quality education and training for all human services providers. The mechanism for the delivery of these services is through the membership of the forty-one community action agencies that cover all sixty-four parishes in the state.

The function of LACAP is to (1) provide an organization through which all community action agencies in Louisiana can work together to further the goals and objectives of said agencies; (2) bring about more effective cooperation between community action agencies and other community and faith-based organizations that have similar objectives; (3) participate in and strengthen community action agencies' professional organizations; and, (4) provide training and technical assistance to agencies.

The following is a summary of LACAP's programs and their primary funding sources and functions during the year ended October 31, 2009:

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
General	Membership and Seminar Fees	General operations and seminars
Low - Income Home Energy Assistance Program (LIHEAP)	U.S. Dept. of Health and Human Services through the Louisiana Housing Finance Agency	To assist low-income persons meet the costs of home energy. Included in the program are funds for education, administration and limited amounts for weatherization.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Program</u>	<u>Funding Source</u>	<u>Functions</u>
Express	Louisiana Petroleum Violation Fund through the Louisiana Housing Finance Agency	To assist low-income persons meet the costs of home energy and improve energy efficiency of the dwelling unit.
Weatherization	U.S. Dept. of Energy through the Louisiana Housing Finance Agency	To assist low income persons reduce their total expenditures and improve their health and safety and improve energy efficiency of the dwelling unit.
Capacity Building	U.S. Dept. of Health and Human Services	To expand LACAP's ability to serve member community action agencies and other organizations that have similar objectives.
Energy Assistance	Primarily corporate donations	To administer and fund a program to assist individuals having difficulty paying their utility bills in certain geographic areas.
Disaster Relief	Individual and corporate donations	To assist victims of natural and other disasters.
American Recovery Reinvestment Act (ARRA)-Weatherization	U.S. Dept. of Energy through the Louisiana Housing Finance Agency	To assist low income persons reduce their total expenditures and improve their health and safety and improve energy efficiency of the dwelling.

Basis of Accounting

The accrual basis of accounting is generally used by LACAP.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

### Support and Revenues

A significant portion of the Organization's support and revenue is in the form of grants and contributions from governmental agencies and other groups. Contributions are generally reported as temporarily restricted, if they are received with donor stipulations. Grants are also accounted for as temporarily restricted if the value received by the grant provider is only incidental to the public benefit provided by use of the grant funds. When the stipulations of the grantor or donor are met, then these assets are reclassified as unrestricted and reported in the statement of activity and changes in net assets as net assets released from restrictions.

Grant funds received from grant providers, who receive significant value in exchange for grant funds, are accounted for as exchange transactions and revenue is recognized as services are performed.

LACAP also receives membership and seminar fees from member agencies and participants which are recognized as revenue when received.

### Expenses

Assets or expenses and their related liabilities are recorded when the related goods or services are received by LACAP. Costs incurred in connection with general and administrative costs are charged to expenses as incurred.

### Due to or from Provider Agencies

LACAP generally utilizes local community action agencies to assist it in providing services. In some cases LACAP advances funds to the agencies for these projects in advance of the completion of the project. LACAP records these amounts in assets as Due from Provider Agencies until the projects are complete. In other instances LACAP reimburses the agencies for costs of projects already performed, in these cases LACAP records a liability to the agency as Due to Provider Agencies.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fixed Assets

Purchased furniture, fixtures, and other equipment are valued at their actual cost. Fixed assets are depreciated over their estimated useful lives on the straight-line basis. Fixed assets purchased with federal dollars may need to be returned to the grantor, sold or retained by the organization in accordance with the respective grant agreements upon program completion.

### Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. An accrual is not made because the amount is not significant.

### Net Assets

In accordance with the Statement of Financial Accounting Standards #117, the Organization must report net assets in each of the following three classes:

- a. permanently restricted - net assets in this category are restricted by grantor or donor imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.
- b. temporarily restricted - net assets in this category are restricted by grantor or donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization.
- c. unrestricted - net assets in this category are not restricted by grantor or donor imposed restrictions.

LACAP has unrestricted and temporarily restricted net assets.

The temporary restrictions result from grants or donations that have been received but not yet expended which are restricted to use in particular programs.

### Cash and cash equivalents

For purposes of the Statement of Cash Flows, LACAP considers all cash in non-interest bearing checking accounts and cash on hand to be cash and cash equivalent accounts.

### Income Tax Status

The Organization operates as a not-for-profit organization. It is accorded tax exempt status under Section 501 (c) (4) of the Internal Revenue Code.

## NOTE 2 - FIXED ASSETS

The following is a summary of fixed assets by major category with their related estimated useful lives:

<u>Category</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Building	\$993,022	35 years
Improvements to building	179,287	35 years
Vehicles	143,215	5 years
Equipment	<u>457,921</u>	5-20 years
Total	1,773,445	
Less: accumulated depreciation	<u>111,454</u>	
	<u>\$1,661,991</u>	

Depreciation for the year ended October 31, 2009 totaled approximately \$88,000.

Certain grant requirements restrict the use of certain fixed assets. Substantially all fixed assets acquired with grant funds could revert to the grantor if those fixed assets would cease to be used in that program.

## NOTE 3 - CONCENTRATIONS, CONTINGENCIES AND SUBSEQUENT EVENTS

### CONCENTRATIONS

Approximately ninety-two percent and seven percent of LACAP's funding is obtained from federal and state grants, respectively.

LACAP maintains bank accounts with balances of approximately \$1,200,000 which were covered by Federal deposit insurance.

### CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable program. Currently approximately \$370,000 of grant related costs are considered questioned costs due to possible noncompliance with grant requirements. The amount, if any, of the costs which may be disallowed by the grantor cannot be determined at this time. Accordingly no provision for any liability that may result upon resolution has been made in these financial statements.

### SUBSEQUENT EVENTS

The Organization's management has evaluated whether any events and transactions occurred subsequent to October 31, 2009 through June 28, 2010, the date of issuance of the Organization's financial statements and determined that there were no material events or transactions that would require recognition or disclosure in the Organization's financial statements.

#### NOTE 4 - RISK MANAGEMENT

LACAP is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the LACAP carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements of claims have not exceeded coverage in the past three years.

#### NOTE 5 - NOTES PAYABLE

The following is a summary of notes payable at October 31, 2009:

Installment notes payable to bank secured by land and building bearing interest at a rate of 5.5% payable in monthly installments, with final payments due from March to April 2014.	\$925,588
Less current portion	<u>(235,816)</u>
Long term portion	<u>\$689,772</u>

Aggregate future maturities of the debt are approximately:

For year ending October 31, 2010	\$235,816
2011	179,688
2012	209,153
2013	222,468
2014	<u>78,463</u>
	<u>\$925,588</u>

The Organization maintains a line of credit with a local bank in the amount of approximately \$110,000. At year end, the company did not have any outstanding indebtedness related to the line of credit.

#### NOTE 6 - EMPLOYEE BENEFIT PLAN

The Organization provides a 401(k) savings plan for its eligible employees. Employees are eligible to participate in the plan after one year of service. Participating employees may elect to contribute up to ten percent of their earnings. The Organization may contribute an amount equal to a percentage of the participants' contributions. The Association contributed approximately \$6,000 to the plan for the year ended October 31, 2009.

SUPPLEMENTARY INFORMATION

**LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS, INC.**

Schedule of Expenditures of Federal Awards  
For the Year Ended October 31, 2009

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ <u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENSES INCURRED</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Louisiana Housing Finance Agency			
Low-Income Home Energy Assistance	93.568	\$ 56,682,872	\$ 56,204,731
ARRA - Community Services Block Grant	93.710	_____ -	_____ 1,945
Total U.S. Department of Health and Human Services		_____ 56,682,872	_____ 56,206,676
<u>U.S. Department of Energy</u>			
Passed through Louisiana Housing Finance Agency			
ARRA Weatherization Assistance for Low - income Persons	81.042	4,095,442	3,460,131
Weatherization Assistance for Low - income Persons	81.042	_____ 2,835,932	_____ 3,454,838
Total U.S. Department of Energy		_____ 6,931,374	_____ 6,914,969
Total Federal Financial Assistance		_____ \$ 63,614,246	_____ \$ 63,121,645

**LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS, INC.**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended October 31, 2009

**NOTE 1 - REPORTING METHOD**

Except for Low-Income Home Energy Assistance (LIHEAP) and Weatherization Assistance for Low - income Persons program (WAP), all revenues and expenses on this schedule are reported on the basis of generally accepted accounting principles.

**NOTE 2 - SCHEDULE OF PROGRAM EXPENSES**

Reconciliation of expenses incurred on the financial statements to expenses incurred on the Schedule of Expenditures of Federal Awards is as follows:

	<u>LIHEAP</u>	<u>WAP</u>
Total unrestricted expenses per financial statement	\$55,924,236	\$3,199,708
Add: Fixed asset additions	338,729	265,957
Less: Depreciation expense	<u>(58,234)</u>	<u>(10,827)</u>
 Total expenses incurred per Schedule of Expenditures of Federal Awards	 <u>\$55,204,731</u>	 <u>\$3,454,838</u>

For grant reporting purposes, expenditures for fixed asset additions are considered to be grant expenses, however for financial statement purposes these expenditures are capitalized as fixed assets.

**NOTE 3 - SCHEDULE OF PROGRAM REVENUE BY PROGRAM YEAR**

Both major programs operated by LACAP, have different program year ends than the organization's fiscal year end. The following is a breakdown of revenue, recognized for each grant year within the LACAP fiscal year ended October 31, 2009:

LIHEAP:

Grant year ended 2008	\$259,355
Grant year ended 2009	<u>56,423,517</u>
Total	<u>\$56,682,872</u>

WAP:

Grant year ended 2008	\$2,084,894
Grant year ended 2009	<u>751,038</u>
Total	<u>\$2,835,932</u>

INTERNAL ACCOUNTING CONTROL AND COMPLIANCE  
AND OTHER MATTERS



REPORT ON COMPLIANCE AND 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

Board of Directors  
Louisiana Association of Community  
Action Partnerships, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Association of Community Action Partnerships, Inc. (LACAP) (a nonprofit organization) as of and for the year ended October 31, 2009, and have issued our report thereon dated June 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LACAP's internal control over financial reporting as a basis for designing 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 LACAP's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LACAP's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified three deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described as items 2009-1-FS, 2009-2-FS, and 2009-3-FS in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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

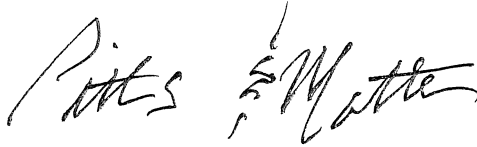
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies, that are also considered to be material weaknesses. However, we believe that all three of the significant deficiencies described above are material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether LACAP'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 one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 2009-4-FS.

LACAP's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit LACAP's response and, accordingly, we express no opinion on it.

This report is intended solely for the use of management, grant agencies 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. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.

A handwritten signature in black ink, appearing to read "Pitts & Matte". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

June 28, 2010



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

Board of Directors  
Louisiana Association of Community  
Action Partnerships, Inc.  
Baton Rouge, Louisiana

Compliance

We have audited the compliance of the Louisiana Association of Community Action Partnerships, Inc. (LACAP) (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable its major federal program for the year ended October 31, 2009. LACAP'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 its major federal program is the responsibility of LACAP's management. Our responsibility is to express an opinion on LACAP'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 that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LACAP'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 LACAP's compliance with those requirements.

In our opinion, Louisiana Association of Community Action Partnerships, Inc., complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended October 31, 2009. However, the results of our auditing procedures disclosed two instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 which are discussed in the accompanying schedule of findings and questioned costs as items 2009-2-MP and 2009-3-MP.

#### Internal Control Over Compliance

The management of LACAP 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 LACAP's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the LACAP's internal control over compliance.

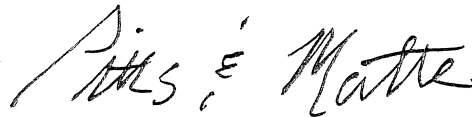
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However as discussed below, we identified one deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in a entity's internal control over compliance exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-1-MP to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

LACAP's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit LACAP's response and, accordingly, we express no opinion on it.

This report is intended solely for the use of management, grant agencies 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. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.

A handwritten signature in black ink, appearing to read "P. S. E. Matte". The signature is written in a cursive style with some capitalization.

CERTIFIED PUBLIC ACCOUNTANTS

June 28, 2010

**LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS, INC.**  
**SCHEDULE OF FINDINGS, AND QUESTIONED COSTS**  
**For the Year Ended October 31, 2009**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the Louisiana Association of Community Action Partnerships, Inc.
2. Three control deficiencies were disclosed during the audit of the financial statements. All of these conditions are reported as material weaknesses.
3. One instance of noncompliance material to the financial statements of the Louisiana Community Action Partnerships, Inc., was disclosed during the audit.
4. One significant deficiency in internal control over major federal award programs is reported as a material weakness.
5. The auditors' report on compliance for the major federal award programs for the Louisiana Association of Community Action Partnerships, Inc., expresses an unqualified opinion on the major federal programs.
6. Two audit findings relative to the major federal award programs for the Louisiana Association of Community Action Partnerships, Inc., are reported in Part C of this Schedule.
7. The programs tested as a major program are:
  - Low-Income Home Energy Assistance Program (LIHEAP) (CFDA No. 93.568)
  - Weatherization Assistance for Low - income Persons (CFDA No. 81.042)
  - ARRA Weatherization Assistance for Low - income Persons (CFDA No. 81.042)
8. The threshold for distinguishing types A and B programs was \$1,900,000.
9. Louisiana Association of Community Action Partnerships, Inc., was not determined to be a low risk auditee.

## B. FINDINGS - FINANCIAL STATEMENT AUDIT

Type of Finding: Material Weakness in Internal Control over Financial Reporting

ITEM NO. 2009-1-FS RELIABILITY OF FINANCIAL REPORTING

### Auditor's Comments

Condition: Due to the size and complexity of LACAP's operations, its accounting department lacks the appropriate skills, knowledge, and expertise needed for recording the financial transactions and in preparing the financial statements in accordance with generally accepted accounting principles.

Criteria: Statement on Auditing Standards state in part:

"Internal control is a process...designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness, and efficiency of operations, and compliance with applicable laws and regulations."; and further,

"Having sufficient expertise in selecting and applying accounting principles is an aspect of such controls."

Effect: There is an increased likelihood that material misstatement in financial information might occur and not be detected.

Cause: Due to the significant increase in the scope and complexity of LACAP's operations and turn over of LACAP's in house accounting personnel and outside consultants, LACAP does not have the level of expertise necessary to carry out all needed financial statement preparation functions.

Recommendations: LACAP should increase its expertise in the accounting area either through the addition of in-house personnel or by using ongoing consulting services.

Management's Response: LACAP has hired an Accounting Manager who has a degree in Accounting from LSU and is working toward her Masters in Accounting at LSU. She has worked for an auditing firm for approximately three years and is well versed in Accounting Principles and Auditing Standards. During her tenure at the auditing firm she has gained expertise in fund accounting as well auditing of Non-Profit entities. We are confident that she will bring the needed stability to our fiscal department.

Type of Finding: Material Weakness in Internal Control over Financial Reporting

ITEM NO. 2009-2-FS PURCHASES AND PAYABLES

Auditor's Comments

Condition: During the course of the audit we performed several procedures to test LACAP's purchasing, payables and disbursements system. We did not find any instances where improper, unauthorized, nor non-allowable expenditures were made. However, we did find three items totaling approximately \$150,000 omitted from accounts payable at year end. In addition, we found four instances where purchase orders totaling approximately \$400,000 were not approved until after the purchases were made.

Please note that adjustments were made to these financial statements to include any significant payables omitted in the year end accounts payable cut off.

Criteria: Proper GAAP accrual basis accounting requires that costs related to goods and services received in a given period be charged to that period.

In addition, good internal controls and LACAP's own policies require that certain purchases be properly authorized prior to the ordering of those goods or services. LACAP's procedures for the prior authorization of large purchases is to prepare a purchase order and have it approved by certain members of its executive committee, prior to initiating the purchase.

Effect: If payables and charges are not recorded in the proper period the financial statements may be misstated. In addition, it is possible that grant charges may be recorded in the wrong grant period.

When purchases are made without the proper prior approval, it is possible that transactions can take place that are contrary to the wishes of those in charge of LACAP's governance.

Cause: The cause of the cut off of payables problem could not be fully determined.

LACAP failed to follow its policies of preparing and properly authorizing purchase orders prior to the actual initiation of certain purchases.

Recommendation: LACAP should include in its accounts payable system procedures to insure there are no significant unrecorded liabilities at the end of each period. The system should include a review of vendor invoices on hand, purchase orders issued and outstanding, and significant disbursements made shortly after the end of the period.

If any significant unrecorded items are found within these three groups, then an appropriate accrual entry should be made.

LACAP should follow its policies of preparing and obtaining proper approval of purchase orders prior to actual initiated purchase.

Management's Response: Our previous Financial Director inadvertently omitted \$150,000 in purchases that occurred in the fiscal year ending October 31, 2009 but were but were paid after October 31, 2009. He used the date the invoices were paid rather than the date the expenses occurred.

Purchases totaling \$400,000 were incurred for Weatherization training, LIHEAP outreach, and Client Education. Two WAP training sessions in the amount of \$28,866 were supported by a contract with the Holiday Inn prior to the training occurring. Therefore, the trainings did have prior approval. However, when LACAP was billed for the training, a purchase order form was used in order to secure payment for the hotel. A payment request form should have been used.

Purchases totaling \$260,998 were incurred for LIHEAP outreach in the form of advertising in all media markets. The purchase was approved by LACAP's President and Executive Director prior to the advertising being placed as noted on the invoice with an "Approved" stamp and the Executive Director's initials. Again, the purchase order was used to secure payment for the vendor. A payment request form should have been used.

Purchases totaling \$114,400 were incurred for Client Education in the form of Energy Savers Calendars for our 41 LIHEAP provider agencies to distribute to their LIHEAP clients. Although this expense was given verbal approval by the Executive Director, we failed to secure written approval. The purchase order was used to secure payment for the vendor. A payment request form should have been used.

We have met with the accounting staff and supervisors and have given them instructions in the proper purchasing procedure and we have revised our system of approval and payment requests.

Type of Finding: Material Weakness in Internal Control over Financial Reporting

ITEM NO. 2009-3-FS WEAKNESS IN SALARY ALLOCATION SYSTEM

Auditors' Comments:

Condition: Our audit procedures revealed that overall payroll is generally handled and documented properly. However, the salaries and wages that are allocated indirectly to various programs were not fully documented. Note that the programs did receive services from all employees whose wages or salaries were charged to the program. However the charges were based upon allocations rather than detail time records.

Criteria: Documentation to support salary and wage allocations to various programs should be based upon actual after-the-fact time records rather than estimates.

Effect: The grantors may request reimbursement for amounts charged to grants that do not meet their documentation requirements.

Cause: It appears the payroll accounting system used by LACAP in 2009 was not sufficiently sophisticated to capture the needed data.

Recommendation: LACAP should implement a payroll system that maintains employee time not only in total by employee per pay period, but also by program benefited.

In addition, if actual time spent on various programs is significantly different than that estimated, then program budgets should be amended to account for the increase or decrease in costs.

Management's Response: As of November 1, 2009 LACAP began using a payroll system that is sufficiently sophisticated to capture needed data and supports salary and wage allocations to various programs based upon actual after-the-fact time records.

Type of Finding: Compliance and Other Matters

#### ITEM NO. 2009-4-FS FAILURE TO FILE AUDIT REPORT ON TIME

##### Auditor's Comments

Condition: LACAP's audit was not completed and furnished to the Louisiana Legislative Auditor nor LACAP's funding agency within the required time frame.

Criteria: Audit reports should be filed with the Office of the Legislative Auditor and the funding state agencies no later than six months after the nongovernmental entity's fiscal year end.

Effect: Failure to complete and furnish the audit on time violates state law and funding agency's agreement with LACAP. In addition, management should be presented with timely audited financial information so that they can better manage LACAP's operation.

Cause: LACAP's loss of financial personnel and consultants, key to the audit process, delayed the preparation of information needed for the audit.

Recommendations: LACAP should submit all requested information to the auditor within the time restraints to avoid the late submission of the audit report in the future.

Management's Response: It was necessary to ask for an extension from the Office of Legislative Auditor due to the loss of financial personnel and consultants who were key to the audit process.

We do not anticipate any turnover in financial personnel and, therefore, will submit future auditing reports on time.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM  
AUDIT

Type of Finding: Material Weakness over Compliance

ITEM No. 2009-1-MP WEAKNESS IN SALARY ALLOCATION SYSTEM

Low-income Home Energy Assistance Program (LIHEAP)(CFDA # 93.568)

Weatherization Assistance for Low-Income Persons program (WAP) (CFDA# 81.042)

This finding is discussed in more detail at Item No. 2009-3-FS Salaries and wages that are charged indirectly to programs are not supported by after-the-fact time records. Because of this it is possible grant charges are incurred that do not meet grant documentation requirements. A payroll system should be implemented that maintains employee time not only in total but also by the program benefited.

Management's Response: As of November 1, 2009 LACAP began using a payroll system that is sufficiently sophisticated to capture needed data and supports salary and wage allocations to various programs based upon actual after-the-fact time records.

ITEM NO. 2009-2-MP WEAKNESS IN SALARY ALLOCATION SYSTEM

Type of Finding:

Known Questioned Costs Greater than \$10,000 related to Compliance  
Required of a Major Program

Questioned  
Costs

Auditors' Comments:

Condition: The Low-income Home Energy Assistance program (LIHEAP) (CFDA# 93.568) is a major program funded by the Department of Health and Human Services and passed through the Louisiana Housing Finance Agency. (LHFA)

A portion of the grant award may be used for administrative costs, including compensation for personal services. Charges to the grant are allowed for personal services that are used directly or indirectly to benefit the award. In order to qualify as allowable costs, certain documentation requirements exist for the support of salary and wage costs.

In the course of performing audit work in the area of payroll costs, we noted the following LACAP's total payroll is approximately \$620,000 of which \$361,782 was charged to the LIHEAP program (\$22,318 as direct charges and \$339,464 as indirect charges).

Our audit procedures revealed that overall payroll is generally handled and documented properly. However, the salaries and wages that are allocated indirectly to the LIHEAP program were allocated based upon an estimated percentage basis, rather than upon after-the-fact detail time records. Note that the LIHEAP program did receive services from all employees whose wages or salaries were charged to the program.

Criteria: However unlike the WAP program described in Item 2009-3-MP, the LIHEAP program appears to be subject to fiscal and administrative requirements developed by the state for the LIHEAP grant.

Effect: The grantor may request reimbursement for amounts charged to the LIHEAP grant that do not meet documentation requirements.

\$339,464

Cause: It appears the payroll accounting system used by LACAP in 2009 was not sufficiently sophisticated to capture the needed data.

Recommendation: LACAP should implement a payroll system that maintains employee time not only in total by employee per pay period, but also by program benefited.

In addition, if actual time spent on various programs is significantly different than that estimated, then program budgets should be amended to account for the increase or decrease in costs.

Management's Response: Prior to LACAP entering into a contract with LHFA to administer the LIHEAP and WAP programs, LACAP had only one employee, the Executive Director. The additional staff was hired to carry out the necessary functions of the various programs. The staff allocated their time spent on the programs by weekly duties related to their job descriptions. The LIHEAP program requires daily reviewing and submission of Vendor Payment Requests versus the WAP program that requires a monthly submission of Vendor Payment Requests. The staff members who were assigned duties that would benefit both programs were given directives to allocate their time accordingly. Upon further review of A-122, we discovered that this is not a specified allocation of payroll expense method.

Even though we did not use the specified time tracking method to support the salaries charged to the program, the end result under the method we used would be very similar to what would have been reported for the fiscal year ending October 31, 2009 under the specified method.

As stated in the Auditor's comments, payroll is generally handled and documented properly and the program did receive services from all employees whose wages or salaries were charged to the program.

As of November 1, 2009 LACAP began using a payroll system that is sufficiently sophisticated to capture needed data and supports salary and wage allocations to various programs based upon actual after-the-fact time records.

Questioned  
Costs

Total for Department of Health and Human Services

\$339,464

ITEM NO. 2009-3-MP WEAKNESS IN SALARY ALLOCATION SYSTEM

Note: This finding is similar to Item No. 2009-2-MP above

Questioned  
Costs

Auditors' Comments:

Condition: The Weatherization Assistance for Low - income Persons program (WAP)(CFDA #81.042) is a major program funded by the Department of Energy and passed through the Louisiana Housing Finance Agency. (LHFA)

A portion of the grant award may be used for administrative costs, including compensation for personal services. Charges to the grant are allowed for personal services that are used directly or indirectly to benefit the award. In order to qualify as allowable costs, certain documentation requirements exist for the support of salary and wage costs.

In the course of performing audit work in the area of payroll costs, we noted the following LACAP's total payroll is approximately \$620,000 of which \$167,904 was charged to the WAP program (\$138,497 as direct charges and \$29,407 as indirect charges).

Our audit procedures revealed that overall payroll is generally handled and documented properly. However, the salaries and wages that are allocated indirectly to the WAP program were not fully documented as required by OMB Circular A-122 "Cost Principles for Non-Profit Organizations" (A-122). Note that the WAP program did receive services from all employees whose wages or salaries were charged to the program. However the charges were based upon allocations rather than detail time records.

Criteria: The section of A-122 related to support of salaries and wages requires that the supporting documents for allocating salaries include "...reports reflecting the distribution of activity of each employee..." and further "The report must reflect an after-the-fact determination of actually activity..."

Basically the requirement is timesheets or time cards submitted by each worker allocating their time for each pay period done at least monthly and signed by the employee or supervisor.

Effect: The grantor may request reimbursement for amounts charged to the WAP grant that do not meet their stringent documentation requirements.

\$29,407

Cause: It appears the payroll accounting system used by LACAP in 2009 was not sufficiently sophisticated to capture the needed data.

Recommendation: LACAP should implement a payroll system that maintains employee time not only in total by employee per pay period, but also by program benefited.

In addition, if actual time spent on various programs is significantly different than that estimated, then program budgets should be amended to account for the increase or decrease in costs.

Management's Response: Prior to LACAP entering into a contract with LHFA to administer the LIHEAP and WAP programs, LACAP had only one employee, the Executive Director. The additional staff was hired to carry out the necessary functions of the various programs. The staff allocated their time spent on the programs by weekly duties related to their job descriptions. The LIHEAP program requires daily reviewing and submission of Vendor Payment Requests versus the WAP program that requires a monthly submission of Vendor Payment Requests. The staff members who were assigned duties that would benefit both programs were given directives to allocate their time accordingly. Upon further review of A-122, we discovered that this is not a specified allocation of payroll expense method.

Even though we did not use the specified time tracking method to support the salaries charged to the program, the end result under the method we used would be very similar to what would have been reported for the fiscal year ending October 31, 2009 under the specified method.

As stated in the Auditor's comments, payroll is generally handled and documented properly and the program did receive services from all employees whose wages or salaries were charged to the program.

As of November 1, 2009 LACAP began using a payroll system that is sufficiently sophisticated to capture needed data and supports salary and wage allocations to various programs based upon actual after-the-fact time records.

	Questioned <u>Costs</u>
Total Department of Energy	<u>\$29,407</u>
Total	<u>\$368,871</u>

## D. SUMMARY OF PRIOR YEAR FINDINGS

### ITEM NO. 2008-1-FS Error in Recording Certain Expenses

Comment: Accounting staff have been counseled on the importance of accurate recording of all expenses. This finding has been corrected.

### ITEM NO. 2008-2-FS Reliability of Financial Reporting

Comment: LACAP has hired an Accounting Manager who has a degree in Accounting from LSU and is working toward her Masters in Accounting at LSU. She has worked for an auditing firm for approximately three years and is well versed in Accounting Principles and Auditing Standards. During her tenure at the auditing firm she has gained expertise in fund accounting as well auditing of Non-Profit entities.

### ITEM NO. 2008-1-MP Error in Recording Certain Expenses

Comment: Accounting staff have been counseled on the importance of accurate recording of all expenses. This finding has been corrected.

### ITEM NO. 2008-2-MP Known Questioned Cost

Comment: We have completed our investigation of Pointe Coupee Community Advancement, Inc. (PCCA) regarding misuse of LIHEAP Funding. The program has been removed from PCCA and is now being administered by Avoyelles PAC. It was determined that PCCA misused approximately \$29,000 of LIHEAP Funding. This finding was reported to the Legislative Auditor's Office. LACAP turned all documentation over to the legal counsel for Louisiana Housing Finance Agency who is the grantee for the LIHEAP program.

**LACAP, INC.**  
**LOUISIANA ASSOCIATION OF COMMUNITY ACTION PARTNERSHIPS**  
11637 Industriplex Boulevard, Baton Rouge, Louisiana 70808  
Phone: 225-298-3323 Fax: 225-298-3325 E-mail: [lacap@lacapmail.org](mailto:lacap@lacapmail.org)

June 28, 2010

Mr. Milton J. Bailey, President  
Louisiana Housing Finance Agency  
2415 Quail Drive  
Baton Rouge, LA 70808

Dear Mr. Bailey:

We respectfully submit the following corrective action plan for the year ended October 31, 2009.

Responsible Person: Jane Killen, Executive Director  
Time of Completion: October 31, 2010

Findings: Financial Statement Audit

Type of Finding: Material Weakness in Internal Control over Financial Reporting

ITEM NO. 2009-1-FS Reliability Of Financial Reporting

Corrective Action: LACAP has hired an Accounting Manager who has a degree in Accounting from LSU and is working toward her Masters in Accounting at LSU. She has worked for an auditing firm for approximately three years and is well versed in Accounting Principles and Auditing Standards. During her tenure at the auditing firm she has gained expertise in fund accounting as well auditing of Non-Profit entities.

ITEM NO. 2009-2- FS Purchases And Payables

Corrective Action: Our previous Financial Director inadvertently omitted \$150,000 in purchases that occurred in the fiscal year ending October 31, 2009 but were but were paid after October 31, 2009. He used the date the invoices were paid rather than the date the expenses occurred. Purchases totaling \$400,000 were incurred for Weatherization training, LIHEAP outreach, and Client Education. Two WAP training sessions in the amount of \$28,866 were supported by a contract with the Holiday Inn prior to the training occurring. Therefore, the trainings did have prior approval. However, when LACAP was billed for the training, a purchase order form was used in order to secure payment for the hotel. A payment request form should have been used. Purchases totaling \$260,998 were incurred for LIHEAP outreach in the form of advertising in all media markets. The purchase was approved by LACAP's President and Executive Director prior to the advertising being placed as noted on the invoice with an "Approved" stamp and the Executive Director's initials. Again, the purchase order was used to secure payment for the vendor. A payment request form should have been used. Purchases totaling \$114,400 were incurred for Client Education in the form of Energy Savers Calendars for our 41 LIHEAP provider agencies to distribute to their LIHEAP clients. Although this expense was given verbal approval by the Executive Director, we failed to secure written approval. The purchase order was used to secure payment for the vendor. A payment request form should have been used. We have met with the accounting staff and supervisors and have given them instructions in the proper purchasing procedure and we have revised our system of approval and payment requests.

ITEM NO. 2009-3-FS Weakness In Salary Allocation System

Corrective Action: As of November 1, 2009 LACAP began using a payroll system that is sufficiently sophisticated to capture needed data and supports salary and wage allocations to various programs based upon actual after-the-fact time records.

ITEM NO. 2009-4-FS Failure To File Audit Report On Time

Corrective Action: It was necessary to ask for an extension from the Office of Legislative Auditor due to the loss of financial personnel and consultants who were key to the audit process. We do not anticipate any turnover in financial personnel and, therefore, will submit future auditing reports on time.

Findings & Questioned Costs - Major Federal Award Program Audit

Type of Finding: Material Weakness over Compliance

ITEM NO. 2009-1-MP Error In Recording Certain Expenses

See comments under Item No. 2009-2-MP

Type of Finding: Known Questioned Costs Greater Than \$10,000

ITEM NO. 2009-2-MP Weakness in Salary Allocation System

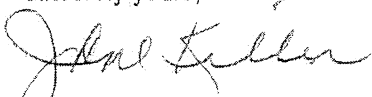
Corrective Action: Prior to LACAP entering into a contract with LHFA to administer the LIHEAP and WAP programs, LACAP had only one employee, the Executive Director. The additional staff was hired to carry out the necessary functions of the various programs. The staff allocated their time spent on the programs by weekly duties related to their job descriptions. The LIHEAP program requires daily reviewing and submission of Vendor Payment Requests versus the WAP program that requires a monthly submission of Vendor Payment Requests. The staff members who were assigned duties that would benefit both programs were given directives to allocate their time accordingly. Upon further review of A-122, we discovered that this is not a specified allocation of payroll expense method. Even though we did not use the specified time tracking method to support the salaries charged to the program, the end result under the method we used would be very similar to what would have been reported for the fiscal year ending October 31, 2009 under the specified method. As stated in the Auditor's comments, payroll is generally handled and documented properly and the program did receive services from all employees whose wages or salaries were charged to the program. As of November 1, 2009 LACAP began using a payroll system that is sufficiently sophisticated to capture needed data and supports salary and wage allocations to various programs based upon actual after-the-fact time records.

ITEM NO. 2009-3-MP Weakness in Salary Allocation System

Corrective Action: Prior to LACAP entering into a contract with LHFA to administer the LIHEAP and WAP programs, LACAP had only one employee, the Executive Director. The additional staff was hired to carry out the necessary functions of the various programs. The staff allocated their time spent on the programs by weekly duties related to their job descriptions. The LIHEAP program requires daily reviewing and submission of Vendor Payment Requests versus the WAP program that requires a monthly submission of Vendor Payment Requests. The staff members who were assigned duties that would benefit both programs were given directives to allocate their time accordingly. Upon further review of A-122, we discovered that this is not a specified allocation of payroll expense method. Even though we did not use the specified time tracking method to support the salaries charged to the program, the end result under the method we used would be very similar to what would have been reported for the fiscal year ending October 31, 2009 under the specified method.

As stated in the Auditor's comments, payroll is generally handled and documented properly and the program did receive services from all employees whose wages or salaries were charged to the program. As of November 1, 2009 LACAP began using a payroll system that is sufficiently sophisticated to capture needed data and supports salary and wage allocations to various programs based upon actual after-the-fact time records.

Sincerely yours,



Jane S. Killen  
Executive Director

Cc: Gervis LaFleur, President, LACAP  
Almetra J. Franklin, Treasurer, LACAP  
John Schneider, Legal Counsel, LACAP