

EXECUTIVE DEPARTMENT  
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
MANAGEMENT LETTER  
ISSUED DECEMBER 17, 2014

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

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THOMAS H. COLE, CPA

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

December 17, 2014

The Honorable John A. Alario, Jr.,  
President of the Senate  
The Honorable Charles E. "Chuck" Kleckley,  
Speaker of the House of Representatives  
The Honorable Bobby Jindal,  
Governor of Louisiana

Dear Senator Alario, Representative Kleckley, and Governor Jindal:

This report includes the results of the procedures we performed at the Executive Department for the period from July 1, 2013 through June 30, 2014, to evaluate its accountability over public funds. The procedures are a part of our audit of the state of Louisiana's financial statements and the Single Audit of the State of Louisiana for the year ended June 30, 2014. I hope the information in this report will assist you in your legislative and operational decision-making processes.

We would like to express our appreciation to the management and staff of the Executive Department for their assistance during our work.

Sincerely,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

GM:ETM:BQD:THC:aa

EXECUTIVE 2014



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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



## Executive Department

December 2014

Audit Control # 80140016

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## Introduction

As a part of our audit of the state of Louisiana's financial statements and the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2014, we performed procedures at the Executive Department to provide assurance on financial information that is significant to the state's financial statements; to evaluate the effectiveness of the Executive Department's internal controls over financial reporting and compliance; and to determine whether the Executive Department complied with applicable laws and regulations. In addition, we determined whether management has taken actions to correct findings reported in the prior year.

## Results of Our Procedures

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### Follow-Up on Prior-Year Findings

Our auditors reviewed the status of the prior-year findings reported in a management letter dated December 18, 2013. We determined that management has resolved the prior-year finding related to inaccurate annual fiscal reports. The prior-year findings related to recovery of Homeowner Assistance Program (HAP) awards, Small Rental Property Program (SRPP) loans, and Hazard Mitigation Grant Program (HMGP) awards have not been resolved and are addressed again in this report.

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### Current-Year Findings

#### Inadequate Grant Recovery of Homeowners Assistance Program Awards

For the fiscal year ended June 30 2014, the Division of Administration (DOA), Office of Community Development (OCD) - Disaster Recovery Unit (DRU) identified \$939 million in noncompliant awards for 15,095 homeowners through post-award monitoring for the Community Development Block Grant, HAP. In addition, our review of 45 HAP awards not identified as noncompliant during the post-award monitoring process disclosed that 10 (22%) of these homeowners, with awards totaling \$944,817, had not provided adequate evidence of compliance with one or more award covenants to the DOA, OCD-DRU, as required. Because

the noncompliant awards identified for grant recovery have not been recovered as of June 30, 2014, and OCD has not initiated grant recovery from any of these 10 additional homeowners, we consider these awards totaling \$940 million as questioned costs. In addition, questioned costs from previous years totaling \$74.9 million remain in recovery status. Of the \$8 billion total HAP awards disbursed as of June 30, 2014, 16,594 awards totaling \$1.01 billion are in grant recovery.

OCD's failure to recover benefits from noncompliant homeowners could result in disallowed costs. The state could be liable for repayment of noncompliant awards if disallowed by the federal grantor; however, it is unknown whether the federal government would demand repayment of these awards.

Our review of 45 homeowners disclosed the following:

- Four (9%) homeowners failed to provide evidence that the damaged home has been repaired and re-occupied, or a replacement property was purchased and occupied. OCD requires the homeowner to provide a current utility statement (electric, water, trash, cable, landline phone, or gas line) in the homeowner's name with usage noted as evidence of compliance.
- Seven (16%) homeowners failed to provide their homeowner's insurance policy declaration page as evidence of homeowner's insurance.
- Seven (19%) of 37 homeowners whose homes are located in a flood zone failed to provide the flood policy declaration page as evidence of flood insurance. This requirement was not applicable for eight homeowners in our sample, since their homes were not located in a flood zone.
- Seven (70%) of 10 homeowners who received additional awards to elevate their property failed to provide the initial and final elevation certificates as evidence that their homes were elevated. This requirement was not applicable to 35 homeowners who did not receive elevation awards.

In response to hurricanes Katrina and Rita, the state was awarded approximately \$9.5 billion to administer the HAP, as part of the Road Home program, in accordance with its Action Plan approved by the U.S Department of Housing and Urban Development (HUD). The state's Action Plan stipulates that eligible homeowners must agree in legally-binding documents, referred to as covenants, to follow through on certain future actions in exchange for up to \$150,000 in compensation for their damaged property. Funds are disbursed to the homeowner upon the effective date of signing the covenant which is referred to as the closing date. Homeowners agree in the covenant to provide OCD with evidence that they will occupy their damaged property or replacement property within three years of the closing date, maintain homeowner's insurance on their property, maintain flood insurance if necessary, and ensure that any required elevation conforms to the advisory base flood elevation regulation for the parish in which their home is located. The state's Action Plan states homeowners who fail to meet all of the program's requirements may not receive benefits or may be required to repay all or some of the compensation received back to the program.

In the initial stages of the program, OCD focused on making payments to disaster victims as quickly as possible, because the state had made a decision to accept additional risks associated with expedited payments with the understanding that any ineligible or unallowable payments would be detected and corrected in post-close reviews. Awards are included in grant recovery because of duplication of benefits (homeowner's insurance proceeds or other federal assistance), lack of documentation evidencing owner-occupancy of the property, and noncompliance with one or more award covenants. In addition, individual homeowner awards have been identified for grant recovery because of errors made by the program's former contractor, ICF International Inc., in determining the grant calculation or obtaining the required documentation.

OCD has prioritized award recovery for homeowners determined to be noncompliant with award covenants. OCD has implemented additional procedures in efforts to assist other award recipients in becoming compliant with the covenant requirements. In July 2013, HUD approved three Action Plan amendments that provided additional options for HAP participants who have not yet returned to their homes. The additional options allow the review of awards to determine if any unmet needs or additional assistance is necessary for participants to return home.

OCD should continue its post-award monitoring process to identify awards to be placed in recovery and continue its recovery efforts to collect those awards determined to be noncompliant. In addition, we recommend that OCD continue to identify those recipients who misspent awarded funds and initiate grant recovery.

OCD's response indicates concurrence with the finding and outlines their continued plan for corrective action, stating that OCD will continue "...to identify awards to be placed in recovery, as well as its recovery efforts to collect those awards determined to be ineligible..." In addition, management states it will "...continue to work with homeowners to become compliant and with HUD to modify program procedures/requirements to resolve grant compliance issues in order to reduce or eliminate the need to recapture funds from homeowners..." (see Appendix A, pages 1-2).

### **Inadequate Recovery of Small Rental Property Program Loans**

For the fiscal year ended June 30, 2014, the DOA, OCD-DRU identified \$59,972,548 in SRPP loans for 747 property owners who failed to comply with one or more of their loan agreement requirements and were assigned to loan recovery status. Because these property owners have not provided evidence of compliance with the loan agreement, and because OCD has not recovered these loans, we consider these amounts totaling \$59,972,548 to be questioned costs, which if disallowed could be due back to the federal grantor. In addition, questioned costs from previous years totaling \$29,538,893 remain in recovery status. Of the \$430 million in SRPP outstanding loans at June 30, 2014, 1,108 loans totaling \$89,511,441 are in recovery status.

In response to hurricanes Katrina and Rita, the state was awarded and has allocated approximately \$649 million to the SRPP, as part of the Road Home program. In accordance with the state's Housing and Urban Development-approved Action Plan Amendment 24, the SRPP offers forgivable loans to qualified property owners who agree to offer rental properties at

affordable rents to be occupied by lower-income households. In exchange for accepting loans ranging between \$10,000 and \$100,000 per rental unit, property owners are required to accept limitations on rents and incomes of renters during an affordability period ranging between three and 20 years. The loan amounts are determined based on location of property, number of bedrooms, and the poverty level of the renter. In addition to accepting limitations on rents and income of renters, property owners also agree to maintain property insurance and maintain flood insurance, if necessary. These requirements become effective one year after the closing date and remain until the expiration of the affordability period. According to the loan agreements, failure to comply with any of the loan requirements shall constitute default and mandatory repayment. Good internal controls would ensure that policies and procedures are in place with an established timeline to monitor compliance with the loan agreements and provide for specific actions (i.e., declare loan defaulted and demand repayment) if a property owner fails to comply with the loan agreement or does not provide evidence of compliance as required by the loan agreement.

The initial loans were disbursed in December 2007, with the loan requirements effective in December 2008; however, policies and procedures to identify property owners who fail to comply with loan requirements were not developed until November 2009, and OCD did not begin implementing the SRPP Non-Compliance Mitigation Plan, which addresses loan recovery, loan modification, and property recovery for noncompliant property owners, until May 2012. As of June 30, 2014, OCD has only recovered loans totaling \$334,512 from noncompliant property owners. OCD's failure to take appropriate action to recover loans from noncompliant property owners could result in disallowed costs. OCD should continue implementing the SRPP Non-Compliance Mitigation Plan and recovering loans from property owners who fail to comply with program requirements. Management stated in its response that it will continue to work toward bringing the remainder of the noncompliant files into compliance (see Appendix A, page 3).

### **Hazard Mitigation Grant Program Awards Identified for Grant Recovery**

For the fiscal year ended June 30, 2014, the DOA, OCD-DRU identified 268 noncompliant awards totaling \$6.3 million through a recovery review process for the HMGP. In addition, OCD-DRU identified 282 awards affected by contractor abandonment, incomplete work, or potential fraud that were not reported in the previous fiscal year and has demanded \$10.4 million from contractors for work not performed. Funds not returned by contractors are identified for recovery. Because these noncompliant awards and contractor payments identified for grant recovery have not been recovered as of June 30, 2014, we consider these awards totaling \$16.7 million as questioned costs, which may have to be repaid by the state if disallowed by the federal grantor.

The HMGP award agreement between the Federal Emergency Management Agency (FEMA), the federal awarding agency, and the state requires the state (OCD) to pursue recovery of assistance provided to applicants through error, misrepresentation, or fraud, or if the state finds that the applicant spent the funds inappropriately. Awards have been identified by OCD-DRU for recapture, and demand letters have been sent to applicants and contractors. Awards are generally identified for grant recovery for the following reasons:



- Required documents were not supplied to OCD-DRU.
- Homeowners did not comply with all HMGP regulations as set forth by OCD-DRU, GOHSEP, and FEMA.
- Grant funds were not used for the purposes intended and in accordance with the policies of OCD-DRU.

OCD-DRU should continue its grant review process to identify awards to be placed in recovery and continue its recovery efforts to collect those awards determined to be noncompliant. OCD's response indicates concurrence with the finding and outlines its continued plan for corrective action, stating that OCD will continue "...to work with applicants and contractors to achieve grant compliance and arrange recoupment payment plans where possible." (See Appendix A, pages 4-5.)

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## **Financial Statements - State of Louisiana**

As a part of our audit of the state of Louisiana's financial statements for the year ended June 30, 2014, we considered internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

### **Division of Administration (Agency 107):**

- Liabilities resulting from claims and litigations
- Revenue reported as operating and capital grants

### **Division of Administration, Office of Facility Planning and Control (Agency 115):**

- Non-payroll expenditures
- Federal revenues
- Accrued Payables
- Construction contracts and retainage payable
- Amounts held on deposit for others

### **Louisiana GO Zone Loan Fund (Agency 862):**

- Notes receivable

Our audit included tests of the Executive Department's compliance with laws and regulations that could have a direct and material effect on the financial statements, as required by *Government Auditing Standards*.

Based on the results of our procedures, we did not report any internal control deficiencies or noncompliance with laws or regulations that are required to be reported by *Government Auditing Standards*. In addition, the account balances and classes of transactions tested are materially correct.

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## **Federal Compliance - Single Audit of the State of Louisiana**

As a part of the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2014, we performed internal control and compliance testing as required by the Office of Management and Budget (OMB) Circular A-133 on the Executive Department's major federal programs, as follows:

### **Division of Administration, Office of Community Development**

- Community Development Block Grants (CFDA 14.228)
- Hazard Mitigation Grant Program (CFDA 97.039)

### **Division of Administration, Office of Facility Planning and Control**

- Disaster Grants - Public Assistance (Presidentially-Declared Disasters) (CFDA 97.036)

### **Governor's Office of Elderly Affairs**

- Aging Cluster (CFDA 93.044/93.045/93.053)

### **Coastal Protection and Restoration Authority**

- Coastal Impact Assistance Program (CFDA 15.668)

Those tests included evaluating the effectiveness of the Executive Department's internal controls designed to prevent or detect material noncompliance with program requirements and determining whether the department complied with applicable program requirements.

We also performed procedures on the Executive Department's Schedule of Expenditures of Federal Awards (Schedule 8), Schedule of Disclosures for Federally Assisted Loans (Schedule 8-2), Summary Schedule of Prior Federal Audit Findings (Schedule 8-3), and Schedule of Non-State Subrecipients of Major Federal Programs (Schedule 8-4), as required by OMB Circular A-133.

Based on the results of these Single Audit procedures, we reported findings related to recovery of federal CDBG-HAP and SRPP awards and HMGP awards. In addition, the Executive Department's Schedule 8, Schedule 8-2, Schedule 8-3, and Schedule 8-4, as adjusted, are materially correct.

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## Other Reports

### Division of Administration - Office of State Lands

A procedural report was issued on September 3, 2014, which included a finding for *Inaccurate Recording and Reporting of State Lands*. The DOA, Office of State Lands failed to report 26 parcels of land recorded at more than \$26 million in its annual inventory report to the Legislature and misstated the value of other state lands. In addition, lands that have been sold or transferred are inaccurately being reflected as part of the state's inventory. The full report is available in the Audit Report Library on the Legislative Auditor's website at [www.lla.la.gov](http://www.lla.la.gov).

### Analysis of Benson Tower Lease

An informational report was issued on September 3, 2014, which provides the results of our procedures relating to the state's lease agreement for office space in Benson Tower and the current impact of the lease. Overall, we found that 24,872 square feet of office space at Benson Tower is vacant at an annual cost of \$624,874. Lease costs, including amounts paid for vacant space, have significantly increased since 2010 and exceed market rates for comparable properties in the New Orleans area. The full report is available in the Audit Report Library on the Legislative Auditor's website at [www.lla.la.gov](http://www.lla.la.gov).

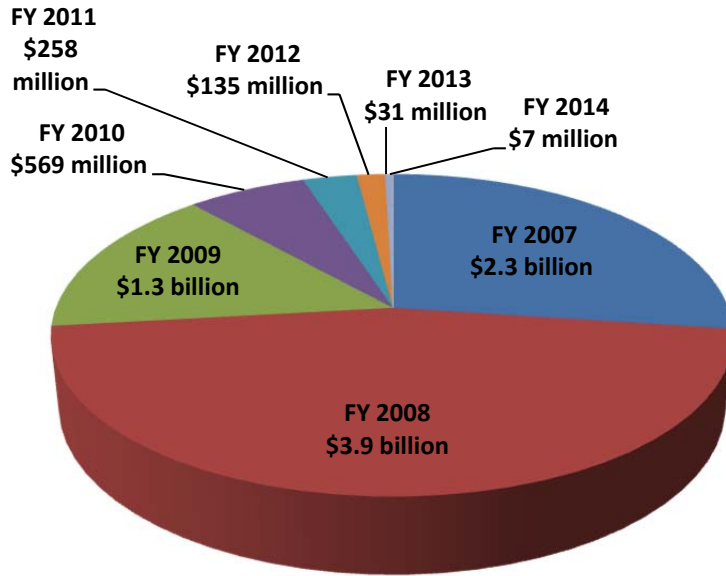
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## Trend Analysis

We compared the most current- and prior-year financial activity using the Executive Department's annual fiscal reports and/or system-generated reports and obtained explanations from management for any significant variances. We also prepared an analysis of awards made to homeowners of the HAP and loans made to property owners of the SRPP since the inception of each program.

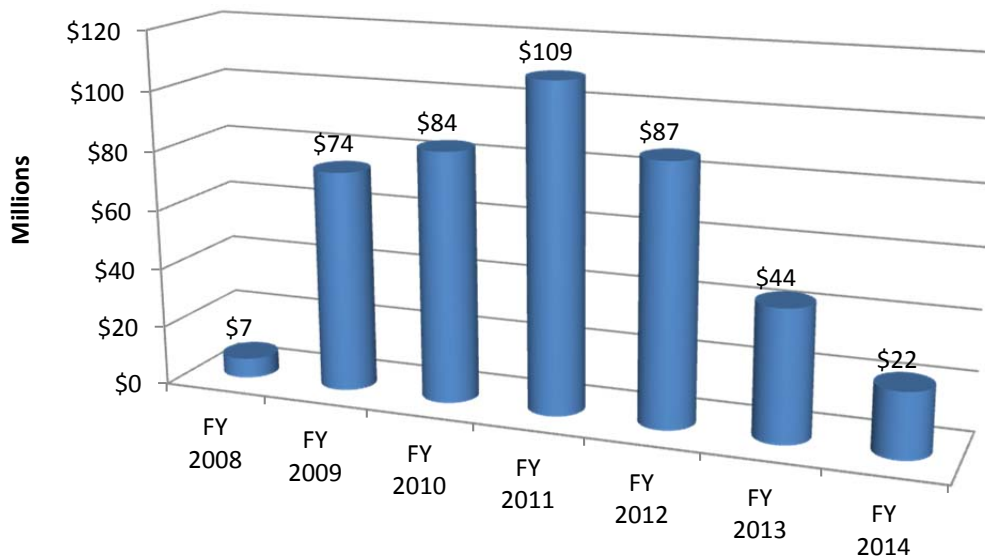
In analyzing financial trends of these CDBG-HAP and SRPP programs, HAP expenditures were the largest in fiscal year 2008, three years after hurricanes Katrina and Rita, and have decreased since that time as awards have been finalized. Fiscal year 2014 HAP expenditures represent only \$6.9 million of the total \$8.6 billion. The SRPP expenditures were the largest in fiscal year 2011, six years after hurricanes Katrina and Rita, and have decreased since that time as awards have been finalized. Fiscal year 2014 SRPP expenditures represent only \$22 million of the total \$427 million.

**Exhibit 1  
HAP Awards to Homeowners  
(\$8.6 billion total)**



Source: Integrated Statewide Information System (ISIS) data at June 30, 2014

**Exhibit 2  
SRPP Loans to Property Owners  
(\$427 million total)**



Source: ISIS data at June 30, 2014

The recommendations in this report represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the department. The nature of the recommendations, their implementation costs, and their potential impact on the operations of the department should be considered in reaching decisions on courses of action.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.



## **APPENDIX A: MANAGEMENT'S RESPONSE**







**State of Louisiana**  
Division of Administration  
**Office of Community Development**  
**Disaster Recovery Unit**

December 1, 2014

Mr. Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804-9397

RE: Inadequate Grant Recovery of Homeowners Assistance Program Awards

Dear Mr. Purpera:

As requested in the Louisiana Legislative Auditor's (LLA) letter dated November 17, 2014 the Division of Administration's Office of Community Development, Disaster Recovery Unit (OCD/DRU) is submitting its response to the audit finding titled "Inadequate Grant Recovery of Homeowners Assistance Program Awards."

The non-compliant awards noted in your review were originally found as a result of OCD/DRU's standard post-closing review of applicant eligibility. In the time since the finding we have:

- Implemented unmet needs Action Plan Amendments 58, 59 and 60 in an effort to bring more applicants into compliance;
- Conducted numerous Outreach events to assist homeowners by explaining and/or determining if the homeowner can be assisted through one of the APA's;
- Issued demand for repayment to ICF for 2,674 files in the amount of \$97.2 million; and
- Are soliciting a contractor to provide liaison services to assist non-compliant homeowners in gathering their compliance documentation and becoming compliant.

These efforts, in conjunction with our ongoing recovery processes, have resulted in a 700% increase in the number of files being processed for grant recovery in the last year.

The grant recovery process involves sending letters to non-compliant applicants, with follow-up letters for no response, and, finally, the use of a law firm for collection purposes. Our process for recapturing/recovering ineligible awards is in accordance with policies and procedures that are acceptable to the U.S. Department of Housing and Urban Development (HUD). OCD/DRU is confident that the recovery procedures currently in place comply with the requirements and expectations of HUD.

Mr. Daryl G. Purpera

December 1, 2014

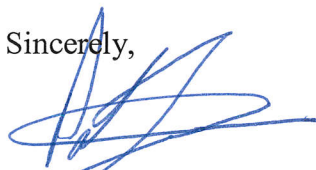
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Additionally, as of November 17 2014, we have placed 8 of the 10 non-compliant files noted in your report into the grant recovery process. Two of the files did not require recovery efforts based on OCD/DRU compliance policies. These applicants instead received confirmation of occupancy and the need to obtain insurance through the no insurance letter. Applicants who have not responded to requests to supply evidence of compliance with the covenants are considered noncompliant due to non-responsiveness; however, evidence (RH files, field reviews, and postal data) indicates that 93 percent of homeowners have reoccupied their residences. OCD/DRU intends using the Road Home Liaison contractor to assist applicants in providing the documentation required to demonstrate and increase the compliance rates.

In conclusion, OCD/DRU will continue with its post-closing review process to identify awards to be placed in recovery, as well as its recovery efforts to collect those awards determined to be ineligible in accordance with policies and procedures that are acceptable to HUD. Concurrently, OCD/DRU will also continue to work with homeowners to become compliant and with HUD to modify program procedures/requirements to resolve grant compliance issues in order to reduce or eliminate the need to recapture funds from homeowners where possible and appropriate

If you have any questions or require additional information, please feel free to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Forbes', written over a blue circular stamp or seal.

Patrick W. Forbes, P.E.

Executive Director

Office of Community Development/DRU

C: Kristy Nichols  
Ruth Johnson  
Ben Huxen  
Meghan Parrish  
Marsha Guedry

**BOBBY JINDAL**  
GOVERNOR



**KRISTY H. NICHOLS**  
COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
**Office of Community Development**  
**Disaster Recovery Unit**

November 13, 2014

Mr. Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

RE: Inadequate Recovery of Small Rental Property Program Loans

Dear Mr. Purpera:

The Office of Community Development already currently implements the SRPP Non-Compliance Mitigation Plan, which is the only recommendation of the LLA. This program has been in place since May 2013 and continues to successfully help bring property owners into compliance with their loan requirements. Since its implementation, the Non-Compliance Mitigation Plan has already brought nearly one third of the processed non-compliant files into full compliance. Also it is important to note that of the 747 non-compliant files mentioned in the LLA audit, 82 (11%) of these files have already been brought into compliance. While we will continue to work towards bringing the remainder of the non-compliant files into compliance, it is also important to note that unlike traditional grant programs, SRPP establishes the state's lien position to the grantee upon closing. This allows the state to file a lien against the property owner at any point and, as a last resort, to go into foreclosure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick W. Forbes".

Patrick W. Forbes, P.E.  
Executive Director  
Office of Community Development

Cc: Kristy Nichols  
Meghan Parrish  
Ruth Johnson  
Ben Huxen  
Charlotte Hawkins  
Marsha Guidry  
Afranie Adomako



**BOBBY JINDAL**  
GOVERNOR

**KRISTY H. NICHOLS**  
COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
**Office of Community Development**  
**Disaster Recovery Unit**

December 1, 2014

Mr. Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

**SUBJECT: HMGP Awards Identified for Grant Recovery – FY 2014**

Dear Mr. Purpera,

As requested in a letter from your financial audit staff dated November 19, 2014, the Division of Administration, Office of Community Development, Disaster Recovery Unit's Hazard Mitigation Grant Program (HMGP) is submitting its response to the audit finding titled "HMGP Awards Identified for Grant Recovery."

HMGP has reviewed and recognizes the FY 2014 findings. We identified the non-compliant awards in our recovery review process and are currently pursuing the collection and/or reconciliation of all grant funds as required by FEMA's regulations. We continue to work with applicants and contractors to achieve grant compliance and arrange recoupment payment plans where possible.

Another measure HMGP uses is demand letters sent to contractors regarding funds owed to the program due to non-compliance. Notifications of noncompliant contractors and homeowners are also sent to the Office of the Attorney General, the Office of State Inspector General, the U.S. Department of Homeland Security's Office of Inspector General, local District Attorney Offices, the Louisiana State Licensing Board for Contractors, and the Louisiana Department of Revenue to assist with collecting the funds owed to the program. HMGP staff schedules face-to-face meetings with contractors and homeowners who are willing to settle the amounts owed to the program and to begin the process of working through appeals and repayment plans.

HMGP has seen immense success through its measures to work with applicants and contractors to bring them into compliance. Through program efforts and in partnership with the above agencies, HMGP has seen nearly 60% of the recovery population engage in a plan to resolve the debt owed to the state as well as an identified recovery plan that includes targeted collections of over 50% of the anticipated amount due. In addition, HMGP continues to meet the goals of the program and the State of Louisiana by helping as many coastal Louisiana homeowners as possible protect their homes from damage in future natural disasters by strengthening coastal communities through

Mr. Daryl G. Purpera, CPA, CFE

December 1, 2014

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home mitigation. To date over 10,000 grants totaling more than \$620,000,000.00 have been awarded in helping to make coastal Louisiana more sustainable by rebuilding smarter, safer, and stronger.

If you have questions or require additional information, please feel free to contact us. Craig Taffaro is the point of contact for the actions taken by HMGP.

Sincerely,



Craig P. Taffaro, Jr.

Director – Hazard Mitigation and Recovery Coordination  
State of Louisiana



## APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Executive Department for the period from July 1, 2013 through June 30, 2014, to provide assurances on financial information significant to the state of Louisiana, and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. The procedures included inquiry, observation, and review of policies and procedures, and a review of relevant laws and regulations. Our procedures, summarized below, are a part of the audit of the state of Louisiana's financial statements and the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2014.

- We evaluated the Executive Department's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the Executive Department.
- Based on the documentation of the Executive Department's controls and our understanding of related laws and regulations, we performed procedures to provide assurances on the Executive Department's account balances and classes of transactions to support our opinions on the state of Louisiana's financial statements.
- We performed procedures on the following federal programs for the year ended June 30, 2014, to support the 2014 Single Audit:
  - Community Development Block Grants (CFDA 14.228)
  - Disaster Grants - Public Assistance (Presidentially-Declared Disasters) (CFDA 97.036)
  - Hazard Mitigation Grant Program (CFDA 97.039)
  - Aging Cluster (CFDA 93.044/93.045/93.053)
  - Coastal Impact Assistance Program (CFDA 15.668)
- We compared the most current- and prior-year financial activity using the Executive Department's annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from management for significant variances.

The purpose of this report is solely to describe the scope of our work at the Executive Department and not to provide an opinion on the effectiveness of the Executive Department's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review the Executive Department's annual fiscal reports and, accordingly we do not express an opinion on those reports. The Executive Department's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.