

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Financial Statements
As of and For the Year Ended June 30, 2018**

**North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana**

**Financial Statements
As of and for the Year Ended June 30, 2018**

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Monroe, Louisiana**

**Financial Statements
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INDEPENDENT AUDITORS' REPORT

**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Delta Regional Planning and Development District, Incorporated, (A nonprofit organization reporting under Governmental Accounting Standards) (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana**

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Substantial Doubt about the District's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the District will continue as a going concern. As discussed in Note 18 we have substantial doubt about the District's ability to continue as a going concern. For the year ended June 30, 2018, the District's programs were unable to finance operations and required financial support from the general fund. As a result, the general fund, which brings in little income, suffered a significant loss resulting in a negative fund balance of \$6,940. At the governmental activities level, the District has a \$45,843 deficit net position meaning that the District has no funds available to pay all obligations. Management has yet to close the year ended June 30, 2019 so we are unable to determine if there has been improvement during the successive fiscal year. A new Executive Director was appointed July 1, 2019 and is implementing plans of actions going forward to improve the District's financial position. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 5 through 11 and 38 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

We have previously audited the District's 2017 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, business-type activities and each major fund in our report dated April 2, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana**

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances, the Schedule of Changes in Capital Assets and Investment in Capital Assets, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances, the Schedule of Changes in Capital Assets and Investment in Capital Assets, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances, the Schedule of Changes in Capital Assets and Investment in Capital Assets, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2019, on our consideration of the District'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Delta Regional Planning and Development District's internal control over financial reporting and compliance.



(A Professional Accounting Corporation)
July 30, 2019

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

**North Delta Regional Planning and Development District, Incorporated
Monroe, Louisiana**

**Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2018**

As management of the North Delta Regional Planning and Development District, Incorporated, (hereinafter referred to in this Management's Discussion and Analysis as the District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. It is designed to assist the reader in focusing on significant financial issues, identify changes in the District's financial position, and identify material deviations and individual fund issues or concerns.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1,065,942 (*net position*). Of this amount, \$(45,843) (*unrestricted net position*) represents the portion of net position which is not invested in capital assets or otherwise restricted.
- The government's total net position decreased by \$197,247.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$9,871, a decrease of \$166,468 for the year. The combined ending fund balance includes \$(9,762) in funds available for spending at the government's discretion (*unassigned fund equity*).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**North Delta Regional Planning and Development District, Incorporated
Monroe, Louisiana**

**Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2018**

Both of the government-wide financial statements present functions of the District that are principally supported by intergovernmental revenues (governmental activities). The governmental activities of the District include general government, elderly assistance, planning for highways and transportation and economic development. The District has no business-type activities. The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Title III B Supportive Services, Title III C-1 Congregate Meals, Title III C-2 Home Delivered Meals, and Restore Louisiana, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided on pages 43 through 49 for the general

**North Delta Regional Planning and Development District, Incorporated
Monroe, Louisiana**

**Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2018**

and the major special revenue funds to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 17 through 20 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District compliance with budgets for its general fund and all major special revenue funds with a legally adopted annual budget. The combining statements for non-major governmental funds are presented immediately following the required supplemental information.

Government-Wide Financial Analysis

These two statements report the District's net position and changes in net position. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. The net position of the District as of June 30, 2018 consisted of a balance of \$1,065,942 which decreased by \$197,247, or 1.6%, compared to the prior year.

The statement of net position and statement of activities reflect the District's governmental activities (e.g., its basic service), such general government, health, welfare & social services, planning for highways & public transportation, and economic development. State and federal grants finance most of these activities.

Our analysis below focuses on the summary of net position (Table 1) and changes in net position (Table 2) of the District's governmental activities. Key fluctuations include the following:

Statement of Net Position

The largest amount of the District's net position reflects its investment in capital assets of \$1,094,974 and \$1,123,287 (net of accumulated depreciation of \$174,623 and \$144,555) for the years ended June 30, 2018 and 2017, respectively.

**North Delta Regional Planning and Development District, Incorporated
Monroe, Louisiana**

**Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2018**

Table 1
North Delta Regional Planning and Development District, Inc.
Net Position
June 30, 2018 and 2017

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|-------------------------|--------------|--------------------------|------|--------------|--------------|
| | June 30, | | June 30, | | June 30, | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Current and other assets | \$ 432,829 | \$ 447,880 | - | \$ - | \$ 432,829 | \$ 447,880 |
| Capital assets | 1,094,974 | 1,123,287 | - | - | 1,094,974 | 1,123,287 |
| Total assets | 1,527,803 | 1,571,167 | - | - | 1,527,803 | 1,571,167 |
| Current and other liabilities | 426,848 | 275,185 | - | - | 426,848 | 275,185 |
| Long-term liabilities | 35,013 | 32,793 | - | - | 35,013 | 32,793 |
| Total liabilities | 461,861 | 307,978 | - | - | 461,861 | 307,978 |
| Net Position: | | | | | | |
| Net investment in capital assets | 1,094,974 | 1,123,287 | - | - | 1,094,974 | 1,123,287 |
| Restricted for: | | | | | | |
| Health, welfare, & social services | 16,811 | 38,699 | - | - | 16,811 | 38,699 |
| Economic development | - | 10,000 | - | - | - | 10,000 |
| Unrestricted | (45,843) | 91,203 | - | - | (45,843) | 91,203 |
| Total net position | \$ 1,065,942 | \$ 1,263,189 | - | \$ - | \$ 1,065,942 | \$ 1,263,189 |

The balance of \$1,065,942 in net position in the governmental activities represents the accumulated results of all past years' operations. Net position of governmental activities decreased by \$197,247. The changes in net position are discussed later in this MD&A.

**North Delta Regional Planning and Development District, Incorporated
Monroe, Louisiana**

**Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2018**

Changes in Net Position. Key elements of the changes in the governmental net position are as follows:

**Table 2
North Delta Regional Planning and Development District, Inc.
Changes in Net Position
For the Years Ended June 30, 2018 and 2017**

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|------------------|--------------------------|---------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenue | | | | | | |
| Program Revenues: | | | | | | |
| Operating grants and contributions | \$ 3,016,682 | \$ 2,262,254 | \$ - | \$ - | \$ 3,016,682 | \$ 2,262,254 |
| General Revenues: | | | | | | |
| Dues | 22,111 | 56,475 | - | - | 22,111 | 56,475 |
| Other general revenues | 75,838 | 60,425 | - | - | 75,838 | 60,425 |
| Total revenues | <u>3,114,631</u> | <u>2,379,154</u> | <u>-</u> | <u>-</u> | <u>3,114,631</u> | <u>2,379,154</u> |
| Expenses | | | | | | |
| General government | 169,711 | 172,076 | - | - | 169,711 | 172,076 |
| Health, welfare, & social services | 1,694,634 | 1,658,128 | - | - | 1,694,634 | 1,658,128 |
| Planning for highways and public transportation | 527,962 | 483,818 | - | - | 527,962 | 483,818 |
| Economic Development | 919,571 | 164,221 | - | - | 919,571 | 164,221 |
| Rural business lending | - | - | - | 52,363 | - | 52,363 |
| Total expenses | <u>3,311,878</u> | <u>2,478,243</u> | <u>-</u> | <u>52,363</u> | <u>3,311,878</u> | <u>2,530,606</u> |
| Change in net position | \$ (197,247) | \$ (99,089) | \$ - | \$ (52,363) | \$ (197,247) | \$ (151,452) |

As reported in the statement of activities, the cost of all governmental activities this year was \$3,311,878. The amount that taxpayers ultimately financed for these activities through the District was \$295,196 because some of the cost was paid by those who benefited from the program \$68,493 or by other governments and organizations who subsidized certain programs with grants and contributions of \$3,021,682. Of the \$295,196 financed amount, dues covered \$22,111 of the \$295,196 and other general revenues covered another \$70,838 which resulted in a net decrease of \$197,247.

Total revenues increased by approximately \$735,000 with \$759,000 of the decrease being the result of increased funding of operating grants which are largely costs reimbursement grants.

Expenses increased by approximately \$834,000 which was mostly attributable to an increase in expenses for the same cost reimbursements operating grants.

**North Delta Regional Planning and Development District, Incorporated
Monroe, Louisiana**

**Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2018**

The District is a pass-through entity for the majority of federal and state revenues received from the Louisiana Governor's Office for Elderly Affairs. For the years ended June 30, 2018, and 2017 of the total revenue amounts of \$1,634,573 and \$1,660,825; of which \$1,392,917 and \$1,351,374 was passed through to the various Councils on Aging in northeast Louisiana, respectively.

Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$9,871 and \$176,339 for 2018 and 2017 respectively, a decrease of \$166,468 for the year ended June 30, 2018. Of the ending fund balance, \$16,811 represents amounts restricted for health, welfare, and social services and another \$2,822 for nonspendable fund balance. The remaining balance of \$(6,940) represents unassigned funds that would be available for spending at the District's discretion.

General Fund Budgetary Highlights

In accordance with grant agreements, the District must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original budget was adopted on June 28, 2017 but revenues and expenses for GOEA were not detailed by fund. The budget was not revised.

**Capital Asset and Debt Administration
Capital Assets**

The District's investment in capital assets for its governmental activities of June 30, 2018 and 2017 amounts to \$1,094,974 and \$1,123,287 (net of accumulated depreciation). This investment in capital assets is as follows:

**North Delta Regional Planning and Development District, Incorporated
Monroe, Louisiana**

**Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2018**

**Table 3
Capital Assets
June 30, 2018 and 2017**

| | <u>2018</u> | | <u>2017</u> |
|--------------------------------|---------------------|----|------------------|
| Land | \$ 310,421 | \$ | 310,421 |
| Buildings | 883,507 | | 883,507 |
| Office furniture and equipment | 75,669 | | 73,914 |
| Less: accumulated depreciation | <u>(174,623)</u> | | <u>(144,555)</u> |
| Total Capital Assets | <u>\$ 1,094,974</u> | \$ | <u>1,123,287</u> |

The District, with the assistance of a Department of Commerce grant, purchased its current location. More detailed information for capital assets is found in Note 4, Changes in Capital Assets, in the Notes to the Financial Statements.

Outstanding Debt

The District's outstanding debt for the years ended June 30, 2018 and 2017 is limited to compensated absences of \$38,903 and \$36,437, respectively.

Economic Factors and Next Year's Budgets and Rates

Current factors considered in preparing the District's budgets for the 2019 fiscal year indicates no significant change from the projected revenues and expenditures of the 2018 fiscal years.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Doug Mitchell, 3000 Kilpatrick Blvd, Monroe, LA, 71201.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Statement of Net Position
Governmental Activities
June 30, 2018**

| | |
|---|----------------------------|
| Assets | |
| Cash and cash equivalents | \$ 49,858 |
| Receivables | 380,149 |
| Prepaid items | 2,822 |
| Capital assets, net of depreciation | <u>1,094,974</u> |
| Total Assets | <u><u>\$ 1,527,803</u></u> |
| Liabilities | |
| Accounts, salaries and other payables | \$ 369,472 |
| Due to grantor | 53,486 |
| Long-term liabilities | |
| Due within one year | 3,890 |
| Due in more than one year | <u>35,013</u> |
| Total Liabilities | \$ 461,861 |
| Net Position | |
| Net investment in capital assets | 1,094,974 |
| Restricted for health, welfare, and social services | 16,811 |
| Unrestricted (Deficit) | <u>(45,843)</u> |
| Total Net Position | <u><u>\$ 1,065,942</u></u> |

The accompanying notes are an integral part of this financial statement.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Statement of Activities
Governmental Activities
For the Year Ended June 30, 2018**

| Function/Program Activities | <u>Expenses</u> | <u>Program Revenues</u> Operating Grants and Contributions | <u>Net (Expense)</u> Revenue and Changes in Net Position |
|--|---------------------|---|---|
| General and administrative | \$ 174,711 | \$ - | \$ (174,711) |
| Health, welfare & social services | | | |
| Supportive services | 312,220 | 312,220 | - |
| Nutrition services | 1,035,195 | 1,013,307 | (21,888) |
| Preventive health & medication | 22,940 | 22,940 | - |
| Family caregiver support | 44,450 | 44,450 | - |
| Ombudsman | 127,819 | 127,819 | - |
| Area Agency on Aging Administration | 152,010 | 113,837 | (38,173) |
| Planning for highways and public transportation | 522,962 | 512,432 | (10,530) |
| Economic development | 919,571 | 869,677 | (49,894) |
| Total Governmental Activities | <u>\$ 3,311,878</u> | <u>\$ 3,016,682</u> | (295,196) |

General Revenues:

| | |
|---------------------------------|---------------------|
| Dues | 22,111 |
| Miscellaneous | 74,038 |
| Rental income | 1,800 |
| Total General Revenues | <u>97,949</u> |
| Changes in Net Position | (197,247) |
| Net Position - Beginning | <u>1,263,189</u> |
| Net Position - Ending | <u>\$ 1,065,942</u> |

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

NORTH DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana

Balance Sheet
Governmental Funds
June 30, 2018

| | Major Funds | | | | | | Total |
|---|-------------------|---------------------------------------|--------------------------------------|--|----------------------|--------------------------------|-------------------|
| | General Fund | Special Revenue Funds | | | | Other Governmental Funds | |
| | | Title III B Supportive Services | Title III C-1 Congregate Meals | Title III C-2 Home Delivered Meals | Restore Louisiana | | |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 19,655 | \$ - | \$ - | \$ - | \$ 1 | \$ 30,202 | \$ 49,858 |
| Receivables | - | - | 11,654 | 7,510 | 243,945 | 117,040 | 380,149 |
| Prepaid items | 2,822 | - | - | - | - | - | 2,822 |
| Due from other funds | 157,174 | 48,498 | 14,365 | 26,123 | - | 101,848 | 348,008 |
| Total Assets | \$ 179,651 | \$ 48,498 | \$ 26,019 | \$ 33,633 | \$ 243,946 | \$ 249,090 | \$ 780,837 |
| Liabilities | | | | | | | |
| Accounts, salaries and other payables | \$ 7,661 | \$ 40,010 | \$ 26,019 | \$ 33,633 | \$ 220,163 | \$ 41,986 | \$ 369,472 |
| Due to other funds | 178,930 | - | - | - | 23,783 | 145,295 | 348,008 |
| Due to grantor | - | 8,488 | - | - | - | 44,998 | 53,486 |
| Total Liabilities | 186,591 | 48,498 | 26,019 | 33,633 | 243,946 | 232,279 | 770,966 |
| Fund Equity | | | | | | | |
| Fund balance | | | | | | | |
| Nonspendable | 2,822 | - | - | - | - | - | 2,822 |
| Restricted for health, welfare, & social services | - | - | - | - | - | 16,811 | 16,811 |
| Unassigned | (9,762) | - | - | - | - | - | (9,762) |
| Total Fund Equity | (6,940) | - | - | - | - | 16,811 | 9,871 |
| Total Liabilities and Fund Equity | \$ 179,651 | \$ 48,498 | \$ 26,019 | \$ 33,633 | \$ 243,946 | \$ 249,090 | \$ 780,837 |

The accompanying notes are an integral part of this financial statement.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2018**

| | | |
|--|----|-----------|
| Fund Balances - Total Governmental Funds | \$ | 9,871 |
| <p>Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p> | | |
| Governmental Capital Assets | | 1,269,597 |
| Less: Accumulated Depreciation | | (174,623) |
| | | 1,094,974 |
| <p>Long-Term Liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds</p> | | |
| Compensated Absences Payable | | (38,903) |
| | | (38,903) |
| Net Position of Governmental Activities | \$ | 1,065,942 |

The accompanying notes are an integral part of this financial statement.

NORTH DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

| | Major Funds | | | | | | Other Governmental Funds | Total |
|---|-------------------|---------------------------------------|--------------------------------------|--|----------------------|------------------|--------------------------------|-------|
| | General Fund | Special Revenue Funds | | | Restore Louisiana | | | |
| | | Title III B Supportive Services | Title III C-1 Congregate Meals | Title III C-2 Home Delivered Meals | | | | |
| Revenues | | | | | | | | |
| Intergovernmental | | | | | | | | |
| Governor's office of elderly affairs | \$ - | \$ 312,220 | \$ 381,225 | \$ 456,235 | \$ - | \$ 484,893 | \$ 1,634,573 | |
| U.S. Department of Commerce | - | - | - | - | - | 111,420 | 111,420 | |
| U.S. Department of Transportation | - | - | - | - | - | 410,818 | 410,818 | |
| Other federal grants | - | - | - | - | 693,946 | 22,000 | 715,946 | |
| Ouachita Council of Governments | - | - | - | - | - | 101,507 | 101,507 | |
| Membership dues | - | - | - | - | - | 22,111 | 22,111 | |
| Miscellaneous | 74,038 | - | - | - | - | 42,311 | 116,349 | |
| Rental income | 1,800 | - | - | - | - | - | 1,800 | |
| Total Revenues | <u>75,838</u> | <u>312,220</u> | <u>381,225</u> | <u>456,235</u> | <u>693,946</u> | <u>1,195,060</u> | <u>3,114,524</u> | |
| Expenditures | | | | | | | | |
| General | 172,245 | - | - | - | - | - | 172,245 | |
| Health, welfare, & social services | - | 312,220 | 381,225 | 456,235 | - | 544,954 | 1,694,634 | |
| Planning for highways and public transportation | - | - | - | - | - | 522,325 | 522,325 | |
| Economic development | - | - | - | - | 693,946 | 197,842 | 891,788 | |
| Total Expenditures | <u>172,245</u> | <u>312,220</u> | <u>381,225</u> | <u>456,235</u> | <u>693,946</u> | <u>1,265,121</u> | <u>3,280,992</u> | |
| Excess (Deficiency) of Revenues Over Expenditures | (96,407) | - | - | - | - | (70,061) | (166,468) | |
| Other Financing Sources/(Uses) | | | | | | | | |
| Transfers in | - | - | - | - | - | 38,173 | 38,173 | |
| Transfers out | (38,173) | - | - | - | - | - | (38,173) | |
| Total Other Financing Sources/(Uses) | <u>(38,173)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>38,173</u> | <u>-</u> | |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | (134,580) | - | - | - | - | (31,888) | (166,468) | |
| Fund Balances at Beginning of Year | 127,640 | - | - | - | - | 48,699 | 176,339 | |
| Fund Balances at End of Year | <u>\$ (6,940)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,811</u> | <u>\$ 9,871</u> | |

The accompanying notes are an integral part of this financial statement.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds to the Statement of Activities
for the Year Ended June 30, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ (166,468)

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|-------------------------------------|----------|
| Capital Asset Purchases Capitalized | 1,755 |
| Depreciation Expense | (30,068) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|--|----------------|
| Increase in Compensated Absences Payable | <u>(2,466)</u> |
|--|----------------|

| | |
|---|----------------------------|
| Change in Net Position in Governmental Activities | <u><u>\$ (197,247)</u></u> |
|---|----------------------------|

The accompanying notes are an integral part of this financial statement.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of North Delta Regional Planning and Development District, Incorporated (A nonprofit organization reporting under Governmental Accounting Standards) (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

The District was officially incorporated on February 24, 1969, as a nonprofit organization under the provision of Louisiana statutes of 1959, Title 12. The District functioned as a planning district by virtue of a 1973 Governor's Executive Order. In 1977, the District became one of eight regional planning and development districts created by the Louisiana legislature by Act No. 472, Section 1 (L.R.S. 33:140.61 and 140.62).

The District is comprised of the following parishes in Northeast Louisiana: Caldwell, East Carroll, Franklin, Jackson, Madison, Morehouse, Ouachita, Richland, Tensas, Union and West Carroll. The purpose of the District is to provide economic development assistance to the parishes in the District. The District accomplishes this objective by planning, coordinating and unifying various local, state and federal efforts to overcome the economic and social deficiencies in the eleven parish area. The board of directors consisting of 21 members representing the parishes of the District is the governing body. Board members receive no compensation for their services.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget or set rates or charges. The District also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the District has a significant relationship.

B. Basis of Presentation

The District's basic financial statements consist of the government-wide statements on all of the activities of the government and the fund financial statements (individual major funds and combined non-major funds). The financial statements have been prepared in accordance with governmental accounting standards.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all activities of the government. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs which normally are supported by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The District uses funds, both major and non-major, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Emphasis of fund reporting is on the major fund level in the governmental category. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the provision of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The District's current operations require the use of the governmental category. The fund types used by the District are described as follows:

Governmental activities presented as Governmental Funds in the fund financial statements:

General Fund - This fund is the general operating fund of the District. It is used to account for all financial resources of the District except for those required to be accounted for in another fund. The General Fund is always a major fund.

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Special Revenue Funds - These funds are used to account for financial resources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects).

The following is a brief description of each Special Revenue Fund's purpose:

Major Special Revenue Funds

Title III B – Supportive Services

Title III B funds are provided by the United States Department of Health and Human Services through the GOEA, which passes through the funds to the District for further distribution to area Councils on Aging. This program provides access services, in-home services, community services, legal services and transportation for the elderly.

Title III C-1 – Congregate Meals

Title III C-1 funds are provided by the United States Department of Health and Human Services to the Governor's Office of Elderly Affairs (GOEA), which passes through the funds to the District for further distribution to area Councils on Aging. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Title III C-2 – Home Delivered Meals

Title III C-2 funds are provided by the United States Department of Health and Human Services through the GOEA, which passes through the funds to the District for further distribution to area Councils on Aging. These funds are used to provide nutritional meals to home-bound elderly persons.

Restore Louisiana

Restore Louisiana funds are provided by the Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) in the aftermath of the 2016 flooding to help aid impacted businesses and/or non-profit organization through a lending program.

Non-Major Special Revenue Funds

Area Agency on Aging

The Area Agency on Aging Fund is used to account for the administration of special programs for the elderly. Administrative funds are provided by the United States Department of Health and Human Services through the GOEA, which passes through the funds to the District. These funds are used to pay for administrative costs associated with programs for the elderly.

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Title III D – Preventive Health Fund

The III D Fund is used to account for funds that are used to provide preventive health services to frail older individuals. They include preventive health supportive services for older individuals who are victims of Alzheimer’s disease and related disorders, with neurological and organic brain dysfunction, and to the families of such victims.

Title III E – Caregiver

The Title III E Fund is used to provide multifaceted systems of support services for (1) family caregivers; and (2) grandchildren of older individuals who are relative caregivers. Services to be provided include: information to caregivers about available services; assistance to caregivers in gaining access to the services; individual counseling and caregiver training to assist the caregivers in making decisions and solving problems relating to their caregiving roles, respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities; and supplemental services, on a limited basis, to complement the care provided by caregivers.

Nutrition Services Incentive Program (NSIP) Cash-in-Lieu of Commodities

The Nutrition Services Incentive Program (NSIP) is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Health and Human Services through the GOEA. This award passes through to the District for further distribution to six parish Councils on Aging. The funds are distributed on a per-unit basis for each congregate and home-delivered meal service provider for each eligible participant so the United States food and commodities may be purchased to supplement these programs.

Ombudsman

The Ombudsman Fund is used to account for the administration of funds that provide assistance to residents in nursing homes. These funds are provided by the U. S. Department of Health and Human Services through the GOEA which passes through the funds to the District.

Economic Development Administration

The Economic Development Administration Fund accounts for planning grants to promote economic development in the District. Eighty percent of the funds are provided by the United States Department of Commerce with the remaining twenty percent provided from local sources.

Economic Development Disaster Recovery

The Economic Development Disaster Recovery program accounts for grants to provide community and economic development resources to parishes in northeast Louisiana to help create economic growth and jobs.

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Delta Regional Authority

The Delta Regional Authority Fund account is used to identify, develop and implement programs and activities that will help educate local stakeholders about the potential uses of the Delta Regional Authority.

Ouachita Council of Governments

The Ouachita Council of Governments Fund accounts for local funds provided by the Ouachita Council of Governments. Revenues are used to fund public transportation projects within the parish.

Federal Highways Administration

The Federal Highways Administration Fund accounts for federal funds provided through the Ouachita Council of Governments for highway planning in the Monroe urbanized area. The Ouachita Council of Governments entered into an agreement with the Louisiana Department of Transportation and Development (LDOT) to provide these planning services. The Ouachita Council of Governments contracted with the District to provide technical assistance in carrying out its contract with the Louisiana Department of Transportation and Development.

Strategic Highway Safety Plan

The Federal Highways Administration Fund accounts for federal funds provided through the Ouachita Council of Governments for highway safety planning in the Monroe urbanized area. The Ouachita Council of Governments entered into an agreement with the LDOT to provide these planning services. The Ouachita Council of Governments contracted with the District to provide technical assistance in carrying out its contract with the LDOT.

Federal Transit Authority

The Federal Transit Authority Fund accounts for federal funds provided through the Ouachita Council of Governments for the planning of public transportation in the Monroe urbanized area. The Ouachita Council of Governments entered into an agreement with the Louisiana Department of Transportation and Development to provide these planning services. The Ouachita Council of Governments contracted with the District to provide technical assistance in carrying out its contract with the Louisiana Department of Transportation and Development.

Regional Human Service Contract

This fund accounts for federal funds provided through the Louisiana Department of Transportation and Development via Ouachita Council of Governments. The Human Service Transit Plan Committee addresses transit efficiency level planning and recommends policies to the Technical Advisory Committee and Transportation Policy Committee regarding the implementation of transit solutions.

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

C. Basis of Accounting and Measurement Focus

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers funds to be available if they are collected within 60 days of the fiscal year end. Intergovernmental and other Grants have been treated as susceptible to accrual.

The District uses the following practices in recognizing and reporting revenues and expenditures in the governmental fund types:

Revenues

Entitlements and shared revenues are recorded as unrestricted at the time of receipt or earlier if the accrual criteria is met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as incurred. Principal and interest on long-term obligations are recognized when due. Compensated absences are recognized when benefits are earned by the employee.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt

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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

D. Budgets

General Budget Policies

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

The District adopts budgets for the general fund and all special revenue funds. However, the budgets prepared for fiscal year 2018 were based by funding source instead of by fund.

Appropriations (unexpended budget balances) lapse at year-end.

Encumbrances

Encumbrance accounting is not employed in governmental funds.

Budgetary Basis of Accounting

All governmental fund budgets are prepared on the modified accrual basis of accounting; a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the District. Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the District. All budget revisions are approved by the Board of Directors.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. Short Term Interfund Receivables/Payables

During the course of operation, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables. Any residual balances outstanding between the governmental activities and

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

business-type activities are reported in the government-wide financial statements as “internal balances.”

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

H. Capital Assets

Capital assets, which include land, building, machinery and equipment and furniture and fixtures, are reported in the governmental activities column in the government-wide financial statements. The capitalization threshold for all movable capital assets is \$1,000 per unit. All purchased capital assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated capital assets are valued at their fair market value on the date received. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Depreciation on all capital assets has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are 30 years for buildings, 5 years for furniture and fixtures and 5 to 7 years for office equipment.

I. Compensated Absences

Full-time employees of the District earn up to 15 days of vacation leave each year, depending on length of service. Regular, part-time employees earn prorated vacation leave based on hours worked and length of continuous service. Vacation leave may accumulate up to 30 days with unused accumulated leave time being paid to employees upon termination of employment, at the employee’s current rate of pay. Payments at separation, however, will not exceed the number of days accrued each year. Sick leave for full-time employees is earned at the rate of eight hours per month. Unused sick leave may accumulate with no limit; however, no compensation will be paid upon termination of employment.

J. Net Position and Fund Equity

In the government-wide Statement of Net Position under ASC 958-205, equity is classified as net position and is displayed in three primary components:

Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings related to the acquisition, construction, or improvement of those assets.

Restricted – consists of net resources with constraints placed on their use by either external groups (such as creditors, grantors, contributors, or other governments) or laws through constitutional provisions or enabling legislation.

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Unrestricted – consists of all other net resources that are not otherwise defined as net investment in capital assets or restricted.

When an expense is incurred for which both restricted and unrestricted net position may be applied, it is the District's informal policy to first apply restricted net position.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Restricted fund balance has limitations imposed by creditors, grantors, contributors, or by enabling legislation or constitutional provisions. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four categories. The District did not recognize any fund balances as nonspendable, committed, or assigned as of June 30, 2018.

The District has not established a formal policy regarding order of spending fund balances that are restricted, committed, or assigned. The District's informal policy for spending prioritization of fund balances is that restricted would receive top priority, followed by committed. Assigned would receive the least priority and would be authorized to be spent only if adequate funds were available. If expenditures incurred exceed the amounts that have been restricted, committed, or assigned to a specific purpose, amounts unassigned would be reduced to eliminate the deficit.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

L. 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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Cash and Cash Equivalents

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

At June 30, 2018, the District has cash and cash equivalents (book balances) totaling \$49,858 as follows:

| | | |
|------------------|----|--------|
| Demand Deposits | \$ | 39,965 |
| Cash Equivalents | | 9,693 |
| Petty Cash | | 200 |
| Total | \$ | 49,858 |

Custodial credit risk – deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At year-end, the bank balance on the District’s deposits was \$70,754. Of the bank balance, \$70,754 was covered by federal depository insurance or by collateral held by the District’s agent in the District’s name (GASB Category 1).

Credit risk. Under state law the District may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. The District’s investments consists of money market funds, therefore the District is exposed to no credit risk.

Concentration of credit risk. The District does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentrations.

Investment rate risk. The District manages its exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.

Note 3 – Receivables

Receivables at June 30, 2018, are as follows:

| Program | Funding Agency | Amount |
|------------------------------------|---------------------------------|-----------|
| Special Revenue Funds | | |
| Title III C-1 Congregate Meals | Various Councils on Aging | \$ 11,654 |
| Title III C-2 Home Delivered Meals | Various Councils on Aging | 7,510 |
| Restore Louisiana | Office of Community Development | 243,945 |
| Total Major Special Revenue Funds | | 263,109 |

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

3 – Receivables (continued)

| <u>Program</u> | <u>Funding Agency</u> | <u>Amount</u> |
|--------------------------------------|---------------------------------|-------------------|
| Nonmajor Special Revenue Funds | | |
| Economic Development Admin | Various Local Governments | 17,855 |
| Title III D Preventive Health | Various Councils on Aging | 2,184 |
| Council of Governments | Ouachita Council of Governments | 15,382 |
| Federal Transit Authority | Ouachita Council of Governments | 1,195 |
| Regional Human Service Contract | Ouachita Council of Governments | 1,881 |
| Federal Highway Admin | Ouachita Council of Governments | 48,449 |
| Strategic Highway Safety Plan | Ouachita Council of Governments | 30,094 |
| Total Nonmajor Special Revenue Funds | | <u>117,040</u> |
| Total - All Funds | | <u>\$ 380,149</u> |

Note 4 – Changes in Capital Assets

Changes in capital assets for the year ended June 30, 2018 are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|---------------------------------------|------------------------------|--------------------|--------------------|---------------------------|
| <u>Governmental Activities</u> | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$ 310,421 | \$ - | \$ - | \$ 310,421 |
| Depreciable Assets | | | | |
| Buildings | 883,507 | - | - | 883,507 |
| Furniture and Equipment | 73,914 | 1,755 | - | 75,669 |
| Less: Accumulated Depreciation: | <u>(144,555)</u> | <u>(30,068)</u> | <u>-</u> | <u>(174,623)</u> |
| Total Assets Being Depreciated | <u>812,866</u> | <u>(28,313)</u> | <u>-</u> | <u>784,553</u> |
| <u>Governmental Activities</u> | | | | |
| <u>Capital Assets Net</u> | <u>\$ 1,123,287</u> | <u>\$ (28,313)</u> | <u>\$ -</u> | <u>\$ 1,094,974</u> |

Depreciation expense of \$30,068 was charged to the following governmental activities functions: Planning for highways and public transportation \$530; and economic development \$29,538.

Also see Restricted Asset, Note 5 below.

**NORTH DELTA REGIONAL PLANNING AND
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**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Note 5 – Restricted Asset

A twenty year, \$1,000,000 mortgage is being held by the United States Department of Commerce’s Economic Development Administration on the building purchased in part with grant funds. This mortgage commenced on January 16, 2015. Payment(s) by North Delta to the Economic Development Administration will occur upon the use, transfer, or alienation of the property in violation of the grant agreement. If there are no such violations, then the mortgage will be cancelled on January 16, 2035. A liability has not been recorded in the financial statements due to this repayment being deemed remote.

Originally, this \$948,000 grant, along with \$245,928 in local funding, was provided by the Economic Development Administration to purchase the \$1,193,928 property (\$310,421 in land and \$883,507 in building) for the North Delta Innovation and Technology Disaster Recovery Center (the Center). The Center is to be used to help support and address the needs of distressed communities experiencing adverse economic changes that may occur suddenly or over time, and generally result from industrial or corporate restructuring, new Federal laws or requirements, reduction in defense expenditures, depletion of natural resources, or natural disaster.

The Center is included in capital assets on the Statement of Net Position at \$1,094,974 (\$1,269,597 in costs less \$174,623 in accumulated depreciation) as of June 30, 2018.

Note 6 – Accounts, Salaries and Other Payables

Payables at June 30, 2018, associated with governmental funds consisted of accounts and other payables of \$367,945 and accrued payroll expenses and related liabilities of \$1,527.

Note 7 – Compensated Absences

At June 30, 2018, employees of the District have accumulated and vested \$38,903 of employee leave benefits.

Note 8 – Interfund Assets/Liabilities

Balances due from/to other funds are listed by fund for the year ended June 30, 2018:

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|--------------|---------------------------------|-------------------------------|
| Major Funds | | |
| General Fund | \$ 157,174 | \$ 178,930 |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Note 8 – Interfund Assets/Liabilities (continued)

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|--|---------------------------------|-------------------------------|
| Major Funds | | |
| Special Revenue Funds | | |
| Title III-B Supportive Services | \$ 48,498 | \$ - |
| Title III C-1 Congregate Meals | 14,365 | - |
| Title III C-2 Home Delivered Meals | 26,123 | - |
| Restore Louisiana | - | 23,783 |
| NonMajor Funds | | |
| Special Revenue Funds | | |
| Federal Highways Administration | - | 48,449 |
| Strategic Highway Safety Plan | - | 30,094 |
| Area Agency on Aging | - | 20,510 |
| Title IIID Preventive Health | | 236 |
| Title IIIE Caregiver | 48,474 | - |
| NISP, Cash-in-Lieu | 51,707 | - |
| Economic Development Administration | - | 17,855 |
| Economic Development Disaster Recovery | 1,667 | - |
| Council of Governments | - | 15,382 |
| Federal Transit Authority | - | 1,195 |
| Regional Human Services Contract | - | 1,881 |
| Delta Regional Authority | - | 9,693 |
| | <u>\$ 348,008</u> | <u>\$ 348,008</u> |
| Total | <u>\$ 348,008</u> | <u>\$ 348,008</u> |

These interfund balance are the result of cash transfers among funds to cover negative cash balances

Note 9 – Retirement System

Substantially all employees of the District are eligible to participate in the Deferred Compensation Plan for Public Employees. For 2018, participants may contribute up to one hundred percent of their gross salary, not exceeding \$18,000 or \$24,000 if the participant is at least 50 years of age. The District will match up to five percent of their salary on their behalf.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

The District's total payroll during the fiscal year ending June 30, 2018, was \$575,349. Employee contributions totaled \$25,367 and employer contributions totaled \$25,367.

Note 10 - Restricted Fund Balances (FFS level only)

The following governmental funds' fund balances are legally restricted for the following purposes:

| Restricted | Purpose | 6/30/2018 |
|------------------------------------|-----------------------------------|-----------|
| Nonmajor Funds: | | |
| Special Revenue Funds: | | |
| NSIP - Cash-in Lieu of Commodities | Health, Welfare & Social Services | \$ 16,811 |

Note 11 – Leases

Operating Leases – The District is a party to the following operating leases:

- The District has annual operating lease agreements for the following office equipment:
 - Kyocera Copier. Monthly lease payments of \$299 for 36 months beginning in May 2018.
 - Pitney Bowes mailing machine and scales. Quarterly payments are \$1,113 on an ongoing basis at the District's discretion.

Future minimum lease payments under these agreements is:

| Year | Amount |
|------|---------|
| 2019 | \$3,588 |
| 2020 | \$3,588 |
| 2021 | \$3,588 |

Note 12 – Interfund Transfers

Transfers in and out are listed by fund for the year ended June 30, 2018:

| | Transfers In | Transfers Out |
|--------------------------------|--------------|---------------|
| Major Funds | | |
| General Fund | \$ - | \$ 38,173 |
| Nonmajor Special Revenue Funds | | |
| Area Agency on Aging | 38,173 | - |
| Total | \$ 38,173 | \$ 38,173 |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

North Delta receives administrative fees in association with various projects. Often, these projects are funded with federal or state funds which are restricted for that project. The administrative fees; however, are not included in that restriction.

Note 13 – Dual Roles of Staff and Related Party Transactions

The Executive Director of the District also serves as Executive Secretary of the Ouachita Council of Governments (OCOG). The District has contracted with OCOG to provide technical assistance in carrying out OCOG's federal and local program activities. For the year ended June 30, 2018, the District recorded \$38,087 of revenues from OCOG. The Executive Director of the District also serves as President of the Louisiana Delta Reinvestment Corporation.

Note 14 – Litigation and Claims

Litigation – At June 30, 2018, the District was not involved in any litigation, nor were there any claims pending which might have a material impact on the financial statements.

Grant Disallowances – The District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. District management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Note 15 – Economic Dependency

The District receives a significant portion of its revenue from funds provided through grants or programs administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the District receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any action that will adversely affect the amount of funds the District will receive in the next fiscal year.

Note 16 – Compensation of Board Members

The District's Board of Directors serve without compensation but are reimbursed transportation expenses at the rate of \$0.51 per mile.

Note 17 – Subsequent Events

Management has evaluated subsequent events through July 30, 2019, the date which the financial statements were available to be issued and determined that no events occurred that require disclosure.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2018**

Note 18 – Going Concern

The District's programs were unable to finance operations and required support during the fiscal year, so it depended on support from the general fund. The general fund brings in little income and suffered a huge loss which resulted in a negative fund balance. The District's general fund had a deficit in unassigned fund balance of \$9,762 at June 30, 2018. The decrease in fund balance for the year ending June 30, 2018 was \$166,468. To resolve this problem the District appointed a new executive director on July 1, 2019 who has already started implementing plans of action to improve the financial position of North Delta.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual (unaudited)**

General Fund

For the Year Ended June 30, 2018

| | <u>Budgeted Amounts</u> | <u>Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance With Amended Budget</u> |
|---|-----------------------------|-----------------------------|------------------------------|---|
| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>(Budgetary Basis)</u> | <u>Positive (Negative)</u> |
| Revenues | | | | |
| Miscellaneous | \$ - | \$ - | \$ 74,038 | \$ 74,038 |
| Rental income | - | - | 1,800 | 1,800 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>75,838</u> | <u>75,838</u> |
| Expenditures | | | | |
| Current: | | | | |
| Salaries | - | - | 41,990 | (41,990) |
| Fringe | - | - | 15,269 | (15,269) |
| Travel | - | - | 728 | (728) |
| Operating services | - | - | 99,611 | (99,611) |
| Operating supplies | - | - | 1,190 | (1,190) |
| Other costs | - | - | 13,379 | (13,379) |
| Other Administrative Expenses | - | - | 78 | (78) |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>172,245</u> | <u>(172,245)</u> |
| Excess of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>(96,407)</u> | <u>(96,407)</u> |
| Other Financing Sources | | | | |
| Transfers out | - | - | (38,173) | (38,173) |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>(38,173)</u> | <u>(38,173)</u> |
| Excess of Revenues and Other Financing Sources Over Expenditures | <u>-</u> | <u>-</u> | <u>(134,580)</u> | <u>(134,580)</u> |
| Fund Balances at Beginning of Year | <u>-</u> | <u>-</u> | <u>127,640</u> | <u>127,640</u> |
| Fund Balances at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (6,940)</u> | <u>\$ (6,940)</u> |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual (unaudited)**

Title III B Supportive Services Fund

For the Year Ended June 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With</u> |
|--|-------------------------|---------------|-------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget</u> |
| | <u>Budget</u> | <u>Budget</u> | <u>(Budgetary</u> | <u>Positive</u> |
| | | | <u>Basis)</u> | <u>(Negative)</u> |
| Revenues | | | | |
| Intergovernmental Revenues: | | | | |
| Louisiana Governor's Office of Elderly Affairs | \$ - | \$ - | \$ 312,220 | \$ 312,220 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>312,220</u> | <u>312,220</u> |
| Expenditures | | | | |
| Current: | | | | |
| Grants to Subrecipients: | | | | |
| East Carroll Council on Aging | - | - | 21,328 | (21,328) |
| Franklin Council on Aging | - | - | 52,934 | (52,934) |
| Jackson Council on Aging | - | - | 50,013 | (50,013) |
| Madison Council on Aging | - | - | 67,858 | (67,858) |
| Richland Council on Aging | - | - | 31,432 | (31,432) |
| Tensas Council on Aging | - | - | 26,272 | (26,272) |
| Union Council on Aging | - | - | 48,784 | (48,784) |
| North Louisiana Legal Assistance | - | - | 13,599 | (13,599) |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>312,220</u> | <u>(312,220)</u> |
| Excess of Revenues over Expenditures | - | - | - | - |
| Fund Balances at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual (unaudited)**

Title III C-1 Congregate Meals Fund

For the Year Ended June 30, 2018

| | <u>Budgeted Amounts</u> | <u>Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance With Amended Budget</u> |
|--|-----------------------------|-----------------------------|------------------------------|---|
| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>(Budgetary Basis)</u> | <u>Positive (Negative)</u> |
| Revenues | | | | |
| Intergovernmental Revenues: | | | | |
| Louisiana Governor's Office of Elderly Affairs | \$ - | \$ - | \$ 381,225 | \$ 381,225 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>381,225</u> | <u>381,225</u> |
| Expenditures | | | | |
| Current: | | | | |
| Operating Services | - | - | 299,847 | (299,847) |
| Grants to Subrecipients: | | | | |
| East Carroll Council on Aging | - | - | 36,688 | (36,688) |
| Franklin Council on Aging | - | - | 3,285 | (3,285) |
| Jackson Council on Aging | - | - | 3,549 | (3,549) |
| Madison Council on Aging | - | - | 22,376 | (22,376) |
| Richland Council on Aging | - | - | 15,480 | (15,480) |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>381,225</u> | <u>(381,225)</u> |
| Excess of Revenues Over Expenditures | - | - | - | - |
| Fund Balances at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual (unaudited)**

Title III C-2 Home Delivered Meals Fund

For the Year Ended June 30, 2018

| | <u>Budgeted Amounts</u> | <u>Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance With Amended Budget</u> |
|--|-----------------------------|-----------------------------|------------------------------|---|
| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>(Budgetary Basis)</u> | <u>Positive (Negative)</u> |
| Revenues | | | | |
| Intergovernmental Revenues: | | | | |
| Louisiana Governor's Office of Elderly Affairs | \$ - | \$ - | \$ 456,235 | \$ 456,235 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>456,235</u> | <u>456,235</u> |
| Expenditures | | | | |
| Current: | | | | |
| Operating Services | - | - | 345,080 | (345,080) |
| Grants to Subrecipients: | | | | |
| East Carroll Council on Aging | - | - | 32,360 | (32,360) |
| Franklin Council on Aging | - | - | 540 | (540) |
| Jackson Council on Aging | - | - | 6,663 | (6,663) |
| Madison Council on Aging | - | - | 26,400 | (26,400) |
| Richland Council on Aging | - | - | 37,440 | (37,440) |
| Tensas Council on Aging | - | - | 7,752 | (7,752) |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>456,235</u> | <u>(456,235)</u> |
| Excess of Revenues Over Expenditures | - | - | - | - |
| Fund Balances at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual (unaudited)**

Restore Louisiana

For the Year Ended June 30, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|---|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | | |
| Revenues | | | | |
| Other Federal Grants | \$ 100,000 | \$ 100,000 | \$ 693,946 | \$ 593,946 |
| Total Revenues | <u>100,000</u> | <u>100,000</u> | <u>693,946</u> | <u>593,946</u> |
| Expenditures | | | | |
| Current: | | | | |
| Economic Development | <u>100,000</u> | <u>100,000</u> | <u>693,946</u> | <u>(593,946)</u> |
| Total Expenditures | <u>100,000</u> | <u>100,000</u> | <u>693,946</u> | <u>(593,946)</u> |
| Excess of Revenues Over Expenditures | - | - | - | - |
| Fund Balances at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

OTHER SUPPLEMENTAL INFORMATION

NORTH DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

| | Area Agency on Aging | Title III D Preventive Health | Title III E Caregiver | NSIP Cash-in-Lieu | Economic Development Administration | Economic Development Disaster Recovery | Ouachita Council of Governments | Federal Transit Authority | Regional Human Service Contract | Federal Highway Authority | Strategic Highway Safety Plan | Ombudsman | Delta Regional Authority | Total |
|---|----------------------------|-------------------------------------|--------------------------|----------------------|---|---|--|---------------------------------|--|---------------------------------|-------------------------------------|----------------|--------------------------------|------------------|
| Revenues | | | | | | | | | | | | | | |
| Intergovernmental | | | | | | | | | | | | | | |
| Governor's Office of Elderly Affairs | \$113,837 | \$ 22,940 | \$ 44,450 | \$ 175,847 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 127,819 | \$ - | \$ 484,893 |
| U.S. Department of Commerce | - | - | - | - | 71,420 | 40,000 | - | - | - | - | - | - | - | 111,420 |
| U.S. Department of Transportation | - | - | - | - | - | - | - | 41,361 | 15,000 | 212,318 | 142,139 | - | - | 410,818 |
| Other Federal Grants | - | - | - | - | - | - | - | - | - | - | - | - | 22,000 | 22,000 |
| Ouachita Council of Governments | - | - | - | - | - | - | 38,087 | 10,340 | - | 53,080 | - | - | - | 101,507 |
| Membership Dues | - | - | - | - | 22,111 | - | - | - | - | - | - | - | - | 22,111 |
| Admin Fees | - | - | - | - | - | - | - | - | - | - | - | - | 42,311 | 42,311 |
| Total Revenues | 113,837 | 22,940 | 44,450 | 175,847 | 93,531 | 40,000 | 38,087 | 51,701 | 15,000 | 265,398 | 142,139 | 127,819 | 64,311 | 1,195,060 |
| Expenditures | | | | | | | | | | | | | | |
| Salaries | 84,154 | - | - | - | 54,480 | - | 22,168 | 31,066 | 8,734 | 145,948 | 82,235 | 71,555 | 19,197 | 519,537 |
| Fringe | 23,707 | - | - | - | 16,449 | - | 5,089 | 8,741 | 2,344 | 39,485 | 25,492 | 19,358 | 5,135 | 145,800 |
| Travel | 2,004 | - | - | - | 3,237 | - | 248 | 869 | 639 | 3,013 | 3,246 | 21,234 | 2,012 | 36,502 |
| Operating Services | 39,002 | 22,940 | 9,450 | 197,735 | 18,194 | 40,000 | 19,886 | 10,530 | 3,169 | 73,826 | 28,029 | 14,597 | 29,507 | 506,865 |
| Operating Supplies | 3,143 | - | - | - | 1,171 | - | 696 | 495 | 114 | 3,126 | 3,137 | 1,075 | 1,660 | 14,617 |
| Other Costs | - | - | 525 | - | - | - | - | - | - | - | - | - | 6,800 | 7,325 |
| Grants to Subrecipients | - | - | 34,475 | - | - | - | - | - | - | - | - | - | - | 34,475 |
| Total Expenditures | 152,010 | 22,940 | 44,450 | 197,735 | 93,531 | 40,000 | 48,087 | 51,701 | 15,000 | 265,398 | 142,139 | 127,819 | 64,311 | 1,265,121 |
| Excess (Deficiency) of Revenues Over Expenditure | (38,173) | - | - | (21,888) | - | - | (10,000) | - | - | - | - | - | - | (70,061) |
| Other Financing Sources/(Uses) | | | | | | | | | | | | | | |
| Transfers In | 38,173 | - | - | - | - | - | - | - | - | - | - | - | - | 38,173 |
| Transfers Out | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources/(Uses) | 38,173 | - | - | - | - | - | - | - | - | - | - | - | - | 38,173 |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | - | - | - | (21,888) | - | - | (10,000) | - | - | - | - | - | - | (31,888) |
| Fund Balances at Beginning of Year | - | - | - | 38,699 | - | - | 10,000 | - | - | - | - | - | - | 48,699 |
| FUND BALANCES AT END OF YEAR | \$ - | \$ - | \$ - | \$ 16,811 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 16,811 |

The accompanying notes are an integral part of this financial statement.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana

**Schedule of Changes in Capital Assets and
Investment in Capital Assets**

For the Year Ended June 30, 2018

| | <u>Balance</u> | | | | <u>Balance</u> |
|-------------------------|---------------------|------------------|------------------|--|---------------------|
| | <u>6/30/2017</u> | <u>Additions</u> | <u>Deletions</u> | | <u>6/30/2018</u> |
| Capital Assets | | | | | |
| Land | \$ 310,421 | \$ - | \$ - | | \$ 310,421 |
| Buildings | 883,507 | - | - | | 883,507 |
| Furniture and Equipment | <u>73,914</u> | <u>1,755</u> | <u>-</u> | | <u>75,669</u> |
| Total | <u>\$ 1,267,842</u> | <u>\$ 1,755</u> | <u>\$ -</u> | | <u>\$ 1,269,597</u> |

Investment in Capital Assets

Major Funds

| | | | | | |
|--------------|----------|-------|------|--|----------|
| General Fund | \$ 3,049 | \$ - | \$ - | | \$ 3,049 |
| Restore | - | 1,755 | - | | 1,755 |

Nonmajor Funds

| | | | | | |
|---------------------------------|---------------------|-----------------|-------------|--|---------------------|
| Area Agency on Aging | 1,572 | - | - | | 1,572 |
| Economic Development Assistance | 1,195,842 | - | - | | 1,195,842 |
| Council of Governments | 2,587 | - | - | | 2,587 |
| Federal Transit Authority | 4,553 | - | - | | 4,553 |
| Regional Human Service Contract | 1,127 | - | - | | 1,127 |
| Federal Highways Administration | 46,414 | - | - | | 46,414 |
| Ombudsman | 10,480 | - | - | | 10,480 |
| Delta Regional Authority | 144 | - | - | | 144 |
| North Delta Caregiver | 171 | - | - | | 171 |
| Region 8 OHSEP | 56 | - | - | | 56 |
| Senior Rx | 1,771 | - | - | | 1,771 |
| Tri-District Development | <u>76</u> | <u>-</u> | <u>-</u> | | <u>76</u> |
| Total | <u>\$ 1,267,842</u> | <u>\$ 1,755</u> | <u>\$ -</u> | | <u>\$ 1,269,597</u> |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICTS, INC.
Monroe, Louisiana**

**Schedule of Compensation, Benefits and Other Payments to Agency Head
or Chief Executive Officer
For the year ended June 30, 2018**

David Creed, Executive Director

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------------------|---------------|
| Salary | \$ 90,000 |
| Benefits-insurance contributions | 8,226 |
| Benefits-retirement contributions | 4,500 |
| Reimbursements | 676 |

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND THE UNIFORM GUIDANCE**

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

Board of Directors North Delta Regional Planning and Development District, Incorporated Monroe, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Delta Regional Planning and Development District, Incorporated, (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and

**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana**

questioned costs as Findings 2018-001, and 2018-002, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2018-003.

The District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of finding and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



(A Professional Accounting Corporation)

July 30, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana

Report on Compliance for Each Major Federal Program

We have audited North Delta Regional Planning and Development District, Incorporated's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the District'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 on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana**

Basis for Qualified Opinion on Aging Cluster

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding CFDA 93.044, 93.045, 93.053 as described in finding 2018-004 for Cash Management, Reporting and Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified Opinion on Aging Cluster

In our opinion, except for the noncompliance's described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Aging Cluster for the year ended June 30, 2018.

Basis for Qualified Opinion on Restore Program

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding CFDA 14.228 as described in finding 2018-006 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Reporting and Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified Opinion on Restore Program

In our opinion, except for the noncompliance's described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Restore Program for the year ended June 30, 2018.

Other Matters

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 District's internal control over compliance.

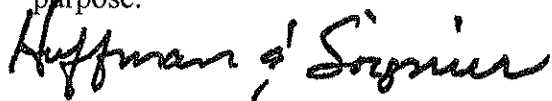
**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana**

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Findings 2018-005 and 2018-007, that we consider to be material weaknesses.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



(A Professional Accounting Corporation)

July 30, 2019

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

| Federal Grantor/ Pass-Through Grantor / Program Name | Federal CFDA Number | Pass - Through Grantor's I.D. Number | Passed Through to Subrecipients | 2018 Expenditures |
|---|---------------------------|---|--|----------------------|
| United States Department of Commerce | | | | |
| Direct Program | | | | |
| Economic Development - Support for Planning Organizations | 11.302 | N/A | \$ - | \$ 71,420 |
| Economic Development - Economic Adjustment Assistance | 11.307 | N/A | - | 40,000 |
| Total United States Department of Commerce | | | | 111,420 |
| United States Department of Transportation | | | | |
| Passed-Through the Ouachita Council of Governments | | | | |
| Regional Strategic Highway Safety Plan | 20.205 | H.972275.1 | - | 212,318 |
| Highway Planning & Construction (Federal-Aid Highway Program) | 20.205 | H972143 | - | 142,139 |
| Federal Transit - Metropolitan Planning Grants | 20.505 | PL 80-37-18 | - | 41,361 |
| Formula Grants for Rural Areas | 20.509 | PL 80-37-18 | - | 10,000 |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | PL 80-37-18 | - | 5,000 |
| Total United States Department of Transportation | | | | 410,818 |
| Delta Regional Authority | | | | |
| Delta Local Development District Assistance | 90.202 | N/A | - | 22,000 |
| Total Delta Regional Authority | | | | 22,000 |
| United States Department of Health and Human Services - Administration on Aging/ Passed-Through the Louisiana Governor's Office of Elderly Affairs | | | | |
| Aging Cluster | | | | |
| Grants for Supportive Services and Senior Centers | | | | |
| Title III B - Ombudsman Services | 93.044 | 4400011248 | - | 99,780 |
| Title III B - Supportive Services | 93.044 | 4400010947 | 214,484 | 214,484 |
| Special Programs for the Aging | | | | |
| Title III C-1 - Area Agency Administration | 93.045 | 4400010947 | - | 85,378 |
| Title III C-1 - Congregate Meals | 93.045 | 4400010947 | 51,320 | 240,092 |
| Title III C-2 - Home Delivered Meals | 93.045 | 4400010947 | 41,136 | 159,356 |
| Nutritional Services Incentive Program | 93.053 | 4400010881 | | 175,847 |
| Total Aging Cluster | | | | 974,937 |
| Title III D - Disease Prevention and Health Promotion Services | 93.043 | 4400010947 | | 22,940 |
| Title III E - National Family Caregiver Support | 93.052 | 4400010947 | 26,250 | 33,338 |
| Total United States Department of Health and Human Services | | | | 1,031,215 |
| United States Department of Housing and Urban Development (HUD) | | | | |
| Passed-Through the Louisiana Division of Administration Office of Community Development - Disaster Recovery Unit | | | | |
| Restore Louisiana Small Business Program | 14.228 | B-16-DL-22-0001 | 450,000 | 693,946 |
| Total United States Department of Housing and Urban Development | | | | 693,946 |
| Total Expenditures of Federal Awards | | | | \$ 2,269,399 |

See Notes to Schedule of Expenditures of Federal Awards

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

1: General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the federal award activity of the North Delta Regional Planning and Development District, Incorporated, (the District) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

2: Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's basic financial statements for the year ended June 30, 2018. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3: Indirect Cost Rate

The District did not elect to use the 10% de minimis indirect cost rate.

4: Relationship of the Schedule of Federal Awards to the Financial Statements

Federal Awards revenues reported differ from amount reported sent by Louisiana Governor's Office of Elderly Affairs (GOEA) due to deferred revenues and prior year revenue remitted to GOEA, then returned by GOEA to North Delta for distribution to other agencies. Additionally, amounts given on the Schedule of Expenditures of Federal Awards differs from the financial statements due to revenues from state and local governments. These differences, along with the remaining of Federal Awards, reconcile as follows:

(continued)

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

| | <u>GOEA Monies Received FY18</u> | <u>Due to Grantor FY18</u> | <u>Federal Awards Schedule FY18</u> | <u>State Revenue FY18</u> | <u>Total GOEA FY18</u> |
|--|--|------------------------------------|---|-----------------------------------|--------------------------------|
| United States Department of Health and Human Services | | | | | |
| Title III C- Federal | \$ 85,378 | \$ - | \$ 85,378 | \$ - | \$ 85,378 |
| Title III C - State | 28,459 | - | - | 28,459 | 28,459 |
| Title III B - Federal | 220,315 | (5,831) | 214,484 | - | 214,484 |
| Title III B - State | 101,357 | (3,621) | - | 97,736 | 97,736 |
| Title III B SS - Federal | 99,780 | - | 99,780 | - | 99,780 |
| Title III B SS - State | 28,039 | - | - | 28,039 | 28,039 |
| Title III C-1 - Federal | 240,092 | - | 240,092 | - | 240,092 |
| Title III C-1 - State | 141,133 | - | - | 141,133 | 141,133 |
| Title III C-2 - Federal | 159,356 | - | 159,356 | - | 159,356 |
| Title III C-2 - State | 296,879 | - | - | 296,879 | 296,879 |
| Title III D - Federal | 22,940 | - | 22,940 | - | 22,940 |
| Title III E - Federal | 66,362 | (33,025) | 33,338 | - | 33,338 |
| Title III E - State | 22,120 | (11,008) | - | 11,112 | 11,112 |
| NSIP - Federal | 175,847 | - | 175,847 | - | 175,847 |
| | <u>\$ 1,688,057</u> | <u>\$ (53,485)</u> | 1,031,215 | <u>\$ 603,358</u> | <u>\$ 1,634,573</u> |
| United States Department of Commerce | | | 111,420 | | |
| United States Department of Transportation | | | 410,818 | | |
| Delta Regional Authority | | | 22,000 | | |
| US Department of Housing and Urban Development | | | 693,946 | | |
| Schedule of Expenditures of Federal Awards | | | <u>\$ 2,269,399</u> | | |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

Section I – Summary of Auditors’ Results

Financial Statements:

Type of Auditors’ Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

Significant deficiency(s) identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? Yes No

Significant deficiency(s) identified not considered to be material weakness(es)? Yes None reported

Type of auditor’s report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

| <u>CFDA #</u> | <u>PROGRAM TITLE</u> |
|----------------------|---|
| 14.228 | Restore Louisiana Small Business Program |
| <u>Aging Cluster</u> | |
| 93.044 | Title III, Part B, Grants for Supportive Services and Senior Center |
| 93.045 | Title III, Part C, Nutrition Services |
| 93.053 | Nutrition Services Incentive Program |

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

**Section II – Findings related to the financial statements that are required to be reported
under *Government Auditing Standards*:**

2018-001 Internal Controls over Accounting Operations

First reported in 2017

Budget Criteria or Specific Requirement

According to the Committee of Sponsoring Organizations of the Treadway Commission Report (COSO), internal controls should be designed and operating to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls should be designed to provide accurate financial information to management in a timely manner to allow for decision making. Programs must be managed by knowledgeable individuals to ensure compliance with program requirements.

Written policies and procedures are necessary for the successful operation of internal controls. Additionally, management should perform risk assessments and other evaluations to ensure internal controls are designed and operating effectively and take appropriate action in cases where they are not in order to perform risk assessments and other evaluations, the District's policy is to adopt budgets for the general fund and all major funds.

Condition Found

Primarily due to the conditions related to the Aging Cluster and Restore programs described in Findings 2018-004 through 2018-007, the District was unable to produce accurate financial reports until nearly eleven months after year end and, thus, financial information not available to management in a timely manner for decision making. Monthly financial information, including budget to actual comparisons and bank reconciliations, were not presented to the Board. Accurate financial information was not available to the auditors in a timely manner. The District did not adopt budgets for the general fund and all major funds.

Cause

Internal controls were not adequately designed and operating.

Effect

Accurate financial information was not available to management, governance or the auditors in a timely manner.

Recommendations to Prevent Future Occurrences

Internal controls should be improved to ensure production of accurate accounting records in a timely manner. A knowledgeable individual should review and reconcile all accounts monthly to ensure accuracy and financial statements should be available to management within a time frame

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

to allow for informed decision making. Individuals with a comprehensive understanding of Federal programs should manage activities to ensure compliance with requirements.

Management's Response

See Management's Corrective Action Plan later in the report.

2018-002 Internal Controls over Cash Operations

First reported in 2017

Criteria or Specific Requirement

According to the Committee of Sponsoring Organizations of the Treadway Commission Report (COSO), internal controls should be designed and operating to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Internal controls should be designed to require safeguards over cash, adequate segregation of duties over accounting functions, accurate financial information available to management timely to allow for accurate decision making and bank reconciliations prepared and approved by two separate individuals, allowing for transparency and segregation of duties.

2 CFR section 200.305(b)(1) states that when a non-Federal entity is paid in advance, the timing and amount of advance payments must be as close as administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs.

Condition Found

Bank reconciliations prepared did not notate who did the reconciliation, the date it was reconciled nor any approval of the reconciliation for any of the bank accounts. Aging Cluster funds were received in one fiscal month but not disbursed until the next fiscal month.

Cause

Internal controls were not designed and operating to ensure cash operations are effective and compliant.

Effect

Internal controls over cash operations do not allow employees in the normal course of their duties to detect and correct misstatements in a timely manner. The District is not in compliance with Federal regulations and subrecipients do not receive funds within the time period stipulated by program requirements.

Recommendations to Prevent Future Occurrences

The District needs to develop written policies and procedures to ensure that bank reconciliations are

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

appropriately documented for completion and approval. Additionally, cash operations should ensure that advance payments are properly managed in accordance with applicable laws and regulations.

Management's Response

See Management's Corrective Action Plan later in the report.

2018-003 Noncompliance with State Laws and Regulations

First reported in 2017

Criteria or Specific Requirement

Louisiana Revised Statute 24:513 requires that the District prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

Condition Found

Due to delays associated with deficiencies noted in the above findings, the audited financial statements were not able to be submitted within the time frame prescribed by law. Therefore, the District was not in compliance with state law.

Cause

Management has not adopted policies and procedures to ensure that required internal controls ensure compliance with state laws and regulations.

Effect

The District could be in violation of state laws and regulations and failure to follow the proper procedures could result in withholding of funding until in compliance with statute.

Recommendations to Prevent Future Occurrences

The District should correct noted deficiencies and ensure that reliable records are provided to the auditors in a timely manner.

Management's Response

See Management's Corrective Action Plan later in the report.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

**Section III – Findings or questioned costs for Federal awards, including those specified by
Uniform Guidance:**

2018-004 Aging Cluster - Compliance

First reported in 2017

Federal Program

93.044, 93.045, 93.053 Aging Cluster

Department of Health and Human Services – Administration on Aging
Passed Through the Louisiana Governor’s Office of Elderly Affairs (GOEA)
Federal award identification number-n/a; 2018 award

Criteria or Specific Requirement

Compliance with Cash Management Requirements

2 CFR section 200.305(b)(1) states that when a non-Federal entity is paid in advance, the timing and amount of advance payments must be as close as administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs.

Compliance with Reporting Requirements

2 CFR section 200.327 requires that financial information be collected with the frequency required by the terms and conditions of the Federal Award. The Federal award requires that the District shall provide GOEA with any information and data which may be required in the form and matter prescribed, therefore. GOEA requires the District to submit monthly financial reports by the 15th day of the subsequent month, the original budget by June 1 and the revised budget by April 30. In addition, responses to the financial statement audit and the field audit are due within 2 weeks of the date of the letter issued or the date of the exit conference, respectively.

Compliance with Subrecipient Monitoring Requirements

Uniform Guidance compliance requirements state that a pass-through District (PTE) must:

- Evaluate Risk – Evaluate each subrecipient’s risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.331(b)).
- Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.331(d) through (f)).

Condition Found

Compliance with Cash Management Requirements

The funding agency paid Aging Cluster funds on an advance basis, but North Delta disbursed those

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

funds on a reimbursement basis after the Councils had submitted their reimbursement requests. This difference between drawing under the advance method and disbursing under the reimbursement method appears to have resulted in a delay of disbursement of funds. We reviewed all disbursements to the Councils on Aging and none were disburse to the Councils immediately upon receipt from the funding agency. The delay was an average of 32 days between receipt of funds and payment to the Councils on Aging and 37 days between receipt and payment to Bountiful Foods.

Compliance with Reporting Requirements

None of the 12 monthly reports were submitted to the funding agency by the required deadline. Of the 12 monthly reports, the client was unable to provide proof of submission for 7 of the reports. We tested reports for two programs reported in each of four different months for a total of 8 reports being tested. Of those 8 reports tested:

- 2 listed GOEA Funds received to date as zero even though funds had been received for both programs
- 3 reports did not match supporting documentation
- 2 reports did not have supporting documentation
- 1 month had the supporting documentation but no report

Compliance with Subrecipient Monitoring Requirements

We reviewed the contracts with the Councils on Aging and they do not clearly identify to the subrecipients that these are subawards, as required, and do not include the other required information given in 2 CFR section 200.331(a).

We reviewed the PTE's documentation of monitoring the subaward and considered whether the PTE's monitoring provided reasonable assurance that the subrecipient used the subaward for authorized purposes in compliance with Federal statutes, regulations, and the terms and conditions of the subaward. We concluded that the monitoring did not provide reasonable assurance because:

- The subawards state that monitoring will occur at least biannually, but documentation only indicated one visit to each Council
- One of the grant awards requires quarterly monitoring but documentation only indicated one visit to each Council
- Explanation of monitoring performed was not sufficient for us to understand what work was performed
- All seven Councils were visited over 3 workdays; appears insufficient time to monitor activities thoroughly
- Discrepancies noted had no corrective action plan

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

- Councils with discrepancies noted also stated that the Council was in compliance and that there were no recommendations
- Initial reports provided failed to include subrecipient entity identification

Ombudsman Program

When we inquired of North Delta to show us that they are in compliance with program requirements and that they are monitoring program operations. We were not provided documentation sufficient to make determinations that they were both in compliance and controls over compliance were designed and operating.

Cause

Management has not adopted policies and procedures to ensure that required internal controls for reporting are in place and operating sufficiently to ensure compliance with grant requirements and Uniform Guidance. The Aging Director was not provided enough resources for the position she held in that she was performing duties for other programs in addition to managing the Aging program.

Questioned Costs

There are no questioned costs related to this finding.

Perspective Information

These issues are isolated to this program

Identification of Repeat Findings

Refer to Findings 2017-007 through 2017-009.

Effect

The District could be in violation of state and federal regulations governing federal awards.

Recommendations to Prevent Future Occurrences

The Aging Director should focus her efforts on the Aging Program alone, learning the compliance requirements to ensure compliance, visiting Councils on Aging much more frequently in order to ensure program monies are being spent appropriately and operating independently of the accounting functions to provide stronger internal controls. Other members of management should likewise understand and monitor compliance with program requirements through review and reconciliation of program activities. Internal controls should be strengthened to ensure that all activities are reviewed and approved by a second person prior to submission to improve accuracy and deadlines should be monitored closely to ensure timely activities and reporting.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

Management's Response

See Management's Corrective Action Plan later in the report.

2018-005 Aging Cluster – Internal Controls

First reported in 2017

Federal Program

93.044, 93.045, 93.053 Aging Cluster

Department of Health and Human Services – Administration on Aging

Passed Through the Louisiana Governor's Office of Elderly Affairs

Federal award identification number-n/a; 2018 award

Criteria or Specific Requirement

2 CFR 200.303 requires that the entity establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Nonfederal entities are required to have certain written policies and procedures surrounding the management of their federal award funding.

Condition Found

Internal Controls over Cash Management Requirements

Internal controls did not to prevent or detect and correct noncompliance with cash management requirements in a timely manner. There is no evidence to indicate anyone is reviewing and/or approving reports. Written policies do not establish responsibility and provide the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments. Summaries of minutes did not support that budget to actual financial reports were presented to the Board of Directors or that the Board regularly reviews the program progress and performance. Information was maintained in the computer systems and reports could be produced on demand; however, information was not inputted into the computer system in a timely manner, and, thus, the information was not available in a timely manner. We reviewed all disbursements to the Councils on Aging and none were disbursed to the Councils immediately upon receipt from the funding agency.

Internal Controls over Reporting Requirements

Internal controls did not prevent or detect and correct noncompliance with reporting requirements in a timely manner. There is no evidence to indicate anyone is reviewing and/or approving reports. Written policies do not establish responsibility and provide the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments. Summaries of minutes did not support that budget to actual financial reports were presented to the Board of Directors or that the Board regularly reviews the program progress and performance. Information is maintained in

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

the computer systems and reports can be produced on demand; however, information is not inputted into the computer system in a timely manner, and, thus, the information is not available in a timely manner.

We reviewed the 12 monthly reports submitted to GOEA and none were submitted timely, none were approved by a supervisor, and 7 did not have proof of submission. Supporting documentation did not support any of the 8 program reports reviewed.

Internal Controls over Subrecipient Monitoring Requirements

Internal controls were insufficient to prevent or detect and correct noncompliance with subrecipient monitoring requirements in a timely manner. There is no evidence to indicate anyone is reviewing and/or approving monitoring reports. Written policies do not establish responsibility and provide the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments. Summaries of minutes did not support that budget to actual financial reports were presented to the Board of Directors or that the Board regularly reviews the program progress and performance to include monitoring. We reviewed the monitoring reports and identified that each Council had only been visited once in the fiscal period as opposed to the four visits required and none of the reports were approved by a supervisor. Reports were not sufficiently detailed to determine what actions had been taken during the monitoring visit.

Cause

Management has not adopted policies and procedures to ensure that required internal controls for reporting are in place and operating sufficiently to ensure compliance with grant requirements and Uniform Guidance.

Questioned Costs

There are no questioned costs related to this finding.

Perspective Information

These are issues are isolated to this program

Identification of Repeat Findings

Refer to Findings 2017-007 through 2017-009.

Effect

The District could be in violation of state and federal regulations governing federal awards.

Recommendations to Prevent Future Occurrences

Internal controls should be strengthened to ensure compliance with all program requirements.

**NORTH DELTA REGIONAL PLANNING AND
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Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

Management's Response

See Management's Corrective Action Plan later in the report.

2018-006 Restore - Compliance

Federal Program

14.228 Restore Louisiana Small Business Program

United States Department of Housing and Urban Development (HUD)

Passed Through the Louisiana Division of Administration Office of Community
Development - Disaster Recovery Unit

Federal award identification number-B-16-DL-22-0001

Criteria or Specific Requirement

Compliance with Activities Allowed or Unallowed Requirements

Section 105(a) of the Housing and Community Development Act of 1974 lists the activities eligible under the CDBG State's Program and grant recipients are responsible for ensuring that all monies spent are only used for activities allowed.

Compliance with Allowable Costs/Cost Principles Requirements

The cost principles in 2 CFR Part 200, subpart E (Cost Principles), prescribe the cost accounting requirements associated with the administration of Federal awards.

Compliance with Reporting Requirements

2 CFR section 200.327 details reporting requirements for federal programs. Additionally, the grant agreement states that grantee shall submit draw requests for payment of eligible expenses.

Compliance with Subrecipient Monitoring Requirements

Uniform Guidance compliance requirements state that a pass-through District (PTE) must:

- Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.331(b)).
- Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.331(d) through (f)).

Condition Found

Compliance with Activities Allowed or Unallowed Requirements

Documentation requested was not provided timely and, thus, we were unable to conclude that the District confirmed that the monies loaned were used only for activities allowed.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

Compliance with Allowable Costs/Cost Principles Requirements

Documentation requested was not provided timely and, thus, we were unable to conclude that the District confirmed that the monies loaned were used only for allowable costs

Compliance with Reporting Requirements

Reports were not submitted timely. Records were not maintained during the year to segregate program expenses and when reports were created more than 7 months after year end, the Director had to research what costs could be claimed under the program. Reports were likewise not submitted for reimbursement from the funding agency in a timely manner.

Compliance with Subrecipient Monitoring Requirements

Documentation requested was not provided timely and, thus, we were unable to conclude that the District conducted required monitoring activities of loan recipients (subrecipients). We interviewed the program director and while monitoring was planned, none had been completed by March 1, 2019.

Cause

During the 2016/17 fiscal year, management approved a new program without a clear understanding of compliance requirements or accounting for said program. The program was not immediately assigned to knowledgeable staff and the consulting CPA was not informed about the program and compliance requirements. As a result, cost reimbursement requests were not submitted, and expenses were not accrued until more than 7 months after year end.

Questioned Costs

Loans disbursed - \$450,000

Perspective Information

These issues are isolated to this program

Identification of Repeat Findings

This is not a repeat finding.

Effect

The District could be in violation of state and federal regulations governing federal awards.

Recommendations to Prevent Future Occurrences

Management should understand and monitor compliance with program requirements through review and reconciliation of program activities. Internal controls should be strengthened to ensure that all programs are set up immediately upon commencement to ensure all activities and costs are recorded in an accurate and timely manner and in compliance with program requirements.

**NORTH DELTA REGIONAL PLANNING AND
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Monroe, Louisiana**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

Management's Response

See Management's Corrective Action Plan later in the report.

2018-007 Restore -Internal Controls

Federal Program

14.228 Restore Louisiana Small Business Program

United States Department of Housing and Urban Development (HUD)

Passed Through the Louisiana Division of Administration Office of Community
Development - Disaster Recovery Unit

Federal award identification number-B-16-DL-22-0001

Criteria or Specific Requirement

2 CFR 200.303 requires that the entity establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Nonfederal entities are required to have certain written policies and procedures surrounding the management of their federal award funding.

Condition Found

Summaries of minutes did not support that the Board approved the District's participation in the Restore program nor was there any indication of governance monitoring the program for compliance with requirements.

Internal Controls over Activities Allowed or Unallowed

Internal controls did not prevent or detect and correct noncompliance with activities allowed or unallowed requirements in a timely manner. Written policies do not establish responsibility and provide the procedures for monitoring, verification, and reporting of program activities. Summaries of minutes did no support that the Board regularly reviews the program progress and performance to include whether activities are allowed or unallowed.

Internal Controls over Allowable Costs/Cost Principles

Internal controls were insufficient to prevent or detect and correct noncompliance with allowable costs/cost principles requirements in a timely manner. Written policies do not establish responsibility and provide the procedures for monitoring, verification, and reporting of program costs. Summaries of minutes did not support that the Board regularly reviews the program progress and performance to include whether costs are allowable.

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Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

Internal Controls over Reporting Requirements

Internal controls were not sufficient to prevent or detect and correct noncompliance with reporting requirements in a timely manner. Written policies do not establish responsibility and provide the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments. Summaries of minutes did not support that budget to actual financial reports were presented to the Board of Directors or that the Board regularly reviews the program progress and performance. Program expenses were not charged to the program or monitored during the year.

Internal Controls over Subrecipient Monitoring Requirements

Internal controls did not prevent or detect and correct noncompliance with subrecipient monitoring requirements in a timely manner. Written policies do not establish responsibility and provide the procedures for periodic monitoring, verification, and reporting of subrecipient activities, costs or compliance with program requirements. Summaries of minutes did no support that the Board regularly reviews the program progress and performance to include monitoring of subrecipients.

Cause

Management has not adopted policies and procedures to ensure that required internal controls for reporting are in place and operating sufficiently to ensure compliance with grant requirements and Uniform Guidance.

Questioned Costs

Loans disbursed - \$450,000

Perspective Information

These are issues are isolated to this program

Identification of Repeat Findings

This is not a repeat finding.

Effect

The District could be in violation of state and federal regulations governing federal awards.

Recommendations to Prevent Future Occurrences

Internal controls should be strengthened to ensure compliance with all program requirements.

Management's Response

See Management's Corrective Action Plan later in the report.

**NORTH DELTA REGIONAL PLANNING AND
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Monroe, Louisiana**

Management's Corrective Action Plan

For the Year Ended June 30, 2018

2018-001 Internal Controls over Accounting Operations

Management's Corrective Action Plan

- North Delta Regional Planning recognizes serious shortfalls in agency management and oversight. As of July 1, 2019, a new Executive Director has been appointed. The new appointed Director has 35 years of program experience and will supervise any program that is administered by North Delta. We expect with the newly appointed Director of North Delta will reestablish itself as a financially strong non-profit agency. The Director will be in charge of making sure each program is accounted for properly and providing the board with timely accounting information allowing the board to make informative decisions.

Person responsible for corrective action plan

Doug Mitchell, Executive Director (318) 387-2572

Anticipated completion

Completed by 06/30/2019

2018-002 Internal Controls over Cash Operations

Management's Corrective Action Plan

- North Delta Regional Planning recognizes serious shortfalls in agency management and oversight. As of July 1, 2019, a new Executive Director has been appointed. The new appointed Director has 35 years of program experience and will supervise any program that is administered by North Delta. We expect with the newly appointed Director of North Delta will reestablish itself as a financially strong non-profit agency. The Director will be in charge of making sure each program is accounted for properly and providing the board with timely accounting information allowing the board to make informative decisions.
- The District is in communication with GOEA to make necessary changes to disburse funds timely. Also, the District implemented in March of 2018 policies and procedures to ensure bank reconciliation are appropriately documented for approval and review.

Person responsible for corrective action plan

Doug Mitchell, Executive Director (318) 387-2572

Anticipated completion

Completed by 06/30/2019

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana**

Management's Corrective Action Plan

For the Year Ended June 30, 2018

2018-003 Noncompliance with State Laws and Regulations

Management's Corrective Action Plan

- North Delta Regional Planning recognizes serious shortfalls in agency management and oversight. As of July 1, 2019, a new Executive Director has been appointed. The new appointed Director has 35 years of program experience and will supervise any program that is administered by North Delta. We expect with the newly appointed Director of North Delta will reestablish itself as a financially strong non-profit agency. The Director will be in charge of making sure each program is accounted for properly and providing the board with timely accounting information allowing the board to make informative decisions.
- The District is in the process of correcting noted deficiencies to ensure reliable records are provided to auditors in a timely manner.
- The District is working with the Consulting CPA to address noncompliance with State Laws and Regulations issues.

Person responsible for corrective action plan

Doug Mitchell, Executive Director (318) 387-2572

Anticipated completion

Completed by 06/30/2019

2018-004 Aging Cluster - Compliance

Management's Corrective Action Plan

- North Delta Regional Planning recognizes serious shortfalls in agency management and oversight. As of July 1, 2019, a new Executive Director has been appointed. The new appointed Director has 35 years of program experience and will supervise any program that is administered by North Delta. We expect with the newly appointed Director of North Delta will reestablish itself as a financially strong non-profit agency. The Director will be in charge of making sure each program is accounted for properly and providing the board with timely accounting information allowing the board to make informative decisions.
- A process has been setup and implemented to monitor every three months prior to the quarter closing. A new monitoring kit is utilized to monitor all Title III Services according to Federal statues, regulations, and the terms and conditions of the subaward. Each provider has a new working file with a spreadsheet that shows the monitoring progress and any recommendations. Another process is being utilized where new assessment files are setup with all necessary monitoring kits for usage bi-annually with Per-Assessment of each services, Monitoring Check List by reviewing the Agency's Area Plan of all services, Client ID, and Senior Center.

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Management's Corrective Action Plan

For the Year Ended June 30, 2018

- Ombudsman- A process has been setup and implemented to track the number of hours spent in the Nursing Facilities. In order to achieve the contract objectives, assessing and evaluating its activities throughout the contract period, a new travel form has been created to show verified hours with the Director of Nursing and sign off by the Aging Director and the Director of Nursing or Administrator of each Nursing Facility.

Person responsible for corrective action plan

Doug Mitchell, Executive Director (318) 387-2572

Anticipated completion

Completed by 06/30/2019

2018-005 Aging Cluster – Internal Controls

Management's Corrective Action Plan

- North Delta Regional Planning recognizes serious shortfalls in agency management and oversight. As of July 1, 2019, a new Executive Director has been appointed. The new appointed Director has 35 years of program experience and will supervise any program that is administered by North Delta. We expect with the newly appointed Director of North Delta will reestablish itself as a financially strong non-profit agency. The Director will be in charge of making sure each program is accounted for properly and providing the board with timely accounting information allowing the board to make informative decisions.

Person responsible for corrective action plan

Doug Mitchell, Executive Director (318) 387-2572

Anticipated completion

Completed by 06/30/2019

2018-006 Restore - Compliance

Management's Corrective Action Plan

- North Delta Regional Planning does not agree with the condition identified regarding compliance.
- North Delta Regional Planning has complied with the guidance utilizing the Restore Louisiana Small Business program rules by the State of Louisiana-Division of Administration-Office of Community Development-Disaster Recovery Unit as approved

**NORTH DELTA REGIONAL PLANNING AND
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Management's Corrective Action Plan

For the Year Ended June 30, 2018

by the U.S. Department of Housing and Urban Development. This includes monitoring and compliance of all subrecipients.

- Files were reviewed by both North Delta and the State of Louisiana DOA-OCD-DRU Restore Louisiana program and activities and reporting monitored through direct communication, emails, uploads through the SAGE system, and site visits.
- No payment was made on invoices by the subrecipient or disbursements made to subrecipient Kisatchie-Delta or borrowers until after executed Cooperative Endeavor Agreement was returned by the State of Louisiana to North Delta, dated December 15, 2017 and documentation identified as meeting compliance with the State of Louisiana DOA-OCD-DRU Restore Louisiana program officers. This is dated received in the offices of North Delta December 18, 2017. OCD-DRU corrected templates for invoicing payroll in September 2018 and invoices were adjusted accordingly for processing.
- For the 2017-2018 year, the only disbursements made to North Delta were for three loans after review of loan files and uploads to the SAGE system for the Restore Louisiana Small Business program approval of invoices for drawdown amounts. Funds were received in June 2018 through a separate account, payments issued within 3 days, and receipts signed by borrowers for approved amounts as documented in the borrower file and closing documents. Payments are tracked to affirm invoices are reconciled.

Person responsible for corrective action plan

Doug Mitchell, Executive Director (318) 387-2572

Anticipated completion

Completed.

2018-007 Restore -Internal Controls

Management's Corrective Action Plan

- North Delta Regional Planning does not agree with the condition identified regarding internal controls or governance monitoring the program.
- North Delta Regional Planning has complied with the guidance utilizing the Restore Louisiana Small Business program rules by the State of Louisiana-Division of Administration-Office of Community Development-Disaster Recovery Unit as approved by the U.S. Department of Housing and Urban Development.
- The policies regarding loan activity included both the State of Louisiana guidance on the Restore Louisiana Small Business program and the Co-Regional Lending Policy implemented jointly by North Delta and Kisatchie Delta, as accepted by the State of Louisiana. Management adopted and implemented use of guidance from the Office of

**NORTH DELTA REGIONAL PLANNING AND
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Management's Corrective Action Plan

For the Year Ended June 30, 2018

- The policies regarding loan activity included both the State of Louisiana guidance on the Restore Louisiana Small Business program and the Co-Regional Lending Policy implemented jointly by North Delta and Kisatchie Delta, as accepted by the State of Louisiana. Management adopted and implemented use of guidance from the Office of Community Development for procurement and purchasing, as well as file management.
- As allowed by District bylaws, documents submitted to the State of Louisiana for the CEA and administrative matters were executed by North Delta's Executive Director, Board President, and Board Secretary-Treasurer. While final agreements were pending with the State of Louisiana, then Executive Director communicated progress during his report at Board meetings and Executive Board meetings.
- No invoice for activities, borrower funds, or administrative expense was prepared, invoiced, or reimbursed until after executed Cooperative Endeavor Agreement was returned and amended by the State of Louisiana in May 2018 and all files for documented expense of use of funds met the approval of the State of Louisiana OCD-DRU Restore Louisiana program.

Person responsible for corrective action plan

Doug Mitchell, Executive Director (318) 387-2572

Anticipated completion

Completed.

Auditors' response

None of the items referred to in the Management's Corrective Action Plan were provided to the auditors during the course of the audit.

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Summary Status of Prior Year Findings

For the Year Ended June 30, 2018

The following is a summary of the status of the prior year findings included in Huffman & Soignier (APAC)'s audit report date April 2, 2018, covering the audit of the financial statements of North Delta Regional Planning and Development District, Incorporated (the District) as of and for the year ended June 30, 2017.

2017-001 Internal Controls over Accounting Operations

Condition Found

Written policies and procedures do not provide adequate instruction to personnel to allow them to do their jobs in a timely, accurate manner. Personnel have not been adequately trained for the positions they held without outside assistance. Records were also not maintained on a funding source level in an understandable format and reconcilable with outside data. These weaknesses in internal controls were mitigated in the prior year by the consulting CPA but she withdrew her services in April 2017 and a new consulting CPA was not engaged until September 2017.

Status

Refer to Finding 2018-001

2017-002 Timeliness of Accurate Accounting Records

Condition Found

Financial reports were not available to management in a timely manner.

Status

Refer to Finding 2018-001

2017-003 Internal Controls over Cash Operations

Condition Found

Bank Reconciliations: Bank reconciliations did not notate who did the reconciliation, the date it was reconciled nor any approval of the reconciliation for any of the bank accounts. Subsequent to the audit year, bank reconciliations went at least 5 months without being reconciled.

Due to a lack of timeliness in recording transactions, failure to reconcile accounts, and limited access to bank accounts, it was often difficult for management to determine whether cash was available to cover disbursements.

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Summary Status of Prior Year Findings

For the Year Ended June 30, 2018

Receipts: There are no written policies or procedures in place related to collections.

The District has no formal process to reconcile receipts to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected. Supporting documentation reviewed did not detail who received the funds, who did the deposit, or who approved the deposit prior to depositing the funds at the bank.

Deposits are not recorded in the general ledger in a timely manner but are instead recorded for the month being reconciled when the bank statement is reconciled. Similarly, electronic funds transfer (EFT) deposits are not recorded in the general ledger at the time of deposit.

Disbursements: During the testing of disbursements, we requested supporting documentation for 60 cash disbursements. Of these, the supporting documentation could not be located for one transaction, thirteen invoices were coded to incorrect accounts, six invoices were not properly approved, four invoices were not properly defaced, and eight invoices were not paid by the invoice due date.

Status

Refer to Finding 2018-002

2017-004 Retroactive Pay Increases

Condition Found

On June 8, 2017, the Executive Committee approved pay increases for employees effective June 1, 2017. At some point after the issuance of the June 16, 2017 payroll, pay change sheets were completed by employees and signed by management and dated June 1, 2017. Due to lack of oversight, adjustment checks were issued on June 23, 2017 for the difference between the old rate and the new rate on the June 16, 2017 payroll which included pay for time worked prior to June 16, 2017.

Status

Resolved

2017-005 Internal Controls over Payroll

Condition Found

During the course of our testwork we identified multiple discrepancies in pay and are as follows:

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Summary Status of Prior Year Findings

For the Year Ended June 30, 2018

- A 100% sample of an employee with access to the payroll system had multiple discrepancies in payroll transactions which included:
 - One payroll had timesheets showing 4.75 hours vacation and 12 hours sick time used, approved leave sheet only showed 12 hours and pay stub showed only regular hours, no use of vacation or sick time
 - Timesheet shows 16 hours of vacation used but leave approval sheet and paystub only show 8 hours used
 - Timesheet and approved leave sheet shows 7.25 hours sick used but pay stub shows 9 hours used
 - Timesheet showed only regular pay but pay stub shows 2 hours sick time used
 - Approved leave sheet shows 12.75 hours vacation used but time sheet and pay stub show only 12.25 used
 - Approved leave sheet shows 32 hours sick time and 3.75 vacation time used but timesheet and pay stub show only 0.50 hours used
 - One timesheet was missing
 - Three bi-weekly paychecks did not reflect approved raise and no adjustment was issued
- A second employee had one payroll for which the leave approval sheet and paystub showed 27.25 hours of vacation used while the timesheet showed 28.25 hours of sick time used
- A third employee was paid 80 hours of regular pay and 16 hours of additional pay with no documentation to support the additional hours
- A fourth employee left employment during the year. A review of her termination pay identified underpayment of 21 hours. In addition, there was no approved leave slip for the payment of her balance of 64.75 hours of vacation although it appears that she was due to be paid for these hours.
- The chief executive officer's time sheets and leave slips were approved by a subordinate.

Status

Resolved

2017-006 Noncompliance with State Laws and Regulations

Condition Found

Due to delays associated with deficiencies noted in the above Findings, the audited financial statements were not able to be submitted within the time frame prescribed by law. Therefore, the District was not in compliance with state law.

The District had no notice concerning the reporting of the misappropriation, fraud, waste, or abuse of public funds in the premises and on the website.

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Summary Status of Prior Year Findings

For the Year Ended June 30, 2018

The Louisiana Compliance Questionnaire was not approved by the governing body and was not presented to the auditors until the end of the audit.

Status

Refer to Finding 2018-003 for timely submission of audit report. The notice and Louisiana Compliance Questionnaire sections have been resolved.

Section III – Findings or questioned costs for Federal awards, including those specified by Uniform Guidance:

2017-007 Internal Controls over Cash Management

Federal Program

93.044, 93.055, 93.053 Aging Cluster

Department of Health and Human Services – Administration on Aging

Passed Through the Louisiana Governor’s Office of Elderly Affairs

Federal award identification number-n/a; 2017 award

Other nonmajor programs

See Finding 2017-003 for Condition Found, Cause, Effect, Recommendations to Prevent Future Occurrences and Management’s Corrective Action Plan

Status

Refer to Findings 2018-004 and 2018-005

2017-008 Noncompliance over Reporting

Federal Program

93.044, 93.055, 93.053 Aging Cluster

Department of Health and Human Services – Administration on Aging

Passed Through the Louisiana Governor’s Office of Elderly Affairs

Federal award identification number-n/a; 2017 award

Condition Found

For the period of July 1, 2016 to June 30, 2017, the District submitted reports by the deadline for 5 of the 12 months. In addition, the District failed to submit the original or revised budgets by the required deadlines. The financial statement audit finding responses and the field audit responses were not submitted to the agency within the prescribed timeframe.

**NORTH DELTA REGIONAL PLANNING AND
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Summary Status of Prior Year Findings

For the Year Ended June 30, 2018

Status

Refer to Findings 2018-004 and 2018-005

2017-009 Noncompliance over Subrecipient Monitoring

Federal Program

93.044, 93.055, 93.053 Aging Cluster

Department of Health and Human Services – Administration on Aging
Passed Through the Louisiana Governor’s Office of Elderly Affairs
Federal award identification number-n/a; 2017 award

Condition Found

During the course of our audit, we requested supporting documentation to support the monitoring of subrecipients. We were provided a monitoring report for 2016 for each Council on Aging. These reports give no specific date, so we do not know if they are for the FY 2016 or the calendar year 2016. The reports discuss conversations with Council personnel and review of reports.

The Councils submit monthly reports to the District who reviews the reports and compile for submission to GOEA. The District does ensure that the Councils remain within the constraints of the grant amounts.

There is no indication that the District performs the required evaluation of risk for each subrecipient. Further, there is no support that the District performs the required monitoring of the activities of the subrecipients to ensure that the subawards are used for authorized purposes, comply with the terms and conditions of the subawards, and achieves performance goals.

Status

Refer to Findings 2018-004 and 2018-005

ML 2017-001 Board Meetings

Criteria or Specific Requirement

The By-Laws require four quarterly board meetings per year with one of those meetings being the annual meeting.

Prudent business practices require regular comparison of budget to actual of expenditures be

**NORTH DELTA REGIONAL PLANNING AND
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Summary Status of Prior Year Findings

For the Year Ended June 30, 2018

presented to the Board of Directors for decision making and large purchases and contract agreements be approved by the Board of Directors.

Condition Found

There were only three quarterly board meetings during the year ended June 30, 2017. We reviewed five contracts related to the fiscal period and none were approved by the Board of Directors. One of those budgets was for a large vendor paid exclusively with Federal funding. In addition, none of the subrecipient contracts were approved by the Board of Directors. Budget to actual comparisons were not presented to the Board of Directors.

Status

Resolved

ML 2017-002 Travel

Condition Found

During the course of our audit work related to the Statewide Agreed-Upon Procedures, we requested the supporting documentation related to the three largest travel payments for the fiscal period. One of the reimbursements reviewed included lodging that was in excess of the maximum amount allowed by the State of Louisiana Travel regulations (which equals GSA rates) which is required to be followed per the entity's personnel manual.

Status

Resolved

ML 2017-003 Payroll Taxes not Paid Timely

Condition Found

During the course of our audit, we noted that certain payroll taxes were not remitted timely. Specifically, no payment was made until September 8, 2016 for the February 2016 to July 2016 (excluding March 2016) payroll taxes.

Status

Resolved

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the North Delta Regional Planning and Development District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by North Delta Regional Planning and Development District, Incorporated, (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The District has no written policies and procedures on any of these topics except for payroll. The District has a written personnel manual, but it does not include (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Management's Response:

The District updated its policies and procedures in fiscal year 2019 and is still reviewing the policies and procedures to address areas that need to be updated.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-

to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results: The minutes did not reference that any budget to actual comparisons were presented to the Board.

Management's Response:

The board reviewed program budgets at each quarterly meeting but will get "budget to actual" at future board meetings.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Bank reconciliations did not identify when they were prepared and did not have evidence that they were reviewed.

Management's Response:

When the consulting CPA started doing the bank reconciliations in March 2018 the district management signed and initialed all subsequent bank reconciliations.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: We were unable to observe receipts to determine if they are pre-numbered or traced to the deposit slips. Deposits observed were not deposited within one business day and the District was unable to provide the bank statement at the time of our visit.

Management's Response:

The District will investigate the issues noted and consider options that will eliminate this exception in the future.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

These procedures are covered under single audit testing and did not require testing under Statewide Agreed-Upon Procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: All statements were not approved for purchase and receipts did not identify the business/public purpose.

Management's Response:

In the future the District will have better documentation for all transactions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

These procedures are covered under single audit testing and did not require testing under Statewide Agreed-Upon Procedures.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

These procedures are covered under single audit testing and did not require testing under Statewide Agreed-Upon Procedures.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

These procedures are covered under single audit testing and did not require testing under Statewide Agreed-Upon Procedures.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

These procedures are exempt due to the entity being a non-profit.

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

These procedures are exempt due no prior year exemptions.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were noted as a result of applying agreed-upon procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Monroe, Louisiana

July 30, 2019