

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

Financial Statements
As of and For the Year Ended June 30, 2006

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

Release Date 2/21/07

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

**Financial Statements
As of and for the Year Ended June 30, 2006**

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**North Delta Regional Planning and
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business type 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, 2006, which collectively comprise the District's basic financial statements as listed in the accompanying Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2007 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

The Management's Discussion and Analysis and the budgetary information on pages 4 through 11 and pages 46 through 49 respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying information listed as Other Supplemental Information in the Table of Contents (including the Schedule of Expenditures of Federal Awards) is presented for purposes of additional analysis and is not a required part of the basic financial statements. This Other Supplemental Information is the responsibility of management of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



(A Professional Accounting Corporation)

January 26, 2007

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

**North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2006**

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, 2006. 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 liabilities of the District exceeded its assets at the close of the most recent fiscal year by \$338,789 (*net deficit*). Of this amount, \$345,810 (*unrestricted net deficit*) represents the portion of net deficit which is not invested in capital assets or otherwise restricted.
- The government's total net assets decreased by \$104,436.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$266,601 a decrease of \$20,562 for the year. Of this total amount, \$266,601 is available for spending at the government's discretion (*unreserved fund balance*).
- The District's total debt decreased by approximately \$70,163 during the current fiscal year (net of additions).

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 assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 (e.g., uncollected taxes).

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2006

Both of the government-wide financial statements distinguish functions of the District that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, elderly assistance, economic development, and planning for highways and transportation. The business-type activities of the District include rural business relending.

The government-wide financial statements can be found on pages 13 and 14 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 can be divided into two categories: governmental funds and proprietary 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, and Title III C-2 Home Delivered Meals, 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 46 through 49 for the general and the major special revenue funds to demonstrate compliance with this budget.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2006

The governmental fund financial statements can be found on pages 16 and 18 of this report.

Proprietary funds. The District maintains one type of proprietary fund. Enterprise funds in the fund financial statements are used to report the same data presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The major enterprise funds are the FmHA Revolving Loan, FmHA North Delta Admin, Loan Loss Reserve, and the Rural Business Enterprise Grant. There are no nonmajor enterprise funds.

The proprietary fund financial statements can be found on pages 20 through 22 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 23 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 supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$338,789 for the year ended June 30, 2006.

By far the largest amount of the District's net assets reflects its investment in notes receivable of \$1,097,734 and \$1,154,450 for the years ended June 30, 2006 and 2005 respectively. These loans were made to citizens for new businesses and economic development.

**North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2006**

Net Assets

	Governmental Activities		Business-type Activities		Total	
	June 30,		June 30,		June 30,	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 344,964	\$ 357,176	\$ 632,308	\$ 782,586	\$ 977,272	\$ 1,139,762
Capital assets	7,021	11,077	-	-	7,021	11,077
Total assets	<u>351,985</u>	<u>368,253</u>	<u>632,308</u>	<u>782,586</u>	<u>984,293</u>	<u>1,150,839</u>
Current and other liabilities	78,363	70,013	5,138	5,431	83,501	75,444
Long-term liabilities	28,526	27,894	1,211,055	1,281,850	1,239,581	1,309,744
Total liabilities	<u>106,889</u>	<u>97,907</u>	<u>1,216,193</u>	<u>1,287,281</u>	<u>1,323,082</u>	<u>1,385,188</u>
Net Assets:						
Invested in capital assets, net of related debt:						
Restricted	7,021	11,077	-	-	7,021	11,077
Unrestricted	-	-	-	-	-	-
Unrestricted	238,075	259,269	(583,885)	(504,695)	(345,810)	(245,426)
Total net assets (Deficit)	<u>\$ 245,096</u>	<u>\$ 270,346</u>	<u>\$ (583,885)</u>	<u>\$ (504,695)</u>	<u>\$ (338,789)</u>	<u>\$ (234,349)</u>

The balance of \$245,096 in net assets in the governmental activities represents the accumulated results of all past years' operations. Net assets decreased by \$104,436 for the fiscal year. The changes in net assets are discussed later in this MD&A.

Governmental and Business-type activities. Key elements of the changes in the governmental and business-type activities net assets are as follows:

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2006

North Delta Regional Planning and Development
District, Incorporated
Changes in Net Assets
For the Years Ended June 30, 2006 and 2005

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue:						
Program Revenues:						
Charges for services	\$ 26,356	\$ 14,249	\$ -	\$ -	\$ 26,356	\$ 14,249
Operating grants and contributions	1,908,698	1,946,767	-	-	1,908,698	1,946,767
General Revenues:						
Dues	19,043	18,955	-	-	19,043	18,955
Interest and investment earnings	71	69	40,735	44,987	40,806	45,056
Other general revenues	472	301	-	-	472	301
Total revenues	1,954,640	1,980,341	40,735	44,987	1,995,375	2,025,328
Expenses:						
General government	3,326	6,405	-	-	3,326	6,405
Health, welfare, & social services	1,551,327	1,628,684	-	-	1,551,327	1,628,684
Planning for highways and public transportation	224,459	223,332	-	-	224,459	223,332
Economic Development	200,774	133,849	-	-	200,774	133,849
Rural business lending	-	-	119,925	414,654	119,925	414,654
Total expenses	1,979,886	1,992,270	119,925	414,654	2,099,811	2,406,924
Increase (decrease) in net assets	\$ (25,246)	\$ (11,929)	\$ (79,190)	\$ (369,667)	\$ (104,436)	\$ (381,596)

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2006

Governmental Activities

Expenses are classified by functions/programs. For the fiscal years ended June 30, 2006 and 2005 general government accounts for \$3,330 and \$6,405 respectively while elderly assistance accounts for \$1,551,327 and \$1,628,684 respectively and transportation and economic development account for \$425,233 and \$357,181 respectively.

The program revenues for fiscal years 2006 and 2005 directly related to these expenses totaled \$1,935,054 and \$1,961,016, which resulted in net program expenses of \$44,836 and \$31,254. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from dues of approximately \$19,043 and \$18,955 for the years ended June 30, 2006 and 2005 respectively.

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, 2006 and 2005 of the total revenue amount of \$1,533,662 and \$1,626,112, \$1,091,805 and \$1,148,509 is passed through to the various Councils on Aging in northeast Louisiana.

Business-type Activities

Business-type activities decreased the District's net assets by \$79,190 and \$369,667 for 2006 and 2005 respectively. Key elements of this decrease are as follows.

- For the years ended June 30, 2006 and 2005 bad debt expenses of approximately \$70,151 and \$308,499 and other operating expenses of \$9,839 and \$19,647 exceeded the interest revenue from loans in the FmHA Revolving Loan Fund.

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 \$266,601 and \$287,163 for 2006 and 2005 respectively, a decrease of \$20,562 for the year ended June 30, 2006. The ending fund balance constitutes unreserved fund balance, which is available for spending at the District's discretion.

**North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2006**

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA- R.S 39:1301 *et seq*), the District must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original were adopted on May 27, 2005, and the final budget amendments were adopted on May 3, 2006.

Budgeted revenues for the Special Revenue Funds were decreased during FY 2006 to reflect the decreased revenues per the actual Schedule of Funding from the Louisiana Governor's Office of Elderly Affairs which was not received until after the original budgets had been adopted. The change was a decrease in revenues of \$9,797.

Capital Asset and Debt Administration

Capital Assets.

The District's investment in capital assets for its governmental and business type activities as of June 30, 2006 and 2005, amounts to \$7,021 and \$11,077 (net of accumulated depreciation). This investment in capital assets is as follows:

Capital Assets

	June 30,	
	2006	2005
Office furniture and equipment	\$ 84,318	\$ 84,318
Less: accumulated depreciation	<u>(77,297)</u>	<u>(73,241)</u>
Total Capital Assets	<u>\$ 7,021</u>	<u>\$ 11,077</u>

More detailed information for capital assets is found in Note 5, Changes in Capital Assets, of the Notes to the Financial Statements.

**North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2006**

Outstanding Debt.

The District's outstanding debt for the years ended June 30, 2006 and 2005 is as follows:

Outstanding Debt

	<u>June 30,</u>	
	<u>2006</u>	<u>2005</u>
Farmers Home Administration (FmHA)	\$ 1,208,565	\$ 1,278,050
Compensated Absences	<u>31,016</u>	<u>31,694</u>
Total debt	<u>\$ 1,239,581</u>	<u>\$ 1,309,744</u>

More detailed information for outstanding debt can be found in Note 11, Long-term Obligations, of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

Current factors considered in preparing the District's budget for the 2007 fiscal year indicates no significant change from the projected revenues and expenditures of the 2006 and 2005 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 the Dot Crain, Accountant, 913 Stubbs Avenue, Monroe, LA, 71201.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

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

**Statement of Net Assets
June 30, 2006**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 31,740	\$ 192,205	\$ 223,945
Receivables	116,881	3,025	119,906
Notes receivable - short-term	-	97,838	97,838
Notes receivable - long-term	-	999,896	999,896
Allowance for bad debts	-	(465,507)	(465,507)
Prepaid items	1,194	-	1,194
Interfund balances	195,149	(195,149)	-
Capital assets, net	7,021	-	7,021
Total Assets	<u>351,985</u>	<u>632,308</u>	<u>984,293</u>
Liabilities			
Accounts, salaries and other payables	53,363	72	53,435
Accrued interest payable	-	5,066	5,066
Deferred revenue	25,000	-	25,000
Long-term liabilities:			
Due within one year	-	70,174	70,174
Due in more than one year	28,526	1,140,881	1,169,407
Total liabilities	<u>106,889</u>	<u>1,216,193</u>	<u>1,323,082</u>
Net Assets			
Invested in capital assets, net of related debt	7,021	-	7,021
Unrestricted (Deficit)	238,075	(583,885)	(345,810)
Total net assets (Deficit)	<u>\$ 245,096</u>	<u>\$ (583,885)</u>	<u>\$ (338,789)</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
June 30, 2006

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Governmental activities:								
General Health, welfare & social services:	\$ 165,643	\$ (162,313)	\$ -	\$ -	\$ -	\$ (3,330)	\$ -	\$ (3,330)
Supportive services	268,349	-	-	268,263	-	(86)	-	(86)
Nutrition services	798,831	-	-	798,575	-	(256)	-	(256)
Preventive health & medication assistance	123,331	30,693	-	153,966	-	(58)	-	(58)
Family caregiver support	116,626	2,472	-	119,057	-	(41)	-	(41)
Ombudsman	92,744	22,921	-	114,044	-	(1,621)	-	(1,621)
Area Agency on Aging administration	75,651	19,709	-	94,887	-	(473)	-	(473)
Planning for highways and public transportation	174,634	49,825	-	222,556	-	(1,903)	-	(1,903)
Economic development	168,603	32,171	26,356	137,350	-	(37,068)	-	(37,068)
Total governmental activities	<u>1,984,412</u>	<u>(4,522)</u>	<u>26,356</u>	<u>1,908,698</u>	<u>-</u>	<u>(44,836)</u>	<u>-</u>	<u>(44,836)</u>
Business-type activities:								
Rural business lending	115,403	4,522	-	-	-	-	(119,925)	(119,925)
Total	<u>\$ 2,099,815</u>	<u>\$ -</u>	<u>\$ 26,356</u>	<u>\$ 1,908,698</u>	<u>\$ -</u>	<u>\$ (44,836)</u>	<u>\$ (119,925)</u>	<u>\$ (164,761)</u>
General revenues:								
Dues				19,043				19,043
Interest and investment earnings				71			40,735	40,806
Miscellaneous				472			-	472
Total general revenues				<u>19,586</u>			<u>40,735</u>	<u>60,321</u>
Change in net assets				<u>(25,250)</u>			<u>(79,190)</u>	<u>(104,440)</u>
Net assets (deficit) at beginning of year				<u>270,346</u>			<u>(504,695)</u>	<u>(234,349)</u>
NET ASSETS (DEFICIT) AT END OF YEAR				\$ 245,096			\$ (583,885)	\$ (338,789)

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, 2006

	Major Funds				Other Governmental Funds	Total
	General Fund	Title IIIB Supportive Services	Title IIIC-1 Congregate Meals	Title IIIC-2 Home Delivered Meals		
Assets						
Cash and cash equivalents	\$ 9,714	\$ -	\$ -	\$ -	\$ 22,026	\$ 31,740
Receivables	6,407	-	-	-	110,474	116,881
Prepaid items	1,194	-	-	-	-	1,194
Interfund receivables	195,149	-	-	-	-	195,149
TOTAL ASSETS	\$ 212,464	\$ -	\$ -	\$ -	\$ 132,500	\$ 344,964
Liabilities						
Accounts, salaries and other payables	19,741	-	-	-	33,622	53,363
Deferred revenue	-	-	-	-	25,000	25,000
Total liabilities	19,741	-	-	-	58,622	78,363
Fund equity:						
Fund balance:						
Unrestricted	192,723	-	-	-	73,878	266,601
TOTAL LIABILITIES AND FUND EQUITY	\$ 212,464	\$ -	\$ -	\$ -	\$ 132,500	\$ 344,964

The accompanying notes are an integral part of this financial statement

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

Monroe, Louisiana

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2005**

Fund balances - total governmental funds	\$	266,601
<p>Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p>		
Governmental capital assets	\$	84,318
Less: accumulated depreciation		<u>(77,297)</u> 7,021
<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		<u>(28,526)</u>
Net assets of governmental activities	\$	<u><u>245,096</u></u>

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

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana
Governmental Funds
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2006

	Major Funds				Other Governmental Funds	Total
	General Fund	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	\$ -	\$ 264,834	\$ 287,519	\$ 384,056	\$ 597,253	\$ 1,533,662
U S Department of Commerce	-	-	-	-	50,000	50,000
U S Department of Transportation	-	-	-	-	149,515	149,515
Ouachita Council of Governments	-	-	-	-	73,041	73,041
Other Federal grants	-	-	-	-	18,150	18,150
Louisiana Workforce Investment	-	-	-	-	69,200	69,200
Other operating grants	-	-	-	-	15,130	15,130
Service fees	-	-	-	-	26,356	26,356
Interest	71	-	-	-	-	71
Membership dues	-	-	-	-	19,043	19,043
Miscellaneous	472	-	-	-	-	472
Total Revenues	543	264,834	287,519	384,056	1,017,688	1,954,640
Expenditures:						
General	3,304	-	-	-	-	3,304
Health, welfare, & social services	-	264,834	287,519	384,056	612,383	1,548,792
Planning for highways and public transportation	-	-	-	-	222,556	222,556
Economic development	-	-	-	-	200,550	200,550
Total Expenditures	3,304	264,834	287,519	384,056	1,035,489	1,975,202
Excess (Deficiency) of Revenues Over Expenditures	(2,761)	-	-	-	(17,801)	(20,562)
Other Financing Sources/(Uses)						
Transfers in	-	-	-	-	97,026	97,026
Transfers out	-	-	-	-	(97,026)	(97,026)
Total Other Financing Sources/(Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(2,761)	-	-	-	(17,801)	(20,562)
Fund Balances at Beginning of Year	195,484	-	-	-	91,679	287,163
FUND BALANCES AT END OF YEAR	\$ 192,723	\$ -	\$ -	\$ -	\$ 73,878	\$ 266,601

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
of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2006**

Net change in fund balances - total governmental funds	\$	(20,562)
Amount reported for governmental activities in the statement of activities are different because:		
Governmental 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.		
Depreciation expense	\$	<u>(4,056)</u> <u>(4,056)</u>
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>(628)</u>
Change in net assets of governmental activities	\$	<u><u>(25,246)</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 Net Assets
Proprietary Funds
June 30, 2006

	Business-type Activities - Enterprise Funds				Total
	FmHA Revolving Loan	FmHA North Delta Admin	Loan Loss Reserve	Rural Business Enterprise Grant	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 41,022	\$ -	\$ 68,546	\$ 82,637	\$ 192,205
Receivables	3,025	-	-	-	3,025
Notes receivable - short-term, net	55,731	-	-	-	55,731
Total current assets	<u>99,778</u>	<u>-</u>	<u>68,546</u>	<u>82,637</u>	<u>250,961</u>
Noncurrent assets:					
Notes receivable - long-term, net	551,517	-	-	24,979	576,496
Total noncurrent assets	<u>551,517</u>	<u>-</u>	<u>-</u>	<u>24,979</u>	<u>576,496</u>
Total assets	<u>\$ 651,295</u>	<u>\$ -</u>	<u>\$ 68,546</u>	<u>\$ 107,616</u>	<u>\$ 827,457</u>
LIABILITIES					
Current liabilities:					
Accounts, salaries and other payables	\$ -	\$ 72	\$ -	\$ -	\$ 72
Due to other funds	134,117	61,032	-	-	195,149
Accrued interest payable	5,066	-	-	-	5,066
Current portion of long-term debt	70,174	-	-	-	70,174
Total current liabilities	<u>209,357</u>	<u>61,104</u>	<u>-</u>	<u>-</u>	<u>270,461</u>
Noncurrent liabilities:					
Compensated absences payable	-	2,490	-	-	2,490
Note payable	1,138,391	-	-	-	1,138,391
Total noncurrent liabilities	<u>1,138,391</u>	<u>2,490</u>	<u>-</u>	<u>-</u>	<u>1,140,881</u>
Total liabilities	<u>\$ 1,347,748</u>	<u>\$ 63,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,411,342</u>
NET ASSETS (DEFICIT)					
Unrestricted	<u>\$ (696,453)</u>	<u>\$ (63,594)</u>	<u>\$ 68,546</u>	<u>\$ 107,616</u>	<u>\$ (583,885)</u>

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

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT**

Monroe, Louisiana

**Statement of Revenues, Expenses
and Changes in Net Assets**

Proprietary Funds

For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds				Total
	FmHA Revolving Loan	FmHA North Delta Admin	Loan Loss Reserve	Rural Business Enterprise Grant	
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES					
Salaries, wages and benefits	-	25,629	-	-	25,629
Legal	-	968	-	-	968
Travel and meeting	-	888	-	-	888
Bad debt expense	70,281	-	-	(130)	70,151
Other operating expenses	5,116	3,554	669	500	9,839
Total operating expenses	<u>75,397</u>	<u>31,039</u>	<u>669</u>	<u>370</u>	<u>107,475</u>
Operating loss	(75,397)	(31,039)	(669)	(370)	(107,475)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	34,670	-	2,137	3,928	40,735
Interest expense	(12,450)	-	-	-	(12,450)
Total nonoperating revenues (expenses)	<u>22,220</u>	<u>-</u>	<u>2,137</u>	<u>3,928</u>	<u>28,285</u>
Net income (loss)	(53,177)	(31,039)	1,468	3,558	(79,190)
Net assets (deficit) beginning of year	<u>(643,276)</u>	<u>(32,555)</u>	<u>67,077</u>	<u>104,059</u>	<u>(504,695)</u>
Net assets (deficit) end of year	<u>\$ (696,453)</u>	<u>\$ (63,594)</u>	<u>\$ 68,545</u>	<u>\$ 107,617</u>	<u>\$ (583,885)</u>

The accompanying notes are an integral part of this financial statement

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds				Total
	FmHA Revolving Loan	FmHA North Delta Admin	Loan Loss Reserve	Rural Business Enterprise Grant	
Cash flows from operating activities					
Cash payments to suppliers for goods and services	\$ (5,117)	\$ (32,316)	\$ (669)	\$ (500)	\$ (38,602)
Net cash used for operating activities	<u>(5,117)</u>	<u>(32,316)</u>	<u>(669)</u>	<u>(500)</u>	<u>(38,602)</u>
Cash flows from noncapital financing activities					
Interfund borrowings	-	32,316	-	-	32,316
Net cash provided by noncapital financing activities	<u>-</u>	<u>32,316</u>	<u>-</u>	<u>-</u>	<u>32,316</u>
Cash flows from capital and related financing activities					
Principal paid on debt	(69,484)	-	-	-	(69,484)
Interest paid on debt	(12,776)	-	-	-	(12,776)
Net cash used for financing activities	<u>(82,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(82,260)</u>
Cash flows from investing activities					
Interest received on investments	38,698	-	2,138	3,928	44,764
Principal collections on loans	56,066	-	-	650	56,716
Net cash provided by investing activities	<u>94,764</u>	<u>-</u>	<u>2,138</u>	<u>4,578</u>	<u>101,480</u>
Net increase in cash and cash equivalents	7,387	-	1,469	4,078	12,934
Cash and cash equivalents, July 1, 2005	<u>33,635</u>	<u>-</u>	<u>67,077</u>	<u>78,559</u>	<u>179,271</u>
Cash and cash equivalents, June 30, 2006	<u>\$ 41,022</u>	<u>\$ -</u>	<u>\$ 68,546</u>	<u>\$ 82,637</u>	<u>\$ 192,205</u>
Reconciliation of operating income to net cash used for operating activities					
Operating loss	\$ (75,397)	\$ (31,039)	\$ (669)	\$ (370)	\$ (107,475)
Adjustments to reconcile operating loss to net cash provided by operating activities					
Bad debts	70,280	-	-	(130)	70,150
Change in assets and liabilities					
Accounts, salaries and other payables	-	33	-	-	33
Compensated absences payable	-	(1,310)	-	-	(1,310)
Net cash used for operating activities	<u>\$ (5,117)</u>	<u>\$ (32,316)</u>	<u>\$ (669)</u>	<u>\$ (500)</u>	<u>\$ (38,602)</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, 2006**

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of North Delta Regional Planning and Development District, Incorporated (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 29 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

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 fund and combined non-major funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets 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.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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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 either the governmental or business-type categories. 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, and proprietary categories. 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.

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 Louisiana Governor's Office of Elderly Affairs, which passes through the funds to the District for further distribution to the six parish Councils on Aging. This program provides access services, in-home services, community services, legal services and transportation for the elderly.

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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 Louisiana Governor's Office of Elderly Affairs, which passes through the funds to the District for further distribution to the six parish 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 Louisiana Governor's Office of Elderly Affairs, which passes through the funds to the District for further distribution to the six parish Councils on Aging. These funds are used to provide nutritional meals to home-bound elderly persons.

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 Louisiana Governor's Office of Elderly Affairs, which passes through the funds to the District. These funds are used to pay for administrative costs associated with programs for the elderly.

Audit Fund

The Audit Fund is used to account for funds received from the Louisiana Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the financial statements of the Area Agency on Aging and six related parish Councils on Aging.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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Title III-E – Caregivers

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.

Louisiana SeniorRx

The Louisiana SeniorRx program is funded by the Louisiana Legislature and administered by the Governor's Office of Elderly Affairs. The program helps link eligible seniors with assistance for obtaining their prescription medication.

Nutrition Services Incentive Program (NSIP)

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 Louisiana Governor's Office of Elderly Affairs. This award passes through to the District for further distribution to the 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.

Economic Development Administration

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

North Delta Caregiver

The North Delta Caregiver Fund provides programs to educate the public of services available to assist the caregivers, and to provide contract services that would enable the caregiver to be temporarily relieved from their responsibilities of In-Home Respite and Sitter duties. North Delta also contracts services for counseling of eligible

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**NOTES TO THE FINANCIAL STATEMENTS
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participants.

Council Of Governments

The 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 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.

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 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.

Louisiana Workforce Investment

The Louisiana Workforce Investment Fund is used to account for funds from Louisiana Workforce Investment Area 82 to provide technical and professional services in connection with certain undertakings financed by the Louisiana Department of Labor.

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 Louisiana Governor's Office of Elderly Affairs which passes through the funds to the District.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Tri-District Development

The Tri-District Development Fund accounts for funds borrowed from the City of Natchitoches, Louisiana, and then loaned out to area businesses to enhance economic activity.

Project Care

The Project Care Fund provides resources to communities to demonstrate that community action on behalf of vulnerable older persons can be effectively achieved through a coalition of a broad spectrum of interests within the community. There was no activity in this fund during the current year.

Enterprise Zone (DED)

The Enterprise Zone grant is used to provide updated enterprise zone maps for eleven parishes and forty-seven towns in the North Delta district. The District also updates records and maps for zone swaps.

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.

Business-type activities presented as Enterprise Funds in the fund financial statements:

Enterprise Funds - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements.

In accordance with the provisions of GASB Statement 20, the District has elected not to

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**NOTES TO THE FINANCIAL STATEMENTS
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apply FASB statements and interpretations issued after November 30, 1989, to proprietary activities unless they are adopted by the GASB.

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. Intergovernmental and other Grants have been treated as susceptible to accrual.

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

Revenues:

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are 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

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
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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 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.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

D. Budgets

General Budget Policies

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

The District adopts budgets for the general fund and all special revenue funds.

Each year prior to June 30, the Executive Director submits to the Board of Directors of the District proposed annual budgets for the special revenue funds' budgets that are not grant-oriented. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the grantor. The operating budgets include proposed expenditures and the means of financing them.

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

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
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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 District.

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.

G. Prepaid Items

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

H. Loans And Allowance For Loan Losses

Loans are stated at principal amounts outstanding. Interest on loans is primarily calculated by using the simple interest method on daily balances of the principal amount outstanding.

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**NOTES TO THE FINANCIAL STATEMENTS
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Collateral or other security is required to support financial instruments with credit risk. The amount of collateral obtained upon extension of credit is based on management's credit evaluation. Collateral held varies but may include unimproved and improved real estate, certificates of deposit or personal property.

The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collectibility of the principal is unlikely. The allowance represents an amount, which, in management's judgment, will be adequate to absorb probable losses on existing loans that may become uncollectible.

Management's judgment in determining the adequacy of the allowance is based on evaluations of collectibility of loans. These evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, current economic conditions that may affect the borrower's ability to pay, overall portfolio quality and review of specific problem loans.

Management believes that the allowance for loan losses is adequate. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the District's allowance for loan losses. Such agencies may require the District to recognize additions to the allowance based on their judgment of information available to them at the time of their examination.

I. Capital Assets

Capital assets, which include machinery and equipment, furniture and fixtures are reported in the governmental activities column in the government-wide financial statements.

All purchased capital assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated fixed 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 of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on enterprise fund balance sheets. Depreciation on all capital assets has been provided over the estimated useful lives of the assets using the straight-line method.

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The estimated useful lives are as follows:

Furniture & Fixtures	5 years
Office Equipment	5-7 years

J. Deferred Revenues

The District may report deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

K. 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.

The District's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued

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using one of the following termination approaches.

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

L. 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.

M. 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.

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Note 2 - Stewardship, Compliance, And Accountability

The following funds have deficits in the fund balance/retained earnings at June 30, 2006:

<u>Fund</u>	<u>Deficit Amount</u>
Special Revenue Funds:	
Louisiana Workforce Investment	\$ 7,596
Enterprise Funds:	
FmHA Revolving Loan	\$ 696,453
FmHA North Delta Admin	\$ 63,594

Management believes these deficits will be eliminated by future earnings and government grants.

Note 3 - 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. At June 30, 2006, the District has cash and cash equivalents (book balances) totaling \$223,945 as follows:

Demand deposit	\$ 19,635
Interest-bearing demand deposits	11,905
Petty cash	<u>200</u>
Subtotal	31,740
Plus investments reclassified as cash and cash equivalents	<u>192,205</u>
TOTAL	<u><u>\$ 223,945</u></u>

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

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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 District's carrying amount of deposits was \$223,745 and the bank balance was \$284,455. Of the bank balance, \$80,345 was covered by federal depository insurance or by collateral held by the District's agent in the District's name (GASB Category 1). The remaining balance, \$204,110, was federated treasury obligations and did not need to be collateralized.

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 4 - Receivables

Receivables at June 30, 2006, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Intergovernmental	\$ -	\$ 108,830	\$ -	\$ 108,830
Other	6,407	1,644	3,025	11,076
TOTAL	\$ 6,407	\$ 110,474	\$ 3,025	\$ 119,906

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Program	Fund	Funding Agency	Amount
N/A	General	N/A (Reapportionment income)	\$ 6,407
Council of Governments	Special Revenue	Ouachita COG	13,992
Federal Transit Authority	Special Revenue	Ouachita COG	13,628
Federal Highway Admin	Special Revenue	Ouachita COG	62,549
Tri-District	Special Revenue	N/A - Other receivable	1,644
NSIP	Special Revenue	Louisiana GOEA	2,038
FmHA Revolving Loan Fund	Enterprise	N/A - Loan interest	3,025
LA Workforce Investment	Special Revenue	LA Workplace Investment Area	<u>16,623</u>
Total Receivables			\$ <u>119,906</u>

Note 5 - Changes in Capital Assets

	Balance June 30, 2005	Additions	Retirements	Balance June 30, 2006
Governmental Activities:				
Depreciable assets:				
Office furniture and equipment	\$ 84,318	\$ -	\$ -	\$ 84,318
Less: accumulated depreciation	<u>(73,241)</u>	<u>(4,056)</u>	<u>-</u>	<u>(77,297)</u>
Total governmental activities capital assets, net	\$ <u>11,077</u>	\$ <u>(4,056)</u>	\$ <u>-</u>	\$ <u>7,021</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General	\$ 22
Health, welfare, & social services	2,033
Planning for highways and public transportation	1,473
Economic development	528
Total depreciation expense - Government activities	\$ <u>4,056</u>

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The District makes loans under Farmers Home administration (FmHA) Relending Program and Rural Business Enterprise Grant (see also Note - 11) to assist with the economic development of certain rural areas in Northeast Louisiana. Interest rates charged on those notes range from 8.0 to 8.5 percent. As of June 30, 2006 these loans totaled \$1,097,834. Notes receivable of \$983,166 are considered impaired. The related allowance for bad debts on impaired loans is \$465,507 at June 30, 2006. Interest income on impaired loans is recorded on the cash basis and amounted to \$21,016 for the year ended June 30, 2006. The change in the allowance for bad debts for the year ended June 30, 2006 is as follows:

Balance July 1, 2005		\$	395,355
Additions			90,880
Recoveries			<u>(20,728)</u>
Balance June 30, 2006		\$	<u><u>465,507</u></u>

Note 6 - Retirement Systems

Substantially all employees of the District are eligible to participate in the Deferred Compensation Plan for Public Employees. For 2006, participants may contribute up to one hundred percent of their gross salary, not exceeding \$15,000 or \$20,000 if the participant is at least 50 years of age. The District will match up to five percent on their behalf.

The District's total payroll during the fiscal year ending June 30, 2006 was \$462,851. Employee contributions totaled \$22,951 and employer contributions totaled \$20,336.

Note 7 - Accounts, Salaries and Other Payables

Payables at June 30, 2006 consisted of the following:

	Governmental Funds	Enterprise Funds		Total
Salaries	\$ 10,865	\$ -	\$	10,865
Accounts and other	<u>42,498</u>	<u>72</u>		<u>42,570</u>
Total	<u>\$ 53,363</u>	<u>\$ 72</u>	\$	<u><u>53,435</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Note 8 - Compensated Absences

At June 30, 2006, employees of the District have accumulated and vested \$31,016 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Note 9 - Leases

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

- Office space leased under a sixty month lease beginning June 1, 2001. Monthly payments are \$3,200 and total fiscal year ended June 30, 2006 rent expense under this lease equaled \$38,400. The lease was renewed for ten years effective June 1, 2006 at the same monthly rental amount.

Future minimum lease payments under this agreement are:

Year Ended June 30,	
2007	\$ 38,400
2008	38,400
2009	38,400
2010	38,400
2011	38,400
2012 through 2016	<u>192,000</u>
Total	<u>\$ 384,000</u>

- 2006 Chevy Impala leased under a 24 month lease beginning in October 2005. Monthly payments are \$643 and total lease payments for the year ended June 30, 2006 were \$5,787.

Future minimum lease payments under this agreement are:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Year Ended June 30,	
2007	\$ 7,716
2008	<u>1,929</u>
Total	<u>\$ 9,645</u>

- In addition, the District has annual operating lease agreements for the following office equipment:
 - Kyocera Mita Copier. Monthly lease payments of \$331 for 36 months beginning in May 2006.
 - Pitney Bowes mailing machine and scales. Quarterly payments are \$786 for five years and three months beginning in March 2005.

Future minimum lease payments under these agreements are:

Year Ended June 30,	
2007	\$ 7,116
2008	7,116
2009	6,785
2010	<u>3,972</u>
Total	<u>\$ 24,989</u>

Note 10 - Interfund Transfers

Transfers in and out are listed by fund for the year ended June 30, 2006.

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FOR THE YEAR ENDED JUNE 30, 2006**

Note 11 - Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2006:

	Enterprise Fund Notes Payable	Accrued Compensated Absences	Total
Balance, beginning of year	\$ 1,278,049	\$ 31,694	\$ 1,309,743
Additions	-	22,978	22,978
Deductions	-	-	-
Principal Payment	<u>(69,484)</u>	<u>(23,656)</u>	<u>(93,140)</u>
Balance, end of year	<u>\$ 1,208,565</u>	<u>\$ 31,016</u>	<u>\$ 1,239,581</u>

The enterprise notes payable shown above represents the District's drawdowns under a \$2 million intermediary relending program through the U. S. Rural Development (formerly Farmers Home Administration). Under this program, the district borrows funds from Rural Development at 1% for 30 years then reloans the funds to qualified borrowers at market rates of interest. At June 30, 2006, the District had drawn down all of the \$2 million and had loaned out all of that amount. The terms of the program call for the District to pay only interest for the first three years of the program and then annual payments of \$82,260, which covers principal and interest, until the amount due the Rural Development is fully paid. The first principal payment was made in January 1995. The amount due Rural Development is secured by the loans made to qualified borrowers and the related underlying security devices. Debt service to maturity is as follows:

	Principal	Interest	Total
2007	\$ 70,174	\$ 12,086	\$ 82,260
2008	70,876	11,384	82,260
2009	71,585	10,675	82,260
2010	72,302	9,958	82,260
2011	73,024	9,236	82,260
2012-2016	376,219	35,081	411,300
2017-2021	474,385	15,890	490,275
Total	<u>\$ 1,208,565</u>	<u>\$ 104,310</u>	<u>\$ 1,312,875</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Note 12 - Litigation And Claims

Litigation – At June 30, 2006, the District was not involved in any litigation, nor were there 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 13 - 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 14 - Income Tax Status

The District, a nonprofit corporation, has been granted tax-exempt status under Section 501(c)(4) of the Internal Revenue Code.

Note 15 - Segment Information – Enterprise Funds

The District maintains four enterprise funds. The FmHA Revolving Loan fund accounts for participation in an intermediary relending program through the Farmer's Home Administration. The FmHA North Delta Admin fund accounts for the District's administrative function over the FmHA Revolving Loan fund. The Loan Loss Reserve fund accounts for the District's loan loss reserve for both the FmHA Revolving Loan fund and the Rural Business Enterprise Grant fund. The Rural Business Enterprise Grant fund accounts for the District's participation in an intermediary relending program through the U. S. Department of Agriculture Rural and Economic Community Development Program.

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	FmHA Revolving Loan	FmHA North Delta Admin	Loan Loss Reserve	Rural Business Enterprise Grant	Total
Operating (Loss)	\$ (75,397)	\$ (31,039)	\$ (669)	\$ (370)	\$ (107,475)
Net Income (Loss)	(53,177)	(31,039)	1,468	3,558	(79,190)
Net Working Capital (Deficit)	(109,579)	(61,104)	68,546	82,637	(19,500)
Total Assets	651,295	-	68,546	107,616	827,457
Net Assets (Deficit)	(696,453)	(63,594)	68,546	107,616	(583,885)

Note 16 - Compensation of Board Members

The District's Board of Directors serve without compensation but are reimbursed transportation expenses at the rate of \$.40 per mile.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
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**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

GENERAL FUND

For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Interest	\$ -	\$ -	\$ 71	\$ 71
Miscellaneous	-	-	472	472
Total Revenues	<u>-</u>	<u>-</u>	<u>543</u>	<u>543</u>
EXPENDITURES				
Current:				
Salaries	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating services	2,500	2,000	804	1,196
Operating supplies	2,500	1,050	1,278	(228)
Other costs	-	-	1,222	(1,222)
Total Expenditures	<u>5,000</u>	<u>3,050</u>	<u>3,304</u>	<u>(254)</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,000)	(3,050)	(2,761)	289
Fund Balances at Beginning of Year	<u>195,484</u>	<u>195,484</u>	<u>195,484</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 195,484</u>	<u>\$ 195,484</u>	<u>\$ 195,484</u>	<u>\$ -</u>

**NORTH DELTA REGIONAL PLANNING AND
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**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

TITLE IIIB SUPPORTIVE SERVICES FUND

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Intergovernmental Revenues:				
Louisiana Governor's Office of Elderly Affairs	\$ 264,834	\$ 264,834	\$ 264,834	\$ -
Total Revenues	264,834	264,834	264,834	-
EXPENDITURES				
Grants to Subrecipients:				
East Carroll, COA	24,044	24,044	24,044	-
Franklin COA	57,775	57,775	57,775	-
Jackson COA	50,927	50,927	50,927	-
Richland COA	39,312	39,312	39,312	-
Tensas COA	29,456	29,456	29,456	-
Union COA	51,504	51,504	51,504	-
North Louisiana Legal Assistance	11,816	11,816	11,816	-
Total Expenditures	264,834	264,834	264,834	-
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

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**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

TITLE IIC-1 CONGREGATE MEALS FUND

For the Year Ended June 30, 2006

	<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				
Intergovernmental Revenues:				
U. S. Department of Commerce	\$ 290,555	\$ 287,519	\$ 287,519	\$ -
Total Revenues	<u>290,555</u>	<u>287,519</u>	<u>287,519</u>	<u>-</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll, COA	55,289	54,915	54,915	-
Franklin COA	45,254	44,545	44,545	-
Jackson COA	60,995	60,455	60,455	-
Richland COA	42,813	42,202	42,202	-
Tensas COA	25,907	25,907	25,907	-
Union COA	60,297	59,495	59,495	-
North Louisiana Legal Assistance	-	-	-	-
Total Expenditures	<u>290,555</u>	<u>287,519</u>	<u>287,519</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

TITLE IIC-2 HOME DELIVERED MEALS FUND

For the Year Ended June 30, 2006

	<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				
Intergovernmental Revenues:				
Louisiana Governor's Office of Elderly Affairs	\$ 394,219	\$ 384,056	\$ 384,056	\$ -
Total Revenues	<u>394,219</u>	<u>384,056</u>	<u>384,056</u>	<u>-</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll, COA	51,244	50,205	50,205	-
Franklin COA	40,493	38,525	38,525	-
Jackson COA	51,708	50,210	50,210	-
Richland COA	103,529	101,829	101,829	-
Tensas COA	73,235	71,503	71,503	-
Union COA	74,010	71,784	71,784	-
North Louisiana Legal Assistance	-	-	-	-
Total Expenditures	<u>394,219</u>	<u>384,056</u>	<u>384,056</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER SUPPLEMENTAL INFORMATION

**NORTH DELTA REGIONAL PLANNING AND
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NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES , EXPENDITURES
AND CHANGES IN FUND BALANCES**

For the Year Ended June 30, 2006

	<u>Area Agency on Aging</u>	<u>Audit Fund</u>	<u>Title III D Preventive Health</u>	<u>Title III E Caregiver</u>
REVENUES:				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 94,887	\$ 3,429	\$ 15,241	\$ 119,057
U.S. Department of Commerce	-	-	-	-
U.S. Department of Transportation	-	-	-	-
Ouachita Council of Governments	-	-	-	-
Other Federal grants	-	-	-	-
Louisiana Workforce Investment	-	-	-	-
Other operating grants	-	-	-	-
Service fees	-	-	-	-
Membership dues	-	-	-	-
Total Revenues	<u>94,887</u>	<u>3,429</u>	<u>15,241</u>	<u>119,057</u>
EXPENDITURES:				
Salaries	47,878	-	-	-
Fringe	14,905	-	-	-
Travel	8,126	-	-	-
Operating services	18,808	489	-	-
Operating supplies	1,361	-	-	-
Other costs	3,809	-	-	-
Grants to subrecipients	-	2,940	15,241	22,031
Total Expenditures	<u>94,887</u>	<u>3,429</u>	<u>15,241</u>	<u>22,031</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,026</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(97,026)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,026)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) , Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR \$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**NORTH DELTA REGIONAL PLANNING AND
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Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES , EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

For the Year Ended June 30, 2006

	<u>Louisiana Senior Rx</u>	<u>NSIP Cash-In Lieu</u>	<u>Economic Develop- ment Association</u>	<u>North Delta Caregiver</u>
REVENUES:				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 123,595	\$ 127,000	\$ -	\$ -
U.S. Department of Commerce	-	-	50,000	-
U.S. Department of Transportation	-	-	-	-
Ouachita Council of Governments	-	-	-	-
Other Federal grants	-	-	-	-
Louisiana Workforce Investment	-	-	-	-
Other operating grants	-	-	-	-
Service Fees	-	-	-	-
Membership dues	-	-	19,043	-
Total Revenues	<u>123,595</u>	<u>127,000</u>	<u>69,043</u>	<u>-</u>
EXPENDITURES:				
Salaries	66,754	-	38,933	5,047
Fringe	23,018	-	11,186	1,505
Travel	2,465	-	3,987	48
Operating services	22,581	-	11,592	2,563
Operating supplies	5,777	-	671	113
Other costs	3,000	-	-	87,750
Grants to subrecipients	-	127,000	-	-
Total Expenditures	<u>123,595</u>	<u>127,000</u>	<u>66,369</u>	<u>97,026</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>2,674</u>	<u>(97,026)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	97,026
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,026</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>2,674</u>	<u>-</u>
Fund Balances (Deficit) , Beginning of Year	<u>-</u>	<u>-</u>	<u>9,033</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR \$	<u>-</u>	<u>-</u>	<u>11,707</u>	<u>-</u>

(Continued)

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES , EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

For the Year Ended June 30, 2006

	<u>Council of Govern- ments</u>	<u>Federal Transit Authority</u>	<u>Federal Highways Administration</u>	<u>Louisiana Workforce Investment</u>
REVENUES:				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ -	\$ -
U.S. Department of Commerce	-	-	-	-
U.S. Department of Transportation	-	26,189	123,326	-
Ouachita Council of Governments	35,662	6,547	30,832	-
Other Federal grants	-	-	-	-
Louisiana Workforce Investment	-	-	-	69,200
Other operating grants	-	-	-	-
Service Fees	-	-	-	-
Membership dues	-	-	-	-
Total Revenues	<u>35,662</u>	<u>32,736</u>	<u>154,158</u>	<u>69,200</u>
EXPENDITURES:				
Salaries	20,872	20,092	93,349	47,302
Fringe	5,601	5,632	24,956	11,212
Travel	238	222	1,622	1,636
Operating services	7,424	6,163	31,971	7,984
Operating supplies	1,527	627	2,260	1,066
Other costs	-	-	-	-
Grants to subrecipients	-	-	-	-
Total Expenditures	<u>35,662</u>	<u>32,736</u>	<u>154,158</u>	<u>69,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) , Beginning of Year	<u>-</u>	<u>-</u>	<u>243</u>	<u>(7,596)</u>
FUND BALANCES (DEFICIT), END OF YEAR \$	<u>-</u>	<u>-</u>	<u>243</u>	<u>\$ (7,596)</u>

(Continued)

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES , EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

For the Year Ended June 30, 2006

	<u>Ombudsman</u>	<u>Tri- District Develop- ment</u>	<u>Medicare Part D RX</u>	<u>Enterprise Zone (DED)</u>
REVENUES:				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 114,044	\$ -	\$ -	\$ -
U.S. Department of Commerce	-	-	-	-
U.S. Department of Transportation	-	-	-	-
Ouachita Council of Governments	-	-	-	-
Other Federal grants	-	-	-	-
Louisiana Workforce Investment	-	-	-	-
Other operating grants	-	-	15,130	-
Service Fees	-	26,356	-	-
Membership dues	-	-	-	-
Total Revenues	<u>114,044</u>	<u>26,356</u>	<u>15,130</u>	<u>-</u>
EXPENDITURES:				
Salaries	54,248	16,587	8,047	3,762
Fringe	17,232	4,850	3,009	1,097
Travel	19,048	804	612	54
Operating services	21,295	3,816	2,211	749
Operating supplies	2,221	277	1,251	97
Other costs	-	20	-	-
Grants to subrecipients	-	-	-	-
Total Expenditures	<u>114,044</u>	<u>26,354</u>	<u>15,130</u>	<u>5,759</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>2</u>	<u>-</u>	<u>(5,759)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>2</u>	<u>-</u>	<u>(5,759)</u>
Fund Balances (Deficit) , Beginning of Year	<u>-</u>	<u>53,666</u>	<u>-</u>	<u>5,932</u>
FUND BALANCES (DEFICIT), END OF YEAR \$	<u>-</u>	<u>\$ 53,668</u>	<u>\$ -</u>	<u>\$ 173</u>

(Continued)

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES , EXPENDITURES
AND CHANGES IN FUND BALANCES (CONCLUDED)

For the Year Ended June 30, 2006

	<u>Economic Development Disaster</u>	<u>Delta Regional Authority</u>	<u>Total</u>
REVENUES:			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ 597,253
U.S. Department of Commerce	-	-	50,000
U.S. Department of Transportation	-	-	149,515
Ouachita Council of Governments	-	-	73,041
Other Federal grants	-	18,150	18,150
Louisiana Workforce Investment	-	-	69,200
Other operating grants	-	-	15,130
Service Fees	-	-	26,356
Membership dues	-	-	19,043
Total Revenues	<u>-</u>	<u>18,150</u>	<u>1,017,688</u>
EXPENDITURES:			
Salaries	8,199	11,771	442,841
Fringe	1,921	3,063	129,187
Travel	538	1,416	40,816
Operating services	1,850	2,734	142,230
Operating supplies	952	424	18,624
Other costs	-	-	94,579
Grants to subrecipients	-	-	167,212
Total Expenditures	<u>13,460</u>	<u>19,408</u>	<u>1,035,489</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,460)</u>	<u>(1,258)</u>	<u>(17,801)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	97,026
Transfers Out	-	-	(97,026)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(13,460)</u>	<u>(1,258)</u>	<u>(17,801)</u>
Fund Balances (Deficit) , Beginning of Year	<u>-</u>	<u>30,401</u>	<u>91,679</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (13,460)</u>	<u>\$ 29,143</u>	<u>\$ 73,878</u>

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

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
AND CHANGES IN GENERAL FIXED ASSETS**

For the Year Ended June 30, 2006

	<u>Balance</u> <u>7/1/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2006</u>
GENERAL FIXED ASSETS				
Furniture and Equipment	\$ 84,318	\$ -	\$ -	\$ 84,318
INVESTMENT IN GENERAL FIXED ASSETS				
General Fund	\$ 25,100	\$ -	\$ -	\$ 25,100
Economic Development Association	491	-	-	491
Council of Governments	3,213	-	-	3,213
Federal Transit Authority	4,009	-	-	4,009
Federal Highways Administration	36,026	-	-	36,026
Louisiana Workforce Investment	188	-	-	188
Tri-District Development	126	-	-	126
Enterprise Zone (DED)	47	-	-	47
Area Agency on Aging	4,561	-	-	4,561
Ombudsman	10,427	-	-	10,427
North Delta Caregiver	17	-	-	17
Title III C-1 Congregate Meals	4	-	-	4
Title III C-2 Home Delivered Meals	3	-	-	3
FmHA North Delta Admin	106	-	-	106
	<u>\$ 84,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,318</u>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND OMB CIRCULAR A-133**



Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

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

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

We have audited the financial statements of North Delta Regional Planning and Development District, Incorporated, (the District) as of and for the year ended June 30, 2006, and have issued our report thereon dated January 26, 2007. We conducted our audit 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 *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

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 grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 06-01.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in

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

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

This report is intended for the information of management of the District, Federal and State awarding agencies and other entities granting funds to the District and the Legislative Auditor for the state of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

January 26, 2007



Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

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

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

Compliance

We have audited the compliance of North Delta Regional Planning and Development District, Incorporated, (the District) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

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

Internal Control Over Compliance

The management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, the District's management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

January 26, 2007

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2006

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u> United States Department of Commerce	<u>Federal CFDA Number</u>	<u>Pass - Through Grantor's I.D. Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Expenditures</u>
Direct Program: Economic Development - Support for Public Planning Organizations Total United States Department of Commerce	11.302	08-83-03905	1/1/2005 - 1/1/2006	150,000 \$	50,000 <u>50,000</u>
United States Department of Health and Human Services - Administration on Aging/Passed Through the Louisiana Governor's Office of Elderly Affairs: Special Programs for the Aging - Title III B - Grants for Supportive Services and Senior Centers: Title III B - Ombudsman Services Title III B - Supportive Services Total Title III - B - Grants for Supportive Services and Senior Centers	93.044 93.044	616595 616997	7/1/2005 - 6/30/2006 7/1/2005 - 6/30/2006	96,937 208,556	96,937 <u>208,556</u>
Title III C - Nutrition Services: Title III C - Area Agency Admin Title III C-1 - Congregate Meals Title III C-2 - Home Delivered Meal Total Title III - C - Nutrition Services	93.045 93.045 93.045	616997 616997 616997	7/1/2005 - 6/30/2006 7/1/2005 - 6/30/2006 7/1/2005 - 6/30/2006	71,840 197,460 135,732	71,840 197,460 <u>135,732</u> <u>405,032</u>

(Continued)

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Concluded)

For the Year Ended June 30, 2006

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass - Through Grantor's I.D. Number	Grant Period	Award Amount	Expenditures
Title III D - Disease Prevention and Health Promotion	93.043	616997	7/1/2005 - 6/30/2006	\$ 15,241	\$ 15,241
Title III E - National Family Caregiver Support	93.052	616997	7/1/2005 - 6/30/2006	89,629	89,629
Nutritional Services Incentive Program (NSIP) Food Distribution - Cash-in-Lieu of Commodities	93.053	618285	7/1/2005 - 6/30/2006	127,000	127,000
Total United States Department of Health and Human Services					942,395
United States Department of Transportation/ Passed-Through the Ouachita Council of Governments: Highway Planning and Construction: Federal Highway Administration	20.205	736-37-0039	7/1/2005 - 6/30/2006	123,326	123,326
Federal Transit Administration	20.507	741-37-0113	7/1/2005 - 6/30/2006	26,189	26,189
Total United States Department of Transportation					149,515
Delta Regional Authority	N/A	N/A	7/1/2005 - 6/30/2006	18,150	18,150
TOTAL FEDERAL AWARDS				\$	1,160,060

The District is indebted to the Department of Agriculture (Farmer's Home Administration) for a note of \$1,208,566 at year end.

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, 2006

1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal Awards programs of the North Delta Regional Planning and Development District, Incorporated, (the District) Monroe, Louisiana. The District's reporting entity is defined in Note 1 to the District's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

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 financial statements.

RELATIONSHIP TO FINANCIAL STATEMENTS

Federal Awards revenues are reported in the District's financial statements as follows:

Governmental Funds:	
Major Funds	\$ 541,748
Other Governmental Funds	<u>618,312</u>
Total	<u>\$1,160,060</u>

In addition, the following federal funds were passed through to subrecipients:

Title III – Supportive Services	\$ 208,556
Title III - Congregate Nutrition	197,460
Title III – Home Delivered Meals	135,732
N.S.I.P Cash-in-Lieu of Commodities	127,000
Title III – Preventive Health	15,241
Title III – Caregiver	<u>22,031</u>
Total Pass Through Awards	<u>\$ 706,020</u>

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2006

Section 1 – Summary of Auditor’s Results

Financial Statements:

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

Reportable Condition(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

Reportable condition(s) identified not considered to be material weakness(es)? Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? Yes No

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
11.302	Economic Development – Support for Planning Organizations
20.205	Highway Planning and Construction
20.507	Federal Transit – Formula Grants
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, 2006

Section II – Financial Statement Findings and Questioned Costs:

06-01 Financial Statements were not audited or submitted timely to the proper agencies

Finding

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 its most recent fiscal year. Auditors are not considered independent if the District has not paid their professional fees at the commencement of the audit engagement. Management was unable to pay the professional fees to the independent auditors for the prior year services within a timely manner that would enable them to complete the current year audit within the prescribed period. Therefore, the audited financial statements were not prepared or submitted timely to the appropriate agencies.

Recommendation:

Management should institute accounting policies and procedures that provide for the timely payment of their auditors' professional fees.

Response:

The Executive Director will develop and plan for the timely payment of the auditors professional fees.

Section III – Federal Awards Findings and Questioned Costs:

None reported.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

There were no findings included in the audit for the year ended June 30, 2005.