

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

**Financial Statements
As of and For the Year Ended June 30, 2012**

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

**Financial Statements
As of and for the Year Ended June 30, 2012**

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

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
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, 2012, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2012, 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.

As discussed in Note 2 to the financial statements, North Delta has an extensive deficit balance in the USDA Rural Development Loan fund which could result in North Delta being unable to meet its obligations in future periods.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our

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

testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 11 and 46 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying information listed as other supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. This other supplemental information and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Huffman, Huffman, Reynolds, & Siggins

(A Professional Accounting Corporation)
December 31, 2012

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2012

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, 2012. 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 \$215,740 (*net deficit*). Of this amount, \$606,711 (*unrestricted net deficit*) represents the portion of net deficit which is not invested in capital assets or otherwise restricted.
- The government's total net deficit decreased by \$23,741.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$225,481 a decrease of \$18,287 for the year. Of this total amount, \$38,649 is available for spending at the government's discretion (*unassigned fund balance*).
- The District's total debt decreased by \$80,040 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.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2012

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, planning for highways and transportation and economic development. 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, Title III C-2 Home Delivered Meals, Federal Highways Administration, Tri-District Development, and Delta Regional Planning Authority, 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 52 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, 2012

The governmental fund financial statements can be found on pages 16 through 19 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 USDA Rural Development Revolving Loan, USDA Rural Development 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 \$215,740 for the year ended June 30, 2012.

The largest amount of the District's net assets reflects its investment in notes receivable of \$152,357 and \$196,147 (net of allowance for bad debts of \$610,618 and \$651,256) for the years ended June 30, 2012 and 2011, 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, 2012

North Delta Regional Planning and Development
District, Incorporated
Net Assets
June 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	June 30,		June 30,		June 30,	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 345,288	\$ 678,783	\$ 352,814	\$ 382,859	\$ 698,102	\$ 1,061,642
Capital assets	14,569	18,860	-	-	14,569	18,860
Total assets	359,857	697,643	352,814	382,859	712,671	1,080,502
Current and other liabilities	122,284	438,121	81,666	77,252	203,950	515,373
Long-term liabilities	22,293	27,949	702,168	776,661	724,461	804,610
Total liabilities	144,577	466,070	783,834	853,913	928,411	1,319,983
Net Assets:						
Invested in capital assets, net of related debt	14,569	18,860	-	-	14,569	18,860
Restricted for:						
Health, welfare, & social services	19,873	19,873	-	-	19,873	19,873
Economic development	166,959	144,958	-	-	166,959	144,958
Revolving loans	-	-	189,570	188,975	189,570	188,975
Unrestricted	13,879	47,882	(620,590)	(660,029)	(606,711)	(612,147)
Total net assets (Deficit)	\$ 215,280	\$ 231,573	\$ (431,020)	\$ (471,054)	\$ (215,740)	\$ (239,481)

The balance of \$215,280 in net assets in the governmental activities and net deficit of \$431,020 in the business-type activities represents the accumulated results of all past years' operations. Net assets of governmental activities decreased by \$16,293 and net assets of business-type activities increased by \$40,034 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, 2012**

**North Delta Regional Planning and Development
District, Incorporated
Changes in Net Assets
For the Years Ended June 30, 2012 and 2011**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue						
Program Revenues:						
Charges for services	\$ 83,248	\$ 75,744	\$ -	\$ -	\$ 83,248	\$ 75,744
Operating grants and contributions	2,319,773	2,332,803	-	-	2,319,773	2,332,803
Capital grants and contributions	2,254	-	-	-	2,254	-
General Revenues:						
Dues	23,634	15,815	-	-	23,634	15,815
Interest and investment earnings	-	-	17,578	21,461	17,578	21,461
Bad debt recoveries	-	-	40,638	-	40,638	-
Other general revenues	1,372	17,044	-	-	1,372	17,044
Total revenues	2,430,281	2,441,406	58,216	21,461	2,488,497	2,462,867
Expenses						
General government	83,547	15,324	-	-	83,547	15,324
Health, welfare, & social services	1,793,540	1,783,742	-	-	1,793,540	1,783,742
Planning for highways and public transportation	359,122	344,632	-	-	359,122	344,632
Public safety	30,011	32,852	-	-	30,011	32,852
Economic Development	180,354	194,044	-	-	180,354	194,044
Rural business lending	-	-	18,182	19,390	18,182	19,390
Total expenses	2,446,574	2,370,594	18,182	19,390	2,464,756	2,389,984
Increase (decrease) in net assets before transfers	(16,293)	70,812	40,034	2,071	23,741	72,883
Transfers	-	(201,513)	-	201,513	-	-
Change in net assets	\$ (16,293)	\$ (130,701)	\$ 40,034	\$ 203,584	\$ 23,741	\$ 72,883

Governmental Activities

Expenses are classified by functions/programs. For the fiscal years ended June 30, 2012 and 2011, general government accounts for \$83,547 and \$15,324, respectively, while elderly assistance accounts for \$1,793,540 and \$1,783,742, respectively, transportation and economic development account for \$539,476 and \$538,676, respectively, and public safety accounts for \$30,011 and \$32,852, respectively.

The program revenues for fiscal years 2012 and 2011 directly related to these expenses totaled \$2,405,275 and \$2,408,547, which resulted in net program expenses of \$41,299 for the year ended June 30, 2012 and net program income of \$37,953 for the year ended June 30, 2011. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from dues of \$23,634 for the years ended June 30, 2012.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2012

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, 2012, and 2011 of the total revenue amount of \$1,792,687 and \$1,793,743, \$1,357,046 and \$1,351,084 was passed through to the various Councils on Aging in northeast Louisiana.

Business-type Activities

Business-type activities increased the District's net assets by \$40,034 in 2012 and increased net assets by \$203,584 in 2011. Key elements of these changes are as follows:

- For the years ended June 30, 2012 and 2011 other operating expenses were \$6,000 and \$10,808.
- For the year ended June 30, 2012, the District recognized recoveries of bad debt in the amount of \$40,638.

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 \$225,481 and \$243,768 for 2012 and 2011 respectively, a decrease of \$18,287 for the year ended June 30, 2012. Of the ending fund balance, \$166,959 represents amounts restricted for economic development and \$19,873 represents amounts restricted for health, welfare, and social services. The remaining balance of \$38,649 represents unreserved funds which are available for spending at the District's discretion..

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 was adopted on June 1, 2011, and the final budget amendments were adopted on June 6, 2012.

Budgeted revenues for the Special Revenue Funds were amended during FY 2012 to reflect the 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.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2012

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, 2012 and 2011 amounts to \$14,569 and \$18,860 (net of accumulated depreciation). This investment in capital assets is as follows:

Capital Assets

	June 30,	
	2012	2011
Office furniture and equipment	\$ 73,958	\$ 71,704
Less: accumulated depreciation	(59,389)	(52,844)
Total Capital Assets	\$ 14,569	\$ 18,860

More detailed information for capital assets is found in Note 8, Changes in Capital Assets, of the Notes to the Financial Statements.

Outstanding Debt

The District's outstanding debt for the years ended June 30, 2012 and 2011 is as follows:

Outstanding Debt

	June 30,	
	2012	2011
USDA Rural Development	\$ 776,661	\$ 850,417
Compensated Absences	24,770	31,054
Total debt	\$ 801,431	\$ 881,471

More detailed information for outstanding debt can be found in Note 14, Long-term Obligations, of the Notes to the Financial Statements.

**North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2012**

Economic Factors and Next Year's Budgets and Rates

Current factors considered in preparing the District's budget for the 2013 fiscal year indicates no significant change from the projected revenues and expenditures of the 2012 and 2011 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 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, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 240,843	\$ 198,157	\$ 439,000
Receivables	103,251	2,300	105,551
Notes receivable - short-term	-	588,279	588,279
Notes receivable - long-term	-	174,696	174,696
Allowance for bad debts	-	(610,618)	(610,618)
Prepaid items	1,194	-	1,194
Capital assets, net	14,569	-	14,569
Total Assets	<u>359,857</u>	<u>352,814</u>	<u>712,671</u>
Liabilities			
Accounts, salaries and other payables	34,517	-	34,517
Due to grantor	4,353	-	4,353
Accrued interest payable	-	7,173	7,173
Deferred revenues	80,937	-	80,937
Long-term liabilities			
Due within one year	2,477	74,493	76,970
Due in more than one year	22,293	702,168	724,461
Total liabilities	<u>144,577</u>	<u>783,834</u>	<u>928,411</u>
Net Assets (Deficit)			
Invested in capital assets, net of related debt	14,569	-	14,569
Restricted for:			
Health, welfare, & social services	19,873	-	19,873
Economic development	166,959	-	166,959
Revolving loan programs	-	189,570	189,570
Unrestricted	13,879	(620,590)	(606,711)
Total net assets (Deficit)	<u>\$ 215,280</u>	<u>\$ (431,020)</u>	<u>\$ (215,740)</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, 2012**

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Governmental activities								
General	\$ 276,183	\$ (192,636)	\$ 48,172	\$ -	\$ -	\$ (35,375)	\$ -	\$ (35,375)
Health, welfare & social services								
Supportive services	342,739	-	-	342,739	-	-	-	-
Nutrition services	984,827	-	-	984,827	-	-	-	-
Preventive health & medication assistance	91,752	19,535	-	110,963	-	(324)	-	(324)
Family caregiver support	111,415	1,923	-	113,307	-	(31)	-	(31)
Ombudsman	100,227	22,864	-	122,819	-	(272)	-	(272)
Area Agency on Aging administration	91,479	26,779	-	118,032	-	(226)	-	(226)
Planning for highways and public transportation	281,553	77,569	-	353,886	2,254	(2,982)	-	(2,982)
Public safety	29,103	908	30,000	-	-	(11)	-	(11)
Economic development	137,296	43,058	5,076	173,200	-	(2,078)	-	(2,078)
Total governmental activities	2,446,574	-	83,248	2,319,773	2,254	(41,299)	-	(41,299)
Business-type activities								
Rural business lending	18,182	-	-	-	-	-	(18,182)	(18,182)
Total	\$ 2,464,756	\$ -	\$ 83,248	\$ 2,319,773	\$ 2,254	(41,299)	(18,182)	(59,481)
General revenues								
Dues						23,634	-	23,634
Interest and investment earnings						-	17,578	17,578
Bad debt recovery						-	40,638	40,638
Miscellaneous						1,372	-	1,372
Total general revenues						25,006	58,216	83,222
Change in net assets						(16,293)	40,034	23,741
Net assets (deficit) at beginning of year						231,573	(471,054)	(239,481)
NET ASSETS (DEFICIT) AT END OF YEAR						\$ 215,280	\$ (431,020)	(215,740)

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, 2012

Major Funds

	General Fund	Special Revenue Funds							Other Governmental Funds	Total
		Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Federal Highways Administration	Tri-District Development	Delta Regional Planning Authority			
Assets										
Cash and cash equivalents	\$ 31,112	\$ 5,713	\$ 6,517	\$ 15,536	\$ -	\$ 15,606	\$ 41,588	\$ 124,771	\$ 240,843	
Receivables	1,058	-	-	-	36,715	3,790	11,532	50,156	103,251	
Other current assets	1,194	-	-	-	-	-	-	-	1,194	
Due from other funds	55,151	-	2,446	119	-	36,492	6,656	59,210	160,074	
TOTAL ASSETS	\$ 88,515	\$ 5,713	\$ 8,963	\$ 15,655	\$ 36,715	\$ 55,888	\$ 59,776	\$ 234,137	\$ 505,362	
Liabilities										
Accounts, salaries and other payables	\$ 11,182	\$ 3,122	\$ -	\$ -	\$ -	\$ 141	\$ 315	\$ 19,757	\$ 34,517	
Due to other funds	38,684	497	6,003	747	36,715	-	-	77,428	160,074	
Due to grantor	-	-	-	-	-	-	-	4,353	4,353	
Deferred revenues	-	2,094	2,960	14,908	-	-	-	60,975	80,937	
Total liabilities	49,866	5,713	8,963	15,655	36,715	141	315	162,513	279,881	
Fund equity										
Fund balance	-	-	-	-	-	-	-	-	-	
Restricted for health, welfare, & social services	-	-	-	-	-	-	-	19,873	19,873	
Restricted for economic development	-	-	-	-	-	55,747	59,461	51,751	166,959	
Unassigned	38,649	-	-	-	-	-	-	-	38,649	
Total fund equity	38,649	-	-	-	-	55,747	59,461	71,624	225,481	
TOTAL LIABILITIES AND FUND EQUITY	\$ 88,515	\$ 5,713	\$ 8,963	\$ 15,655	\$ 36,715	\$ 55,888	\$ 59,776	\$ 234,137	\$ 505,362	

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

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana
**Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Assets**
June 30, 2012

Fund balances - total governmental funds	\$	225,481
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$	73,958
Less: accumulated depreciation		<u>(59,389)</u>
		14,569
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Compensated absences payable		(24,770)
Elimination of interfund assets and liabilities		
Interfund assets	(160,074)	
Interfund liabilities	<u>160,074</u>	<u>-</u>
Net assets of governmental activities	\$	<u>215,280</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 Balance
For the Year Ended June 30, 2012**

Major Funds

	General Fund	Special Revenue Funds						Other Governmental Funds	Total
		Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Federal Highways Administration	Tri-District Development	Delta Regional Planning Authority		
Revenues									
Intergovernmental									
Governor's Office of Elderly Affairs	\$ -	\$ 338,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 632,823	\$ 1,792,687
U.S. Department of Commerce	-	-	-	-	-	-	-	60,000	60,000
U.S. Department of Transportation	-	-	-	208,342	-	-	-	50,782	259,124
Ousachita Council of Governments	-	-	-	52,086	-	-	-	44,930	97,016
Other Federal grants	-	-	-	-	-	-	44,000	-	44,000
Louisiana Workforce Investment	-	-	-	-	-	-	69,200	-	69,200
Service fees	48,172	-	-	-	-	5,076	30,000	-	83,248
Membership dues	-	-	-	-	-	-	23,634	-	23,634
Miscellaneous	1,372	-	-	-	-	-	-	-	1,372
Total Revenues	49,544	338,373	369,238	452,253	260,428	5,076	911,369	-	2,430,281
Expenditures									
General	89,831	-	-	-	-	-	-	-	89,831
Health, welfare, & social services	-	338,373	369,238	452,253	-	-	-	632,823	1,792,687
Planning for highways and public transportation	-	-	-	-	359,301	-	-	94,585	353,886
Economic development	-	-	-	-	-	5,076	-	152,834	179,910
Public safety	-	-	-	-	-	-	30,000	-	30,000
Capital outlays	-	-	-	-	1,127	-	1,127	-	2,254
Total Expenditures	89,831	338,373	369,238	452,253	760,428	5,076	911,369	-	2,448,568
Excess (Deficiency) of Revenues Over Expenditures	(40,287)	-	-	-	-	-	22,000	-	(18,287)
Other Financing Sources / (Uses)									
Transfers in	-	-	-	-	-	-	-	137,940	137,940
Transfers out	-	-	-	-	-	-	-	(137,940)	(137,940)
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(40,287)	-	-	-	-	-	22,000	-	(18,287)
Fund Balances at Beginning of Year	78,936	-	-	-	-	55,747	37,461	71,624	243,768
FUND BALANCES AT END OF YEAR	\$ 38,649	\$ -	\$ -	\$ -	\$ -	\$ 55,747	\$ 59,461	\$ 71,624	\$ 225,481

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, 2012**

Net change in fund balances - total governmental funds	\$	(18,287)
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.		
Capital outlay	\$ 2,254	
Depreciation expense	<u>(6,545)</u>	(4,291)
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.		
Decrease in compensated absences payable		6,284
Elimination of transfers in and out		
Transfers in	(137,940)	
Transfers out	<u>137,940</u>	<u>-</u>
Change in net assets of governmental activities	\$	<u>(16,294)</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, 2012**

	<u>Major Funds</u>			<u>Total</u>
	<u>Business-type Activities - Enterprise Funds</u>			
	<u>USDA Rural Development Revolving Loan</u>	<u>Loan Loss Reserve</u>	<u>Rural Business Enterprise Grant</u>	
ASSETS				
Current assets				
Cash and cash equivalents, restricted	\$ 9,163	\$ 70,900	\$ 118,094	\$ 198,157
Receivables	2,300	-	-	2,300
Notes receivable-short term, unrestricted, net	84,156	-	-	84,156
Notes receivable-short term, restricted, net	-	-	576	576
Total current assets	<u>95,619</u>	<u>70,900</u>	<u>118,670</u>	<u>285,189</u>
Noncurrent assets				
Notes receivable - long-term, net	<u>67,625</u>	-	-	<u>67,625</u>
Total noncurrent assets	<u>67,625</u>	-	-	<u>67,625</u>
Total assets	<u>\$ 163,244</u>	<u>\$ 70,900</u>	<u>\$ 118,670</u>	<u>352,814</u>
LIABILITIES				
Current liabilities				
Accrued interest payable	\$ 7,173	-	-	\$ 7,173
Current portion of long-term debt	<u>74,493</u>	-	-	<u>74,493</u>
Total current liabilities	<u>81,666</u>	-	-	<u>81,666</u>
Noncurrent liabilities				
Note payable	<u>702,168</u>	-	-	<u>702,168</u>
Total noncurrent liabilities	<u>702,168</u>	-	-	<u>702,168</u>
Total liabilities	<u>783,834</u>	-	-	<u>783,834</u>
NET ASSETS (DEFICIT)				
Restricted	-	70,900	118,670	189,570
Unrestricted (deficit)	<u>(620,590)</u>	-	-	<u>(620,590)</u>
Total net assets (deficit)	<u>\$ (620,590)</u>	<u>\$ 70,900</u>	<u>\$ 118,670</u>	<u>\$ (431,020)</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, 2012**

	Major Funds			Total
	Business-type Activities - Enterprise Funds			
	USDA Rural Development Revolving Loan	Loan Loss Reserve	Rural Business Enterprise Grant	
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES				
Other operating expenses	5,000	500	500	6,000
Total operating expenses	5,000	500	500	6,000
Operating loss	(5,000)	(500)	(500)	(6,000)
NONOPERATING REVENUES (EXPENSES)				
Bad debt recovery	40,638	-	-	40,638
Investment earnings	15,983	2	1,593	17,578
Interest expense	(12,182)	-	-	(12,182)
Total nonoperating revenues (expenses)	44,439	2	1,593	46,034
Net income (loss)	39,439	(498)	1,093	40,034
Net assets (deficit) beginning of year	(660,029)	71,398	117,577	(471,054)
Net assets (deficit) end of year	\$ (620,590)	\$ 70,900	\$ 118,670	\$ (431,020)

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, 2012

	Major Funds			
	Business-type Activities - Enterprise Funds			
	USDA Rural Development Revolving Loan	Loan Loss Reserve	Rural Business Enterprise Grant	Total
Cash flows from operating activities				
Cash payments to suppliers for goods and services	\$ (5,000)	\$ (500)	\$ (500)	\$ (6,000)
Net cash used for operating activities	<u>(5,000)</u>	<u>(500)</u>	<u>(500)</u>	<u>(6,000)</u>
Cash flows from capital and related financing activities				
Principal paid on debt	(73,756)	-	-	(73,756)
Interest paid on debt	(8,505)	-	-	(8,505)
Net cash used for financing activities	<u>(82,261)</u>	<u>-</u>	<u>-</u>	<u>(82,261)</u>
Cash flows from investing activities				
Interest received on investments	16,150	2	1,593	17,745
Principal collections on loans	80,274	-	4,154	84,428
Net cash provided by investing activities	<u>96,424</u>	<u>2</u>	<u>5,747</u>	<u>102,173</u>
Net increase (decrease) in cash and cash equivalents	9,163	(498)	5,247	13,912
Cash and cash equivalents, July 1, 2011	<u>-</u>	<u>71,398</u>	<u>112,847</u>	<u>184,245</u>
Cash and cash equivalents, June 30, 2012	<u>\$ 9,163</u>	<u>\$ 70,900</u>	<u>\$ 118,094</u>	<u>\$ 198,157</u>
Reconciliation of operating income to net cash used for operating activities				
Operating loss	\$ (5,000)	\$ (500)	\$ (500)	\$ (6,000)
Net cash used for operating activities	<u>\$ (5,000)</u>	<u>\$ (500)</u>	<u>\$ (500)</u>	<u>\$ (6,000)</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, 2012**

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 21 members representing the parishes of the District is the governing body. Board members receive no compensation for their services.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

B. Basis of Presentation

The District's basic financial statements consist of the government-wide statements on all of the activities of the government and the fund financial statements (individual major funds and combined non-major funds). The 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Fund Financial Statements

The District uses funds, both major and non-major, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Emphasis of fund reporting is on the major fund level in 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. The General Fund is always a major 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 (GOEA), which passes through the funds to the District for further distribution to six parish Councils

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

on Aging. This program provides access services, in-home services, community services, legal services and transportation for the elderly.

Title III C-1 – Congregate Meals

Title III C-1 funds are provided by the United States Department of Health and Human Services to the GOEA, which passes through the funds to the District for further distribution to 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 GOEA, which passes through the funds to the District for further distribution to six parish Councils on Aging. These funds are used to provide nutritional meals to home-bound elderly persons.

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.

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.

Delta Regional Planning Authority

The Delta Regional Planning 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Non-Major Special Revenue Funds

Area Agency on Aging

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

Audit Fund

The Audit Fund is used to account for funds received from the GOEA 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Senior Center

These funds are provided by the United States Department of Health and Human Services, through the GOEA, to the District for Councils on Aging. The purpose of the program is to give seniors an opportunity to interact and maintain a good quality of life and health.

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 GOEA. This award passes through to the District for further distribution to six parish Councils on Aging. The funds are distributed on a per-unit basis for each congregate and home-delivered meal service provider for each eligible participant so the United States food and commodities may be purchased to supplement these programs.

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 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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Monroe urbanized area. The Ouachita Council of Governments entered into an agreement with the Louisiana Department of Transportation and Development to provide these planning services. The Ouachita Council of Governments contracted with the District to provide technical assistance in carrying out its contract with the Louisiana Department of Transportation and Development.

Regional Human Service Contract

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

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 GOEA which passes through the funds to the District.

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.

Region 8 Office of Homeland Security and Emergency Preparedness (OHSEP)

This fund is used to account for funds from the Region 8 OHSEP Board. These funds are provided by the Governor's Office of Homeland Security and Emergency Preparedness and are pass-through funds used for purchases deemed necessary by the Board to support the Homeland Security needs of the Region. The Region 8 OHSEP

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Board has contracted with the District to provide purchasing assistance.

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. All three of the District's enterprise funds are considered to be major funds and are described further in Note 18.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

liabilities of the current period. Intergovernmental and other Grants have been treated as susceptible to accrual.

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

Revenues

Entitlements and shared revenues are recorded as unrestricted 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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

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

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

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.

Encumbrances

Encumbrance accounting is not employed in governmental funds.

Budgetary Basis of Accounting

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

E. Cash and Cash Equivalents

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

F. Short Term Interfund Receivables/Payables

During the course of operation, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Prepaid Items

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

H. 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

I. Capital Assets

Capital assets, which include machinery and equipment and furniture and fixtures, are reported in the governmental activities column in the government-wide financial statements. The capitalization threshold for all movable capital assets is \$500 per unit. All purchased capital assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated capital assets are valued at their fair market value on the date received. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Depreciation on all capital assets has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are 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 are as in accordance with GASB Statement No. 16.

L. Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Restricted fund balance

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

has limitations imposed by creditors, grantors, contributors, or by enabling legislation or constitutional provisions. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four categories. The District did not recognize any fund balances as nonspendable, committed, or assigned as of June 30, 2012. Proprietary fund equity is classified the same as in the government-wide statements.

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

M. 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.

N. Use Of Estimates

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

Note 2 - Stewardship, Compliance, and Accountability

The USDA Rural Development Revolving Loan Fund had a fund deficit of \$620,590 at June 30, 2012. Management is negotiating with the state office of USDA Rural Development on an ongoing basis in an attempt to lessen this liability. In prior years, the General Fund has transferred \$201,513 to the USDA Revolving Loan Fund and USDA Admin Funds to cover interfund loans that these two funds did not have the financial ability to repay.

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

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, 2012, the District has cash and cash equivalents (book balances) totaling \$439,000 as follows:

Demand deposits	\$ 166,556
Cash equivalents	272,244
Petty cash	<u>200</u>
TOTAL	<u>\$ 439,000</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 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 \$439,000 and the bank balance was \$500,808. Of the bank balance, \$337,695 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, \$163,113, consisted of 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 - Restricted Assets

Under the terms of agreements with the United States Department of Agriculture, assets maintained in the Loan Loss Reserve and Rural Business Enterprise Grant Funds are

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

restricted. At June 30, 2012, the District recognized \$9,163 of restricted cash in the USDA Rural Development Revolving Loan Fund, \$70,900 of restricted cash in the Loan Loss Reserve Fund, and \$118,094 of restricted cash in the Rural Business Enterprise Grant Fund for a total of \$198,157 in restricted cash, combined. In addition, \$576 of notes receivable, net of allowance for uncollectible accounts, was recognized as restricted in the Rural Business Enterprise Grant Fund at June 30, 2012.

Note 5 - Receivables

Receivables at June 30, 2012, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Intergovernmental	\$ -	\$ 94,142	\$ -	\$ 94,142
Other	1,058	8,051	2,300	11,409
TOTAL	\$ 1,058	\$ 102,193	\$ 2,300	\$ 105,551

<u>Program</u>	<u>Fund</u>	<u>Funding Agency</u>	<u>Amount</u>
N/A	General	N/A (Reapportionment Income)	\$ 1,058
Area Agency Administration	Special Revenue	N/A - Other receivable	4,202
Title III-D Preventive Health	Special Revenue	LA Governor's Office of E/A	5,639
Economic Development Admin	Special Revenue	U.S. Department of Commerce	864
Local Council of Governments	Special Revenue	Ouachita Council of Governments	3,640
Local Council of Governments	Special Revenue	N/A - Other receivable	10
Federal Transit Authority	Special Revenue	Ouachita Council of Governments	7,714
Regional Human Service Contract	Special Revenue	Ouachita Council of Governments	2,380
Federal Highway Admin	Special Revenue	Ouachita Council of Governments	36,715
LA Workforce Investment	Special Revenue	LA Workplace Investment Area	16,658
LA Workforce Investment	Special Revenue	N/A - Other receivable	50
Tri-District	Special Revenue	N/A - Other receivable	3,789
Delta Regional Authority	Special Revenue	Delta Regional Authority	11,532
Region 8 OHSEP	Special Revenue	OHSEP	9,000
Total Special Revenue Funds			102,193
USDA Rural Development Revolving Loan Fund	Enterprise	N/A - Loan interest	2,300
Total Receivables			\$ 105,551

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 6 - Interfund Assets/Liabilities

Balances due from/to other funds are listed by fund for the year ended June 30, 2012:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds		
General Fund	\$ 55,151	\$ 38,684
Special Revenue Funds		
Title III-B Supportive Services	-	497
Title III-C Congregate Meals	2,446	6,003
Title III C Home Delivered Meals	119	747
Federal Highways Administration	-	36,715
Tri-District Developmen	36,492	-
Delta Regional Planning Authority	6,656	-
NonMajor Funds		
Special Revenue Funds		
Title III-E Caregiver	22,520	12,747
North Delta Caregiver	31,312	22,520
Local Council of Governments	3,198	6,847
Federal Transportation Authority	-	7,713
Regional Human Services Contract	-	2,380
Louisiana Workforce Investment	2,180	18,565
Region 8 OHSEP	-	6,656
Total	<u>\$ 160,074</u>	<u>\$ 160,074</u>

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

Note 7 - Notes Receivable

The District makes loans under the USDA Rural Development Relending Program and the Rural Business Enterprise Grant (see also Note 13) 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, 2012, these loans totaled \$762,975. Of this amount, notes receivable of \$756,592 are considered impaired. The related allowance for bad debts on impaired loans is \$610,618 at June 30, 2012. Interest income on impaired loans is recorded on the cash basis and amounted to \$17,573 for the year ended June 30, 2012. The change in the allowance for bad debts for the year ended June 30, 2012 is as follows:

Balance at July 1, 2011	\$ 651,256
Recoveries	<u>(40,638)</u>
Balance at June 30, 2012	<u>\$ 610,618</u>

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 8 - Changes in Capital Assets

Changes in capital assets for the year ended June 30, 2012 are as follows:

	<u>June 30,</u> <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30,</u> <u>2012</u>
Governmental Activities				
Depreciable assets				
Office furniture and equipment	\$ 71,704	\$ 2,254	\$ -	\$ 73,958
Less: accumulated depreciation	<u>(52,844)</u>	<u>(6,545)</u>	<u>-</u>	<u>(59,389)</u>
Total governmental activities				
capital assets, net	<u>\$ 18,860</u>	<u>\$ (4,291)</u>	<u>\$ -</u>	<u>\$ 14,569</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:		
Health, welfare & social services		\$ 853
Planning for highways and public transportation		5,246
Economic development		446
Total depreciation expense - Government activities		<u>\$ 6,545</u>

Note 9 - Accounts, Salaries and Other Payables

Payables at June 30, 2012, consisted of accounts and other payables of \$26,044 and salaries payable and related liabilities of \$8,473. All accounts payable were associated with governmental funds.

Note 10 - Retirement Systems

Substantially all employees of the District are eligible to participate in the Deferred Compensation Plan for Public Employees. For 2012, 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 of their salary on their behalf.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

The District's total payroll during the fiscal year ending June 30, 2012, was \$553,767. Employee contributions totaled \$35,935 and employer contributions totaled \$26,960.

Note 11 - Compensated Absences

At June 30, 2012, employees of the District have accumulated and vested \$24,770 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Note 12 - Leases

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

- Office space is under a ten year lease beginning June 1, 2006. Monthly payments are \$3,200 and total fiscal year ended June 30, 2012, rent expense under this lease equaled \$38,400.
- Future minimum lease payments under this agreement are:

Year Ended June 30,	
2013	\$ 38,400
2014	38,400
2015	38,400
2016	<u>38,400</u>
Total	<u>\$ 153,600</u>

- 2010 Chevy Traverse is under a three year lease beginning in October 2009. Monthly payments are \$647 and total lease payments for the year ended June 30, 2012 were \$7,760. Future minimum lease payments under this agreement are \$1,940 due during the 2013 fiscal year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

- In addition, the District has annual operating lease agreements for the following office equipment:
 - Kyocera Copier. Monthly lease payments of \$359 for 36 months beginning in May 2012.
 - Pitney Bowes mailing machine and scales. Quarterly payments are \$1,339 on an ongoing basis at the District's discretion.

Future minimum lease payments under these agreements are as follows:

2013	\$	4,308
2014		4,308
2015		3,949
Total	\$	<u>12,565</u>

Note 13 - Interfund Transfers

Transfers in and out are listed by fund for the year ended June 30, 2012:

	<u>Transfers In</u>	<u>Transfers Out</u>
Nonmajor Funds		
Special Revenues		
Title III E Caregiver	\$ 22,520	\$ 115,420
North Delta Caregiver	115,420	22,520
Total	<u>\$ 137,940</u>	<u>\$ 137,940</u>

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 14 - Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2012:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
	<u>Accrued Compensated Absences</u>	<u>Enterprise Fund Notes Payable</u>	
Balance, beginning of year	\$ 31,054	\$ 850,417	\$ 881,471
Additions	29,440	-	29,440
Deductions	(35,724)	-	(35,724)
Principal Payment	-	(73,756)	(73,756)
Balance, end of year	<u>\$ 24,770</u>	<u>\$ 776,661</u>	<u>\$ 801,431</u>

The enterprise funds' notes payable shown above represents the District's drawdowns under a \$2 million intermediary relending program through the USDA 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. The District has drawn down all of the \$2 million and has loaned out the entire 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 USDA Rural Development is fully paid. The first principal payment was made in January 1995. The amount due USDA Rural Development is secured by the loans made to qualified borrowers and the related underlying security devices. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 74,493	\$ 7,767	\$ 82,260
2014	75,238	7,022	82,260
2015	75,991	6,269	82,260
2016	76,751	5,509	82,260
2017	77,518	4,742	82,260
2018 - 2022	396,670	11,926	408,596
Total	<u>\$ 776,661</u>	<u>\$ 43,235</u>	<u>\$ 819,896</u>

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 15 - Dual Roles of Staff and Related Party Transactions

The Executive Director of the District also serves as Executive Secretary of the Ouachita Council of Governments (OCOG). The District has contracted with OCOG to provide technical assistance in carrying out OCOG's federal and local program activities. For the year ended June 30, 2012, the District recorded \$34,734 of revenues from OCOG.

Note 16 - Litigation and Claims

Litigation – At June 30, 2012, the District was not involved in any litigation, nor were there any claims pending which might have a material impact on the financial statements.

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

Note 17 - 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 18 - Segment Information – Enterprise Funds

The District maintains three enterprise funds. The USDA Rural Development Revolving Loan fund accounts for participation in an intermediary relending program through the Farmer's Home Administration. The Loan Loss Reserve fund accounts for the District's loan loss reserve for both the USDA Rural Development 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 United States Department of Agriculture Rural and Economic Community Development Program.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

	USDA Rural Development		Rural Business Enterprise	
	Revolving Loan	Loan Loss Reserve	Grant	Total
Operating (Loss)	\$ (5,000)	\$ (500)	\$ (500)	\$ (6,000)
Net Income (Loss)	39,439	(498)	1,093	40,034
Net Working Capital	13,953	70,900	118,670	203,523
Total Assets	163,244	70,900	118,670	352,814
Net Assets (Deficit)	(620,590)	70,900	118,670	(431,020)

North Delta has an extensive deficit balance in the USDA Rural Development Loan Fund resulting in going concern implications. North Delta has met with the Director of the state office of USDA Rural Development to negotiate a process by which the balance owed by North Delta to the USDA Rural Development can be forgiven or changed to a grant. These negotiations are ongoing.

North Delta has also requested that the Rural Business Enterprise Grant monies be used to offset the deficit shown in the USDA Rural Development Revolving Loan Fund. Again, these negotiations are ongoing.

Note 19 - Compensation of Board Members

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

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

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

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

GENERAL FUND

For the Year Ended June 30, 2012

	<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				
Fees for services	\$ 6,200	\$ 86,885	\$ 48,172	\$ (38,713)
Miscellaneous	-	-	1,372	1,372
Total Revenues	<u>6,200</u>	<u>86,885</u>	<u>49,544</u>	<u>(37,341)</u>
EXPENDITURES				
Current:				
Operating services	4,789	27,545	31,248	(3,703)
Operating supplies	1,411	2,941	1,020	1,921
Other costs	-	56,399	57,563	(1,164)
Total Expenditures	<u>6,200</u>	<u>86,885</u>	<u>89,831</u>	<u>(2,946)</u>
Excess of Revenues Over Expenditures	-	-	(40,287)	(40,287)
Fund Balances at Beginning of Year	<u>78,936</u>	<u>78,936</u>	<u>78,936</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 78,936</u>	<u>\$ 78,936</u>	<u>\$ 38,649</u>	<u>\$ (40,287)</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 III B SUPPORTIVE SERVICES FUND

For the Year Ended June 30, 2012

	<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	\$ 338,373	\$ 338,373	\$ 338,373	\$ -
Total Revenues	<u>338,373</u>	<u>338,373</u>	<u>338,373</u>	<u>-</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll Council on Aging	24,172	24,172	24,172	-
Franklin Council on Aging	57,980	57,980	57,980	-
Jackson Council on Aging	51,074	51,074	51,074	-
Madison Council on Aging	70,696	70,696	70,696	-
Richland Council on Aging	39,512	39,512	39,512	-
Tensas Council on Aging	29,595	29,595	29,595	-
Union Council on Aging	51,753	51,753	51,753	-
North Louisiana Legal Assistance	13,591	13,591	13,591	-
Total Expenditures	<u>338,373</u>	<u>338,373</u>	<u>338,373</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>

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

TITLE III C-1 CONGREGATE MEALS FUND

For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>	<u>(Budgetary</u>	<u>Positive</u>
			<u>Basis)</u>	<u>(Negative)</u>
REVENUES				
Intergovernmental Revenues:				
Louisiana Governor's Office of Elderly Affairs	\$ 369,238	\$ 328,943	\$ 369,238	\$ 40,295
Total Revenues	<u>369,238</u>	<u>328,943</u>	<u>369,238</u>	<u>40,295</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll Council on Aging	55,718	55,718	55,718	-
Franklin Council on Aging	43,826	43,826	43,826	-
Jackson Council on Aging	59,854	59,854	59,854	-
Madison Council on Aging	78,456	38,161	78,456	(40,295)
Richland Council on Aging	43,769	43,769	43,769	-
Tensas Council on Aging	26,418	26,418	26,418	-
Union Council on Aging	61,197	61,197	61,197	-
Total Expenditures	<u>369,238</u>	<u>328,943</u>	<u>369,238</u>	<u>(40,295)</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Monroe, Louisiana**

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

TITLE III C-2 HOME DELIVERED MEALS FUND

For the Year Ended June 30, 2012

	<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	\$ 452,253	\$ 492,548	\$ 452,253	\$ (40,295)
Total Revenues	<u>452,253</u>	<u>492,548</u>	<u>452,253</u>	<u>(40,295)</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll Council on Aging	51,987	51,987	51,987	-
Franklin Council on Aging	44,082	44,082	44,082	-
Jackson Council on Aging	54,480	54,480	54,480	-
Madison Council on Aging	47,508	87,803	47,508	40,295
Richland Council on Aging	104,476	104,476	104,476	-
Tensas Council on Aging	74,134	74,134	74,134	-
Union Council on Aging	75,586	75,586	75,586	-
Total Expenditures	<u>452,253</u>	<u>492,548</u>	<u>452,253</u>	<u>40,295</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>

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

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

For the Year Ended June 30, 2012

	<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				
U.S. Department of Transportation	\$ 208,342	\$ 208,342	\$ 208,342	\$ -
Ouachita Council of Governments	52,086	52,086	52,086	-
Total Revenues	<u>260,428</u>	<u>260,428</u>	<u>260,428</u>	<u>-</u>
EXPENDITURES				
Current:				
Planning for Highways and Public Transportation	259,301	259,301	259,301	-
Capital Outlays	1,127	1,127	1,127	-
Total Expenditures	<u>260,428</u>	<u>260,428</u>	<u>260,428</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>

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

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

TRI-DISTRICT DEVELOPMENT

For the Year Ended June 30, 2012

	<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				
Service Fees	\$ 14,592	\$ 4,500	\$ 5,076	\$ 576
Total Revenues	<u>14,592</u>	<u>4,500</u>	<u>5,076</u>	<u>576</u>
EXPENDITURES				
Current:				
Economic Development	14,592	4,500	5,076	(576)
Total Expenditures	<u>14,592</u>	<u>4,500</u>	<u>5,076</u>	<u>(576)</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>

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

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

DELTA REGIONAL PLANNING AUTHORITY

For the Year Ended June 30, 2012

	<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:				
Delta Regional Planning Authority	\$ 22,000	\$ 22,000	\$ 44,000	\$ 22,000
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>44,000</u>	<u>22,000</u>
EXPENDITURES				
Current:				
Economic Development	22,000	22,000	22,000	-
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	22,000	22,000
Fund Balances at Beginning of Year	<u>37,461</u>	<u>37,461</u>	<u>37,461</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 37,461</u>	<u>\$ 37,461</u>	<u>\$ 59,461</u>	<u>\$ 22,000</u>

OTHER SUPPLEMENTAL INFORMATION

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

For the Year Ended June 30, 2012

	<u>Area Agency on Aging</u>	<u>Audit Fund</u>	<u>Title III D Preventive Health</u>	<u>Title III E Caregiver</u>	<u>Louisiana Senior Rx</u>
REVENUES					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 118,032	\$ 4,366	\$ 23,209	\$ 113,307	\$ 87,754
U.S. Department of Commerce	-	-	-	-	-
U.S. Department of Transportation	-	-	-	-	-
Ouachita Council of Governments	-	-	-	-	-
Louisiana Workforce Investment	-	-	-	-	-
Membership dues	-	-	-	-	-
Service Fees	-	-	-	-	-
Total Revenues	<u>118,032</u>	<u>4,366</u>	<u>23,209</u>	<u>113,307</u>	<u>87,754</u>
EXPENDITURES					
Salaries	61,284	-	-	-	47,962
Fringe	22,878	-	-	-	17,272
Travel	5,374	-	-	-	2,047
Operating services	21,744	-	-	-	14,494
Operating supplies	3,040	545	-	-	2,979
Other costs	3,712	-	-	-	3,000
Grants to subrecipients	-	3,821	23,209	20,407	-
Capital Outlays	-	-	-	-	-
Total Expenditures	<u>118,032</u>	<u>4,366</u>	<u>23,209</u>	<u>20,407</u>	<u>87,754</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,900</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	22,520	-
Transfers Out	-	-	-	(115,420)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,900)</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit), Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2012

	<u>Senior Center</u>	<u>Nutritional Services Incentive Program</u>	<u>Economic Development Administration</u>	<u>North Delta Caregiver</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ -	\$ 163,336	\$ -	\$ -
U.S. Department of Commerce	-	-	60,000	-
U.S. Department of Transportation	-	-	-	-
Ouachita Council of Governments	-	-	-	-
Louisiana Workforce Investment	-	-	-	-
Membership dues	-	-	23,634	-
Service Fees	-	-	-	-
Total Revenues	<u>-</u>	<u>163,336</u>	<u>83,634</u>	<u>-</u>
EXPENDITURES				
Salaries	-	-	48,052	5,433
Fringe	-	-	14,058	1,711
Travel	-	-	4,651	120
Operating services	-	-	14,913	1,599
Operating supplies	-	-	1,889	194
Other costs	-	-	71	83,843
Grants to subrecipients	-	163,336	-	-
Capital Outlays	-	-	-	-
Total Expenditures	<u>-</u>	<u>163,336</u>	<u>83,634</u>	<u>92,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,900)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	115,420
Transfers Out	-	-	-	(22,520)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,900</u>
Excess 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>270</u>	<u>-</u>	<u>36,418</u>	<u>19,603</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 270</u>	<u>\$ -</u>	<u>\$ 36,418</u>	<u>\$ 19,603</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, 2012

	<u>Council of Governments</u>	<u>Federal Transit Authority</u>	<u>Regional Human Service Contract</u>	<u>Louisiana Workforce Investment</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ -	\$ -
U.S. Department of Commerce	-	-	-	-
U.S. Department of Transportation	-	40,782	10,000	-
Ouachita Council of Governments	34,734	10,196	-	-
Louisiana Workforce Investment	-	-	-	69,200
Membership dues	-	-	-	-
Service Fees	-	-	-	-
Total Revenues	<u>34,734</u>	<u>50,978</u>	<u>10,000</u>	<u>69,200</u>
EXPENDITURES				
Salaries	17,529	33,577	5,415	42,854
Fringe	5,016	9,493	1,784	13,944
Travel	499	678	1,674	2,509
Operating services	9,720	6,373	-	8,559
Operating supplies	1,948	831	-	1,334
Other costs	22	26	-	-
Grants to subrecipients	-	-	-	-
Capital Outlays	-	-	1,127	-
Total Expenditures	<u>34,734</u>	<u>50,978</u>	<u>10,000</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 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
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, 2012

	Ombudsman	Enterprise Zone (DED)	Region 8 OHSEP Funds	Total
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 122,819	\$ -	\$ -	\$ 632,823
U.S. Department of Commerce	-	-	-	60,000
U.S. Department of Transportation	-	-	-	50,782
Ouachita Council of Governments	-	-	-	44,930
Louisiana Workforce Investment	-	-	-	69,200
Membership dues	-	-	-	23,634
Service Fees	-	-	30,000	30,000
Total Revenues	<u>122,819</u>	<u>-</u>	<u>30,000</u>	<u>911,369</u>
EXPENDITURES				
Salaries	60,673	-	22,925	345,704
Fringe	19,983	-	6,168	112,307
Travel	19,676	-	113	37,341
Operating services	19,830	-	712	97,944
Operating supplies	2,657	-	82	15,499
Other costs	-	-	-	90,674
Grants to subrecipients	-	-	-	210,773
Capital Outlays	-	-	-	1,127
Total Expenditures	<u>122,819</u>	<u>-</u>	<u>30,000</u>	<u>911,369</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	137,940
Transfers Out	-	-	-	(137,940)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess 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>15,333</u>	<u>-</u>	<u>71,624</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 15,333</u>	<u>\$ -</u>	<u>\$ 71,624</u>

(Concluded)

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

**COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS**

For the Year Ended June 30, 2012

	Balance	Additions	Deletions	Balance
	06/30/11			06/30/12
GENERAL FIXED ASSETS				
Furniture and Equipment	\$ 71,704	\$ 2,254	\$ -	\$ 73,958
 INVESTMENT IN GENERAL FIXED ASSETS				
General Fund	\$ 2,331	\$ -	\$ -	\$ 2,331
Economic Development Association	2,031	-	-	2,031
Council of Governments	2,678	-	-	2,678
Federal Transit Authority	4,618	-	-	4,618
Regional Human Service Contract	-	1,127	-	1,127
Federal Highways Administration	43,091	1,127	-	44,218
Louisiana Workforce Investment	831	-	-	831
Tri-District Development	128	-	-	128
Area Agency on Aging	3,162	-	-	3,162
Ombudsman	10,675	-	-	10,675
North Delta Caregiver	188	-	-	188
Senior Rx	1,771	-	-	1,771
Delta Regional Authority	144	-	-	144
Region 8 OHSEP	56	-	-	56
	\$ 71,704	\$ 2,254	\$ -	\$ 73,958

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

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

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

We have audited the 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, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the District, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as Finding 12-01 in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

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

We noted a certain matter that we reported to management of the District in a separate letter dated December 31, 2012.

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

This report is intended for the information of management of the District, the Board of Directors, others within the entity, federal and state awarding agencies and pass-through entities, 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.

Huffman, Huffman, Reynolds & Siquiera

(A Professional Accounting Corporation)

December 31, 2012

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**Board of Directors
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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. 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, 2012.

Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major federal

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

program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Luffey Huffman, Rajulaker, & Sigafoos

(A Professional Accounting Corporation)

December 31, 2012

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<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>
United States Department of Commerce					
Direct Program:					
Economic Development - Support for Planning Organizations	11.303	08-83-04540	01/01/10 - 12/31/12	180,000	<u>60,000</u>
Total United States Department of Commerce					<u>60,000</u>
United States Department of Transportation/ Passed-Through the Ouachita Council of Governments:					
Highway Planning & Construction	20.205	736-37-0051	07/01/11 - 06/30/12	208,342	208,342
Federal Transit - Metropolitan Planning Grants	20.505	741-37-0124	07/01/11 - 06/30/12	50,782	<u>50,782</u>
Total United States Department of Transportation					<u>259,124</u>
Delta Regional Authority					
Delta Local Development District Assistance	90.202	N/A	01/01/11 - 12/31/12	22,000	<u>22,000</u>
Total Delta Regional Authority					<u>22,000</u>
United States Department of Health and Human Services - Administration on Aging/ Passed-Through the Louisiana Governor's Office of Elderly Affairs:					
Title III D - Disease Prevention and Health Promotion Services	93.043	703063	07/01/11 - 06/30/12	23,209	<u>23,209</u>
Title III B - Ombudsman Services	93.044	703267	07/01/11 - 06/30/12	98,937	98,937
Title III B - Supportive Services	93.044	703063	07/01/11 - 06/30/12	236,040	<u>236,040</u>
Total Title III B - Grants for Supportive Services and Senior Centers					<u>334,977</u>
Title III C - Area Agency Administration					
Title III C-1 - Congregate Meals	93.045	703063	07/01/11 - 06/30/12	88,524	88,524
Title III C-1 - Congregate Meals	93.045	703063	07/01/11 - 06/30/12	227,512	227,512
Title III C-2 - Home Delivered Meals	93.045	703063	07/01/11 - 06/30/12	162,057	<u>162,057</u>
Total Title III - C - Nutrition Services					<u>478,093</u>
Title III E - National Family Caregiver Support	93.052	703063	07/01/11 - 06/30/12	84,980	<u>84,980</u>
Total Title III E - National Family Caregiver Support					<u>84,980</u>
Nutritional Services Incentive Program (NSIP)					
Food Distribution - Cash-in-Lieu of Commodities	93.053	703347	07/01/11 - 06/30/12	163,336	<u>163,336</u>
Total United States Department of Health and Human Services					<u>1,084,595</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ <u>1,425,719</u>

The District is indebted to the Department of Agriculture (Farmer's Home Administration) for a note of \$776,661 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, 2012

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.

3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

Government Funds	
Major Funds	\$ 877,951
Other Governmental Funds	<u>547,768</u>
Total Schedule of Expenditures of Federal Awards	<u>\$ 1,425,719</u>

Of the amounts listed above, the following federal funds were passed through to subrecipients:

Title III B - Supportive Services	\$ 236,040
Title III C-1 - Congregate Nutrition	227,512
Title III C-2 - Home Delivered Meals	162,057
Title III D - Preventive Health	23,209
Title III E - Caregiver	84,980
N.S.I.P. Cash-in-Lieu of Commodities	<u>163,336</u>
Total Pass Through Awards	<u>\$ 897,134</u>

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

4: RELATIONSHIP TO FUNDS SENT BY GOEA

Federal Awards revenues reported differ from amount reported sent by Louisiana Governor's Office of Elderly Affairs (GOEA) due to deferred revenues and prior year revenue remitted to GOEA, then returned by GOEA to North Delta for distribution to other agencies:

	<u>GOEA Revenue</u>	<u>Deferred Revenue Decrease (Increase)</u>	<u>Federal Awards Schedule</u>	<u>State Revenue</u>
	<u>FY12</u>	<u>(Increase)</u>	<u>FY12</u>	<u>FY12</u>
Title III C - Federal	\$ 88,524	\$ -	\$ 88,524	\$ -
Title III C - State	29,508	-	-	29,508
Title III B - Federal	98,937	-	98,937	-
Title III B - State	23,882	-	-	23,882
Title III B SS - Federal	236,040	-	236,040	-
Title III B SS - State	102,333	-	-	102,333
Title III C-1 - Federal	227,512	-	227,512	-
Title III C-1 - State	141,726	-	-	141,726
Title III C-2 - Federal	162,057	-	162,057	-
Title III C-2 - State	290,196	-	-	290,196
Title III D - Federal	23,209	-	23,209	-
Title III E - Federal	84,980	-	84,980	-
Title III E - State	28,327	1	-	28,328
Senior RX - State	87,754	-	-	87,754
Audit - State	4,366	-	-	4,366
NSIP - Federal	163,336	-	163,336	-
	<u>\$ 1,792,687</u>	<u>\$ 1</u>	<u>\$ 1,084,595</u>	<u>\$ 708,093</u>

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

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

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

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? Yes No

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

Type of auditor’s report issued on compliance for major programs: 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>
<u>Aging Cluster</u>	
93.044	Title III, Part B, Grants for Supportive Services and Senior Center
93.045	Title III, Part C, Nutrition Services
93.053	Nutrition Services Incentive Program

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

Section II – Financial Statement Findings and Questioned Costs:

12-01 Preparation of financial statements

First Reported – 2007

Finding:

A sound system of internal control requires management to be able to prepare financial statements in accordance with *Generally Accepted Accounting Principles*.

Due to the size of the District's operations and the limited resources available, the District does not employ a staff with the qualifications and training to prepare financial statements, including the related notes, in accordance with generally accepted accounting principles. The District relies on its auditors to prepare its financial statements. Others within the District are responsible for initiating, authorizing, recording, and processing financial data. This is a common practice for entities with a small accounting staff, however the auditors cannot be a compensating control for the District.

Thirteen journal entries were required to correct posting of transactions to the District's accounting records. Beginning fund balances had to be adjusted by \$202,385 due to the effects of prior-period audit adjustments which were either not posted properly or not closed out properly in the subsequent period. Also, revenues and expenses were not properly closed to the correct fund balance accounts.

These items indicate the risk of inaccurate financial reporting to external users as well as those charged with the decision making process of the District.

Recommendation:

Management should evaluate annually the cost versus benefit of employing someone with the needed expertise to prepare financial statements in accordance with generally accepted accounting principles.

Management's Corrective Action Plan:

Management has evaluated the cost versus benefit of employing someone with the needed expertise to prepare financial statements in accordance with generally accepted accounting principles and found it to be unfeasible at this time. However, the matter will be reevaluated in future years.

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

The following is a summary of the status of the prior year findings included in Luffey, Huffman, Ragsdale & Soignier (APAC)'s audit report dated March 27, 2012, covering the audit of the financial statements of North Delta Regional Planning and Development District, Incorporated as of and for the year ended June 30, 2011.

11-01 Preparation of financial statements

First Reported – 2007

Recommendation:

Management should evaluate annually the cost versus benefit of employing someone with the needed expertise to prepare financial statements in accordance with generally accepted accounting principles.

It was recommend that the Accountant and Assistant Accountant be fully educated on the organization and its methodology of recordkeeping such that there will always be someone capable to attending to the Accountant's duties in her absence.

Status:

See Finding 12-01

11-02 Financial statements were not audited or submitted timely to the proper agencies

First Reported – 2006

Recommendation:

It was recommend that the District coordinate the timing of the audit to ensure that it is completed and submitted to the Legislative Auditor within the prescribed time period.

Status:

This matter has been resolved.

Management Letter – Documentation of internal control

Recommendation:

It was recommend that management of the District document the internal control over financial reporting using the COSO framework in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time. As part of this review and documentation, the District should utilize the *Checklist of Best Practices in Government* prepared by the Legislative Auditor's office.

Status:

Management is working to correct this issue.

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA

MANAGEMENT LETTER

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

In planning and performing our audit of the general purpose financial statements of North Delta Regional Planning and Development District, Incorporated (the District) for the year ended June 30, 2012, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 31, 2012 on the basic financial statements of the District.

Documentation of Internal Control

Management of the District is charged with establishing and maintaining internal control and to assess internal control for effectiveness in design and operation. Those components are outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (commonly referred to as the COSO Report, or COSO) and consist of the Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. While certain elements of the components of internal control exist and certain aspects of the control activities have been documented, the District does not possess adequate written documentation of all components of internal control over District operations.

For management and those charged with governance to properly discharge their responsibility to establish and maintain internal control, there must exist a level of documentation of internal control sufficient to allow them to assess operating effectiveness and design, not just at a point in time, but over a period of time. As circumstances change, controls should be re-evaluated for ongoing effectiveness.

**Board of Directors
North Delta Regional Planning
and Development District, Incorporated
Management Letter
Page 2 of 2**

Recommendation:

We recommended that management update the existing documentation of internal control and expand their documentation of the internal control over financial reporting as might be required using the COSO framework or such other framework as might prove useful in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time.

Management's Corrective Action Plan:

North Delta has a manual on internal controls that documents basically the control activities portion of the COSO framework. Even though North Delta utilizes various parts of the COSO framework in their daily activities and reporting, it has not been documented. As time and budget permits, we will strive to document the other areas within the COSO framework.

Kuffney, Huffman, Royal, & Singman

(A Professional Accounting Corporation)

December 31, 2012