

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

**Financial Statements
As of and For the Year Ended June 30, 2017**

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

**Financial Statements
As of and for the Year Ended June 30, 2017**

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

**Financial Statements
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HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Total assets as presented on the Statement of Net Position are primarily comprised of capital assets, most notable, a building against which the Department of Commerce possesses a 40 year lien. Therefore, the District's ability to meet its obligations are limited to cash and cash equivalents and the timely receipt of receivables. Cash and cash equivalents only account for about a half a month of expenditures which could result in cash flow issues in a case where reimbursements are not requested or received in a timely manner. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 5 through 10 and 43 through 49 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances, the Comparative Schedule of Capital Assets and Changes in Capital Assets, and the Schedule of Compensation, Benefits, and Other

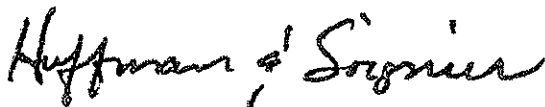
**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana**

Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Delta Regional Planning and Development District's internal control over financial reporting and compliance.



(A Professional Accounting Corporation)
April 2, 2018

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2017

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, 2017. It is designed to assist the reader in focusing on significant financial issues, identify changes in the District's financial position, and identify material deviations and individual fund issues or concerns.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1,263,189 (*net position*). Of this amount, \$91,203 (*unrestricted net position*) represents the portion of net position which is not invested in capital assets or otherwise restricted.
- The government's total net position decreased by \$151,452.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$176,339, a decrease of \$57,585 for the year. The combined ending fund balance includes \$127,640 in funds available for spending at the government's discretion (*unassigned fund equity*).

Overview of the Financial Statements

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

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

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

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

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2017

Both of the government-wide financial statements present functions of the District that are principally supported by intergovernmental revenues (governmental activities). The governmental activities of the District include general government, elderly assistance, planning for highways and transportation and economic development. The District has no business-type activities. The government-wide financial statements can be found on pages 12 and 13 of this report.

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

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

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

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

The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided on pages 43 through 49 for the general and the major special revenue funds to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 15 through 17 of this report.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2017

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 22 of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$1,263,189 for the year ended June 30, 2017.

The largest amount of the District's net position reflects its investment in capital assets of \$1,123,287 and \$1,153,567 (net of accumulated depreciation of \$144,555 and \$114,275) for the years ended June 30, 2017 and 2016, respectively.

North Delta Regional Planning and Development District, Inc.
Net Position
June 30, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	June 30,		June 30,		June 30,	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 447,880	\$ 473,287	-	\$ 56,560	\$ 447,880	\$ 529,847
Capital assets	1,123,287	1,153,567	-	-	1,123,287	1,153,567
Total assets	1,571,167	1,626,854	-	56,560	1,571,167	1,683,414
Current and other liabilities	275,185	241,884	-	4,197	275,185	246,081
Long-term liabilities	32,793	22,692	-	-	32,793	22,692
Total liabilities	307,978	264,576	-	4,197	307,978	268,773
Net Position:						
Net investment in capital assets	1,123,287	1,153,567	-	-	1,123,287	1,153,567
Restricted for:						
Health, welfare, & social services	38,699	52,477	-	-	38,699	52,477
Economic development	10,000	141,820	-	-	10,000	141,820
Revolving loans	-	-	-	52,363	-	52,363
Unrestricted	91,203	14,414	-	-	91,203	14,414
Total net position	\$ 1,263,189	\$ 1,362,278	-	\$ 52,363	\$ 1,263,189	\$ 1,414,641

The balance of \$1,263,189 in net position in the governmental activities represents the accumulated results of all past years' operations. Net position of governmental activities

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2017

decreased by \$99,089 and net position of business-type activities decreased by \$52,363 for the fiscal year. The changes in net position are discussed later in this MD&A.

Governmental activities. Key elements of the changes in the governmental net position are as follows:

North Delta Regional Planning and Development District, Inc.						
Changes in Net Position						
For the Years Ended June 30, 2017 and 2016						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue						
Program Revenues:						
Charges for services	\$ -	\$ 121,561	\$ -	\$ -	\$ -	\$ 121,561
Operating grants and contributions	2,262,254	2,230,853	-	-	2,262,254	2,230,853
General Revenues:						
Dues	56,475	73,101	-	-	56,475	73,101
Other general revenues	60,425	113,027	-	322,866	60,425	435,893
Total revenues	<u>2,379,154</u>	<u>2,538,542</u>	<u>-</u>	<u>322,866</u>	<u>2,379,154</u>	<u>2,861,408</u>
Expenses						
General government	172,076	145,144	-	-	172,076	145,144
Health, welfare, & social services	1,658,128	1,668,671	-	-	1,658,128	1,668,671
Planning for highways and public transportation	483,818	408,440	-	-	483,818	408,440
Public safety	-	4,400	-	-	-	4,400
Economic Development	164,221	200,819	-	-	164,221	200,819
Rural business lending	-	-	52,363	4,808	52,363	4,808
Total expenses	<u>2,478,243</u>	<u>2,427,474</u>	<u>52,363</u>	<u>4,808</u>	<u>2,530,606</u>	<u>2,432,282</u>
Change in net position	<u>\$ (99,089)</u>	<u>\$ 111,068</u>	<u>\$ (52,363)</u>	<u>\$ 318,058</u>	<u>\$ (151,452)</u>	<u>\$ 429,126</u>

Governmental Activities

Expenses are classified by functions/programs. For the fiscal years ended June 30, 2017 and 2016, general government accounts for \$172,076 and \$145,144, respectively, while elderly assistance accounts for \$1,658,128 and \$1,668,671, respectively, transportation and economic development account for \$648,039 and \$609,259, respectively, and public safety accounts for \$0 and \$4,400, respectively.

The program revenues for fiscal years 2017 and 2016 directly related to these expenses totaled \$2,262,254 and \$2,538,542, which resulted in net program loss of \$215,989 for the year ended June 30, 2017 and \$75,060 for the year ended June 30, 2016. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from dues of \$56,475 for the years ended June 30, 2017.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2017

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, 2017, and 2016 of the total revenue amount of \$1,660,825 and \$1,701,544; of which \$1,351,374 and \$1,153,790 was passed through to the various Councils on Aging in northeast Louisiana, respectively.

Business-type Activities

Business-type activities, as expected, ceased during fiscal year. The financial activities for the year were limited to the USDA Rural Development Revolving Loan Fund's payment of \$4,197 of its June 30, 2016 vendors. The Rural Business Enterprise Grant only activity in fiscal year 2017 was limited to the \$52,363 transfer of funds to the General Fund. Neither fund has any remaining assets, liabilities or net position as of June 30, 2017.

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 \$176,339 and \$233,924 for 2017 and 2016 respectively, a decrease of \$57,585 for the year ended June 30, 2017. Of the ending fund balance, \$10,000 represents amounts restricted for economic development and \$38,699 represents amounts restricted for health, welfare, and social services. The remaining balance of \$127,640 represents unassigned funds available for spending at the District's discretion.

General Fund Budgetary Highlights

In accordance with grant agreements, the District must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original budget was adopted on July 26, 2016. The Executive Committee approved the revised budget on June 8, 2017.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2017

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, 2017 and 2016 amounts to \$1,123,287 and \$1,153,567 (net of accumulated depreciation). This investment in capital assets is as follows:

Capital Assets

	June 30,	
	2017	2016
Land	\$ 310,421	\$ 310,421
Buildings	883,507	883,507
Office furniture and equipment	73,914	73,914
Less: accumulated depreciation	(144,555)	(114,275)
Total Capital Assets	\$ 1,123,287	\$ 1,153,567

The District, with the assistance of a Department of Commerce grant, purchased the Kilpatrick Building which will be called the North Delta Innovation and Technology Disaster Recovery Center. More detailed information for capital assets is found in Note 7, Changes in Capital Assets, of the Notes to the Financial Statements.

Outstanding Debt

The District's outstanding debt for the years ended June 30, 2017 and 2016 is limited to compensated absences of \$36,437 and \$25,213, respectively.

Economic Factors and Next Year's Budgets and Rates

Current factors considered in preparing the District's budget for the 2018 fiscal year indicates no significant change from the projected revenues and expenditures of the 2017 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 David Creed, 3000 Kilpatrick Blvd, Monroe, LA, 71201.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

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

**Statement of Net Position
June 30, 2017**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
Assets					
Cash and cash equivalents	\$ 139,078	\$	-	\$	139,078
Receivables	305,981		-		305,981
Prepaid Items	2,822		-		2,822
Capital assets, net	1,123,287		-		1,123,287
Total Assets	<u>1,571,168</u>		<u>-</u>		<u>1,571,168</u>
Liabilities					
Accounts, salaries and other payables	185,492		-		185,492
Due to grantor	27,806		-		27,806
Deferred revenues	58,244		-		58,244
Long-term liabilities					
Due within one year	3,644		-		3,644
Due in more than one year	32,793		-		32,793
Total liabilities	<u>307,979</u>		<u>-</u>		<u>307,979</u>
Net Position					
Net investment in capital assets	1,123,287		-		1,123,287
Restricted for:					
Health, welfare, & social services	38,699		-		38,699
Economic development	10,000		-		10,000
Unrestricted	91,203		-		91,203
Total net position	<u>\$ 1,263,189</u>	\$	<u>-</u>	\$	<u>1,263,189</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
For the Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u>		<u>Total</u>
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental activities						
General	\$ 332,903	\$ (160,827)	-	\$ (172,076)	-	\$ (172,076)
Health, welfare & social services						
Supportive services	312,628	-	312,628	-	-	-
Nutrition services	1,004,524	-	1,010,349	5,825	-	5,825
Preventive health & medication assistance	22,975	-	19,847	(3,128)	-	(3,128)
Family caregiver support	76,777	-	76,777	-	-	-
Ombudsman	104,936	22,883	127,819	-	-	-
Area Agency on Aging administration	88,361	25,044	113,405	-	-	-
Planning for highways and public transportation	404,168	79,650	337,960	(145,858)	-	(145,858)
Public safety	-	-	155,028	155,028	-	155,028
Economic development	130,971	33,250	108,441	(55,780)	-	(55,780)
Total governmental activities	<u>2,478,243</u>	<u>-</u>	<u>2,262,254</u>	<u>(215,989)</u>	<u>-</u>	<u>(215,989)</u>
General revenues						
Dues				56,475	-	56,475
Miscellaneous				7,912	-	7,912
Rental Income				150	-	150
Transfers				52,363	(52,363)	-
Total general revenues				<u>116,900</u>	<u>(52,363)</u>	<u>64,537</u>
Change in net position				(99,089)	(52,363)	(151,452)
Net position at beginning of year				<u>1,362,278</u>	<u>52,363</u>	<u>1,414,641</u>
NET POSITION AT END OF YEAR				<u>\$ 1,263,189</u>	<u>\$ -</u>	<u>\$ 1,263,189</u>

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

FUND FINANCIAL STATEMENTS

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana
Balance Sheet
Governmental Funds
June 30, 2017

Major Funds

	Special Revenue Funds						Other Governmental Funds	Total
	General Fund	Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Federal Highway Authority	Strategic Highway Safety Plan		
Assets								
Cash and cash equivalents	\$ 48,993	\$ 49,817	\$ -	\$ -	\$ -	\$ -	\$ 40,268	\$ 139,078
Receivables	285	1,787	9,054	31,494	63,282	131,730	68,349	305,981
Prepaid Items	2,822	-	-	-	-	-	-	2,822
Due from other funds	271,238	8,989	32,818	31,464	-	-	93,239	437,748
TOTAL ASSETS	<u>\$ 323,338</u>	<u>\$ 60,593</u>	<u>\$ 41,872</u>	<u>\$ 62,958</u>	<u>\$ 63,282</u>	<u>\$ 131,730</u>	<u>\$ 201,856</u>	<u>\$ 885,629</u>
Liabilities								
Accounts, salaries and other payables	\$ 28,278	\$ 44,168	\$ 38,912	\$ 48,050	\$ -	\$ -	\$ 26,084	\$ 185,492
Due to other funds	167,420	-	-	-	63,282	131,730	75,316	437,748
Due to grantor	-	11,812	-	-	-	-	15,994	27,806
Deferred revenues	-	4,613	2,960	14,908	-	-	35,763	58,244
Total liabilities	<u>195,698</u>	<u>60,593</u>	<u>41,872</u>	<u>62,958</u>	<u>63,282</u>	<u>131,730</u>	<u>153,157</u>	<u>709,290</u>
Fund equity								
Fund balance .								
Nonspendable	2,822	-	-	-	-	-	-	2,822
Restricted for health, welfare, & social services	-	-	-	-	-	-	38,699	38,699
Restricted for economic development	-	-	-	-	-	-	10,000	10,000
Unassigned	124,818	-	-	-	-	-	-	124,818
Total fund equity	<u>127,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,699</u>	<u>176,339</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 323,338</u>	<u>\$ 60,593</u>	<u>\$ 41,872</u>	<u>\$ 62,958</u>	<u>\$ 63,282</u>	<u>\$ 131,730</u>	<u>\$ 201,856</u>	<u>\$ 885,629</u>

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

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana
Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2017**

Fund balances - total governmental funds	\$	176,339
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$	1,267,842
Less: accumulated depreciation		<u>(144,555)</u>
		1,123,287
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Compensated absences payable		<u>(36,437)</u>
Net position of governmental activities	\$	<u><u>1,263,189</u></u>

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

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED**
Monroe, Louisiana
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2017

	Major Funds							Total
	General Fund	Special Revenue Funds				Other Governmental Funds		
		Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Federal Highway Authority			
Revenues								
Intergovernmental								
Governor's Office of Elderly Affairs	\$ -	\$ 312,628	\$ 403,244	\$ 432,370	\$ -	\$ -	\$ 512,583	\$ 1,660,825
U.S. Department of Commerce	-	-	-	-	-	-	62,855	62,855
U.S. Department of Transportation	-	-	-	-	193,976	140,028	57,069	391,073
Ouachita Council of Governments	-	-	-	-	48,402	-	53,513	101,915
Other Federal grants	-	-	-	-	-	-	22,000	22,000
Other State Grants	-	-	-	-	-	-	23,586	23,586
Membership dues	-	-	-	-	-	-	56,475	56,475
Miscellaneous	7,912	-	-	-	-	-	-	7,912
Rental Income	150	-	-	-	-	-	-	150
Total Revenues	<u>8,062</u>	<u>312,628</u>	<u>403,244</u>	<u>432,370</u>	<u>242,378</u>	<u>140,028</u>	<u>788,081</u>	<u>2,326,791</u>
Expenditures								
General	160,852	-	-	-	-	-	-	160,852
Health, welfare, & social services	-	312,628	403,244	432,370	-	-	397,066	1,545,308
Planning for highways and public transportation	-	-	-	-	242,378	140,028	109,168	491,574
Economic development	-	-	-	-	-	-	239,005	239,005
Total Expenditures	<u>160,852</u>	<u>312,628</u>	<u>403,244</u>	<u>432,370</u>	<u>242,378</u>	<u>140,028</u>	<u>745,239</u>	<u>2,436,739</u>
Excess (Deficiency) of Revenues Over Expenditures	(152,790)	-	-	-	-	-	42,842	(109,948)
Other Financing Sources / (Uses)								
Transfers in	102,111	-	-	-	-	-	3,128	105,239
Transfers out	(3,128)	-	-	-	-	-	(49,748)	(52,876)
Total Other Financing Sources/(Uses)	<u>98,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,620)</u>	<u>52,363</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(53,807)	-	-	-	-	-	(3,778)	(57,585)
Fund Balances at Beginning of Year	<u>181,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,477</u>	<u>233,924</u>
FUND BALANCES AT END OF YEAR	<u>\$ 127,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,699</u>	<u>\$ 176,339</u>

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

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
Monroe, Louisiana
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017**

Net change in fund balances - total governmental funds	\$	(57,585)
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense		(30,280)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences payable		(11,224)
Change in net position of governmental activities	\$	<u>(99,089)</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 Position
Proprietary Funds
June 30, 2017**

	Major Funds		
	Business-type Activities - Enterprise Funds		
	USDA Rural Development Revolving Loan	Rural Business Enterprise Grant	Total
ASSETS			
Current assets			
Cash and cash equivalents, restricted	\$ -	\$ -	\$ -
Due from other funds	-	-	-
Total current assets	-	-	-
Total assets	\$ -	\$ -	\$ -
LIABILITIES			
Current liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total current liabilities	-	-	-
Total liabilities	-	-	-
NET POSITION			
Restricted	-	-	-
Total net position	\$ -	\$ -	\$ -

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 Position
Proprietary Funds
For the Year Ended June 30, 2017**

	<u>Major Funds</u>		
	<u>Business-type Activities - Enterprise Funds</u>		
	USDA Rural Development Revolving Loan	Rural Business Enterprise Grant	Total
OPERATING REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Other operating expenses	-	-	-
Total operating expenses	-	-	-
Operating Income (Loss)	-	-	-
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (losses)	-	-	-
Total nonoperating revenues (expenses)	-	-	-
Transfers			
Transfers in (out)	-	(52,363)	(52,363)
Total transfers	-	(52,363)	(52,363)
Change in net position	-	(52,363)	(52,363)
Net position beginning of year	-	52,363	52,363
Net position end of year	\$ -	\$ -	\$ -

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, 2017

	<u>Major Funds</u>		<u>Total</u>
	<u>Business-type Activities - Enterprise Funds</u>		
	<u>USDA Rural Development Revolving Loan</u>	<u>Rural Business Enterprise Grant</u>	
Cash flows from operating activities			
Cash payments to suppliers for goods and services	\$ (4,197)	\$ -	\$ (4,197)
Net cash used for operating activities	<u>(4,197)</u>	<u>-</u>	<u>(4,197)</u>
Net increase (decrease) in cash and cash equivalents	(4,197)	-	(4,197)
Cash and cash equivalents, July 1, 2016	<u>4,197</u>	<u>-</u>	<u>4,197</u>
Cash and cash equivalents, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash used for operating activities			
Operating loss	\$ -	\$ -	\$ -
Change in accounts payable	<u>4,197</u>	<u>-</u>	<u>4,197</u>
Net cash used for operating activities	<u>\$ 4,197</u>	<u>\$ -</u>	<u>\$ 4,197</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
JUNE 30, 2017**

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
JUNE 30, 2017**

B. Basis of Presentation

The District's basic financial statements consist of the government-wide statements on all of the activities of the government and the fund financial statements (individual major funds and combined non-major funds). The financial statements have been prepared on an accrual basis and in conformity with Generally Accepted Accounting Principles (GAAP). The financial statements of the District are presented as recommended by the Financial Accounting Standards Board in ASC 958-205, *Not For Profit Entities-Presentation of Financial Statements*.

Government-wide Financial Statements

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

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

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

Fund Financial Statements

The District uses funds, both major and non-major, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Emphasis of fund

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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

reporting is on the major fund level in the governmental category. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements.

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

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

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

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 – Supportive Services 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. This program provides access services, in-home services, community services, legal services and transportation for the elderly.

Title III C-1 – Congregate Meals

Title III C-1 funds are provided by the United States Department of Health and Human Services to the Governor's Office of Elderly Affairs (GOEA), which passes through the funds to the District for further distribution to six parish

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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 (LDOT) to provide these planning services. The Ouachita Council of Governments contracted with the District to provide technical assistance in carrying out its contract with the Louisiana Department of Transportation and Development.

Strategic Highway Safety Plan

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

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.

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Title III D – Preventive Health Fund

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

Title III E – Caregiver

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

North Delta Caregiver

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

This fund was closed into the General Fund during fiscal year 2017.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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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.

Louisiana Delta Ready Community

The Louisiana Delta Ready Community program accounts for grants to promote economic development resources to parishes in northeast Louisiana to help create economic growth and jobs.

Council of Governments

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

Federal Transit Authority

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

Regional Human Service Contract

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

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**NOTES TO THE FINANCIAL STATEMENTS
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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.

Delta Regional Authority

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

Business-type activities presented as Enterprise Funds in the fund financial statements are limited to two funds, both of which were closed during fiscal year 2017. The USDA Rural Development Revolving Loan activity was limited to the payment of \$4,197 of its June 30, 2016 vendors. The Rural Business Enterprise Grant only activity in fiscal year 2017 was limited to the \$52,363 transfer of funds to the General Fund. Neither fund has any remaining assets, liabilities or net position as of June 30, 2017.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

determined and “available” means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers funds to be available if they are collected within 60 days of the fiscal year end. Intergovernmental and other Grants have been treated as susceptible to accrual.

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

Revenues

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

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

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

D. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Fund Financial Statements:

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

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

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

Revenues

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

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

Expenditures

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

Other Financing Sources (Uses)

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

D. Budgets

General Budget Policies

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

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

F. Short Term Interfund Receivables/Payables

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

G. Prepaid Items

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

H. Capital Assets

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

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

I. 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.

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

J. 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.

K. Net Position and Fund Equity

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

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

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

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

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Restricted fund balance has limitations imposed by creditors, grantors, contributors, or by enabling legislation or constitutional provisions. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four categories. The District did not recognize any fund balances as nonspendable, committed, or assigned as of June 30, 2017.

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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.

L. Interfund Transactions

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

M. Use Of Estimates

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

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 2 - Cash and Cash Equivalents

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

At June 30, 2017, the District has cash and cash equivalents (book balances) totaling \$139,077 as follows:

Demand deposits	\$ 116,416
Cash equivalents	22,462
Petty cash	200
TOTAL	\$ <u>139,078</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 bank balance on the District's deposits was \$146,463. Of the bank balance, \$146,463 was covered by federal depository insurance or by collateral held by the District's agent in the District's name (GASB Category 1).

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

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

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

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 3 - Receivables

Receivables at June 30, 2017, are as follows:

Program	Funding Agency	Amount
Major Governmental Funds		
General Fund		
Miscellaneous	Miscellaneous	\$ 285
Total General Fund		<u>285</u>
Major Special Revenue Funds		
Title IIIB Supportive Services	LA Governor's Office of Elderly Affa	1,787
Title III C-1 Congregate Meals	LA Governor's Office of Elderly Affa	9,054
Title III-C-2 Home Delivered Meals	LA Governor's Office of Elderly Affa	31,494
Federal Highway Admin	Ouachita Council of Governments	63,282
Strategic Highway Safety Plan	Ouachita Council of Governments	131,730
Total Major Special Revenue Funds		<u>237,347</u>
Nonmajor Special Revenue Funds		
Economic Development Admin.	Various local governments	19,704
Council of Governments	Ouachita Council of Governments	20,765
Federal Transit Authority	Ouachita Council of Governments	12,713
Regional Human Service Contract	Ouachita Council of Governments	4,265
Louisiana Delta Ready Community	Other state grant	5,402
Delta Regional Authority	Delta Regional Authority	5,500
Total Nonmajor Special Revenue Funds		<u>68,349</u>
Total - All Funds		<u><u>\$305,981</u></u>

Note 4 - Changes in Capital Assets

Changes in capital assets for the year ended June 30, 2017 are as follows:

	<u>6/30/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2017</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 310,421	\$ -	\$ -	\$ 310,421
Capital assets being depreciated				
Building	883,507		-	883,507
Office furniture and equipment	73,914	-	-	73,914
Less: accumulated depreciation	(114,275)	(30,280)	-	(144,555)
Total capital assets being depreciated	<u>843,146</u>	<u>(30,280)</u>	<u>-</u>	<u>812,866</u>
Total governmental activities				
capial assets, net	<u>\$ 1,153,567</u>	<u>\$ (30,280)</u>	<u>\$ -</u>	<u>\$ 1,123,287</u>

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Depreciation expense of \$30,280 was charged to the following governmental activities functions: Planning for highways and public transportation \$830; and economic development \$29,450.

Also see Restricted Asset, Note 5 below.

Note 5 - Restricted Asset

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

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

The Center is included in capital assets on the Statement of Net Position at \$1,122,757 (\$1,193,928 in costs less \$71,171 in accumulated depreciation) as of June 30, 2017.

Note 6 - Accounts, Salaries and Other Payables

Payables at June 30, 2017, associated with governmental funds consisted of accounts and other payables of \$173,948 and salaries payable and related liabilities of \$11,544.

Note 7 - Compensated Absences

At June 30, 2017, employees of the District have accumulated and vested \$36,437 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT, INCORPORATED
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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 8 - Interfund Assets/Liabilities

Balances due from/to other funds are listed by fund for the year ended June 30, 2017:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds		
General Fund	\$ 271,238	\$ 167,420
Special Revenue Funds		
Title III-B Supportive Services	8,989	-
Title III C-1 Congregate Meals	32,818	-
Title III C-2 Home Delivered Meals	31,464	-
Federal Highways Administration	-	63,282
Strategic Highway Safety Plan	-	131,730
NonMajor Funds		
Special Revenue Funds		
Area Agency on Aging	16,221	-
Title IID Preventive Health	8,009	-
Title IIE Caregiver	11,278	-
NISP, Cash-in-Lieu	57,495	-
Economic Development Administration	-	19,427
Louisiana Delta Ready Community-LED	-	402
Council of Governments	-	10,765
Federal Transit Authority	-	12,712
Regional Human Services Contract	-	4,265
Ombudsman	236	-
Delta Regional Authority	-	27,745
Total	\$ <u>437,748</u>	\$ <u>437,748</u>

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

Note 9 - Retirement Systems

Substantially all employees of the District are eligible to participate in the Deferred Compensation Plan for Public Employees. For 2017, participants may contribute up to one hundred percent of their gross salary, not exceeding \$18,000 or \$24,000 if the participant is at least 50 years of age. The District will match up to five percent of their salary on their behalf.

The District's total payroll during the fiscal year ending June 30, 2017, was \$490,184. Employee contributions totaled \$18,056 and employer contributions totaled \$18,056.

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 10 - Restricted Fund Balances (FFS level only)

The following Governmental Funds' fund balances are legally restricted for the following purposes:

<u>RESTRICTED</u>	<u>PURPOSE</u>	<u>6/30/17</u>
Nonmajor Funds:		
Special Revenue Funds:		
NSIP - Cash-in-Lieu of Commodities	Health, welfare & social services	\$ 38,699
Council of Governments	Economic development	10,000
Total Nonmajor Special Revenue		<u>48,699</u>
Total Governmental Funds		<u>\$ 48,699</u>

Note 11 - Leases

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

- In addition, the District has annual operating lease agreements for the following office equipment:
 - Kyocera Copier. Monthly lease payments of \$299 for 36 months beginning in May 2015.
 - Pitney Bowes mailing machine and scales. Quarterly payments are \$1,284 on an ongoing basis at the District's discretion.

Future minimum lease payments under these agreements are \$3,289 in fiscal year 2018.

Note 12 - Interfund Transfers

Transfers in and out are listed by fund for the year ended June 30, 2017:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General Fund	\$ 102,111	\$ 3,128
Major Enterprise Funds		
USDA Rural Development Revolving Loan	-	52,363
Nonmajor Special Revenue Funds		
Title IID, Preventative Health	3,128	-
North Delta Caregiver	-	19,604
Delta Regional Authority	-	30,144
Total	<u>\$ 105,239</u>	<u>\$ 105,239</u>

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

Monroe, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

North Delta closed its USDA Rural Development Revolving Loan Fund by transferring the remaining \$52,363 to the General Fund.

Note 13 - Dual Roles of Staff and Related Party Transactions

The Executive Director of the District also serves as Executive Secretary of the Ouachita Council of Governments (OCOG). The District has contracted with OCOG to provide technical assistance in carrying out OCOG's federal and local program activities. For the year ended June 30, 2017, the District recorded \$43,019 of revenues from OCOG. The Executive Director of the District also serves as President of the Louisiana Delta Reinvestment Corporation.

Note 14 - Litigation and Claims

Litigation – At June 30, 2017, the District was not involved in any litigation, nor were there any claims pending which might have a material impact on the financial statements.

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

Note 15 - Economic Dependency

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 16 - Compensation of Board Members

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

Note 17 - Subsequent Events

Management has evaluated subsequent events through March 30, 2018, the date which the financial statements were available to be issued, and determined that no events occurred that require disclosure.

Note 18 - Restatement

In fiscal year 2015, the Kilpatrick Building / EDA was initially set up and was classified as a special revenue fund. During fiscal year 2017, this fund was reclassified to be included as part of the General Fund due to a reevaluation of its purpose and specifically, its lack of ongoing activity coupled with its accumulated fund balance not being required to be segregated for a specific purpose. Therefore, its \$141,820 in fund balance at June 30, 2016 has been restated to be included in the General Fund's fund balance at July 1, 2016 which had originally been reflected at \$39,627. The General Fund's restated balance at July 1, 2016 is now being reflected at \$181,447.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

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

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

GENERAL FUND

For the Year Ended June 30, 2017

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance With Amended Budget
	Original Budget	Amended Budget	(Budgetary Basis)	Positive (Negative)
REVENUES				
Other Federal Grants	\$ -	\$ -	\$ -	-
Other State Grants	-	-	-	-
Fees for services	-	-	-	-
Miscellaneous	-	-	7,912	7,912
Rental income	-	-	150	150
Total Revenues	-	-	8,062	8,062
EXPENDITURES				
Current:				
Salaries	-	3,633	4,672	(4,672)
Fringe	-	18,578	7,355	(7,355)
Travel	-	1,792	9,458	(9,458)
Operating services	-	77,702	112,812	(112,812)
Operating supplies	-	1,771	1,867	(1,867)
Other costs	-	32,689	24,687	(24,687)
Other Administrative Expenses	-	-	-	-
Total Expenditures	-	136,165	160,851	(160,851)
Excess of Revenues Over Expenditures	-	(136,165)	(152,789)	(152,789)
Other Financing Sources				
Transfers in	-	-	102,111	102,111
Transfers out	-	-	(3,128)	(3,128)
Total other financing sources	-	-	98,983	98,983
Excess of Revenues and Other Financing Sources Over Expenditures	-	(136,165)	(53,806)	(53,806)
Fund Balances at Beginning of Year	-	-	181,447	181,447
FUND BALANCES AT END OF YEAR	\$ -	\$ (136,165)	\$ 127,641	\$ 127,641

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

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

TITLE III B SUPPORTIVE SERVICES FUND

For the Year Ended June 30, 2017

	<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	\$ -	\$ -	\$ 312,628	\$ 312,628
Total Revenues	<u>-</u>	<u>-</u>	<u>312,628</u>	<u>312,628</u>
EXPENDITURES				
Current:				
Grants to Subrecipients:				
East Carroll Council on Aging	-	-	24,954	(24,954)
Franklin Council on Aging	-	-	55,022	(55,022)
Jackson Council on Aging	-	-	49,623	(49,623)
Madison Council on Aging	-	-	67,171	(67,171)
Richland Council on Aging	-	-	31,541	(31,541)
Tensas Council on Aging	-	-	24,420	(24,420)
Union Council on Aging	-	-	49,430	(49,430)
North Louisiana Legal Assistance	-	-	10,467	(10,467)
Total Expenditures	<u>-</u>	<u>-</u>	<u>312,628</u>	<u>(312,628)</u>
Excess of Revenues over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

TITLE III C-1 CONGREGATE MEALS FUND

For the Year Ended June 30, 2017

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance With Amended Budget
	Original Budget	Amended Budget	(Budgetary Basis)	Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Louisiana Governor's Office of Elderly Affairs	\$ -	\$ -	\$ 403,244	\$ 403,244
Total Revenues	-	-	403,244	403,244
EXPENDITURES				
Current:				
Operating Services	-	-	321,095	(321,095)
Grants to Subrecipients:				
East Carroll Council on Aging	-	-	36,170	(36,170)
Franklin Council on Aging	-	-	3,290	(3,290)
Jackson Council on Aging	-	-	3,659	(3,659)
Madison Council on Aging	-	-	23,550	(23,550)
Richland Council on Aging	-	-	15,480	(15,480)
Tensas Council on Aging	-	-	-	-
Union Council on Aging	-	-	-	-
Total Expenditures	-	-	403,244	(403,244)
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

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

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

TITLE III C-2 HOME DELIVERED MEALS FUND

For the Year Ended June 30, 2017

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance With Amended Budget
	Original Budget	Amended Budget	(Budgetary Basis)	Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
Louisiana Governor's Office of Elderly Affairs	\$ -	\$ -	\$ 432,370	\$ 432,370
Total Revenues	-	-	432,370	432,370
EXPENDITURES				
Current:				
Operating Services	-	-	314,510	(314,510)
Grants to Subrecipients:				
East Carroll Council on Aging	-	-	33,645	(33,645)
Franklin Council on Aging	-	-	915	(915)
Jackson Council on Aging	-	-	7,299	(7,299)
Madison Council on Aging	-	-	28,775	(28,775)
Richland Council on Aging	-	-	37,480	(37,480)
Tensas Council on Aging	-	-	9,147	(9,147)
Union Council on Aging	-	-	599	(599)
Total Expenditures	-	-	432,370	(432,370)
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

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

FEDERAL HIGHWAYS ADMINISTRATION

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
U.S. Department of Transportation	\$ -	\$ -	\$ 193,976	\$ 193,976
Ouachita Council of Governments	-	-	48,402	48,402
Total Revenues	<u>-</u>	<u>-</u>	<u>242,378</u>	<u>242,378</u>
EXPENDITURES				
Current:				
Planning for Highways and Public Transportation	-	253,470	242,378	11,092
Capital Outlays	-	-	-	-
Total Expenditures	<u>-</u>	<u>253,470</u>	<u>242,378</u>	<u>11,092</u>
Excess of Revenues Over Expenditures	-	(253,470)	-	253,470
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ (253,470)</u>	<u>\$ -</u>	<u>\$ 253,470</u>

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

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

STRATEGIC HIGHWAY SAFETY PLAN

For the Year Ended June 30, 2017

	<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	\$ -	\$ -	\$ 140,028	\$ 140,028
Ouachita Council of Governments	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>140,028</u>	<u>140,028</u>
EXPENDITURES				
Current:				
Planning for Highways and Public Transportation	-	142,000	140,028	1,972
Capital Outlays	-	-	-	-
Total Expenditures	<u>-</u>	<u>142,000</u>	<u>140,028</u>	<u>1,972</u>
Excess of Revenues Over Expenditures	-	(142,000)	-	142,000
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ (142,000)</u>	<u>\$ -</u>	<u>\$ 142,000</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, 2017

	<u>Area Agency on Aging</u>	<u>Title III D Preventive Health</u>	<u>Title III E Caregiver</u>	<u>North Delta Caregiver</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 113,405	\$ 19,847	\$ 76,777	\$ -
U.S. Department of Commerce	-	-	-	-
U.S. Department of Transportation	-	-	-	-
Ouachita Council of Governments	-	-	-	-
Other Federal Grants	-	-	-	-
Other State Grants	-	-	-	-
Membership Dues	-	-	-	-
Service Fees	-	-	-	-
Total Revenues	<u>113,405</u>	<u>19,847</u>	<u>76,777</u>	<u>-</u>
EXPENDITURES				
Salaries	65,385	-	-	-
Fringe	12,525	-	-	-
Travel	1,428	-	-	-
Operating services	32,616	22,975	10,080	-
Operating supplies	1,451	-	-	-
Other costs	-	-	649	-
Grants to subrecipients	-	-	66,048	-
Total Expenditures	<u>113,405</u>	<u>22,975</u>	<u>76,777</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(3,128)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	3,128	-	-
Transfers Out	-	-	-	(19,604)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,128</u>	<u>-</u>	<u>(19,604)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,604)</u>
Fund Balances (Deficit), Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,604</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

For the Year Ended June 30, 2017

	<u>NSIP</u> <u>Cash-in-Lieu</u>	<u>Economic</u> <u>Development</u> <u>Administration</u>	<u>Louisiana</u> <u>Delta</u> <u>Ready</u> <u>Community</u>	<u>Council</u> <u>of</u> <u>Governments</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 174,735	\$ -	\$ -	-
U.S. Department of Commerce	-	62,855	-	-
U.S. Department of Transportation	-	-	-	-
Ouachita Council of Governments	-	-	-	43,019
Other Federal Grants	-	-	-	-
Other State Grants	-	-	23,586	-
Membership Dues	-	21,037	-	-
Service Fees	-	-	-	-
Total Revenues	<u>174,735</u>	<u>83,892</u>	<u>23,586</u>	<u>43,019</u>
EXPENDITURES				
Salaries	-	39,080	-	19,435
Fringe	-	11,071	-	5,731
Travel	-	2,656	-	306
Operating services	168,909	14,904	23,586	6,126
Operating supplies	-	1,659	-	555
Other costs	-	14,522	-	866
Grants to subrecipients	-	-	-	-
Total Expenditures	<u>168,909</u>	<u>83,892</u>	<u>23,586</u>	<u>33,019</u>
Excess (Deficiency) of Revenues Over				
Expenditures	<u>5,826</u>	<u>-</u>	<u>-</u>	<u>10,000</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>5,826</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Fund Balances (Deficit), Beginning of Year	<u>32,873</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 38,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,000</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

For the Year Ended June 30, 2017

	<u>Federal Transit Authority</u>	<u>Regional Human Service Contract</u>	<u>Ombudsman</u>	<u>Delta Regional Authority</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ 127,819	\$ -
U.S. Department of Commerce	-	-	-	-
U.S. Department of Transportation	42,069	15,000	-	-
Ouachita Council of Governments	10,494	-	-	-
Other Federal Grants	-	-	-	22,000
Other State Grants	-	-	-	-
Membership Dues	-	-	-	35,438
Service Fees	-	-	-	-
Total Revenues	<u>52,563</u>	<u>15,000</u>	<u>127,819</u>	<u>57,438</u>
EXPENDITURES				
Salaries	31,463	9,418	67,155	11,358
Fringe	7,746	2,823	22,370	3,564
Travel	644	-	15,980	743
Operating services	11,308	9	20,281	10,157
Operating supplies	1,034	2,750	1,976	1,472
Other costs	368	-	57	-
Grants to subrecipients	-	-	-	-
Total Expenditures	<u>52,563</u>	<u>15,000</u>	<u>127,819</u>	<u>27,294</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,144</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(30,144)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,144)</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

For the Year Ended June 30, 2017

	Total
REVENUES	
Intergovernmental:	
Governor's Office of Elderly Affairs	\$ 512,583
U.S. Department of Commerce	62,855
U.S. Department of Transportation	57,069
Ouachita Council of Governments	53,513
Other Federal Grants	22,000
Other State Grants	23,586
Membership Dues	56,475
Service Fees	-
Total Revenues	788,081
EXPENDITURES	
Salaries	243,294
Fringe	65,830
Travel	21,757
Operating services	320,951
Operating supplies	10,897
Other costs	16,462
Grants to subrecipients	66,048
Total Expenditures	745,239
Excess (Deficiency) of Revenues Over	
Expenditures	42,842
OTHER FINANCING SOURCES (USES)	
Transfers In	3,128
Transfers Out	(49,748)
Total Other Financing Sources (Uses)	(46,620)
Excess of Revenues and Other Sources	
Over Expenditures and Other Uses	(3,778)
Fund Balances (Deficit), Beginning of Year	52,477
FUND BALANCES (DEFICIT), END OF YEAR	\$ 48,699

(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, 2017

	<u>Balance</u>				<u>Balance</u>
	<u>6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>		<u>6/30/2017</u>
CAPITAL ASSETS					
Land	\$ 310,421	\$ -	\$ -		\$ 310,421
Buildings	883,507	-	-		883,507
Furniture and Equipment	<u>73,914</u>	<u>-</u>	<u>-</u>		<u>73,914</u>
	<u>\$ 1,267,842</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 1,267,842</u>
 INVESTMENT IN CAPITAL ASSETS					
Major Funds					
General Fund	\$ 3,049	\$ -	\$ -		\$ 3,049
Federal Highways Administration	46,414	-	-		46,414
Nonmajor Funds					
Economic Development Assistance	1,195,842	-	-		1,195,842
Tri-District Development	76	-	-		76
Delta Regional Authority	144	-	-		144
Area Agency on Aging	1,572	-	-		1,572
Senior Rx	1,771	-	-		1,771
North Delta Caregiver	171	-	-		171
Council of Governments	2,587	-	-		2,587
Federal Transit Authority	4,553	-	-		4,553
Regional Human Service Contract	1,127	-	-		1,127
Ombudsman	10,480	-	-		10,480
Region 8 OHSEP	<u>56</u>	<u>-</u>	<u>-</u>		<u>56</u>
	<u>\$ 1,267,842</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 1,267,842</u>

North Delta Regional Planning and Development District, Inc.
Schedule of Compensation, Benefits and Other Payments to Agency Head
or Chief Executive Officer
For the year ended June 30, 2017

David Creed, Executive Director

	Purpose	Amount
Salary		\$ 76,392
Benefits-insurance contributions		2,758
Benefits-retirement contributions		3,797
Reimbursements		327

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

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP
Katie Jacola, CPA
Lesley Engolia, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 2, 2018.

Internal Control over Financial Reporting

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

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

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

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

questioned costs that we consider to be material weaknesses. [Findings 2017-001, 2017-002, 2017-003, and 2017-005].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2017-004 and 2017-006.

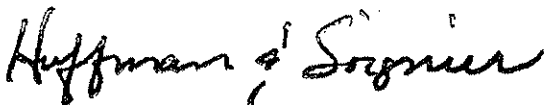
We noted certain other matters that we reported to management of the District in a separate letter dated April 2, 2018.

The District's Response to Findings

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

Purpose of this Report

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



(A Professional Accounting Corporation)

April 2, 2018

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited North Delta Regional Planning and Development District, Incorporated's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

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

Basis for Qualified Opinion on Aging Cluster

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding CFDA 93.044, 93.045, 93.053 as described in findings 2017-008 for Reporting and 2017-009 for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified Opinion on Aging Cluster

In our opinion, except for the noncompliances described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Aging Cluster for the year ended June 30, 2017.

Other Matters

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

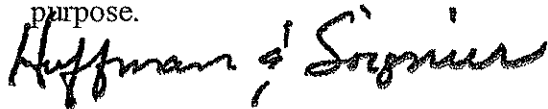
**Board of Directors
North Delta Regional Planning
and Development District, Incorporated
Monroe, Louisiana**

requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Findings 2017-007, 2017-008, and 2017-009, that we consider to be material weaknesses.

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

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



(A Professional Accounting Corporation)

April 2, 2018

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	Federal CFDA Number	Pass - Through Grantor's I.D. Number	Passed Through to Subrecipients	2017 Expenditures
United States Department of Commerce				
Direct Program				
Economic Development - Support for Planning Organizations	11.302	ED16AUS3020014	\$ -	\$ 62,855
Total United States Department of Commerce				<u>62,855</u>
United States Department of Transportation				
Regional Strategic Highway Safety Plan	20.205	H.972143.1	-	140,028
Passed-Through the Ouachita Council of Governments:				
Highway Planning & Construction	20.205	H.972216.1	-	193,976
Federal Transit - Metropolitan Planning Grants	20.505	PL 80-37-17	-	42,069
Formula Grants for Rural Areas	20.509	PL 80-37-17	-	10,000
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	PL 80-37-17	-	5,000
Total United States Department of Transportation				<u>391,073</u>
Delta Regional Authority				
Delta Local Development District Assistance	90.202	N/A	-	22,000
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				
Aging Cluster				
Grants for Supportive Services and Senior Centers				
Title III B - Ombudsman Services	93.044	4400009514	-	102,907
Title III B - Supportive Services	93.044	4400009659	214,574	214,574
Special Programs for the Aging				
Title III C-1 - Area Agency Administration	93.045	4400009659	-	85,054
Title III C-1 - Congregate Meals	93.045	4400009659	48,703	239,065
Title III C-2 - Home Delivered Meals	93.045	4400009659	43,259	158,696
Nutritional Services Incentive Program	93.053	4400009680	-	174,735
Total Aging Cluster				<u>975,031</u>
Title III D - Disease Prevention and Health Promotion Services	93.043	4400009659	-	19,847
Title III E - National Family Caregiver Support	93.052	4400009659	50,022	57,582
Total United States Department of Health and Human Services				<u>1,052,460</u>
Total passed through to subrecipients			<u>356,558</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ <u>1,528,388</u>

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, 2017

1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the federal award activity of the North Delta Regional Planning and Development District, Incorporated, (the District) under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's basic financial statements for the year ended June 30, 2017. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3: INDIRECT COST RATE

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

(continued)

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

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>Due to Grantor</u>	<u>Federal Awards Schedule</u>	<u>State Revenue</u>
	<u>FY17</u>	<u>FY 17</u>	<u>FY17</u>	<u>FY17</u>
Title III C- Federal	\$ 85,054	\$ -	\$ 85,054	\$ -
Title III C - State	28,351	-	-	28,351
Title III B - Federal	219,378	(6,999)	214,574	-
Title III B - State	100,249	-	-	98,054
Title III B SS - Federal	103,649	-	102,907	-
Title III B SS - State	24,170	-	-	24,912
Title III C-1 - Federal	239,065	-	239,065	-
Title III C-1 - State	164,179	-	-	164,179
Title III C-2 - Federal	158,696	-	158,696	-
Title III C-2 - State	273,674	-	-	273,674
Title III D - Federal	19,847	-	19,847	-
Title III E - Federal	69,578	(11,996)	57,582	-
Title III E - State	23,193	(3,998)	-	19,195
Senior RX - State	-	-	-	-
NSIP - Federal	174,735	-	174,735	-
	<u>\$ 1,683,818</u>	<u>\$ (22,993)</u>	<u>\$ 1,052,460</u>	<u>\$ 608,365</u>

(concluded)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Section I -- Summary of Auditors' Results

Financial Statements:

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? Yes No

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

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

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

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

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
<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, 2017

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

2017-001 Internal Controls over Accounting Operations

Criteria or Specific Requirement

The design and operation of internal controls must allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. Accurate financial information must be available to management in a timely manner to allow for decision making.

Condition Found

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

Cause

Without the oversight of the original consulting CPA during the latter half of the fiscal year, internal controls were unable to prevent or detect misstatements in a timely manner. Written policies and procedures do not give adequate instruction to employees to allow them to do their jobs in a timely, accurate manner in compliance with applicable laws, contracts, and grants. Personnel were not adequately trained for the positions they held.

Effect

Financial reports were not available to management for decision making. Monthly financial information, including budget to actual comparisons and bank reconciliations, were not presented to the Board. Accurate financial information was not available to the auditors in a timely manner. Various laws, regulations and grant agreements were not complied with.

Recommendations to Prevent Future Occurrences

Personnel should be adequately trained to perform their duties in a timely, accurate manner without the need of continuous outside assistance. In addition, records should be maintained on a funding source level, in an understandable format and reconciled with the appropriate agencies monthly. Further, a knowledgeable individual should review and reconcile all accounts monthly to ensure accuracy and financial statements should be available to management within a time frame sufficient to allow for knowledgeable decision making.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Management's Corrective Action Plan

The District has engaged a consulting CPA to provide assistance to the staff with the monthly reports needed to reconcile grant records with the appropriate agencies. Further the CPA is reviewing accounting records each month to ensure accuracy and that management is provided with accounting information in time to allow for knowledgeable decision making.

2017-002 Timeliness of Accurate Accounting Records

First reported in 2016

Criteria or Specific Requirement

Standard business practices require regular comparison of budget to actual of expenditures for informed management decision making.

Condition Found

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

Cause

The Aging program and Transportation funds, state and federal portions, collectively comprise approximately 90% (\$2,051,898 of \$2,386,604) of total revenues. This percentage is significant in that it affects all aspects of operations at the District when records are not managed in a timely, accurate manner.

Record keeping of transportation funds was made cumbersome due to records not being completed on a monthly, funding source level.

There was no reconciliation of the Aging funds on the general ledger with the Aging reports, the sub-recipients, nor the vendors on a monthly basis, including reconciling the number of meals served. A reconciliation with the general ledger did not occur for the fiscal year 2017 until several months after June 30, 2017.

The July and August 2016 sub-recipient payments and vendor payments were not made until October 2016. As a result, personnel had to spend a substantial amount of time working with the sub-recipients to ensure that they could continue operations. In addition, relationships between the District and other organizations were strained due to the issue with payments and recordkeeping.

Other State Grants of \$35,438 were received from Delta Regional Planning Authority but were recorded in the General Fund instead of the Delta Regional Planning Authority Special Revenue Fund. These funds were not correctly reported by the District until after the auditors received the trial balance.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Due to the above conditions and other accounting issues, the year-end reconciliations performed by the consulting CPA took an extended amount of time and accounting was unable to produce accurate financial statements that management could use for decision-making. The condition of the records also resulted in the auditors being unable to complete the audit before the six month deadline.

Identification of Repeat Findings

This finding is a repeat of a finding in the immediately prior audit; Finding 2016-01.

Effect

Financial reports were not available to management in a timely manner, payments to vendor and sub-recipients were not timely, and relationships with other organizations were strained.

Recommendations to Prevent Future Occurrences

Personnel should be trained adequately to perform their duties in a timely, accurate manner. In addition, records should be maintained on a funding source level, in an understandable format and reconciled with the appropriate agencies monthly. Further, a knowledgeable individual should review and reconcile all accounts monthly to ensure accuracy and financial statements should be available to management within a time frame sufficient to allow for knowledgeable decision making.

Management's Corrective Action Plan

The District has engaged a consulting CPA to provide assistance to the staff with the monthly reports needed to reconcile grant records with the appropriate agencies. Further the CPA is reviewing accounting records each month to ensure accuracy and that management is provided with accounting information in time to allow for knowledgeable decision making.

2017-003 Internal Controls over Cash Operations

Criteria or Specific Requirement

The design and operation of internal controls must allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. Accurate financial information must be available to management in an ongoing manner to allow for accurate decision making. For an entity such as the District, a significant majority of its general ledger activity relates to the recording of receipts and disbursements which are reconciled periodically. These operations are further detailed as follows:

Bank Reconciliations: Standard accounting practices require that bank reconciliations be prepared for all accounts. Bank reconciliation should be prepared and approved by two separate individuals,

**NORTH DELTA REGIONAL PLANNING AND
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

allowing for transparency and segregation of duties. Outstanding checks and other amounts that have been outstanding for a period of time beyond expectations should be investigated and adjusted, if necessary, in a timely manner.

Receipts: Deposits, both electronic funds transfer which is the majority of receipts, and checks, should be recording in the general ledger as received.

Disbursements: The District's purchasing policy states that all purchases (except petty cash purchases) will be done through a purchase order and must be completed by the Chief Operations Officer and approved by the Chief Operations Officer or the Executive Director. A purchase requisition shall be completed by the employee requesting the purchase and the requisition shall be approved by the Chief Operations Officer or Executive Director. All invoices for supplies and services should be signed to indicate proof of delivery by an employee other than the employee requesting the purchase or the employee making payments.

Condition Found

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

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

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

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

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Cause

Due care was not exercised by personnel in the management of cash operations.

Effect

Management does not have knowledge of its cash balance is therefore unable to identify how much cash is available prior to disbursing.

Controls over receipts and disbursements do not allow employees in the normal course of their duties to detect and correct misstatements in a timely manner. Additionally, when proof of delivery and prior authorizations are not reflected in documentation, improper, illegal, unauthorized and/or duplicate payments could occur.

Recommendations to Prevent Future Occurrences

The District needs to develop written policies and procedures to ensure that receipts and disbursements are handled safely and recorded accurately in a timely manner with personnel that are trained in the tasks required in order to have an accurate accounting of its cash operations.

Management's Corrective Action Plan

The District has engaged a consulting CPA to assist with the development of policies and procedures that ensure timely and accurate records are created to track receipts and cash disbursements. Further the CPA will oversee personnel and their training to ensure accurate accounting of cash operations.

2017-004 Retroactive Pay Increases

Criteria or Specific Requirement

Standard business practices requires due care to be exercised by personnel in the management of payroll increases. Retroactive pay increases are not allowable as cited by Article 7, Section 14 of the State Constitution.

Condition Found

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Cause

Due care was not exercised by personnel in the management of pay increases.

Effect

Employees were not paid appropriately and records do not accurately reflect events.

Recommendations to Prevent Future Occurrences

Retroactive pay increases should not be done. Personnel should be trained adequately to perform their duties in a timely, accurate manner. In addition, payroll records should be accurately maintained. Further, a knowledgeable individual should review and reconcile all payroll disbursements prior to issuance.

Management's Corrective Action Plan

The District has engaged a consulting CPA to oversee payroll and to review and reconcile all payroll disbursements prior to issuance. In the future all pay increases will have proper approval and will not be retroactive.

2017-005 Internal Controls over Payroll

Criteria or Specific Requirement

Standard business practices requires due care to be exercised by personnel in the management of payroll timesheets, requests for time off, data entry of payroll information, issuance of pay or management thereof.

Condition Found

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

- A 100% sample of an employee with access to the payroll system had multiple discrepancies in payroll transactions which included:
 - One payroll had timesheets showing 4.75 hours vacation and 12 hours sick time used, approved leave sheet only showed 12 hours and pay stub showed only regular hours, no use of vacation or sick time
 - Timesheet shows 16 hours of vacation used but leave approval sheet and paystub only show 8 hours used
 - Timesheet and approved leave sheet shows 7.25 hours sick used but pay stub shows 9 hours used
 - Timesheet showed only regular pay but pay stub shows 2 hours sick time used
 - Approved leave sheet shows 12.75 hours vacation used but time sheet and pay stub show only 12.25 used

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

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

Cause

Due care was not exercised by personnel in the management of payroll timesheets, requests for time off, data entry of payroll information, issuance of pay or management thereof.

Effect

Personnel are not being paid accurately and vacation/sick time balances are not accurate.

Recommendations to Prevent Future Occurrences

Personnel should be trained adequately to perform their duties in an accurate manner. Further, a knowledgeable individual should review and reconcile all payroll disbursements prior to issuance. Finally, the chief executive officer's timesheet and leave slips should be approved by a board member.

Management's Corrective Action Plan

The District has engaged a consulting CPA to review and reconcile all payroll disbursements prior to issuance. Timesheets and leave slips for the executive director will now be approved by a board member.

2017-006 Noncompliance with State Laws and Regulations

Criteria or Specific Requirement

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Louisiana Revised Statute 24:523.1 requires that every auditee shall post and keep posted in conspicuous places upon its premises a notice, prepared by the legislative auditor and located on his website, setting forth information concerning the reporting of the misappropriation, fraud, waste, or abuse of public funds. Every auditee shall also post such notices on the website of the auditee.

The Louisiana Legislative Auditor requires that the Louisiana Compliance Questionnaire be approved by the governing body and be presented to the auditors at the beginning of the audit.

Condition Found

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

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

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

Cause

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

Personnel did not prepare the Louisiana Compliance Questionnaire and present to the board in a timely manner.

Effect

The District could be in violation of state laws and regulations and failure to follow the proper procedures could result in disallowance of funding.

Recommendations to Prevent Future Occurrences

The District should correct noted deficiencies and ensure that reliable records are provided to the auditors in a timely manner. The District should post information concerning the reporting of the misappropriation, fraud, waste, or abuse of public funds in conspicuous places and on its website. The District personnel should complete the Louisiana Compliance Questionnaire and present to Board at the first meeting of the fiscal year and then forward to the auditors at the commencement of the audit.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Management's Corrective Action Plan

The District has engaged a consulting CPA to correct noted deficiencies and ensure reliable records are provided to auditors in a time manner. The District will post information concerning the reporting of misappropriation, fraud, waste or abuse of public funds in conspicuous places and on its website.

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

2017-007 Internal Controls over Cash Management

Federal Program

93.044, 93.055, 93.053 Aging Cluster

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

Criteria or Specific Requirement

As a condition of receiving federal awards from the Governor's Office of Elderly Affairs (GOEA) (state and federal award dollars totals \$1,660,825 for GOEA revenue) which makes up a significant percentage of total revenues for the District, the District agrees to comply with laws, regulations, and the provisions of grant agreements and contracts. According to GOEA's Accounting Guide, the bank reconciliation must be prepared and approved by two separate individuals, allowing for transparency and segregation of duties. Receipts should be recorded in the general ledger upon receipt. Disbursements should be documented with a vendor invoice and purchase authorization. The invoice should be approved by the program director or the executive director before the check is written. At the time of payment, the invoice should be stamped paid and stored where the paid invoice can be retrieved to support the general ledger posting. Finally, the GOEA's Accounting Guide emphasizes the need to maintain a complete posting of all activities in order to be able to provide proper cash management control.

Questioned Costs

There are no questioned costs related to this finding.

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

2017-008 Noncompliance over Reporting

Federal Program

93.044, 93.055, 93.053 Aging Cluster

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

Criteria or Specific Requirement

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

Condition Found

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

Cause

Management has not adopted policies and procedures to ensure that required internal controls for reporting are in place and operating sufficiently to ensure compliance with grant requirements and Uniform Guidance. Personnel were not adequately trained for the positions they held.

Questioned Costs

There are no questioned costs related to this finding.

Perspective Information

These are systemic issues.

Identification of Repeat Findings

This finding is not a repeat of a finding from the previous audit.

Effect

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Recommendations to Prevent Future Occurrences

The District assigned a new employee to the Aging Director position. She should be thoroughly trained in compliance requirements for the Aging programs to include the requirements to required reports by the appropriate deadline.

Management's Corrective Action Plan

The District will get the Aging Director the proper training needed to ensure the program is in compliance.

2017-009 Noncompliance over Subrecipient Monitoring

Federal Program

93.044, 93.055, 93.053 Aging Cluster

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

Criteria or Specific Requirement

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

- Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.331(b)). This evaluation of risk may include consideration of such factors as the following:
 1. The subrecipient's prior experience with the same or similar subawards;
 2. The results of previous audits including whether or not the subrecipient receives single audit in accordance with 2 CFR part 200, subpart F, and the extent to which the same or similar subaward has been audited as a major program;
 3. Whether the subrecipient has new personnel or new or substantially changed systems; and
 4. The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.331(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

1. Reviewing financial and programmatic (performance and special reports) required by the PTE.
2. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other means.
3. Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521.

Condition Found

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

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

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

Cause

The District did not follow policies and procedures to ensure that required internal controls for subrecipient monitoring are in place and operating sufficiently to ensure compliance with grant requirements and Uniform Guidance.

Questioned Costs

There are no questioned costs related to this finding.

Perspective Information

These are systemic issues.

Identification of Repeat Findings

This finding is not a repeat of a finding in the immediately prior audit.

Effect

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Recommendations to Prevent Future Occurrences

The District assigned a new employee to the Aging Director position. She should be thoroughly trained in compliance requirements for the Aging programs to include the requirements to evaluate risk and monitor subrecipients and the recordkeeping of such actions.

Management's Corrective Action Plan

The Aging Director will get the proper training in compliance requirements for the Aging programs that include the requirements to evaluate risk and monitor subrecipients and the recordkeeping of such actions.

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

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2017**

2017-001 Internal Controls over Accounting Operations

Management's Corrective Action Plan

The District has engaged a consulting CPA to provide assistance to the staff with the monthly reports needed to reconcile grant records with the appropriate agencies. Further the CPA is reviewing accounting records each month to ensure accuracy and that management is provided with accounting information in time to allow for knowledgeable decision making.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

Completed

2017-002 Timeliness of Accurate Accounting Records

Management's Corrective Action Plan

The District has engaged a consulting CPA to provide assistance to the staff with the monthly reports needed to reconcile grant records with the appropriate agencies. Further the CPA is reviewing accounting records each month to ensure accuracy and that management is provided with accounting information in time to allow for knowledgeable decision making.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

Completed

2017-003 Internal Controls over Cash Operations

Management's Corrective Action Plan

The District has engaged a consulting CPA to assist with the development of policies and procedures that ensure timely and accurate records are created to track receipts and cash disbursements. Further the CPA will oversee personnel and their training to ensure accurate accounting of cash operations.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

120 days

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

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2017**

2017-004 Retroactive Pay Increases

Management's Corrective Action Plan

The District has engaged a consulting CPA to oversee payroll and to review and reconcile all payroll disbursements prior to issuance. In the future all pay increases will have proper approval and will not be retroactive.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

Completed

2017-005 Internal Controls over Payroll

Management's Corrective Action Plan

The District has engaged a consulting CPA to review and reconcile all payroll disbursements prior to issuance. Timesheets and leave slips for the executive director will now be approved by a board member.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

Completed

2017-006 Noncompliance with State Laws and Regulations

Management's Corrective Action Plan

The District has engaged a consulting CPA to correct noted deficiencies and ensure reliable records are provided to auditors in a time manner. The District will post information concerning the reporting of misappropriation, fraud, waste or abuse of public funds in conspicuous places and on its website.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

Completed

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

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2017**

2017-007 Internal Controls over Cash Management

Management's Corrective Action Plan

The District has engaged a consulting CPA to assist with the development of policies and procedures that ensure timely and accurate records are created to track receipts and cash disbursements. Further the CPA will oversee personnel and their training to ensure accurate accounting of cash operations.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

120 days

2017-008 Noncompliance over Reporting

Management's Corrective Action Plan

The District will get the Aging Director the proper training needed to ensure the program is in compliance.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

120 days

2017-009 Noncompliance over Subrecipient Monitoring

Management's Corrective Action Plan

The Aging Director will get the proper training in compliance requirements for the Aging programs that include the requirements to evaluate risk and monitor subrecipients and the recordkeeping of such actions.

Person responsible for corrective action plan

David Creed, Executive Director (318) 387-2572

Anticipated completion

120 days

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

Summary Status of Prior Year Findings

For the Year Ended June 30, 2017

The following is a summary of the status of the prior year findings included in Huffman, Soignier (APAC)'s audit report dated December 22, 2016, covering the audit of the financial statements of North Delta Regional Planning and Development District, Incorporated (the District) as of and for the year ended June 30, 2016.

Finding 2016-001 Timeliness of Accurate Records

Criteria or Specific Requirement

Standard business practices require regular comparison of budget to actual of expenditures for informed management decision making.

Condition Found

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

Cause

The Aging program and Transportation funds together comprise approximately 84% of revenues 2,109,003 / 2,517,592. An amount significant enough to affect all aspects of operations at the District when records are not managed in a timely, accurate manner. Transportation funds were not requested in a timely manner, bookkeeping of said funds was complicated and reconciliation with the pass through District at year end was nearly impossible since it was not completed on a monthly, funding source level. Transportation funds are a large expenditure and requesting funds months after the expenditures resulted in a negative effect on cash flows. In addition, changes in processes for requesting reimbursements were not managed in a timely manner resulting in the District being unable to utilize grants to the full amount.

There was no reconciliation of the aging fund with the sub recipients until requested by the auditors; sub recipients were not provided details of funds received / paid with checks; funding sources and revenues/expenditures were netted together, commonly for multiple months, leaving the sub recipients with no idea as to why the payments were for the amount that they were. While the journal entry made upon reconciliation with the sub recipients was not especially large indicating that the records were mostly correct, records were maintained in a complex, difficult to understand manner.

Payments were not made timely to the point that a contractor nearly refused service, the sub recipients had difficulty operating, the District cash flows were detrimentally affected, and personnel had to spend massive amounts of time working with the sub recipients to ensure that they could continue operations. In addition, relationships between the District and other organizations has been strained due to the issues with payments and recordkeeping.

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

Summary Status of Prior Year Findings

For the Year Ended June 30, 2017

Due to the above conditions and other accounting issues, the year-end reconciliations performed by the consulting CPA took an extended amount of time and accounting was unable to produce accurate financial statements that management could use for decision-making.

Status

Refer to Finding 2017-02

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP
Katie Jacola, CPA
Lesley Engolia, CPA

MANAGEMENT LETTER

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

In planning and performing our audit of the financial statements of North Delta Regional Planning and Development District, Incorporated, (the District) as of and for the years ended June 30, 2017 we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the 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 March 30, 2018 on the financial statements of the District.

Board Meetings

Criteria or Specific Requirement

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

Prudent business practices require regular comparison of budget to actual of expenditures be presented to the Board of Directors for decision making and large purchases and contract agreements be approved by the Board of Directors.

Condition Found

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

**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana
Page 2 of 4**

Cause

Meetings were not coordinated to ensure the appropriate number of meetings throughout the fiscal period. Contracts were not presented to the Board of Directors for approval. Due to the conditions presented in the findings above, records were not available from which to produce budget to actual comparisons.

Effect

Meetings were not held to coordinate activities of the District.

Recommendations to Prevent Future Occurrences

The District should comply with by-laws and hold the appropriate number of meetings and recordkeeping should be improved and budget to actual comparisons should be presented to the Board of Directors at each meeting. In addition, contracts should be reviewed and approved by the Board of Directors.

Management's Corrective Action Plan

The District will comply with by-laws, including holding the appropriate number of meetings, appropriate recordkeeping, and presentation of budget to actual comparisons. The Board of Directors will review and approve contracts at the board meetings.

ML 2017-002 Travel

Criteria or Specific Requirement

According to PPM 49, State of Louisiana Travel Regulations, all non-routine travel must be authorized with prior approvals in writing by the head of the department, board, or commission or their designee from whose funds the traveler is paid. The Director's travel must be approved by the Board President or designated board member and noted in the Board minutes prior to travel. Travel Expense Forms should be properly completed and approved prior to advance payment and/or reimbursement check being processed. The Travel Expense Forms should include time of departure and arrival, odometer readings, miles traveled and proper coding. A file shall be maintained, by the agency, of all approved travel authorizations. Cash advances must be issued per PPM 49 guidelines and exceptions requirements and must have original receipts to support all expenditures in which a cash advance was given, including meals.

Condition Found

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

Cause

Management has not adopted policies and procedures to ensure that required internal controls for travel are in place.

Effect

The District was not in compliance with its personnel manual with respect to travel reimbursements.

Recommendations to Prevent Future Occurrences

Management should adopt and enforce policies and procedures to ensure that required internal controls for travel are in place and appropriate laws and regulations are complied with.

Management's Corrective Action Plan

The District with the help of its consulting CPA will improve policies and procedures including internal controls and compliance with laws and regulations.

ML 2017-003 Payroll Taxes not Paid Timely

Criteria or Specific Requirement

The District is required to pay its payroll taxes on a monthly basis by the fifteenth of the month following year-end.

Condition Found

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

Cause

Management did not have accurate information from which to assess the liability of payroll taxes in a timely manner.

Effect

The District paid penalties and interest of \$204.

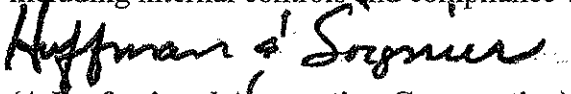
Recommendations to Prevent Future Occurrences

Management should review its various payroll liability accounts to verify that payments are being made timely.

**Board of Directors
North Delta Regional Planning and
Development District, Incorporated
Monroe, Louisiana
Page 4 of 4**

Management's Corrective Action Plan

The District with the help of its consulting CPA will improve policies and procedures including internal controls and compliance with laws and regulations.


(A Professional Accounting Corporation)

April 2, 2018

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Francis I. Huffman, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
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Lori Woodard, MBA, CPA, CGMA, CITP
Katie Jacola, CPA
Lesley Engolia, CPA

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

We have performed the procedures enumerated below, which were agreed to by North Delta Regional Planning and Development District, Incorporated, (the District) and the Louisiana Legislative Auditor (LLA), the Specified Users on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We requested the entity's written policies and procedures to report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting:** The District has no written policies and procedures on this topic.
 - b) **Purchasing:** including (1) how purchases are initiated; (3) the preparation and approval process of purchase requisitions and purchase orders has a small written section of the Personnel manual. The District has no written policies and procedures on (2) how vendors are added to the vendor list; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements:** The District has no written policies and procedures on this topic.
 - d) **Receipts:** The District has no written policies and procedures on this topic.
 - e) **Payroll/Personnel:** The District has a written personnel manual but it does not include (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting:** The District has no written policies and procedures on this topic.

- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***: The District has no written policies and procedures for its three credit cards on this topic.
- h) ***Travel and expense reimbursement***: including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) ***Ethics***: Ethics requirements are not applicable to nonprofits.
- j) ***Debt Service***: The District has no written policies and procedures on this topic but also has no debt servicing requirements.

Comments: There are only limited written policies and procedures. The limited written policies and procedures cover some personnel items and contain a small section on purchasing.

Management's Response: The District is in the process of updating its policies and procedures.

Board (or Finance Committee, if applicable)

2. We obtained and reviewed the board/committee minutes for the fiscal period, and:

- a) Determined whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- b) Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Determined that the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Comments: The District's by-laws require four quarterly meetings per year one of which must be an annual meeting. The Board did not meet for the required four quarterly meetings for the fiscal year. There were no budget-to-actual comparisons presented to the Board.

Management's Response: The District's policy is to have quarterly board meetings. In all future board meetings the board will be presented budget-to-actual comparisons.

Bank Reconciliations

3. We obtained a listing of entity bank accounts from management and management's representation that the listing is complete.

Comment: No exceptions noted.

4. Using the listing provided by management, we selected all of the entity's bank accounts. For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
- a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comments: The bank reconciliations were available but did not include evidence that a member of management or a board member had reviewed each one and there is no documentation to support that management has researched reconciling items outstanding for more than 6 months as of the end of the fiscal period.

Management's Response: In the future Management will review the bank reconciliations and document items that are outstanding more than 6 months.

Collections

5. We requested a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Comment: No exceptions noted. The administration building is the only location where collections are made.

6. Using the listing provided by management, we selected the entity's only cash collection location.
- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating

controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Comment: There is no existing written documentation (e.g. insurance policy, policy manual, job description) that covers whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee. Employees are not bonded, employees can be the same person that deposits funds (no cash is received, just checks, and a significant portion of the revenue is by electronic funds transfer), records the transaction and reconciles the bank statement.

Management's Response: The District receives very little cash. When cash is received, a pre-numbered receipt is given to the individual and the accounting department.

- b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) in order to determine whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Comment: The entity does not have a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections.

Management's Response: The District receives very little cash. When cash is received, a pre-numbered receipt is given to the individual and the accounting department.

- c) We selected the highest (dollar) week of cash collections from the general ledger and:
- Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and report any exceptions.

Comments: There are no sequentially numbered receipts, only the use of a log book to document when items are received. The entity has no formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Because the entity only records collections when the bank statement is reconciled and all collections for the month are dated the last day of the month, it was not possible to determine what week had the highest dollar amount of cash collections from the general ledger. We compiled a list of all deposits as given on the bank statements by month, by account, and identified the week with the largest deposits. Supporting documentation did not detail who received the funds or who did the deposit.

Of the four receipts reviewed, three were not deposited for 3 days and one was not deposited for 2 days after receipt. Supporting documentation reviewed did not detail who received the funds, who did the deposit, or who approved the deposit prior to transfer to the bank.

Management's Response: The District receives very little cash. When cash is received, a pre-numbered receipt is given to the individual and the accounting department.

7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: There is no existing written documentation covering whether the entity has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties) by a person who is not responsible for collections.

Management's Response: The District will be investigating options to eliminate this exception in the future.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. We obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.

Comment: No exceptions noted.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained

supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Comments: Of the twenty-five invoices we selected, supporting documentation was not provided for one of the invoices. Of the twenty-four invoices for which we reviewed supporting documentation, three did not detail who initiated the transaction, three had no purchase order, five did not have proof of receipt and two of the invoices were not approved.

Management's Response: Future invoices will have supporting documentation which will detail who initiated the transaction and proof of receipt and the purchase order.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Comment: There is no written documentation covering whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's Response: The District is addressing this issue as it improves its written policy's and procedures.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who makes the final authorization for disbursements have no responsibility for initiating or recording purchases.

Comment: There is no written documentation covering whether the persons with signatory authority or who makes the final authorization for disbursements has no responsibility for initiating or recording purchases.

Management's Response: The District is addressing this issue as it improves its written policies and procedures.

12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and determined that the persons with signatory authority do not have system access to print checks.

Comment: No exceptions noted.

13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer where signed checks were likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

Comment: A signature stamp or signature machine is not used.

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

14. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

Comment: No exceptions noted.

15. Using the listing prepared by management, we selected all three cards that were used during the fiscal period.

We requested the monthly statements for the selected cards. Because all of the statements were not provided, we reviewed the general ledger and selected the monthly statement with the largest dollar activity for each card and:

- a) Determined whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Determined whether finance charges and/or late fees were assessed on the selected statements.

Comments: There is incomplete evidence that each of the three statements reviewed were reviewed and approved, in writing, by someone other than the authorized card holder. One of the three cards had \$76 in late fees.

Management's Response: In the future, someone other than the credit card holder will review and approve in writing these statements.

16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 3 cards selected.
- a) For each transaction, we determined whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.
 - c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Comments: For one of the three cards, the entity was unable to provide supporting documentation adequate to make any determinations on the payments for the \$410 billing. The other two cards had twelve transactions and we reviewed the supporting documentation for eleven of the twelve transactions. The entity did not have support for one of the twelve transactions for \$33.

Management's Response: The District will in the future have better documentation for all transactions.

Travel and Expense Reimbursement

17. We obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.

Comment: No exceptions noted.

18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and there were no amounts that exceed GSA rates.

Comment: No exceptions noted.

19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging).
- b) Reported whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comments: One of the \$1,087 in reimbursements reviewed included a \$1 overpayment for lodging that was in excess of the maximum amount allowed by the State of Louisiana Travel regulations (which equals GSA rates) which is required to be followed per the entity's personnel manual.

Management's Response: In the future, the District will do a better job of reviewing all documentation for travel reimbursement.

Contracts

20. We obtained the general ledger and sort/filter for contract payments. Obtained management's representation that the listing or general ledger is complete.

Comment: No exceptions noted.

21. Using the listing above, selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:

- a) We determined whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.
- c) We reported whether the contract was amended. If so, reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.
- e) We obtained/reviewed contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: All of the contracts were not subject to the bid law but no documentation was provided as to whether the entity solicited quotes as a best practice. None of the contracts were approved by the Board of Directors.

Management's Response: In the future, the District will have proper paper work for contracts presented to the Board for approval.

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries from the general ledger, and obtained management's representation that the listing is complete. We randomly selected five employees/officials, obtained their personnel files, and:

- a) We reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) We reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.

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

Management's Response: No retroactive raises will be given in the future.

23. We randomly selected 5 employees and 5 random pay periods and:

- a) We reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Comment: No exceptions noted.

- b) We reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Comment: No exceptions noted.

- c) We reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Comment: No exceptions noted.

24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. We selected the only termination payment (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel file for the employee. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Comment: One employee left employment during the year. A review of her termination pay identified underpayment of twenty one hours. In addition, there was no approved leave slip for the payment of her balance of 64.75 hours of vacation.

Management's Response: The District has engaged a consulting CPA to assist with all payroll matters.

25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Comments: We noted where six of the twelve months of tax withholdings were paid late resulting in penalties and interest of \$204. No other exceptions noted.

Management's Response: The District has engaged a consulting CPA to assist with all payroll matters.

Ethics (excluding nonprofits)

26. Excluded for nonprofits

27. Excluded for nonprofits

Debt Service (excluding nonprofits)

28. Excluded for nonprofits

29. Excluded for nonprofits

30. Excluded for nonprofits

Other

31. Inquired of management and the entity had no misappropriations of public funds or assets.

Comment: No misappropriations are known by management to exist.

32. Observed and reported that the entity has not posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: The entity has not posted on its premises and website, the notice required by R.S. 24:523.1.

Management's Response: The District will post information concerning the reporting of misappropriation, fraud, waste, or abuse of public funds in conspicuous places and on its website.

33. If we observed or otherwise identified any exceptions regarding management's representation in the procedures above, we reported the nature of each exception.

Comment: No exceptions noted.

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

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



Monroe, Louisiana

April 2, 2018