

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

**Financial Statements
As of and For the Year Ended June 30, 2013**

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

Release Date **AUG 27 2014**

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

**Financial Statements
As of and for the Year Ended June 30, 2013**

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**North Delta Regional Planning and
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Monroe, Louisiana**

**Financial Statements
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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

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, 2013, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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.

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

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

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, 2013, 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.

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

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 12 and 48 through 53 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.

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 and comparative schedule of capital assets and changes in capital assets 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

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

presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining schedule of revenues, expenditures, and changes in fund balances, comparative schedule of capital assets and changes in capital assets, 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, 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 December 31, 2013, 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.

Huffman, Huffman, Ryzdale & Soriano

(A Professional Accounting Corporation)
December 31, 2013

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2013

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, 2013. It is designed to assist the reader in focusing on significant financial issues, identify changes in the District's financial position, and identify material deviations and individual fund issues or concerns.

Financial Highlights

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year by \$25,913 (*deficit net position*). Of this amount, \$385,712 (*unrestricted deficit net position*) represents the portion of net position which is not invested in capital assets or otherwise restricted.
- The government's total net position increased by \$189,827.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$411,829 an increase of \$186,348 for the year. Of this total amount, \$217,904 is available for spending at the government's discretion (*unassigned fund balance*).
- The District's total debt decreased by \$71,905 during the current fiscal year (net of additions).

Overview of the Financial Statements

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

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

The statement of net 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.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2013

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

The government-wide financial statements can be found on pages 14 and 15 of this report.

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

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

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

The District maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Title III-B Supportive Services, Title III C-1 Congregate Meals, Title III C-2 Home Delivered Meals, Nutritional Services Incentive Program, and Federal Highways Administration, 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.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2013

The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided on pages 48 through 53 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 17 through 20 of this report.

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

The proprietary fund financial statements can be found on pages 21 through 23 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$25,913 for the year ended June 30, 2013.

The largest amount of the District's net position reflects its investment in notes receivable of \$128,379 and \$152,357 (net of allowance for bad debts of \$605,808 and \$610,618) for the years ended June 30, 2013 and 2012, respectively. These loans were made to citizens for new businesses and economic development.

**North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2013**

**North Delta Regional Planning and Development
District, Incorporated
Net Position
June 30, 2013 and 2012**

	Governmental Activities		Business-type Activities		Total	
	June 30,		June 30,		June 30,	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 597,781	\$ 345,288	\$ 286,237	\$ 352,814	\$ 884,018	\$ 698,102
Capital assets	11,984	14,569	-	-	11,984	14,569
Total assets	609,765	359,857	286,237	352,814	896,002	712,671
Current and other liabilities	186,688	122,284	81,676	81,666	268,364	203,950
Long-term liabilities	24,621	22,293	626,930	702,168	651,551	724,461
Total liabilities	211,309	144,577	708,606	783,834	919,915	928,411
Net Position:						
Net investment in capital assets	11,984	14,569	-	-	11,984	14,569
Restricted for:						
Health, welfare, & social services	19,603	19,873	-	-	19,603	19,873
Economic development	158,417	166,959	-	-	158,417	166,959
Public Safety	15,333					
Revolving loans	-	-	154,462	189,570	154,462	189,570
Unrestricted	191,119	13,879	(576,831)	(620,590)	(385,712)	(606,711)
Total net position	\$ 396,456	\$ 215,280	\$ (422,369)	\$ (431,020)	\$ (25,913)	\$ (215,740)

The balance of \$396,456 in net position in the governmental activities and deficit net position of \$422,369 in the business-type activities represents the accumulated results of all past years' operations. Net position of governmental activities increased by \$181,176 and net position of business-type activities increased by \$8,651 for the fiscal year. The changes in net position are discussed later in this MD&A.

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

**North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2013**

**North Delta Regional Planning and Development
District, Incorporated
Changes in Net Position
For the Years Ended June 30, 2013 and 2012**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue						
Program Revenues:						
Charges for services	\$ 194,632	\$ 83,248	\$ -	\$ -	\$ 194,632	\$ 83,248
Operating grants and contributions	2,350,425	2,319,773	-	-	2,350,425	2,319,773
Capital grants and contributions	2,650	2,254	-	-	2,650	2,254
General Revenues:						
Dues	21,519	23,634	-	-	21,519	23,634
Interest and investment earnings	-	-	16,870	17,578	16,870	17,578
Bad debt recoveries	-	-	4,810	40,638	4,810	40,638
Other general revenues	12,114	1,372	-	-	12,114	1,372
Total revenues	<u>2,581,340</u>	<u>2,430,281</u>	<u>21,680</u>	<u>58,216</u>	<u>2,603,020</u>	<u>2,488,497</u>
Expenses						
General government	10,687	83,547	-	-	10,687	83,547
Health, welfare, & social services	1,799,952	1,793,540	-	-	1,799,952	1,793,540
Planning for highways and public transportation	357,404	359,122	-	-	357,404	359,122
Public safety	13,812	30,011	-	-	13,812	30,011
Economic Development	218,309	180,354	-	-	218,309	180,354
Rural business lending	-	-	13,029	18,182	13,029	18,182
Total expenses	<u>2,400,164</u>	<u>2,446,574</u>	<u>13,029</u>	<u>18,182</u>	<u>2,413,193</u>	<u>2,464,756</u>
Change in net position	<u>\$ 181,176</u>	<u>\$ (16,293)</u>	<u>\$ 8,651</u>	<u>\$ 40,034</u>	<u>\$ 189,827</u>	<u>\$ 23,741</u>

Governmental Activities

Expenses are classified by functions/programs. For the fiscal years ended June 30, 2013 and 2012, general government accounts for \$10,687 and \$83,547, respectively, while elderly assistance accounts for \$1,799,952 and \$1,793,540, respectively, transportation and economic development account for \$575,713 and \$539,476, respectively, and public safety accounts for \$13,812 and \$30,011, respectively.

The program revenues for fiscal years 2013 and 2012 directly related to these expenses totaled \$2,547,707 and \$2,405,275, which resulted in net program income of \$147,543 for the year ended June 30, 2013 and net program expenses of \$41,299 for the year ended June 30, 2012. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from dues of \$21,519 for the years ended June 30, 2013.

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, 2013, and

**North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2013**

2012 of the total revenue amount of \$1,799,098 and \$1,797,778, \$1,344,170 and \$1,353,370 was passed through to the various Councils on Aging in northeast Louisiana.

Business-type Activities

Business-type activities increased the District's net position by \$8,651 in 2013 and increased net position by \$40,034 in 2012. Key elements of these changes are as follows:

- For the years ended June 30, 2013 and 2012 other operating expenses were \$5,999 and \$6,000.
- For the year ended June 30, 2013, the District recognized recoveries of bad debt in the amount of \$4,810.

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 \$411,829 and \$225,481 for 2013 and 2012 respectively, an increase of \$186,348 for the year ended June 30, 2013. Of the ending fund balance, \$158,989 represents amounts restricted for economic development, \$19,603 represents amounts restricted for health, welfare, and social services, and \$15,333 for public safety. The remaining balance of \$217,904 represents unreserved funds which are 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 was adopted on June 6, 2012, and the final budget amendments were adopted on May 3, 2013.

Budgeted revenues for the Special Revenue Funds were amended during FY 2013 to reflect the revenues per the actual Schedule of Funding from the Louisiana Governor's Office of Elderly Affairs which was not received until after the original budgets had been adopted.

North Delta Regional Planning and Development District, Incorporated
Management's Discussion and Analysis (MD&A)
June 30, 2013

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, 2013 and 2012 amounts to \$11,984 and \$14,569 (net of accumulated depreciation). This investment in capital assets is as follows:

Capital Assets

	June 30,	
	2013	2012
Office furniture and equipment	\$ 73,914	\$ 73,958
Less: accumulated depreciation	(61,930)	(59,389)
Total Capital Assets	\$ 11,984	\$ 14,569

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

Outstanding Debt

The District's outstanding debt for the years ended June 30, 2013 and 2012 is as follows:

Outstanding Debt

	June 30,	
	2013	2012
USDA Rural Development	\$ 702,169	\$ 776,661
Compensated Absences	27,357	24,770
Total debt	\$ 729,526	\$ 801,431

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

**North Delta Regional Planning and Development District, Incorporated
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Economic Factors and Next Year's Budgets and Rates

Current factors considered in preparing the District's budget for the 2014 fiscal year indicates no significant change from the projected revenues and expenditures of the 2013 and 2012 fiscal years.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dot Crain, Accountant, 913 Stubbs Avenue, Monroe, LA, 71201.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

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

**Statement of Net Position
June 30, 2013**

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 440,149	\$ 155,953	\$ 596,102
Receivables	154,438	1,905	156,343
Notes receivable - short-term	-	597,722	597,722
Notes receivable - long-term	-	136,465	136,465
Allowance for bad debts	-	(605,808)	(605,808)
Prepaid items	1,194	-	1,194
Capital assets, net	11,984	-	11,984
Total Assets	607,765	286,237	894,002
Liabilities			
Accounts, salaries and other payables	91,674	-	91,674
Due to grantor	4,353	-	4,353
Accrued interest payable	-	6,437	6,437
Deferred revenues	87,925	-	87,925
Long-term liabilities			
Due within one year	2,736	75,239	77,975
Due in more than one year	24,621	626,930	651,551
Total liabilities	211,309	708,606	919,915
Net Position			
Net investment in capital assets	11,984	-	11,984
Restricted for:			
Health, welfare, & social services	19,603	-	19,603
Economic development	158,417	-	158,417
Public Safety	15,333	-	15,333
Revolving loan programs	-	154,462	154,462
Unrestricted	191,119	(576,831)	(385,712)
Total net position	\$ 396,456	\$ (422,369)	\$ (25,913)

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, 2013**

Functions/Programs	Expenses		Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	
Governmental activities								
General	\$ 209,221	\$ (198,534)	\$ 175,543	\$ -	\$ -	\$ 164,856	\$ -	\$ 164,856
Health, welfare & social services								
Supportive services	342,739	-	-	342,739	-	-	-	-
Nutrition services	982,924	-	-	982,924	-	-	-	-
Preventive health & medication assistance	101,219	18,382	-	119,277	-	(324)	-	(324)
Family caregiver support	111,720	1,619	-	113,307	-	(32)	-	(32)
Ombudsman	100,480	22,611	-	122,819	-	(272)	-	(272)
Area Agency on Aging administration	90,905	27,353	-	118,032	-	(226)	-	(226)
Planning for highways and public transportation	286,163	71,241	-	353,463	2,650	(1,291)	-	(1,291)
Public safety	12,761	1,051	13,800	-	-	(12)	-	(12)
Economic development	162,032	56,277	5,289	197,864	-	(15,156)	-	(15,156)
Total governmental activities	2,400,164	-	194,632	2,350,425	2,650	147,543	-	147,543
Business-type activities								
Rural business retooling	13,029	-	-	-	-	-	(13,029)	(13,029)
Total	\$ 2,413,193	\$ -	\$ 194,632	\$ 2,350,425	\$ 2,650	\$ 147,543	\$ (13,029)	\$ 134,514
General revenues								
Dues						21,519	-	21,519
Interest and investment earnings						-	16,870	16,870
Bad debt recovery						-	4,810	4,810
Miscellaneous						12,114	-	12,114
Total general revenues						33,633	21,680	55,313
Change in net position						181,176	8,651	189,827
Net position at beginning of year						215,280	(431,020)	(215,740)
NET POSITION AT END OF YEAR						\$ 396,456	\$ (422,369)	\$ (25,913)

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, 2013

	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	Nutritional Services Incentive Program	Federal Highways Administration		
Assets								
Cash and cash equivalents	\$ 162,245	\$ 6,678	\$ 6,517	\$ 15,536	\$ 47,038	\$ -	\$ 202,135	\$ 440,149
Receivables	14,533	-	-	-	-	70,761	69,144	154,438
Other current assets	1,194	-	-	-	-	-	-	1,194
Due from other funds	76,137	-	2,446	119	-	-	27,899	106,601
TOTAL ASSETS	\$ 254,109	\$ 6,678	\$ 8,963	\$ 15,655	\$ 47,038	\$ 70,761	\$ 299,178	\$ 702,382
Liabilities								
Accounts, salaries and other payables	\$ 28,261	\$ 4,087	\$ -	\$ -	\$ -	\$ 1,871	\$ 57,455	\$ 91,674
Due to other funds	7,944	497	6,003	747	-	68,890	22,520	106,601
Due to grantor	-	-	-	-	-	-	4,353	4,353
Deferred revenues	-	2,094	2,960	14,908	47,038	-	20,925	87,925
Total liabilities	36,205	6,678	8,963	15,655	47,038	70,761	105,253	290,553
Fund equity								
Fund balance								
Restricted for health, welfare, & social services	-	-	-	-	-	-	19,603	19,603
Restricted for economic development	-	-	-	-	-	-	158,989	158,989
Restricted for public safety	-	-	-	-	-	-	15,333	15,333
Unassigned	217,904	-	-	-	-	-	-	217,904
Total fund equity	217,904	-	-	-	-	-	193,925	411,829
TOTAL LIABILITIES AND FUND EQUITY	\$ 254,109	\$ 6,678	\$ 8,963	\$ 15,655	\$ 47,038	\$ 70,761	\$ 299,178	\$ 702,382

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, 2013

Fund balances - total governmental funds	\$	411,829
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$	73,914
Less: accumulated depreciation		<u>(61,930)</u>
		11,984
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Compensated absences payable		(27,357)
Elimination of interfund assets and liabilities		
Interfund assets	(106,601)	
Interfund liabilities	<u>106,601</u>	<u>-</u>
Net position of governmental activities	\$	<u><u>396,456</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, 2013

	Major Funds							Total
	Special Revenue Funds						Other Governmental Funds	
	General Fund	Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals	Nutritional Services Incentive Program	Federal Highways Administration		
Revenues								
Intergovernmental								
Governor's Office of Elderly Affairs	\$ -	\$ 338,373	\$ 369,238	\$ 452,253	\$ 161,433	\$ -	\$ 477,801	\$ 1,799,098
U.S. Department of Commerce	-	-	-	-	-	-	116,230	116,230
U.S. Department of Transportation	-	-	-	-	-	208,342	50,872	259,214
Ousachta Council of Governments	-	-	-	-	-	52,086	44,813	96,899
Other Federal grants	-	-	-	-	-	-	12,434	12,434
Louisiana Workforce Investment	-	-	-	-	-	-	69,200	69,200
Service fees	175,543	-	-	-	-	-	19,089	194,632
Membership dues	-	-	-	-	-	-	21,519	21,519
Miscellaneous	12,114	-	-	-	-	-	-	12,114
Total Revenues	187,657	338,373	369,238	452,253	161,433	260,428	811,958	2,581,340
Expenditures								
General	8,100	-	-	-	-	-	-	8,100
Health, welfare, & social services	-	338,373	369,238	452,253	161,433	-	454,285	1,775,582
Planning for highways and public transportation	-	-	-	-	-	257,778	61,090	318,868
Economic development	-	-	-	-	-	-	275,992	275,992
Public safety	-	-	-	-	-	-	13,800	13,800
Capital outlays	-	-	-	-	-	2,650	-	2,650
Total Expenditures	8,100	338,373	369,238	452,253	161,433	260,428	803,167	2,394,992
Excess (Deficiency) of Revenues Over Expenditures	179,557	-	-	-	-	-	6,791	186,348
Other Financing Sources / (Uses)								
Transfers in	270	-	-	-	-	-	93,472	93,742
Transfers out	(572)	-	-	-	-	-	(93,170)	(93,742)
Total Other Financing Sources/(Uses)	(302)	-	-	-	-	-	302	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	179,255	-	-	-	-	-	7,093	186,348
Fund Balances at Beginning of Year	38,649	-	-	-	-	-	186,832	225,481
FUND BALANCES AT END OF YEAR	\$ 217,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,925	\$ 411,829

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, 2013**

Net change in fund balances - total governmental funds	\$	186,348
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 2,650	
Depreciation expense	<u>(5,235)</u>	(2,585)
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		(2,587)
Elimination of transfers in and out		
Transfers in	(93,742)	
Transfers out	<u>93,742</u>	<u>-</u>
Change in net position of governmental activities	\$	<u>181,176</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, 2013**

	<u>Major Funds</u>			<u>Total</u>
	<u>Business-type Activities - Enterprise Funds</u>			
	<u>USDA Rural Development Revolving Loan</u>	<u>Loan Loss Reserve</u>	<u>Rural Business Enterprise Grant</u>	
ASSETS				
Current assets				
Cash and cash equivalents, restricted	\$ 1,491	\$ 30,401	\$ 124,061	\$ 155,953
Receivables	1,905	-	-	1,905
Notes receivable-short term, unrestricted, net	59,577	-	-	59,577
Notes receivable-short term, restricted, net	-	-	-	-
Total current assets	<u>62,973</u>	<u>30,401</u>	<u>124,061</u>	<u>217,435</u>
Noncurrent assets				
Notes receivable - long-term, net	68,802	-	-	68,802
Total noncurrent assets	<u>68,802</u>	<u>-</u>	<u>-</u>	<u>68,802</u>
Total assets	<u>\$ 131,775</u>	<u>\$ 30,401</u>	<u>\$ 124,061</u>	<u>\$ 286,237</u>
LIABILITIES				
Current liabilities				
Accrued interest payable	\$ 6,437	\$ -	\$ -	\$ 6,437
Current portion of long-term debt	75,239	-	-	75,239
Total current liabilities	<u>81,676</u>	<u>-</u>	<u>-</u>	<u>81,676</u>
Noncurrent liabilities				
Note payable	626,930	-	-	626,930
Total noncurrent liabilities	<u>626,930</u>	<u>-</u>	<u>-</u>	<u>626,930</u>
Total liabilities	<u>708,606</u>	<u>-</u>	<u>-</u>	<u>708,606</u>
NET POSITION				
Restricted	-	30,401	124,061	154,462
Unrestricted (deficit)	(576,831)	-	-	(576,831)
Total net position	<u>\$ (576,831)</u>	<u>\$ 30,401</u>	<u>\$ 124,061</u>	<u>\$ (422,369)</u>

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

**NORTH DELTA REGIONAL PLANNING AND
DEVELOPMENT DISTRICT
Monroe, Louisiana
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013**

	<u>Major Funds</u>			<u>Total</u>
	<u>Business-type Activities - Enterprise Funds</u>			
	<u>USDA Rural Development Revolving Loan</u>	<u>Loan Loss Reserve</u>	<u>Rural Business Enterprise Grant</u>	
	\$ -	\$ -	\$ -	\$ -
OPERATING REVENUES				
OPERATING EXPENSES				
Other operating expenses	5,000	499	500	5,999
Total operating expenses	<u>5,000</u>	<u>499</u>	<u>500</u>	<u>5,999</u>
Operating loss	(5,000)	(499)	(500)	(5,999)
NONOPERATING REVENUES (EXPENSES)				
Bad debt recovery	452	-	4,358	4,810
Investment earnings	15,337	-	1,533	16,870
Interest expense	<u>(7,030)</u>	<u>-</u>	<u>-</u>	<u>(7,030)</u>
Total nonoperating revenues (expenses)	<u>8,759</u>	<u>-</u>	<u>5,891</u>	<u>14,650</u>
Transfers				
Transfers in	40,000	-	-	40,000
Transfers out	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>
Total transfers	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>
Change in net position	43,759	(40,499)	5,391	8,651
Net position beginning of year	<u>(620,590)</u>	<u>70,900</u>	<u>118,670</u>	<u>(431,020)</u>
Net position end of year	<u>\$ (576,831)</u>	<u>\$ 30,401</u>	<u>\$ 124,061</u>	<u>\$ (422,369)</u>

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

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

Monroe, Louisiana

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2013

	<u>Major Funds</u>			<u>Total</u>
	<u>Business-type Activities - Enterprise Funds</u>			
	<u>USDA Rural Development Revolving Loan</u>	<u>Loan Loss Reserve</u>	<u>Rural Business Enterprise Grant</u>	
Cash flows from operating activities				
Cash payments to suppliers for goods and services	\$ (5,000)	\$ (499)	\$ (500)	\$ (5,999)
Net cash used for operating activities	<u>(5,000)</u>	<u>(499)</u>	<u>(500)</u>	<u>(5,999)</u>
Cash flows from noncapital financing activities				
Transfers (to) from other funds	40,000	(40,000)	-	-
	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Principal paid on debt	(74,492)	-	-	(74,492)
Interest paid on debt	(7,766)	-	-	(7,766)
Net cash used for financing activities	<u>(82,258)</u>	<u>-</u>	<u>-</u>	<u>(82,258)</u>
Cash flows from investing activities				
Interest received on investments	15,732	-	1,533	17,265
Principal collections on loans	23,854	-	4,934	28,788
Net cash provided by investing activities	<u>39,586</u>	<u>-</u>	<u>6,467</u>	<u>46,053</u>
Net increase (decrease) in cash and cash equivalents	(7,672)	(40,499)	5,967	(42,204)
Cash and cash equivalents, July 1, 2012	<u>9,163</u>	<u>70,900</u>	<u>118,094</u>	<u>198,157</u>
Cash and cash equivalents, June 30, 2013	<u>\$ 1,491</u>	<u>\$ 30,401</u>	<u>\$ 124,061</u>	<u>\$ 155,953</u>
Reconciliation of operating income to net cash used for operating activities				
Operating loss	\$ (5,000)	\$ (499)	\$ (500)	\$ (5,999)
Net cash used for operating activities	<u>\$ (5,000)</u>	<u>\$ (499)</u>	<u>\$ (500)</u>	<u>\$ (5,999)</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, 2013**

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, 2013

B. Basis of Presentation

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

Government-wide Financial Statements

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Fund Financial Statements

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

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

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

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

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

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

Major Special Revenue Funds

Title III B – Supportive Services

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

Title III C-1 – Congregate Meals

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

Title III C-2 – Home Delivered Meals

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

Nutrition Services Incentive Program (NSIP)

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

Federal Highways Administration

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Non-Major Special Revenue Funds

Area Agency on Aging

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

Audit Fund

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

Title III D – Preventive Health Fund

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

Title III E – Caregivers

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

Louisiana SeniorRx

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Senior Center

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

Economic Development Administration

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

North Delta Caregiver

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

Council of Governments

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

Federal Transit Authority

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

Regional Human Service Contract

The Regional Human Service Contract accounts for federal funds provided through

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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

Louisiana Workforce Investment

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

Ombudsman

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

Tri-District Development

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

Enterprise Zone (DED)

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

Delta Regional Planning Authority

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

Louisiana Broadband Grant

The Louisiana Broadband Grant is used to assist in the execution of the State

**NORTH DELTA REGIONAL PLANNING AND
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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Broadband Data and Development Program, which is designed to support the expansion of broadband adoption and usage among communities that are traditionally un-served or underserved by commercial providers.

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

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

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

Enterprise Funds - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. All three of the District's enterprise funds are considered to be major funds and are described further in Note 18.

In accordance with the provisions of GASB Statement 20, the District has elected not to apply FASB statements and interpretations issued after November 30, 1989, to proprietary activities unless they are adopted by the GASB.

C. *Basis of Accounting and Measurement Focus*

Government-Wide Financial Statements:

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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 grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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

Expenditures

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

Other Financing Sources (Uses)

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

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Proprietary Funds

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the District's proprietary funds primarily consist of administrative charges related to the USDA Rural Development Relending Program and the Rural Business Enterprise Grant. All revenues and expenses not meeting the previously mentioned definitions are reported as nonoperating revenues and expenses.

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

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amounts are as originally adopted or as amended by the District. Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the District. All budget revisions are approved by the Board of Directors.

E. Cash and Cash Equivalents

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

F. Short Term Interfund Receivables/Payables

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

G. Prepaid Items

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

H. Loans and Allowance for Loan Losses

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

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

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

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

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

L. Capital Assets

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

Depreciation on all capital assets has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Furniture & Fixtures, 5 years / Office Equipment, 5-7 years

J. Deferred Revenues

The District may report deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In

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subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

K. Compensated Absences

Full-time employees of the District earn up to 15 days of vacation leave each year, depending on length of service. Regular, part-time employees earn prorated vacation leave based on hours worked and length of continuous service. Vacation leave may accumulate up to 30 days with unused accumulated leave time being paid to employees upon termination of employment, at the employee's current rate of pay. Payments at separation, however, will not exceed the number of days accrued each year. Sick leave for full-time employees is earned at the rate of eight hours per month. Unused sick leave may accumulate with no limit; however, no compensation will be paid upon termination of employment. The District's recognition and measurement criteria for compensated absences are as in accordance with GASB Statement No. 16.

L. Deferred Outflows/Inflows of Resources

Effective July 1, 2012, the District implemented the provisions of GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 63 and 65 provides guidance for reporting deferred outflows and deferred inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. *Deferred Outflows* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. These have a positive effect on net position and are similar to assets. The District has no items that qualify for reporting in this category at June 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. *Deferred Inflows* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. These have a negative effect on net position and fund balance, and are similar to liabilities. The District does not have any items that require reporting in this category.

M. Net Position and Fund Equity

In the government-wide Statement of Net Position, equity is classified as net position and

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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, ortgages, 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, 2013. Proprietary fund equity is classified the same as in the government-wide statements.

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

N. 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.

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O. Use Of Estimates

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

Note 2 - Stewardship, Compliance, and Accountability

The USDA Rural Development Revolving Loan Fund had a fund deficit of \$576,831 at June 30, 2013. Management is negotiating with the state office of USDA Rural Development on an ongoing basis in an attempt to lessen this liability. In prior years, the General Fund has transferred \$201,513 to the USDA Revolving Loan Fund and USDA Admin Funds to cover interfund loans that these two funds did not have the financial ability to repay.

Note 3 - Cash and Cash Equivalents

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2013, the District has cash and cash equivalents (book balances) totaling \$596,102 as follows:

Demand deposits	\$ 159,640
Cash equivalents	436,262
Petty cash	<u>200</u>
TOTAL	<u>\$ 596,102</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 \$638,053. Of the bank balance, \$517,133 was covered by federal depository insurance or by collateral held by the District's agent in the District's name (GASB Category 1). The remaining balance, \$120,920, consisted of federated treasury obligations and did not need to be collateralized.

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

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

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

Note 4 - Restricted Assets

Under the terms of agreements with the United States Department of Agriculture, assets maintained in the Loan Loss Reserve and Rural Business Enterprise Grant Funds are restricted. At June 30, 2013, the District recognized \$1,491 of restricted cash in the USDA Rural Development Revolving Loan Fund, \$30,401 of restricted cash in the Loan Loss Reserve Fund, and \$124,061 of restricted cash in the Rural Business Enterprise Grant Fund for a total of \$155,953 in restricted cash, combined.

Note 5 - Receivables

Receivables at June 30, 2013, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Intergovernmental	\$ -	\$ 136,257	\$ -	\$ 136,257
Other	<u>14,533</u>	<u>3,648</u>	<u>1,905</u>	<u>20,086</u>
TOTAL	\$ <u>14,533</u>	\$ <u>139,905</u>	\$ <u>1,905</u>	\$ <u>156,343</u>

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Program	Fund	Funding Agency	Amount
N/A	General	N/A (Reapportionment Income)	\$ 14,533
Area Agency Administration	Special Revenue	LA Governor's Office of E/A	1,333
Title III-D Preventive Health	Special Revenue	LA Governor's Office of E/A	6,222
Local Council of Governments	Special Revenue	Ouachita Council of Governments	9,980
Federal Transit Authority	Special Revenue	Ouachita Council of Governments	12,138
Regional Human Service Contract	Special Revenue	Ouachita Council of Governments	3,625
Federal Highway Admin	Special Revenue	Ouachita Council of Governments	70,761
LA Workforce Investment	Special Revenue	LA Workplace Investment Area	14,365
Tri-District	Special Revenue	N/A - Other receivable	3,646
Delta Regional Authority	Special Revenue	Delta Regional Authority	13,035
Region 8 OHSEP	Special Revenue	OHSEP	4,800
Total Special Revenue Funds			<u>139,905</u>
USDA Rural Development Revolving Loan Fund	Enterprise	N/A - Loan interest	<u>1,905</u>
Total Receivables			<u>\$ 156,343</u>

Note 6 - Interfund Assets/Liabilities

Balances due from/to other funds are listed by fund for the year ended June 30, 2013:

	Due From Other Funds	Due To Other Funds
Major Funds		
General Fund	\$ 76,137	\$ 7,944
Special Revenue Funds		
Title III-B Supportive Services	-	497
Title III-C Congregate Meals	2,446	6,003
Title III C Home Delivered Meals	119	747
Federal Highways Administration	-	68,890
NonMajor Funds		
Special Revenue Funds		
Title III-E Caregiver	22,520	-
North Delta Caregiver	-	22,520
Local Council of Governments	3,199	-
Louisiana Workforce Investment	2,180	-
Total	<u>\$ 106,601</u>	<u>\$ 106,601</u>

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

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Note 7 - Notes Receivable

The District makes loans under the USDA Rural Development Relending Program and the Rural Business Enterprise Grant (see also Note 14) to assist with the economic development of certain rural areas in Northeast Louisiana. Interest rates charged on those notes range from 8.0 to 8.5 percent. As of June 30, 2013, these loans totaled \$734,187. Of this amount, notes receivable of \$724,249 are considered impaired. The related allowance for bad debts on impaired loans is \$605,808 at June 30, 2013. Interest income on impaired loans is recorded on the cash basis and amounted to \$16,633 for the year ended June 30, 2013. The change in the allowance for bad debts for the year ended June 30, 2013 is as follows:

Balance at July 1, 2012		\$	610,618
Recoveries			<u>(4,810)</u>
Balance at June 30, 2013		\$	<u>605,808</u>

Note 8 - Changes in Capital Assets

Changes in capital assets for the year ended June 30, 2013 are as follows:

	<u>June 30,</u> <u>2012</u>		<u>Additions</u>		<u>Retirements</u>		<u>June 30,</u> <u>2013</u>
Governmental Activities							
Depreciable assets:							
Office furniture and equipment:	\$ 73,958	\$	2,650	\$	(2,694)	\$	73,914
Less: accumulated depreciation	<u>(59,389)</u>		<u>(5,235)</u>		<u>2,694</u>		<u>(61,930)</u>
Total governmental activities							
capital assets, net	<u>\$ 14,569</u>	\$	<u>(2,585)</u>	\$	<u>-</u>	\$	<u>11,984</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Health, welfare & social services	\$ 854
Planning for highways and public transportation	3,952
Economic development	429
Total depreciation expense - Government activities	<u>\$ 5,235</u>

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Note 9 - Accounts, Salaries and Other Payables

Payables at June 30, 2013, consisted of accounts and other payables of \$63,017 and salaries payable and related liabilities of \$28,657. All accounts payable were associated with governmental funds.

Note 10 - Retirement Systems

Substantially all employees of the District are eligible to participate in the Deferred Compensation Plan for Public Employees. For 2013, participants may contribute up to one hundred percent of their gross salary, not exceeding \$15,000 or \$20,000 if the participant is at least 50 years of age. The District will match up to five percent of their salary on their behalf.

The District's total payroll during the fiscal year ending June 30, 2013, was \$519,546. Employee contributions totaled \$29,134 and employer contributions totaled \$23,920.

Note 11 - Compensated Absences

At June 30, 2013, employees of the District have accumulated and vested \$27,357 of employee leave benefits; which was computed in accordance with GASB Codification Section C60.

Note 12 - Leases

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

- Office space is under a ten year lease beginning June 1, 2006. Monthly payments are \$3,200 and total fiscal year ended June 30, 2013, rent expense under this lease equaled \$38,400.
- Future minimum lease payments under this agreement are:

Year Ended June 30,	
2014	\$ 38,400
2015	38,400
2016	<u>38,400</u>
Total	<u>\$ 115,200</u>

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- 2013 Chevrolet Equinox is under a twenty four month lease beginning in September 2012. Monthly payments are \$441 and total lease payments for the year ended June 30, 2013 were \$4,415. Future minimum lease payments under this agreement are \$5,298 and \$882 for the years ended June 30, 2014 and 2015, respectively.
 - In addition, the District has annual operating lease agreements for the following office equipment:
 - Kyocera Copier. Monthly lease payments of \$359 for 36 months beginning in May 2012.
 - Pitney Bowes mailing machine and scales. Quarterly payments are \$1,339 on an ongoing basis at the District's discretion.
- Future minimum lease payments under these agreements are \$4,308 and \$3,949 for the years ended June 30, 2014 and 2015, respectively.

Note.13 - Interfund Transfers

Transfers in and out are listed by fund for the year ended June 30, 2013:

	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	\$ 270	\$ 572
Major Enterprise Funds		
USDA Rural Development Revolving Loan	40,000	-
Loan Loss Reserve	-	40,000
Nonmajor Special Revenue Funds		
Title III Caregiver	-	92,900
Senior Center	-	270
Economic Development Administration	572	-
North Delta Caregiver	92,900	-
Total	\$ 133,742	\$ 133,742

Note 14 - Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2013:

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	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
		Enterprise	
	Accrued	Fund	
	Compensated	Notes	
	<u>Absences</u>	<u>Payable</u>	<u>Total</u>
Balance, beginning of year	\$ 24,770	\$ 776,661	\$ 801,431
Additions	29,441	-	29,441
Deductions	(26,854)	-	(26,854)
Principal Payment	<u>-</u>	<u>(74,492)</u>	<u>(74,492)</u>
Balance, end of year	<u>\$ 27,357</u>	<u>\$ 702,169</u>	<u>\$ 729,526</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 75,238	\$ 7,022	\$ 82,260
2015	75,991	6,269	82,260
2016	76,751	5,509	82,260
2017	77,518	4,742	82,260
2018	78,293	3,967	82,260
2019 - 2022	<u>318,378</u>	<u>7,959</u>	<u>326,337</u>
Total	<u>\$ 702,169</u>	<u>\$ 35,468</u>	<u>\$ 737,637</u>

Note 15 - Dual Roles of Staff and Related Party Transactions

The Executive Director of the District also serves as Executive Secretary of the Ouachita Council of Governments (OCOG). The District has contracted with OCOG to provide technical assistance in carrying out OCOG's federal and local program activities. For the year ended June 30, 2013, the District recorded \$34,595 of revenues from OCOG.

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Also, during the year ended June 30, 2013, the District performed reapportionment services for various local governments for which members of the governing bodies were also members of the District's board of directors. Total revenues recognized during the year for services provided to related governments was \$38,918 and is included in service fees in the General Fund.

Note 16 - Litigation and Claims

Litigation – At June 30, 2013, the District was not involved in any litigation, nor were there any claims pending which might have a material impact on the financial statements.

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

Note 17 - Economic Dependency

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

Note 18 - Segment Information – Enterprise Funds

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

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	USDA			
	Rural		Rural	
	Development		Business	
	Revolving	Loan Loss	Enterprise	
	Loan	Reserve	Grant	Total
Operating (Loss)	\$ (5,000)	\$ (499)	\$ (500)	\$ (5,999)
Change in Net Assets	\$ 43,759	\$ (40,499)	\$ 5,391	\$ 8,651
Net Working Capital (Deficit)	\$ (18,703)	\$ 30,401	\$ 124,061	\$ 135,759
Total Assets	\$ 131,775	\$ 30,401	\$ 124,061	\$ 286,237
Net Position	\$ (576,831)	\$ 30,401	\$ 124,061	\$ (422,369)

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

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

Note 19 - Compensation of Board Members

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

Note 20 - Subsequent Events

Management has evaluated subsequent events through December 31, 2013, the date which the financial statements were available to be issued and determined that no events occurred that require disclosure.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

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

GENERAL FUND

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Fees for services	\$ 7,000	\$ 71,208	\$ 175,543	\$ 104,335
Miscellaneous	-	-	12,114	12,114
Total Revenues	<u>7,000</u>	<u>71,208</u>	<u>187,657</u>	<u>116,449</u>
EXPENDITURES				
Current:				
Salaries	-	15,921	-	15,921
Fringe	-	4,739	-	4,739
Travel	-	1,432	2,072	(640)
Operating services	6,161	4,102	1,143	2,959
Operating supplies	839	2,471	1,637	834
Other costs	-	42,543	3,248	39,295
Total Expenditures	<u>7,000</u>	<u>71,208</u>	<u>8,100</u>	<u>63,108</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>179,557</u>	<u>179,557</u>
Other Financing Sources				
Transfers in	-	-	270	270
Transfers out	-	-	(572)	(572)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(302)</u>	<u>(302)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>-</u>	<u>-</u>	<u>179,255</u>	<u>179,255</u>
Fund Balances at Beginning of Year	<u>38,649</u>	<u>38,649</u>	<u>38,649</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 38,649</u>	<u>\$ 38,649</u>	<u>\$ 217,904</u>	<u>\$ 179,255</u>

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

TITLE III B SUPPORTIVE SERVICES FUND

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Intergovernmental Revenues:				
Louisiana Governor's Office of Elderly Affairs	\$ 338,373	\$ 338,373	\$ 338,373	\$ -
Total Revenues	<u>338,373</u>	<u>338,373</u>	<u>338,373</u>	<u>-</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll Council on Aging	24,172	24,172	24,172	-
Franklin Council on Aging	57,980	57,980	57,980	-
Jackson Council on Aging	51,074	51,074	51,074	-
Madison Council on Aging	70,696	70,696	70,696	-
Richland Council on Aging	39,512	39,512	39,512	-
Tensas Council on Aging	29,595	29,595	29,595	-
Union Council on Aging	51,753	51,753	51,753	-
North Louisiana Legal Assistance	13,591	13,591	13,591	-
Total Expenditures	<u>338,373</u>	<u>338,373</u>	<u>338,373</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

TITLE III C-1 CONGREGATE MEALS FUND

For the Year Ended June 30, 2013

	<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	\$ 369,238	\$ 369,238	\$ 369,238	\$ -
Total Revenues	<u>369,238</u>	<u>369,238</u>	<u>369,238</u>	<u>-</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll Council on Aging	55,718	55,718	55,754	(36)
Franklin Council on Aging	43,826	43,826	43,895	(69)
Jackson Council on Aging	59,854	59,854	59,906	(52)
Madison Council on Aging	78,456	78,456	78,505	(49)
Richland Council on Aging	43,769	43,769	43,829	(60)
Tensas Council on Aging	26,418	26,418	26,073	345
Union Council on Aging	61,197	61,197	61,276	(79)
Total Expenditures	<u>369,238</u>	<u>369,238</u>	<u>369,238</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

TITLE III C-2 HOME DELIVERED MEALS FUND

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Intergovernmental Revenues:				
Louisiana Governor's Office of Elderly Affairs	\$ 452,253	\$ 452,253	\$ 452,253	\$ -
Total Revenues	<u>452,253</u>	<u>452,253</u>	<u>452,253</u>	<u>-</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll Council on Aging	51,987	51,987	51,987	-
Franklin Council on Aging	44,082	44,082	44,082	-
Jackson Council on Aging	54,480	54,480	54,480	-
Madison Council on Aging	47,508	47,508	47,508	-
Richland Council on Aging	104,476	104,476	104,476	-
Tensas Council on Aging	74,134	74,134	74,134	-
Union Council on Aging	75,586	75,586	75,586	-
Total Expenditures	<u>452,253</u>	<u>452,253</u>	<u>452,253</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

For the Year Ended June 30, 2013

	<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	\$ 150,119	\$ 150,119	\$ 161,433	\$ 11,314
Total Revenues	<u>150,119</u>	<u>150,119</u>	<u>161,433</u>	<u>11,314</u>
EXPENDITURES				
Grants to Subrecipients:				
East Carroll Council on Aging	17,650	17,650	13,399	4,251
Franklin Council on Aging	20,000	20,000	19,195	805
Jackson Council on Aging	22,469	22,469	25,550	(3,081)
Madison Council on Aging	18,000	18,000	21,883	(3,883)
Richland Council on Aging	20,000	20,000	22,273	(2,273)
Tensas Council on Aging	22,000	22,000	21,381	619
Union Council on Aging	30,000	30,000	37,752	(7,752)
Total Expenditures	<u>150,119</u>	<u>150,119</u>	<u>161,433</u>	<u>(11,314)</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
U.S. Department of Transportation	\$ 208,342	\$ 208,342	\$ 208,342	\$ -
Ouachita Council of Governments	51,919	52,086	52,086	-
Total Revenues	<u>260,261</u>	<u>260,428</u>	<u>260,428</u>	<u>-</u>
EXPENDITURES				
Current:				
Planning for Highways and Public Transportation	257,261	257,928	257,778	150
Capital Outlays	3,000	2,500	2,650	(150)
Total Expenditures	<u>260,261</u>	<u>260,428</u>	<u>260,428</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2013

	<u>Area Agency on Aging</u>	<u>Audit Fund</u>	<u>Title III D Preventive Health</u>	<u>Title III E Caregiver</u>	<u>Louisiana Senior Rx</u>
REVENUES					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 118,032	\$ 4,366	\$ 22,047	\$ 113,307	\$ 97,230
U.S. Department of Commerce	-	-	-	-	-
U.S. Department of Transportation	-	-	-	-	-
Ouachita Council of Governments	-	-	-	-	-
Other Federal Grants	-	-	-	-	-
Louisiana Workforce Investment	-	-	-	-	-
Membership dues	-	-	-	-	-
Service Fees	-	-	-	-	-
Total Revenues	<u>118,032</u>	<u>4,366</u>	<u>22,047</u>	<u>113,307</u>	<u>97,230</u>
EXPENDITURES					
Salaries	65,180	-	-	-	53,164
Fringe	19,590	-	-	-	22,510
Travel	5,000	-	-	-	1,610
Operating services	22,282	545	-	-	14,467
Operating supplies	2,520	-	-	-	2,304
Other costs	3,460	-	22,047	-	3,175
Grants to subrecipients	-	3,821	-	20,407	-
Capital Outlays	-	-	-	-	-
Total Expenditures	<u>118,032</u>	<u>4,366</u>	<u>22,047</u>	<u>20,407</u>	<u>97,230</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,900</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(92,900)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,900)</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit), Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2013

	Senior Center	Economic Development Administration	North Delta Caregiver	Council of Governments
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ -	\$ -
U.S. Department of Commerce	-	60,000	-	-
U.S. Department of Transportation	-	-	-	-
Ouachita Council of Governments	-	-	-	34,595
Other Federal Grants	-	-	-	-
Louisiana Workforce Investment	-	-	-	-
Membership dues	-	21,519	-	-
Service Fees	-	-	-	-
Total Revenues	<u>-</u>	<u>81,519</u>	<u>-</u>	<u>34,595</u>
EXPENDITURES				
Salaries	-	36,359	5,715	18,118
Fringe	-	9,250	1,731	5,041
Travel	-	6,133	70	300
Operating services	-	11,164	1,363	9,561
Operating supplies	-	1,732	178	1,543
Other costs	-	70	83,843	32
Grants to subrecipients	-	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	<u>-</u>	<u>64,708</u>	<u>92,900</u>	<u>34,595</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>16,811</u>	<u>(92,900)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	572	92,900	-
Transfers Out	(270)	-	-	-
Total Other Financing Sources (Uses)	<u>(270)</u>	<u>572</u>	<u>92,900</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>(270)</u>	<u>17,383</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit), Beginning of Year	<u>270</u>	<u>36,418</u>	<u>19,603</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 53,801</u>	<u>\$ 19,603</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2013

	Federal Transit Authority	Regional Human Service Contract	Louisiana Workforce Investment	Ombudsman
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ -	\$ 122,819
U.S. Department of Commerce	-	-	-	-
U.S. Department of Transportation	40,872	10,000	-	-
Ouachita Council of Governments	10,218	-	-	-
Other Federal Grants	-	-	-	-
Louisiana Workforce Investment	-	-	69,200	-
Membership dues	-	-	-	-
Service Fees	-	-	-	-
Total Revenues	<u>51,090</u>	<u>10,000</u>	<u>69,200</u>	<u>122,819</u>
EXPENDITURES				
Salaries	31,757	7,814	40,527	58,717
Fringe	9,830	1,855	14,401	25,870
Travel	1,347	227	2,550	15,974
Operating services	7,208	-	10,208	19,116
Operating supplies	902	104	1,514	3,142
Other costs	46	-	-	-
Grants to subrecipients	-	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	<u>51,090</u>	<u>10,000</u>	<u>69,200</u>	<u>122,819</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
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	-	-	-	-
Fund Balances (Deficit), Beginning of Year	-	-	-	-
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2013

	Tri-District Development	Enterprise Zone (DED)	Delta Reg. Planning Authority	Louisiana Broadband Grant
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ -	\$ -	-	-
U.S. Department of Commerce	-	-	-	56,230
U.S. Department of Transportation	-	-	-	-
Ouachita Council of Governments	-	-	-	-
Other Federal Grants	-	-	12,434	-
Louisiana Workforce Investment	-	-	-	-
Membership dues	-	-	-	-
Service Fees	5,289	-	-	-
Total Revenues	<u>5,289</u>	<u>-</u>	<u>12,434</u>	<u>56,230</u>
EXPENDITURES				
Salaries	3,701	-	13,385	12,132
Fringe	834	-	3,643	3,490
Travel	31	-	1,658	380
Operating services	644	-	3,218	35,228
Operating supplies	71	-	550	5,000
Other costs	8	-	-	-
Grants to subrecipients	-	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	<u>5,289</u>	<u>-</u>	<u>22,454</u>	<u>56,230</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(10,020)	-
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	-	-	(10,020)	-
Fund Balances (Deficit), Beginning of Year	<u>55,747</u>	<u>15,333</u>	<u>59,461</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 55,747</u>	<u>\$ 15,333</u>	<u>\$ 49,441</u>	<u>-</u>

(Continued)

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

For the Year Ended June 30, 2013

	Region 8 OHSEP Funds	Total
REVENUES		
Intergovernmental:		
Governor's Office of Elderly Affairs	\$ -	\$ 477,801
U.S. Department of Commerce	-	116,230
U.S. Department of Transportation	-	50,872
Quachita Council of Governments	-	44,813
Other Federal Grants	-	12,434
Louisiana Workforce Investment	-	69,200
Membership dues	-	21,519
Service Fees	13,800	19,089
Total Revenues	<u>13,800</u>	<u>811,958</u>
EXPENDITURES		
Salaries	9,796	356,365
Fringe	2,953	120,998
Travel	222	35,502
Operating services	692	135,696
Operating supplies	137	19,697
Other costs	-	112,681
Grants to subrecipients	-	24,228
Capital Outlays	-	-
Total Expenditures	<u>13,800</u>	<u>805,167</u>
Excess (Deficiency) of Revenues Over Expenditures	-	6,791
OTHER FINANCING SOURCES (USES)		
Transfers In	-	93,472
Transfers Out	-	(93,170)
Total Other Financing Sources (Uses)	-	<u>302</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	-	7,093
Fund Balances (Deficit), Beginning of Year	-	<u>186,832</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 193,925</u>

(Concluded)

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

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

For the Year Ended June 30, 2013

	<u>Balance</u>			<u>Balance</u>
	<u>06/30/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/13</u>
GENERAL FIXED ASSETS				
Furniture and Equipment	\$ 73,958	\$ 2,650	\$ (2,694)	\$ 73,914
 INVESTMENT IN GENERAL FIXED ASSETS				
General Fund	\$ 2,331	\$ -	\$ (81)	\$ 2,250
Economic Development Association	2,031	-	(117)	1,914
Council of Governments	2,678	-	(91)	2,587
Federal Transit Authority	4,618	-	(65)	4,553
Regional Human Service Contract	1,127	-	-	1,127
Federal Highways Administration	44,218	2,650	(454)	46,414
Louisiana Workforce Investment	831	-	(32)	799
Tri-District Development	128	-	(52)	76
Area Agency on Aging	3,162	-	(1,590)	1,572
Ombudsman	10,675	-	(195)	10,480
North Delta Caregiver	188	-	(17)	171
Senior Rx	1,771	-	-	1,771
Delta Regional Authority	144	-	-	144
Region 8 OHSEP	56	-	-	56
	<u>\$ 73,958</u>	<u>\$ 2,650</u>	<u>\$ (2,694)</u>	<u>\$ 73,914</u>

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

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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John Herman, CPA
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Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2013.

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 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 were not identified. However, we consider the deficiencies described as items 13-01 and 13-02 in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 13-02.

We noted a certain matter that we reported to management of the District in a separate letter dated December 31, 2013.

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

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.

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

Suffey, Huffman, Roydala, & Siggins

(A Professional Accounting Corporation)

December 31, 2013

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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's, Incorporated (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each 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**

Opinion on Each Major Federal Program

In our opinion, 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 each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 13-01. Our opinion of each major federal program is not modified with respect to this matter.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness. However, we consider the deficiency in internal control over compliance described as item 13-02 in the accompanying schedule of findings and questioned costs to be a material weakness.

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

The District's response to the internal control over compliance finding 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Stuffey, Huffman, Ruppel & Siggins

(A Professional Accounting Corporation)

December 31, 2013

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	Federal CFDA Number	Pass - Through Grantor's I.D. Number	Grant Period	Award Amount	Expenditures
United States Department of Commerce					
Direct Program:					
Economic Development - Support for Planning Organizations	11.302	08-83-04824	1/1/2013 - 12/31/2015	60,000	\$ 60,000
ARRA - State Broadband Data and Development	11.558	716619	7/1/2012 - 8/31/2013	63,218	<u>56,230</u>
Total United States Department of Commerce					<u>116,230</u>
United States Department of Transportation/ Passed-Through the Ouchita Council of Governments:					
Highway Planning & Construction	20.205	736-37-0051	7/1/2012 - 6/30/2013	208,342	208,342
Federal Transit - Metropolitan Planning Grants	20.505	LA-80-0020-01	7/1/2012 - 6/30/2013	401	401
	20.505	LA-80-0021	7/1/2012 - 6/30/2013	40,471	40,471
	20.509	LA-18-X025	7/1/2012 - 6/30/2013	5,000	5,000
	20.513	LA-16-X007	7/1/2012 - 6/30/2013	5,000	<u>5,000</u>
Total United States Department of Transportation					<u>259,214</u>
Delta Regional Authority					
Delta Local Development District Assistance	90.202	N/A	1/1/2011 - 12/31/2012	10,019	10,019
	90.202	N/A	4/1/2013 - 9/30/2013	12,434	<u>12,434</u>
Total Delta Regional Authority					<u>22,453</u>
United States Department of Health and Human Services - Administration on Aging/ Passed-Through the Louisiana Governor's Office of Elderly Affairs:					
Title III D - Disease Prevention and Health Promotion Services	93.043	711136	7/1/2012 - 6/30/2013	23,209	<u>22,047</u>
Title III B - Ombudsman Services	93.044	711136	7/1/2012 - 6/30/2013	236,040	236,040
Title III B - Supportive Services	93.044	711732	7/1/2012 - 6/30/2013	98,882	<u>98,882</u>
Total Title III B - Grants for Supportive Services and Senior Centers					<u>334,922</u>
Title III C - Area Agency Administration					
Title III C-1 - Congregate Meals	93.045	711136	7/1/2012 - 6/30/2013	88,524	88,524
Title III C-1 - Congregate Meals	93.045	711136	7/1/2012 - 6/30/2013	227,512	227,512
Title III C-2 - Home Delivered Meals	93.045	711136	7/1/2012 - 6/30/2013	162,058	<u>162,058</u>
Total Title III - C - Nutrition Services					<u>478,094</u>
Title III E - National Family Caregiver Support	93.052	711136	7/1/2012 - 6/30/2013	84,980	<u>84,980</u>
Total Title III E - National Family Caregiver Support					<u>84,980</u>
Nutritional Services Incentive Program (NSIP)					
Food Distribution - Cash-in-Lieu of Commodities	93.053	711868	7/1/2012 - 6/30/2013	161,433	<u>161,433</u>
Total United States Department of Health and Human Services					<u>1,081,476</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 1,479,373</u>

The District is indebted to the Department of Agriculture (Farmer's Home Administration) for a note of \$702,169 at year end.

See Notes to Schedule of Expenditures of Federal Awards

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

1: GENERAL

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

2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

Government Funds	
Major Funds	\$ 995,385
Other Governmental Funds	473,969
Total Federal Revenues	<u>1,469,354</u>
Restricted Revenues from 2012 Spent In 2013	10,019
Total Schedule of Expenditures of Federal Awards	<u>\$ 1,479,373</u>

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

Title III B - Supportive Services	\$ 236,040
Title III C-1 - Congregate Nutrition	227,512
Title III C-2 - Home Delivered Meals	162,058
Title III E - Caregiver	84,980
N.S.I.P. Cash-in-Lieu of Commodities	<u>161,433</u>
Total Pass Through Awards	<u>\$ 872,023</u>

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

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 FY13</u>	<u>Deferred Revenue Decrease (Increase)</u>	<u>Federal Awards Schedule FY13</u>	<u>State Revenue FY13</u>
Title III C - Federal	\$ 88,524	\$ -	\$ 88,524	\$ -
Title III C - State	29,508	-	-	29,508
Title III B - Federal	98,882	-	98,882	-
Title III B - State	23,937	-	-	23,937
Title III B SS - Federal	236,040	-	236,040	-
Title III B SS - State	102,333	-	-	102,333
Title III C-1 - Federal	227,512	-	227,512	-
Title III C-1 - State	141,726	-	-	141,726
Title III C-2 - Federal	162,058	-	162,058	-
Title III C-2 - State	290,195	-	-	290,195
Title III D - Federal	22,047	-	22,047	-
Title III E - Federal	84,979	-	84,979	-
Title III E - State	28,328	-	-	28,328
Senior RX - State	97,230	-	-	97,230
Audit - State	4,366	-	-	4,366
NSIP - Federal	161,433	-	161,433	-
	<u>\$ 1,799,098</u>	<u>\$ -</u>	<u>\$ 1,081,475</u>	<u>\$ 717,623</u>

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

5: RELATIONSHIP TO FUNDS SENT BY OTHER GRANTING AGENCIES

	<u>FY 13 Revenues</u>	<u>FY 12 Revenues</u>	<u>Total Awards Expended</u>
U.S. Department of Commerce	\$ 116,230	\$ -	\$ 116,230
U.S. Department of Transportation	\$ 259,214	\$ -	\$ 259,214
Delta Regional Authority	\$ 12,434	\$ 10,019	\$ 22,453

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

Section 1 – Summary of Auditor’s Results

Financial Statements:

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? Yes No

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

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

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

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

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
Aging Cluster	
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, 2013

Section II – Financial Statement Findings and Questioned Costs:

13-01 Preparation of financial statements

First Reported – 2007

Finding:

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

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

Twenty journal entries were required to correct posting of transactions to the District's accounting records. Reclassifications of \$228,897 had to be made due to revenues and expenses were not properly closed to the correct fund balance accounts. Also, \$63,218 of grant revenues were not recorded in the proper fund.

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

Recommendation:

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

Management's Corrective Action Plan:

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

13-02 Deficiencies in accounting for grant revenues and expenditures

Finding:

This finding relates to the ARRA – State Broadband Data and Development Program, specifically to the Louisiana Communities Broadband Grant, CFDA #11.558, received from the National Telecommunications and Information Administration of the United States Department of Commerce, passed through the State of Louisiana, Division of Administration, Office of Information Technology. This grant covers the period from July 1, 2012 through August 31, 2013.

Sound internal controls allow management to detect and correct misstatements in a timely manner. During the year ended June 30, 2013, North Delta Regional Planning and Development District, Inc. (the District) began receiving funds under the Louisiana Communities Broadband Grant Program. Separate accounting was not maintained for funds throughout the year and, as a result, adjustments had to be made in order to record accounts payable of \$18,381, reclassify purchase of supplies in the amount of \$2,500, and defer unearned amounts of \$6,988. The failure to accurately account for grant revenues and expenditures is a deficiency in internal controls which could lead to inaccurate financial reporting as well as violation of grant agreements.

Recommendation:

We recommend that the District's accounting personnel accurately track grant revenues and expenditures and reconcile these items to grant requests and reimbursements on an ongoing basis.

Management's Corrective Action Plan:

North Delta administrative staff will ensure that accounting personnel accurately track grant revenues and expenditures and reconcile these items to grant requests and reimbursements on an ongoing basis.

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

The following is a summary of the status of the prior year findings included in Luffey, Huffman, Ragsdale & Soignier (APAC)'s audit report dated December 31, 2012, covering the audit of the financial statements of North Delta Regional Planning and Development District, Incorporated as of and for the year ended June 30, 2012.

12-01 Preparation of financial statements

First Reported – 2007

Recommendation:

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

Management Letter – Documentation of internal control

Recommendation:

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

Status:

Management is working to correct this issue.

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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 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) for the year ended June 30, 2013, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 31, 2013 on the basic financial statements of the District.

Documentation of Internal Control

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

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

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

Recommendation:

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

Management's Corrective Action Plan:

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

Jeffrey Huffman, Raymond & Squires

(A Professional Accounting Corporation)

December 31, 2013