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Financial Report

*South Central Planning &
Development Commission, Inc.
Thibodaux, Louisiana*

June 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, entity and other agencies in 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 OCT 2 8 1998

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South Central Planning & Development Commission, Inc.

June 30, 1998

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PRINCIPAL OFFICIALS

South Central Planning & Development Commission, Inc.

June 30, 1998

Officers

Berry Bonville, III Chairman	Terrebonne Parish
Dale J. Hymel, Jr. Vice Chairman	St. James Parish
Warren J. Harang, Jr. Secretary/Treasurer	City of Thibodaux

Commissioners

Martin Triche	Assumption Parish
Ronald Jones	Assumption Parish
Alvin Sylvester	Assumption Parish
Aaron Calhoun	Lafourche Parish
Jerry Jones	Lafourche Parish
Donald Bollinger	Lafourche Parish
Chris Tregre	St. Charles Parish
Ellis A. Alexander	St. Charles Parish
Elton Aubert	St. James Parish
Harbert Jackson	St. James Parish
Arnold J. Labat	St. John the Baptist Parish
Leroy Labat	St. John the Baptist Parish
Furry Bailey	St. John the Baptist Parish
Philip Parquay	Terrebonne Parish
Wayne S. Ingram	Terrebonne Parish
Jerick Austin	Town of Golden Meadow
Herman Bourgeois	Town of Gramercy
J. B. Townsend, Jr.	Town of Lakeport
Elmer J. Tronchar	Town of Latcher
Darrell C. Jupiter	Village of Napoleonville

Chief Executive Officer

Kevin P. Bollinger

FINANCIAL SECTION



Ernst & Young

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Thibodaux, Louisiana.

We have audited the accompanying general-purpose financial statements of the South Central Planning & Development Commission, Inc. (the Commission) as of and for the year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of South Central Planning & Development Commission, Inc. as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 1998 on our consideration of South Central Planning & Development Commission, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

100 West Street Street, Suite 400
P.O. Box 700
Boston, MA 02111-0700
Phone (617) 633-1000
Fax (617) 633-1000

Ernst & Young
MEMBERS OF THE
ERST & YOUNG GLOBAL
LIMITED LIABILITY COMPANY

P.O. Box 40000
New Orleans, LA 70114-0000
1 Prudential Plaza, Suite 2000
Chicago, Illinois 60601-1000
100 West Street Street
New York, NY 10038-0001

100 West Street Street
P.O. Box 1000
Thibodaux, LA 70310-1000
Phone (985) 885-1000

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of South Central Planning & Development Commission, Inc. taken as a whole. The accompanying combining and individual fund financial statements, schedules and schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of South Central Planning & Development Commission, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Bougie Bennett, LLC

Certified Public Accountants

Harris, La.,
September 15, 1998.

**COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS**

South Central Planning & Development Commission, Inc.

June 30, 1998

	Governmental Fund Types		Account Groups		Total (Miscellaneous Only)
	General	Special Revenue	General	General	
			Fund Assets	Long-Term Liabilities	
ASSETS AND OTHER DEBITS					
Assets					
Cash	\$ 48,838	\$ 90,714	\$ -	\$ -	\$ 139,552
Investments	246,881	-	-	-	246,881
Receivables:					
Miscellaneous	1,834	-	-	-	1,834
Economic loans	-	881,094	-	-	881,094
Due from other governmental units	75,432	-	-	-	75,432
Due from other funds	4,875	-	-	-	4,875
Prepaid expenditures	4,589	-	-	-	4,589
Deposits	871	-	-	-	871
Fiscal assets	-	-	75,620	-	75,620
Other Debits					
Amount to be provided for retirement of general long-term obligations	-	-	-	3,661	3,661
Total assets and other debits	\$ 389,640	\$ 974,708	\$ 75,620	\$ 3,661	\$ 1,443,629
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities					
Accounts payable and accrued expenditures (due to other funds)	\$ 14,864	\$ -	\$ -	\$ -	\$ 14,864
Deferred revenues	-	4,875	-	-	4,875
Unallocated revenues	181,681	882,894	-	-	1,064,575
Compensated absence payable	-	-	-	3,661	3,661
Total liabilities	\$196,545	\$887,869	\$ -	\$3,661	\$1,088,075
Equity and Other Credits					
Investment in general fiscal assets	-	-	\$ 75,620	-	75,620
Fund balances:					
Retained for prepaid items	4,589	-	-	-	4,589
Unreserved:					
Designated for revolving loans					
Fund administration	89,642	-	-	-	89,642
Undesignated	110,729	85,879	-	-	196,608
Total fund balances	\$194,960	\$85,879	\$ -	\$ -	\$280,839
Total equity and other credits	\$194,960	\$85,879	\$75,620	\$ -	\$280,839
Total liabilities, equity and other credits	\$ 389,640	\$ 974,708	\$ 75,620	\$ 3,661	\$ 1,443,629

See notes to financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
Revenues			
Intergovernmental	\$ 316,376	\$ 128,971	\$ 445,347
Interest earned	9,717	37,528	47,245
Miscellaneous	3,206	91,185	94,391
	<hr/>	<hr/>	<hr/>
Total revenues	329,299	249,678	578,977
Expenditures			
Current:			
Economic development and assistance	276,533	177,341	453,874
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	52,766	72,337	125,103
Other Financing Sources (Uses)			
Operating transfers in	18,893	29,431	48,324
Operating transfers out	(29,431)	(18,853)	(48,284)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(10,538)	10,578	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses	42,228	82,915	125,143
Fund Balances			
Beginning of year	190,255	3,024	193,279
	<hr/>	<hr/>	<hr/>
End of year	\$ 232,483	\$ 85,839	\$ 318,322
	<hr/>	<hr/>	<hr/>

See notes to financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUND
TYPES - GENERAL AND SPECIAL REVENUE FUNDS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 333,771	\$ 316,376	\$ (17,395)
Interest earned	9,400	9,717	317
Miscellaneous	2,000	1,206	1,206
	345,171	327,299	(15,872)
Expenditures			
Current:			
Economic development and assistance	276,809	276,533	276
	68,362	52,366	(15,996)
Other Financing Sources (Uses)			
Operating transfers in	18,883	18,933	148
Operating transfers out	(30,954)	(29,431)	1,123
	(11,751)	(10,478)	1,273
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 58,611	42,288	\$ (14,323)
Fund Balances			
Beginning of year		190,255	
End of year		\$ 232,543	

See notes to financial statements.

Special Revenue Funds

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 123,868	\$ 120,971	\$ (2,897)
37,268	37,522	314
91,210	91,185	(25)
<u>252,286</u>	<u>249,678</u>	<u>(2,608)</u>
<u>181,344</u>	<u>177,341</u>	<u>4,003</u>
<u>70,942</u>	<u>72,337</u>	<u>1,395</u>
38,556	28,431	(1,125)
<u>(18,805)</u>	<u>(18,953)</u>	<u>(148)</u>
<u>11,751</u>	<u>10,478</u>	<u>(1,273)</u>
<u>\$ 82,695</u>	<u>82,815</u>	<u>\$ 122</u>
	<u>3,024</u>	
	<u>\$ 85,839</u>	

NOTES TO FINANCIAL STATEMENTS

South Central Planning & Development Commission, Inc.

June 30, 1998

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the South Central Planning & Development Commission, Inc. (the Commission) conform to generally accepted accounting principles (GAAP) applicable to special districts as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Commission was created under enabling legislation of the State of Louisiana and incorporated under the provisions of Louisiana Revised Statutes 12:201 et. seq., as amended in 1968; provided, however, that its activities shall be consistent with the powers, duties, rights and liabilities as may be deemed necessary or proper to accomplish the purposes of a regional planning or an economic development district and are for charitable, educational and scientific research purposes.

The Commission although governed by a Board of Commissioners who are directly appointed by the governing bodies of the municipalities and parishes of which it serves, is considered a separate governmental entity because it is substantially autonomous. The Commission has no component units and the general-purpose financial statements include all the fund types and account groups of the entity.

b) Fund Accounting

The Commission uses funds and account groups 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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which the governmental functions of the Commission are financed. The acquisition, use and balances of the Commission's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Governmental Funds of the Commission:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes.

Account Groups

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds. The General Long-Term Obligations Account Group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of proprietary or trust funds.

c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Member assessments are recognized as revenues in the period for which they are assessed. Grant and contract revenues are recognized when earned since they are measurable and available. Interest earned and other miscellaneous revenues are recorded as revenues when received in cash by the Commission because they are generally not measurable until actually received.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Basis of Accounting (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which is recorded in the period in which paid.

f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

g) Budgets and Budgetary Accounting

The Commission, under the terms of its charter, adopts an annual budget. This budget is for the General Fund and Special Revenue Funds. Special Revenue Funds, which at June 30, 1998 consisted of various government and government agency projects, are budgeted on a project by project basis as funding becomes available. The General Fund and Special Revenue Funds were amended during the year to reflect changes in budgeted revenues, expenditures and operating transfers as dictated by the circumstances.

Budgets for carry-over grants and projects, which are to be performed over more than one accounting period, are reflected only to the extent they affect the current period being reported on. Budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

Comparison of the budgeted and actual amounts as shown in Exhibit C in the accompanying financial report includes the General Fund and all Special Revenue Funds. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP).

h) Accounts Receivable

Uncollectible amounts due for member assessments, contract reversals and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments

Investments consist of Certificates of Deposit and are stated at cost, which approximates market.

h) Deferred Revenue

Member dues and restricted contributions for future periods received during the current year are reported as deferred revenues within the General Fund. Member dues and restricted contributions are considered revenues of the period for which assessed or designated by the members. In January, members are assessed dues for the next fiscal year based on a per capita rate, \$38 for the fiscal year 1999. Also, in January, members are voluntarily assessed the cost to administer the revolving loan program for the calendar year.

The Commission accounts for its revolving loan program in the operating accounts of special revenue funds. The receipts of its grants and subsequent loan collections are recognized as revenue and loans made to beneficiaries of the program are accounted for as expenditures. An asset "economic loans receivable" is a debit on the Balance Sheet by "deferred revenue."

i) Fixed Assets and Long-Term Obligations

The accounting and reporting treatment applied to the fixed assets and long-term obligations associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation is provided on general fixed assets. All fixed assets are valued at historical cost.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Fixed Assets and Long-Term Obligations (Continued)

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Obligations Account Group.

i) Vacation and Sick Leave

Accumulated vacation and sick leave is recorded as an expenditure of the period in which paid.

All full-time, permanent employees of the Commission receive two weeks of vacation which accrues at a rate of 3.08 hours per pay period beginning with the first day of full-time, permanent employment. Full-time employees as of June 22, 1995 will receive an additional day of vacation per year of service after five years of continuous employment. Full-time employees hired after June 22, 1995 will receive an additional day of vacation per year of service after ten years of continuous employment. Vacation cannot be used for the first three months of full-time, permanent employment. Employees may carry over a maximum of five working days of vacation from one fiscal year to another. Any time in excess of five days must be approved by the Chief Executive Officer before the end of the fiscal year or will be lost without compensation. Vacation is reimbursed when an employee terminates service with the Commission.

All full-time, permanent employees of the Commission earn sick leave at the rate of one day per month or 3.09 hours per pay period. No limits on this accrual privilege have been established. Sick leave can be accumulated but does not vest and, therefore, a provision has not been made for sick leave.

The amount of accumulated unpaid vacation at June 30, 1998 is reported in the General Long-Term Obligations Account Group.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Designated fund balance represents tentative plans for future use of financial resources.

l) Indirect Cost Plan

The Commission maintains an indirect cost plan for the allocation of costs that are incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited through June 30, 1998. These indirect costs are allocated based on direct salaries incurred by each fund benefiting from the indirect costs.

m) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Commission.

n) General Fund Activity

At July 1, 1997, the Commission's management determined that expenditures from certain revenue sources were not legally restricted and were not required to be accounted for in Special Revenue Funds. Accordingly for the year ended June 30, 1998 management recorded revenue and expenditures from the following sources as General Fund activity:

Source	Revenue
(LAPHD) Enterprise Zones Fund	\$ 9,250
Marshall Cities and Parishes Projects Fund	<u>77,520</u>
Total	<u>\$86,770</u>

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ep Memorandum Only - Total Columns

The total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS

State statutes authorize the Commission to invest excess funds in obligations of the United States, certificates of deposit of state banks organized under laws of Louisiana and National Banks having their principal office in Louisiana and any other federally insured investment.

State Law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FIDC insurance and securities pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or with a trust company for the account of the political subdivision. In accordance with state law all cash and deposits were collateralized.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Commission or its agent in the Commission's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the Commission's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Commission's name, and deposits which are uninsured or uncollateralized.

Note 2 - DEPOSITS (Continued)

The year-end bank balances of deposits and the carrying amounts as shown on the combined balance sheet are as follows:

	Bank Balances			Book Balances
	Category			
	1	2	3	
Cash	\$100,000	\$ -	\$ 60,549	\$160,472
Investments:				
Certificates of deposit	<u>100,000</u>	<u>—</u>	<u>146,581</u>	<u>246,581</u>
Totals	<u>\$200,000</u>	<u>\$ -</u>	<u>\$207,126</u>	<u>\$407,053</u>

At June 30, 1998, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits as shown on the Combined Balance Sheet is as follows:

Cash on hand	\$ 100
Carrying amount of deposits	<u>407,053</u>
Total	<u>\$407,153</u>
Cash	\$160,472
Investments	<u>246,581</u>
Total	<u>\$407,053</u>

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1998 consisted of the following:

<i>Agency</i>	<i>Amount</i>
Louisiana Department of Culture, Recreation and Tourism	\$ 4,150
Louisiana Department of Economic Development	3,083
Louisiana Department of Environmental Quality	352
Lafourche Parish Council	38,829
St. Charles Parish School Board	2,000
St. John the Baptist Parish Council	7,187
Town of Golden Meadow	1,223
Town of Gretna	14,686
Total	\$71,652

Amounts earned under various governmental projects included in due from other governmental units include \$30,089 of unbilled services at June 30, 1998.

Note 4 - PREPAID EXPENDITURES

The Commission advanced funds for future office rent of \$1,600, Directors' and Officers' liability insurance of \$1,295 and \$1,173 of various other items. Since these are to be allocated to expenditures in future periods, they have been classified as prepaid at June 30, 1998.

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	<i>Balance July 1, 1997</i>	<i>Additions</i>	<i>Balance June 30, 1998</i>
Furniture, fixtures and equipment	\$48,068	\$18,803	\$66,871
Construction in progress	—	8,748	8,748
Totals	\$48,068	\$27,552	\$75,620

Note 6 - CHANGES IN LONG-TERM OBLIGATIONS

Long-term obligations at June 30, 1998 consisted of accumulated annual leave (vacation pay) amounts vested with employees.

The following is a summary of the changes in long-term obligations of the Commission:

Long-term obligations, July 1, 1997	\$4,362
Net decrease in accumulated unpaid annual leave	(2,811)
Long-term obligations, June 30, 1998	<u>\$1,551</u>

Funding of accumulated annual leave is to be provided from revenues of various funds at the time paid.

Note 7 - DEFERRED REVENUES

Deferred revenues are reported in the general fund and special revenue funds at June 30, 1998. For the year ended June 30, 1998, the General Fund's deferred revenue activity consisted of the following:

	Member _Dues_	Loan _Administration_	Total
Balance July 1, 1997	\$ 122,310	\$ 30,000	\$ 152,310
Billings	123,033	60,000	183,033
Revenues - Intergovernmental	(122,310)	(60,000)	(182,310)
Balance June 30, 1998	<u>\$ 123,033</u>	<u>\$ 30,000</u>	<u>\$ 153,033</u>

Deferred revenues within the special revenue funds relate to the Commission's revolving loan program and activity for the year ended June 30, 1998 consisted for the following:

	Revolving Loan _Program_
Balance July 1, 1997	\$947,856
New loans	61,000
Loan collections	(80,534)
Grant receipts	(69,311)
Balance June 30, 1998	<u>\$858,991</u>

Note 8 - LEASE COMMITMENTS

The Commission has entered into two three-year operating leases for vehicles. The leases expire in July 1998 and May 2001 and provide for monthly payments \$398 and \$439, respectively. Future minimum lease payments under the leases at June 30, 1998 are as follows:

Year Ended <u>June 30,</u>	Facility <u>Vehicles</u>
1999	\$ 5,668
2000	5,271
2001	<u>4,392</u>
Lease totals	\$15,331

As of June 30, 1998, office facilities were being leased on a month-to-month basis at \$1,600 per month.

Rental expenses under the above leases incurred for the year ended June 30, 1998 were \$24,849.

Note 9 - ECONOMIC DEPENDENCY

The Commission received a majority of its revenue from funds provided by federal/state government grants, local government entities, contracts and member (local governments) dues. Certain grants, contracts and member dues are required to be appropriated each year by the various levels of government. If significant budget cuts are made at the federal/state and/or local government level, the amount of funds received by the Commission could be reduced significantly and have an adverse impact on its operations.

Note 10 - COMPENSATION OF COMMISSIONERS

Commissioners for South Central Planning & Development Commission, Inc. received no compensation during the year ended June 30, 1998.

SUPPLEMENTARY INFORMATION SECTION

SPECIAL REVENUE FUNDS

Economic Development Administration Revolving Loan Fund - To account for receipts and uses of grant funds from the United States Department of Commerce (Economic Development Administration) to operate a revolving loan program.

Economic Development Administration Grant Fund - To account for receipts and uses of grant funds received from the United States Department of Commerce (Economic Development Administration) which are restricted to uses as specified in the grant documents.

Louisiana Department of Culture, Recreation and Tourism Grant Fund - To account for receipts and uses of grant funds received from the Louisiana Department of Culture, Recreation and Tourism which are restricted to uses as specified in the grant document.

Nonpoint Source Pollution Implementation Fund - To account for receipts and uses of EPA funds provided by the Department of Environmental Quality, State of Louisiana for "Extension of Urban Subcommittee to Localized Nonpoint Source Coalitions: Barataria and Terrebonne Basins" which are restricted to those uses as specified in the contract documents.

**BALANCE SHEET - SPECIAL REVENUE FUND,
ECONOMIC DEVELOPMENT ADMINISTRATION
REVOLVING LOAN FUND**

South Central Planning & Development Commission, Inc.

June 30, 1968

Assets	
Cash	\$ 90,714
Receivable - economic loans	<u>883,994</u>
Total assets	<u>\$ 974,708</u>
Liabilities	
Due to other funds	\$ 4,875
Deferred revenues	<u>883,994</u>
Total liabilities	<u>888,869</u>
Fund Balance	
Undesignated	<u>85,839</u>
Total liabilities and fund balance	<u>\$ 974,708</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

	Economic Development Administration Revolving Loan Fund	Economic Development Administration Grant Fund	Louisiana Department of Culture, Recreation and Tourism Grant Fund	Narpoint Score Pollution Implementation Fund	Total
Revenues					
Intergovernmental	\$ 44,118	\$ 50,080	\$ 9,893	\$ 15,656	\$ 120,977
Interest earned	37,295	227	-	-	37,522
Miscellaneous	81,181	-	10,008	-	91,189
Total revenues	162,594	50,307	19,893	15,656	248,450
Expenditures					
Current:					
Economic development and assistance	60,000	75,760	19,893	28,554	174,217
Excess (deficiency) of revenues over expenditures	100,768	(24,533)	-	(4,898)	72,337
Other Financing Sources (Uses)					
Operating transfer in	-	24,533	-	4,898	29,431
Operating transfer out	(18,953)	-	-	-	(18,953)
Total other financing sources (uses)	(18,953)	24,533	-	4,898	10,478
Excess of Revenues and Other Sources Over Expenditures and Other Uses	81,815	-	-	-	81,815
Fund Balances					
Beginning of year	3,824	-	-	-	3,824
End of year	\$ 85,639	\$ -	\$ -	\$ -	\$ 85,639

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - ECONOMIC
DEVELOPMENT ADMINISTRATION REVOLVING LOAN FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 44,318	\$ 44,318	\$ -
Interest earned	37,000	37,295	295
Miscellaneous	<u>81,210</u>	<u>81,185</u>	<u>(25)</u>
Total revenues	<u>162,528</u>	<u>162,798</u>	<u>270</u>
Expenditures			
Current:			
Economic development and assistance:			
Other services and charges	<u>61,030</u>	<u>61,030</u>	<u>-</u>
Excess of revenues over expenditures	<u>101,498</u>	<u>101,768</u>	<u>270</u>
Other Financing Uses			
Operating transfers out:			
General Fund	<u>18,885</u>	<u>18,953</u>	<u>(148)</u>
Excess of Revenues Over Expenditures and Other Uses	<u>\$ 82,693</u>	<u>82,815</u>	<u>\$ 122</u>
Fund Balance			
Beginning of year		<u>3,824</u>	
End of year		<u>\$ 85,839</u>	

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - ECONOMIC
DEVELOPMENT ADMINISTRATION GRANT FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 51,000	\$ 51,000	\$ -
Interest earned	<u>208</u>	<u>227</u>	<u>19</u>
Total revenues	<u>51,208</u>	<u>51,227</u>	<u>19</u>
Expenditures			
Current:			
Economic development and assistance:			
Personal services	54,353	50,347	4,006
Materials and supplies	46	47	(1)
Other services and charges	<u>24,268</u>	<u>29,266</u>	<u>(4,998)</u>
Total expenditures	<u>78,764</u>	<u>79,760</u>	<u>3,004</u>
Deficiency of revenues over expenditures	<u>(27,556)</u>	<u>(24,533)</u>	<u>3,023</u>
Other Financing Sources			
Operating transfers in:			
General Fund	<u>27,556</u>	<u>24,533</u>	<u>(3,023)</u>
Excess of Revenues and Other Sources Over Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - LOUISIANA DEPART-
MENT OF CULTURE, RECREATION AND TOURISM GRANT FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 10,000	\$ 9,997	\$ (3)
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total revenues	<u>20,000</u>	<u>19,997</u>	<u>(3)</u>
Expenditures			
Current:			
Economic development and assistance:			
Contract services	14,000	15,375	(1,375)
Materials and supplies	2,890	2,215	675
Other services and charges	<u>3,150</u>	<u>2,407</u>	<u>743</u>
Total expenditures	<u>20,000</u>	<u>19,997</u>	<u>3</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NONPOINT SOURCE POLLUTION IMPLEMENTATION FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$ 18,550</u>	<u>\$ 15,656</u>	<u>\$ (2,894)</u>
Expenditures			
Current:			
Economic development and assistance:			
Personal services	3,300	3,671	(371)
Materials and supplies	3,300	2,630	570
Other services and charges	2,050	1,745	305
Capital expenditures	<u>12,000</u>	<u>12,508</u>	<u>492</u>
Total expenditures	<u>21,550</u>	<u>20,554</u>	<u>996</u>
Deficiency of revenues over expenditures	<u>(3,000)</u>	<u>(4,898)</u>	<u>(1,898)</u>
Other Financing Sources:			
Operating transfers in:			
General Fund	<u>3,000</u>	<u>4,898</u>	<u>1,898</u>
Excess of Revenues and Other Sources Over Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Margolis Bennett

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

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Thibodaux, Louisiana.

We have audited the general-purpose financial statements of the South Central Planning & Development Commission, Inc., (the Commission), as of and for the year ended June 30, 1998, and have issued our report thereon dated September 15, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might

be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, LLC.

Certified Public Accountants

Houma, La.
September 15, 1998.



PricewaterhouseCoopers

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

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Thibodaux, Louisiana.

Compliance

We have audited the compliance of the South Central Planning & Development Commission, Inc., (the Commission), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 1998. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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, Audit of States, Local Governments and Non-Profit Organizations. These 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 Commission's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with these requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1998.

Internal Control Over Compliance

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

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

This report is intended solely for the information of the Board of Commissioners, management, Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Monroe, La.
September 15, 1998.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1968

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through, Grantor's Number</u>	<u>Federal Expenditure</u>
Department of Commerce -			
Economic Development			
Administration			
Support for Planning Organizations	11.302	08-05-11038-8798	\$ 51,008
Subsidies and Severely Economic Dislocation Adjustment Revolving Loan Fund	11.303	08-09-02812-01	<u>883,521</u>
Total Department of Commerce			1,034,529
Department of the Interior -			
National Park Service			
Pass Through/Grants:			
Recreation and Tourism, State of Louisiana;			
Office of Cultural Development;			
Historic Preservation	15.904	22-87-02021	<u>9,997</u>
Total			<u>\$ 1,044,526</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

South Central Planning & Development Commission, Inc.

June 30, 1998

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the South Central Planning & Development Commission, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

Note 2 - VALUE OF LOANS OUTSTANDING

The value of loans outstanding at June 30, 1998 for the Sudden and Severe Economic Dislocation Adjustment Revolving Loan Fund was \$883,994.

Note 3 - FINDINGS OF NONCOMPLIANCE

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 1998.

SCHEDULE OF FINDINGS AND QUESTIONER COSTS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses? 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 section 510(a) of Circular A-133? yes no

c) Identification of Major Programs:

CUDA Number	Name of Federal Program (or Cluster)
11.307	Sudden and Severe Economic Dislocation Adjustment Revolving Loan Fund
Define threshold used to distinguish between type A and Type B programs:	\$300,000
Auditor qualified as low-risk auditor?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

Section II Financial Statement Findings

There were no financial statement findings reported during the audit of the general-purpose financial statements for the year ended June 30, 1998.

Section III Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 1998.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 1997.

No reportable conditions were reported during the audit for the year ended June 30, 1997.

Compliance

No compliance findings material to the general-purpose financial statements were reported during the audit for the year ended June 30, 1997.

Section II Internal Control and Compliance Material to Federal Awards

97-1 Recommendation - The Commission should follow grant compliance requirements as stated in the Title IX Economic Adjustment Program Revolving Loan Fund Administrative Manual or obtain waivers of the 30 day requirement from EDA.

Management's Response - The Commission has attempted to adhere to this requirement at all times. Unfortunately the Commission has experienced difficulty in closing loans on schedule due to unforeseen delays on the part of the loan applicant or bank. In the future, the Commission intends to request an advance of funds as close to the scheduled loan closing date as possible and plans to make every effort possible to disburse all loan funds within thirty days of receipt. - Resolved.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 1997.

MANAGEMENT'S CORRECTIVE ACTION PLAN

South Central Planning & Development Commission, Inc.

For the year ended June 30, 1998

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 1998.

No reportable conditions were reported during the audit for the year ended June 30, 1998.

Compliance

No compliance findings material to the general-purpose financial statements were reported during the audit for the year ended June 30, 1998.

Section II Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit for year ended June 30, 1998.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 1998.