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NORTHEAST DELTA RESOURCE  
CONSERVATION AND DEVELOPMENT AREA, INC.  
WINNBERO, LOUISIANA

FINANCIAL STATEMENTS  
AND  
ACCOUNTANT'S REPORT

DECEMBER 31, 2003

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 House Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-20-04

NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.  
WENNERBORG, LOUISIANA

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**MARCUS, ROBINSON and BASSILL**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Northeast Delta Resource Conservation and Development Area, Inc.  
Winnbero, Louisiana

We have audited the accompanying statement of financial position of Northeast Delta Resource Conservation and Development Area, Inc., (a nonprofit organization) as of and for the year ended December 31, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Northeast Delta Resource Conservation and Development Area, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Delta Resource Conservation and Development Area, Inc., as of December 31, 2003, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2004 on our consideration of Northeast Delta Resource Conservation and Development Area, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

  
MARCUS, ROBINSON and BASSILL, CPAs  
Winnbero, Louisiana  
September 27, 2004

**NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.**  
**STATEMENT OF FINANCIAL POSITIONS**  
**DECEMBER 31, 2002**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	11,471
<b>TOTAL CURRENT ASSETS</b>	<u>11,471</u>

**PROPERTY, PLANT & EQUIPMENT**

Equipment	154,258
Nursery Equipment	25,558
Construction in Progress	<u>89,253</u>
Less: Accumulated Depreciation	(291,427)
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<u>178,042</u>

<b>TOTAL ASSETS</b>	<u><b>189,513</b></u>
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Payroll Taxes Withheld	5,677
<b>TOTAL LIABILITIES</b>	<u>5,677</u>

**NET ASSETS**

Unrestricted:	
Operating	5,794
Fixed Assets	<u>178,042</u>
<b>TOTAL NET ASSETS</b>	<u>183,836</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>189,513</b></u>
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See Notes to Financial Statements.

**NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

**REVENUES**

Contribution Income	28,425
Grants	238,898
Membership Income	2,880
Tees Sales	383,111
Lease Income	23,000
Interest Income	643
Other Income	<u>56,664</u>
<b>TOTAL REVENUES</b>	<b>953,541</b>

**EXPENSES**

Program Service Expenditures	721,384
Auto and Truck	8,992
Bank Charges	34
Contract Labor	2,180
Dues and Subscriptions	150
Equipment Rental	150
Freight	8,076
Supplies	525
Entertainment and Meals	883
Insurance	24,503
Legal and Accounting	13,860
Office Expense	5,307
Repairs and Maintenance	2,408
Salaries	95,176
Postage	774
Taxes and Licenses	2,637
Payroll Taxes	8,106
Rents	1,375
Telephone	6,763
Travel	7,879
Utilities	11,944
Depreciation	31,653
Workshops	537
Director Fees & Meetings	<u>4,123</u>
<b>TOTAL EXPENSES</b>	<b><u>950,744</u></b>

See Notes to Financial Statements.

NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2001

<u>CHANGES IN NET ASSETS</u>	<u>(15,201)</u>
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>199,082</u>
<u>NET ASSETS, END OF YEAR</u>	<u>183,881</u>

See Notes to Financial Statements.

NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2000

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
Change in Net Assets	(15,205)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	31,653
Increase (Decrease) in:	
Payroll Taxes Withheld	<u>6,167</u>
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>	4,183
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	
Purchase of Property, Plant & Equipment	<u>(18,650)</u>
<b><u>NET CASH USED IN INVESTING ACTIVITIES</u></b>	<u>(18,650)</u>
<b><u>NET DECREASE IN CASH</u></b>	(14,467)
<b><u>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</u></b>	<u>25,918</u>
<b><u>CASH AND CASH EQUIVALENTS, END OF YEAR</u></b>	<u>11,451</u>

See Notes to Financial Statements.

**NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Northeast Delta Resource Conservation and Development Area, Inc. was incorporated December 9, 1991, as a nonprofit corporation for the purpose of educating the people living in the area to accelerate the development, conservation, and wise use of human, financial and natural resources in order to improve the standard of living and the quality of life in the Northeast Delta Area.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Property, Plant & Equipment**

Property and Equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life as follows:

Office Furniture & Equipment	3-20 Years
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**Basis of Accounting**

Basis of accounting refers to when revenues and expenses 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. The financial statements are reported on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**Income Taxes**

Northeast Delta Resource Conservation and Development Area, Inc. is recognized as a nonprofit organization under Sec. 501(c)(3) by the Internal Revenue Service. As such, it is exempt from federal income tax.



**NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

**NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**  
**Cont'd.**

**Pension Commitments**

Employees of Northeast Delta Resource Conservation and Development Area, Inc. are covered under Social Security. No other pension plans are maintained.

**Cash and Cash Equivalents**

Cash and Cash Equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, Northeast Delta Resource Conservation and Development Area, Inc. must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**NOTE 2 - CASHFLOW INFORMATION**

Supplemental disclosures of cash flow information:

Cash paid during the year for:	2001
Interest	-0-
Income Taxes	-0-

Supplemental Schedule of Noncash Investing and Financing Activities:

There were no noncash investing and financing activities for the year.

Disclosure of Accounting Policy:

For the purposes of the statement of cash flows, the company considers cash in checking accounts, savings accounts, and certificates of deposit to be cash and cash equivalents.

**NOTE 3 - CASH**

Cash is classified into three categories to give an indication of the level of risk assumed at year-end. Category 1 includes investments insured or registered or securities which are held by the corporation or its agent in the corporation's name. Category 2 includes uninsured or unregistered investments for

**NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**NOTE 3 - CASH, CONT'D.**

which the securities are held by the bank or agent in the corporation's name. Category 2 includes unissued and unregistered investments with the securities held by the bank or agent but not in the corporation's name. The carrying amount of the corporation's deposits with the financial institutions was \$31,976 and the bank balance was \$11,471. The carrying balance is categorized as follows:

	Category		
	1	2	3
Cash	\$1,976	0-	0-

Northeast Delta Resource Conservation and Development Area, Inc. is adequately collateralized at Franklin State Bank.

**NOTE 4 - PROPERTY, PLANT & EQUIPMENT**

Equipment	134,258
Nursery Equipment	22,558
Construction in Progress	<u>89,251</u>
	246,067
Less: Accumulated Depreciation	<u>(91,497)</u>
<b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<b><u>154,570</u></b>

Depreciation expense totaled \$21,633 for 2003.

**NOTE 5 - LEASES**

The Northeast Delta Resource Conservation and Development Area, Inc. records assets acquired through capital leases as an asset and records the lease as an obligation. The company has no capital leases outstanding as of December 31, 2003.

**NOTE 6 - LITIGATION AND CLAIMS**

As December 31, 2003, Northeast Delta Resource Conservation and Development Area, Inc. is not involved in any litigation nor aware of any unasserted claims.

**MARCUS, ROBINSON and HUSSELL**

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

To the Board of Directors

Northeast Delta Resource Conservation and Development Area, Inc.

Winnboro, Louisiana

We have audited the financial statements of Northeast Delta Resource Conservation and Development Area, Inc., as of and for the year ended December 31, 2003 and have issued our report thereon dated September 27, 2004. 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 of America.

**Compliance**

As part of obtaining reasonable assurance about whether Northeast Delta Resource Conservation and Development Area, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* with is described in the accompanying schedule of findings and questioned costs as item 83-1.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Northeast Delta Resource Conservation and Development Area, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Northeast Delta Resource Conservation and Development Area, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The

reportable condition is described in the accompanying schedule of findings and questioned costs as item 35-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the office of the Louisiana Legislative Auditor as a public document.

  
MARCUS ROBINSON & HASSELL, CPAs  
September 27, 2004

NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2003

PROGRAM TITLE  
NONE

CEDA #

EXPENDITURES  
NONE

See Notes to Financial Statements

**NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2003**

**PART I - Summary of the Auditors' Results**

**Financial Statement Audit**

1. The type of audit report issued was unqualified.
2. There are reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

The reportable conditions disclosed were not considered a material weakness as defined by the Government Auditing Standards.

3. There was an instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

4. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
5. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 310(a).
6. There were no major federal programs for the year ended (December 31, 2003).
7. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 320 (b) was \$100,000.

**PART II - Finding related to the financial statements which is required to be reported in accordance with Generally Accepted Government Auditing Standards:**

**Finding Reference No. and Title:** 03-1

**Late Filing of Audit Report with Legislative Auditor**

**Condition:** Northeast Delta Resource Conservation and Development Area, Inc. has not fully completed their requirements with the provisions of R.S. 34:513 regarding the timing of report filing with the Legislative Auditor. Current requirements are that the reports be filed with the Legislative Auditor within six months of the Corporation's year end. The Northeast Delta Resource Conservation and Development Area, Inc. did not provide the records in a timely manner to meet this requirement.

**Recommendation:** The Northeast Delta Resource Conservation and Development Area, Inc. should work with their CPA to ensure the reporting of their financial information in a timely manner.

**Management's Corrective Action Plan:**

**Corrective Action Planned:** Management is in the process of getting their financial information to their CPA earlier so that the financial reporting may be done in a timely manner.

NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.  
SCHEDULE OF FININGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2003

Person responsible for corrective action plan:  
Dorcas Ramirez, Executive Director  
Northeast Delta Resource Conservation and Development Area, Inc.  
4274 Front Street  
Winnabow, LA 71295  
Telephone (518) 413-7128

Anticipated completion date: During the year-ended December 31, 2004.

**NORTHEAST DELTA RESOURCE CONSERVATION AND DEVELOPMENT, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED DECEMBER 31, 2003**

**SECTION I - INTERNAL CONTROL AND COMPLIANCE**

**FINDINGS**

**02-01 - Late Filing of Audit Report**

**With Legislative Auditor**

The requirement that the Audit Report be filed within six months of year end was not met again this year.

**RESPONSE**

Unresolved -  
See Finding 02-1.

**SECTION II - MANAGEMENT LETTER**

None issued.