

**ACADIANA REGIONAL  
DEVELOPMENT DISTRICT**  
Lafayette, Louisiana

Financial Report

Year Ended June 30, 2004

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

Release Date 2-2-05

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors of  
Acadiana Regional Development District  
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Acadiana Regional Development District (a nonprofit corporation), as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the District'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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (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 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 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 for Acadiana Regional Development District as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Member of

American Institute of  
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Society of Louisiana  
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As described in Note 10, Acadiana Regional Development District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial statements – and Management’s Discussion and Analysis – for State and Local Governments, as of July 1, 2003. This results in a change in the format and content of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2004, on our consideration of Acadiana Regional Development District’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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Acadiana Regional Development District has not presented management’s discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments and Non-Profit Organizations*," and the supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Acadiana Regional Development District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## **Darnall, Sikes, & Frederick**

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
October 8, 2004

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Statement of Net Assets  
June 30, 2004

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash-unrestricted	\$ 24,367	\$ -	\$ 24,367
Cash-restricted	-	158,326	158,326
Accounts receivable	138,891	-	138,891
Loans receivable	-	368,656	368,656
Interfund receivable	108,159	-	108,159
Utility deposits	<u>214</u>	<u>-</u>	<u>214</u>
Total current assets	<u>271,631</u>	<u>526,982</u>	<u>798,613</u>
Noncurrent assets:			
Capital assets, net	<u>3,964</u>	<u>-</u>	<u>3,964</u>
Total assets	<u>\$ 275,595</u>	<u>\$ 526,982</u>	<u>\$ 802,577</u>
<b>LIABILITIES</b>			
Current liabilities:			
Current portion of long-term debt	\$ -	\$ 17,685	\$ 17,685
Accounts payable	19,705	255	19,960
Deferred local dues	22,577	-	22,577
Interfund payable	<u>80,042</u>	<u>28,034</u>	<u>108,076</u>
Total current liabilities	<u>122,324</u>	<u>45,974</u>	<u>168,298</u>
Noncurrent liabilities:			
Long-term debt	<u>-</u>	<u>325,228</u>	<u>325,228</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,964	-	3,964
Restricted for relending activities	-	155,780	155,780
Unrestricted	<u>149,224</u>	<u>-</u>	<u>149,224</u>
Total net assets	<u>\$ 153,188</u>	<u>\$ 155,780</u>	<u>\$ 308,968</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Statement of Activities  
Year Ended June 30, 2004

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Economic development	\$ 632,738	\$ -	\$ 544,395	\$ (88,343)	\$ -	\$ (88,343)
Business-type activities:						
Relending programs	108,442	15,211	-	-	(93,231)	(93,231)
Total	<u>\$ 741,180</u>	<u>\$ 15,211</u>	<u>\$ 544,395</u>	<u>(88,343)</u>	<u>(93,231)</u>	<u>(181,574)</u>
General revenues:						
Contributions not restricted to specific programs -						
Local dues revenues				48,720	-	48,720
Interest and investment income				767	-	767
Miscellaneous				2,924	-	2,924
Total general revenues				<u>52,411</u>	<u>-</u>	<u>52,411</u>
Change in net assets				(35,932)	(93,231)	(129,163)
Net assets - July 1, 2003				<u>189,120</u>	<u>249,011</u>	<u>438,131</u>
Net assets - June 30, 2004				<u>\$ 153,188</u>	<u>\$ 155,780</u>	<u>\$ 308,968</u>

The accompanying notes are an integral part of this statement.



**FUND FINANCIAL STATEMENTS**

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Balance Sheet -- Governmental Funds  
 June 30, 2004  
 (With Comparative Totals as of June 30, 2003)

	General	Rural Business Enterprise Grant	LA Workforce Investment Act	LDED MEDAL Fund
<b>ASSETS</b>				
Cash-unrestricted	\$ 24,294	\$ -	\$ 53	\$ 20
Accounts receivable	29,282	27,271	60,678	10,420
Interfund receivable	104,578	-	-	-
Utility deposits	<u>214</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 158,368</u>	 <u>\$ 27,271</u>	 <u>\$ 60,731</u>	 <u>\$ 10,440</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,552	\$ 993	\$ 5,515	\$ 2,000
Deferred local dues	22,577	-	-	-
Interfund payable	<u>-</u>	<u>34,645</u>	<u>32,115</u>	<u>8,381</u>
Total liabilities	<u>26,129</u>	<u>35,638</u>	<u>37,630</u>	<u>10,381</u>
<b>Fund balances</b>				
Unreserved, undesignated	<u>132,239</u>	<u>(8,367)</u>	<u>23,101</u>	<u>59</u>
Total fund equity	<u>132,239</u>	<u>(8,367)</u>	<u>23,101</u>	<u>59</u>
 Total liabilities and fund balances	 <u>\$ 158,368</u>	 <u>\$ 27,271</u>	 <u>\$ 60,731</u>	 <u>\$ 10,440</u>

EDA Fund	Other Governmental Funds	Totals	
		2004	2003
\$ -	\$ -	\$ 24,367	106,627
-	11,240	138,891	195,015
1,306	2,275	108,159	107,893
<u>-</u>	<u>-</u>	<u>214</u>	<u>53</u>
<u>\$ 1,306</u>	<u>\$ 13,515</u>	<u>\$ 271,631</u>	<u>\$ 409,588</u>
\$ 1,306	\$ 6,339	\$ 19,705	117,093
-	-	22,577	26,144
<u>-</u>	<u>4,984</u>	<u>80,125</u>	<u>77,231</u>
<u>1,306</u>	<u>11,323</u>	<u>122,407</u>	<u>220,468</u>
<u>-</u>	<u>2,192</u>	<u>149,224</u>	<u>189,120</u>
<u>-</u>	<u>2,192</u>	<u>149,224</u>	<u>189,120</u>
<u>\$ 1,306</u>	<u>\$ 13,515</u>	<u>\$ 271,631</u>	<u>\$ 409,588</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Assets  
June 30, 2004

Total fund balances for governmental funds at June 30, 2004	\$ 149,224
Total net assets reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds. Those assets consist of:	
Equipment, net of \$13,743 accumulated depreciation	<u>3,964</u>
Total net assets of governmental activities at June 30, 2004	<u>\$ 153,188</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds

Year Ended June 30, 2004

(With Comparative Totals for the Year Ended June 30, 2003)

	General Fund	Rural Business Enterprise Grant	LA Workforce Investment Act	LDED MEDAL Fund
<b>Revenues:</b>				
Federal grants	\$ -	\$ 77,834	\$ 241,387	\$ 92,582
State grants	9,250	-	-	-
Local funds	42,917	-	3,420	-
Other	767	-	-	-
Total revenues	<u>52,934</u>	<u>77,834</u>	<u>244,807</u>	<u>92,582</u>
<b>Expenditures:</b>				
Personnel	48,747	50,781	158,837	30,168
Advertising	83	238	5,337	147
Board activities	374	-	-	-
Consulting	2,655	785	-	-
Contractual services	-	2,045	30,192	39,694
Dues and subscriptions	197	964	1,329	431
Equipment costs	-	2,611	-	-
Insurance and bonding	1,947	-	2,691	772
Miscellaneous	2,838	1,136	2,210	1,455
Supplies	1,720	4,673	13,742	4,964
Participant support	-	-	196	360
Professional fees	3,932	1,090	3,030	880
Rent	2,882	4,943	9,255	2,997
Technical assistance	-	2,381	3,414	6,282
Telephone	1,500	2,741	11,594	6,159
Training	600	2,417	1,309	247
Travel	1,194	1,035	9,831	2,799
	<u>68,669</u>	<u>77,840</u>	<u>252,967</u>	<u>97,355</u>
Excess (deficiency) of revenues over expenditures	(15,735)	(6)	(8,160)	(4,773)
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(8,228)	-	-	-
Total other financing sources (uses)	<u>(8,228)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(23,963)	(6)	(8,160)	(4,773)
Fund balance (deficit), beginning	<u>156,202</u>	<u>(8,361)</u>	<u>31,261</u>	<u>4,832</u>
Fund balance (deficit), ending	<u>\$ 132,239</u>	<u>\$ (8,367)</u>	<u>\$ 23,101</u>	<u>\$ 59</u>

EDA Fund	Other Governmental Funds	Total	
		2004	2003
\$ 50,500	\$ 61,314	\$ 523,617	\$ 1,694,364
-	-	9,250	9,250
16,835	-	63,172	84,291
-	-	767	18,314
<u>67,335</u>	<u>61,314</u>	<u>596,806</u>	<u>1,806,219</u>
60,054	46,023	394,610	386,648
84	136	6,025	8,515
-	-	374	1,200
-	990	4,430	144,428
-	2,888	74,819	945,087
368	311	3,600	5,494
-	1,700	4,311	46,418
505	330	6,245	3,915
388	144	8,171	10,019
2,309	1,273	28,681	85,295
-	1,063	1,619	515
833	745	10,510	48,300
2,126	2,735	24,938	38,769
-	-	12,077	289
2,752	2,062	26,808	21,498
1,567	68	6,208	41,609
<u>5,865</u>	<u>2,552</u>	<u>23,276</u>	<u>33,521</u>
<u>76,851</u>	<u>63,020</u>	<u>636,702</u>	<u>1,821,520</u>
(9,516)	(1,706)	(39,896)	(15,301)
9,516	-	9,516	23,958
-	(1,288)	(9,516)	(23,958)
<u>9,516</u>	<u>(1,288)</u>	<u>-</u>	<u>-</u>
-	(2,994)	(39,896)	(15,301)
-	5,186	189,120	204,421
<u>\$ -</u>	<u>\$ 2,192</u>	<u>\$ 149,224</u>	<u>\$ 189,120</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
Of Governmental Funds To the Statement of Activities  
June 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balance			\$ (39,896)
The change in net assets reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.			
Capital expenditures for equipment	\$	4,311	
Depreciation expense for the year ended June 30, 2004		<u>(347)</u>	<u>3,964</u>
Total changes in net assets at June 30, 2004 per Statement of Activities			<u>\$ (35,932)</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Comparative Statement of Net Assets  
 Proprietary Fund  
 June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Cash-restricted	158,326	215,255
Loans receivable	<u>368,656</u>	<u>426,677</u>
 Total assets	 <u>526,982</u>	 <u>641,932</u>
<b>LIABILITIES</b>		
Current liabilities:		
Current portion of long-term debt	17,685	17,732
Accounts payable	255	1,614
Interfund payable	<u>28,034</u>	<u>30,662</u>
Total current liabilities	<u>45,974</u>	<u>50,008</u>
Noncurrent liabilities:		
Long-term debt	<u>325,228</u>	<u>342,913</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	-	-
Restricted for relending activities	155,780	249,011
Unrestricted	<u>-</u>	<u>-</u>
Total net assets	<u>155,780</u>	<u>249,011</u>

The accompanying notes are an integral part of this statement.



ACADIANA REGIONAL DEVELOPMENT DISTRICT

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Fund  
 Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Interest income	\$ 15,211	\$ 27,139
Operating expenses		
Personnel	16,212	14,201
Advertising	51	48
Audit and bookkeeping	414	3,300
Bad debt	-	67,552
Supplies	291	901
Dues and subscriptions	77	124
Insurance and bonding	28	199
Interest expense	3,382	5,006
Miscellaneous	(1,053)	274
Rent	670	1,125
Telephone	254	852
Training	38	68
Travel	23	246
Total operating expenses	<u>20,387</u>	<u>93,896</u>
Operating loss	(5,176)	(66,757)
Other expense:		
Repayment of funds to grantor agency for noncompliance with grant agreement	<u>(88,055)</u>	<u>-</u>
Net loss	(93,231)	(66,757)
Retained earnings - restricted, beginning	<u>249,011</u>	<u>315,768</u>
Retained earnings - restricted, ending	<u>\$ 155,780</u>	<u>\$ 249,011</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Comparative Statement of Cash Flows  
 Proprietary Fund  
 Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from noncapital financing activities:		
Receipts from customers	\$ 73,232	\$ 67,037
Payments to employees	(16,212)	(14,201)
Payments to suppliers	(8,162)	(13,365)
Payments to grantor	<u>(88,055)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>(39,197)</u>	<u>39,471</u>
Cash flows from noncapital financing activities:		
Repayment of note payable	<u>(17,732)</u>	<u>(246,108)</u>
Net cash used in noncapital financing activities	<u>(17,732)</u>	<u>(246,108)</u>
Net decrease in cash and cash equivalents	(56,929)	(206,637)
Cash and cash equivalents, beginning	<u>215,255</u>	<u>421,892</u>
Cash and cash equivalents, ending	<u>\$ 158,326</u>	<u>\$ 215,255</u>
Reconciliation of net loss to net cash provided by operating activities:		
Net loss	\$ (93,231)	\$ (66,757)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Bad debt	-	67,552
Decrease in loans receivable	58,021	39,898
(Decrease) increase in accounts payable	(1,359)	517
Decrease in interfund payable	<u>(2,628)</u>	<u>(1,739)</u>
Net cash provided (used) by operating activities	<u>\$ (39,197)</u>	<u>\$ 39,471</u>

The accompanying notes are an integral part of this statement.

# ACADIANA REGIONAL DEVELOPMENT DISTRICT

## Notes to Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Acadiana Regional Development District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. For the fiscal year ended June 30, 2004, the District implemented the new financial reporting requirements of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. As a result, an entirely new financial presentation format has been implemented.

#### Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the District as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

##### Fund Financial Statements (FFS)

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the District.

# ACADIANA REGIONAL DEVELOPMENT DISTRICT

## Notes to Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The various funds of the District are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

The major funds of the District are described below:

#### Governmental Fund Types:

##### General Fund -

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

##### Major Special Revenue Funds -

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

Additionally the District reports the activity of Nonmajor Special Revenue Funds.

#### Proprietary Fund Type:

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following are the District's proprietary fund types:

##### Enterprise Fund -

The Enterprise Fund is used for activities which are financed and operating in a manner similar to private business enterprise 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 where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. This fund includes the Rural Business Enterprise Grant and the EDA Revolving Loan Program.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

## ACADIANA REGIONAL DEVELOPMENT DISTRICT

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District. As a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

#### Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

#### Budgets and Budgetary Accounting

Budgets for the various programs are prepared according to source and object by the individual department heads and are submitted to the Executive Director for approval. After preliminary approval, all budgets are compiled and submitted to the Board of Directors for final approval. Once Board approval and adoption is complete, the budget is then entered into the financial statements and monthly comparisons are made. Six months into the year a budget revision is completed and the same procedures are followed as with the original budget. The budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP).

#### Transfers and Interfund Loans

Advances between funds where repayment is not expected are accounted for as transfers. In those cases where repayment is expected, the advances 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 and payables.

## ACADIANA REGIONAL DEVELOPMENT DISTRICT

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Reservations of Fund Balances

The District "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

##### Bad Debts

The District provides an allowance for loan losses equal to the estimated uncollectible amounts. The allowance is based on the District's review of the current status of loans receivable under the revolving loan program. It is reasonably possible that the District's estimate of the allowance for loan losses will change. Loans receivable are presented net of an allowance for loan losses of \$15,000 at June 30, 2004.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2004.

##### Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide or fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives of equipment is five to seven years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

##### Use of Estimates

The District's management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results may differ from these estimates.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Notes to Financial Statements

NOTE 2 REVENUE RECOGNITION

Revenues from intergovernmental grants received before related costs are incurred are deferred until such costs are expended. Revenues from intergovernmental grants on a cost reimbursement basis are recognized as related costs are obligated and resultant receivable accrued. Moneys for local dues are collected on a calendar year basis and revenue is deferred to the year of intended use.

NOTE 3 CASH

Cash accounts at June 30, 2004 consist of the following:

Petty cash	\$ 200
Cash in bank, unrestricted	24,167
Cash in bank, restricted	<u>158,326</u>
	<u>\$ 182,693</u>

Restricted cash consists of amounts in the Proprietary Fund Type which is restricted by grant provisions for relending or repayment of note payable.

The District maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits.

NOTE 4 INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at June 30, 2004 consist of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 104,578	\$ -
Special Revenue Funds -		
EDA	1,306	-
Rural Business Enterprise Grant	-	34,645
LA Workforce Investment Act	-	23,481
LDED MEDAL	-	8,381
Acadia Parish SYP	-	4,984
Acadia Parish Youth	2,192	-
Tulane IDA Fund	83	-
Entrepreneurial Training	-	8,634
Enterprise Fund	-	<u>28,034</u>
	<u>\$ 108,159</u>	<u>\$ 108,159</u>



ACADIANA REGIONAL DEVELOPMENT DISTRICT

Notes to Financial Statements

NOTE 5 NOTE PAYABLE

Line-of-credit in the amount of \$800,000 from Farmers' Home Administration, bearing interest at 1% per annum, dated October 1, 1993, with annual principal and interest payments commencing June 11, 1996. Collateral consists of mortgages on real estate, equipment and inventory of the ultimate recipients in the loan program and security in the District's loan portfolio.

\$ 342,913

The annual requirements to amortize debt outstanding at June 30, 2004, including interest payments of \$33,167 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 17,685	\$ 3,429	\$ 21,114
2006	17,862	3,252	21,114
2007	18,040	3,074	21,114
2008	18,221	2,893	21,114
2009	18,403	2,711	21,114
2010 - 2014	94,813	10,757	105,570
2015 - 2019	99,648	5,922	105,570
2020-2022	<u>58,241</u>	<u>1,129</u>	<u>59,370</u>
	<u>\$ 342,913</u>	<u>\$ 33,167</u>	<u>\$ 376,080</u>

NOTE 6 BOARD OF DIRECTORS

All services provided by Board members of the District are on a voluntary basis and they receive no compensation for serving as a director or officer nor do they receive any per diem or travel allowances.

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions, injuries to employees; and natural disasters. The District has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the District's insurance coverage.

NOTE 8 ECONOMIC DEPENDENCY

The District receives a substantial portion of its revenues from grants and local dues payments from its local parishes. Any substantial change in any of these components could have adverse effects on the District's financial condition.

## ACADIANA REGIONAL DEVELOPMENT DISTRICT

### Notes to Financial Statements

#### NOTE 9 OPERATING LEASES

In prior years, Acadiana Regional Development District entered into an annual lease agreement for office space at an annual cost of \$16,200 to be paid in twelve monthly payments of \$1,350. This lease agreement has been renewed on an annual basis at the beginning of each fiscal year and is expected to continue into the future under the same terms.

#### NOTE 10 CHANGES IN ACCOUNTING PRINCIPLES

Acadiana Regional Development District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; Statement No. 38, Certain Financial Statement Note Disclosures; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of July 1, 2003. This results in a change in the format and content of the basic financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Budgetary Comparison Schedule  
 General Fund  
 Year Ended June 30, 2004

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal grants	\$ -	\$ -	\$ -	\$ -
State grants	10,000	9,250	9,250	-
Local funds	44,645	63,822	42,917	(20,905)
Other	2,200	800	767	(33)
Total revenues	<u>56,845</u>	<u>73,872</u>	<u>52,934</u>	<u>(20,938)</u>
<b>Expenditures:</b>				
Personnel	22,873	42,897	48,747	(5,850)
Advertising	300	83	83	-
Board activities	1,100	374	374	-
Consulting	-	3,755	2,655	1,100
Dues and subscriptions	550	197	197	-
Equipment costs	200	190	-	190
Insurance and bonding	2,540	1,946	1,947	(1)
Miscellaneous	-	2,231	2,838	(607)
Supplies	2,400	1,882	1,720	162
Professional fees	2,422	1,298	3,932	(2,634)
Rent	3,092	2,732	2,882	(150)
Telephone	2,700	1,461	1,500	(39)
Training	30	832	600	232
Travel	4,330	867	1,194	(327)
Total expenditures	<u>42,537</u>	<u>60,745</u>	<u>68,669</u>	<u>(7,924)</u>
Excess (deficiency) of revenues over expenditures	14,308	13,127	(15,735)	(28,862)
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(8,228)	(8,228)
	-	-	(8,228)	(8,228)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	14,308	13,127	(23,963)	(37,090)
Fund balance, beginning	<u>156,202</u>	<u>156,202</u>	<u>156,202</u>	-
Fund balance, ending	<u>\$ 170,510</u>	<u>\$ 169,329</u>	<u>\$ 132,239</u>	<u>\$ (37,090)</u>

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Budgetary Comparison Schedule  
Major Special Revenue Funds  
Year Ended June 30, 2004

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Federal grants	\$ 570,357	\$ 569,857	\$ 462,303	\$ (107,554)
State grants	-	-	-	-
Local funds	<u>20,520</u>	<u>16,834</u>	<u>20,255</u>	<u>3,421</u>
Total revenues	<u>590,877</u>	<u>586,691</u>	<u>482,558</u>	<u>(104,133)</u>
Expenditures:				
Personnel	304,826	324,909	299,840	25,069
Advertising	6,450	6,829	5,806	1,023
Board activities	200	200	-	200
Consulting	-	-	785	(785)
Contractual	146,009	81,466	71,931	9,535
Dues and subscriptions	4,141	2,916	3,092	(176)
Equipment costs	14,587	5,925	2,611	3,314
Insurance and bonding	1,098	4,844	3,968	876
Miscellaneous	2,227	4,474	5,189	(715)
Supplies	19,551	35,341	25,688	9,653
Participant support	420	1,395	556	839
Professional fees	6,179	6,048	5,833	215
Rent	17,360	19,357	19,321	36
Technical assistance	10,000	9,346	12,077	(2,731)
Telephone	9,600	25,230	23,246	1,984
Training	9,600	8,283	5,540	2,743
Travel	<u>16,060</u>	<u>28,977</u>	<u>19,530</u>	<u>9,447</u>
Total expenditures	<u>568,308</u>	<u>565,540</u>	<u>505,013</u>	<u>60,527</u>
Excess (deficiency) of revenues over expenditures	22,569	21,151	(22,455)	(43,606)
Other financing sources (uses):				
Operating transfers in	-	-	9,516	9,516
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	<u>9,516</u>	<u>9,516</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	22,569	21,151	(12,939)	(34,090)
Fund balance, beginning	-	-	<u>27,732</u>	<u>27,732</u>
Fund balance, ending	<u>\$ 22,569</u>	<u>\$ 21,151</u>	<u>\$ 14,793</u>	<u>\$ (6,358)</u>

**OTHER SUPPLEMENTARY INFORMATION**

ACADIANA REGIONAL DEVELOPMENT DISTRICT  
Nonmajor Special Revenue Funds

Combining Balance Sheet  
June 30, 2004

	Acadia Parish SYP	Acadia Parish Youth	Delta Regional Authority	Tulane IDA Fund	Other Funds	Total
<b>ASSETS</b>						
Cash-unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	11,240	-	-	-	-	11,240
Interfund receivable	-	2,192	-	83	-	2,275
<b>Total assets</b>	<b><u>\$ 11,240</u></b>	<b><u>\$ 2,192</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 83</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,515</u></b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 6,256	\$ -	\$ -	\$ 83	\$ -	\$ 6,339
Interfund payable	4,984	-	-	-	-	4,984
<b>Total liabilities</b>	<b><u>11,240</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>83</u></b>	<b><u>-</u></b>	<b><u>11,323</u></b>
<b>Fund equity:</b>						
Fund balance (deficit)	-	2,192	-	-	-	2,192
<b>Total liabilities and fund equity</b>	<b><u>\$ 11,240</u></b>	<b><u>\$ 2,192</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 83</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,515</u></b>

ACADIANA REGIONAL DEVELOPMENT DISTRICT  
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
June 30, 2004

	Acadia Parish SYP	Acadia Parish Youth	Delta Regional Authority	Tulane IDA Fund	Other Funds	Total
<b>Revenues:</b>						
<b>Intergovernmental:</b>						
Federal grants	\$ 11,240	\$ 5,024	\$ 30,000	\$ 15,050	\$ -	\$ 61,314
<b>Expenditures:</b>						
Personnel	7,722	3,513	23,858	10,930	-	46,023
Advertising	-	-	136	-	-	136
Consulting	-	990	-	-	-	990
Contractual services	-	-	640	2,248	-	2,888
Dues and subscriptions	-	-	302	9	-	311
Equipment costs	1,700	-	-	-	-	1,700
Insurance and bonding	-	-	330	-	-	330
Miscellaneous	-	-	106	38	-	144
Supplies	127	-	892	254	-	1,273
Participant support	1,063	-	-	-	-	1,063
Professional fees	-	-	625	120	-	745
Rent	-	-	2,160	575	-	2,735
Telephone	-	-	880	1,182	-	2,062
Training	-	-	45	23	-	68
Travel	628	521	26	1,377	-	2,552
	<u>11,240</u>	<u>5,024</u>	<u>30,000</u>	<u>16,756</u>	<u>-</u>	<u>63,020</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(1,706)	-	(1,706)
<b>Other financing sources (uses):</b>						
Operating transfers in (out)	-	-	-	1,706	(2,994)	(1,288)
Excess (deficiency) of revenues over expenditures and other financing uses	-	-	-	-	(2,994)	(2,994)
Fund balances, beginning	-	2,192	-	-	2,994	5,186
Fund balances (deficit), ending	<u>\$ -</u>	<u>\$ 2,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,192</u>



**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER GRANT INFORMATION**



(A Corporation of Certified Public Accountants)

**Independent Auditor's Report on Compliance and on Internal  
Control over Financial Reporting Based on an Audit of  
Financial Statements Performed in Accordance with  
Government Auditing Standards**

The Board of Directors of  
Acadiana Regional Development District  
Lafayette, Louisiana

We have audited the financial statements of the Acadiana Regional Development District (a nonprofit corporation) as of and for the year ended June 30, 2004, and have issued our report thereon dated October 8, 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; and Office of Management and Budget (OMB) Circular A-133 "*Audits of States, Local Governments, and Non-Profit Organizations*."

Compliance

As part of obtaining reasonable assurance about whether the Acadiana Regional Development District'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 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 that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 1-04.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Acadiana Regional Development District'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. 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 weakness. 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.

Eugene H. Darnall, CPA, Retired 1990

Paula D. Bibb, CPA, Deceased 2002

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Clayton E. Darnall, CPA, CVA

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Erich G. Loewer, Jr. CPA, CVA

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American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

This report is intended solely for the information and use of the board of directors, management, others within the organization, Louisiana Legislative Auditor, and 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. However, under Louisiana Revised Statute 24:513, this document is distributed by the Legislative Auditor as a public document.

## **Darnall, Sikes & Frederick**

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

October 8, 2004



(A Corporation of Certified Public Accountants)

Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control over  
Compliance in Accordance with OMB Circular A-133

The Board of Directors of  
Acadiana Regional Development District  
Lafayette, Louisiana

Compliance

We have audited the compliance of the Acadiana Regional Development District (a nonprofit corporation) 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 each of its major federal programs for the year ended June 30, 2004. The Acadiana Regional Development District'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 each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations.*" Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Acadiana Regional Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Acadiana Regional Development District's compliance with those requirements.

As described in item 1-04 in the accompanying schedule of findings and questioned costs, the Acadiana Regional Development District did not comply with requirements regarding Capital Utilization Standards that are applicable to its U.S. Department of Commerce – Economic Adjustment Assistance program. Compliance with such requirements is necessary, in our opinion, for the Acadiana Regional Development District to comply with requirements applicable to that program.

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In our opinion, except for the noncompliance described in the preceding paragraph, the Acadiana Regional Development District 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, 2004.

#### Internal Control Over Compliance

The management of the Acadiana Regional Development District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with 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 an 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 and use of the management and 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

## **Darnall, Sikes & Frederick**

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana  
October 8, 2004

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Summary Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2004

Finding 1-03: Noncompliance with Subcontracting Provisions

Status: This comment is resolved.

## ACADIANA REGIONAL DEVELOPMENT DISTRICT

### Schedule of Findings and Questioned Costs Year Ended June 30, 2004

#### Part 1 Summary of Auditor's Results

#### FINANCIAL STATEMENTS

##### Auditor's Report

An unqualified opinion has been issued on the Acadiana Regional Development District's financial statements as of and for the year ended June 30, 2004.

##### Reportable Conditions - Financial Reporting

There were no reportable conditions in internal control over financial reporting noted during the audit of the financial statements.

##### Material Noncompliance - Financial Reporting

The results of our tests disclosed an instance of noncompliance which is required to be reported under Government Auditing Standards which is shown as item 1-04 in Part 3.

#### FEDERAL AWARDS

##### Major Program - Identification

Acadiana Regional Development District, at June 30, 2004, had one major program:

U. S. Department of Commerce - Economic Adjustment Assistance (CFDA #11.307).

##### Low-Risk Auditee

The Acadiana Regional Development District was considered a low-risk auditee for the fiscal year ended June 30, 2004.

##### Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the fiscal year ended June 30, 2004.

##### Auditor's Report - Major Programs

A qualified opinion has been issued on the Acadiana Regional Development District's compliance for its major programs as of and for the year ended June 30, 2004.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2004

FEDERAL AWARDS (CONTINUED)

Reportable Conditions - Major Programs

There were no reportable conditions disclosed during the audit of the major programs.

Compliance Findings Related to Federal Programs

The audit disclosed material noncompliance or questioned costs relative to its federal programs which is shown as item 1-04 in Part 3.

Part 2 Findings Relating to an Audit in Accordance with Government Auditing Standards

1-04 Noncompliance with Capital Utilization Standards

The District's grant agreement with the U.S. Department of Commerce Economic Development Administration requires that 75 percent or more of grant funds shall be lent out or committed at all times. During the year ended June 30, 2004, the District's outstanding or committed funds did not meet this requirement as set forth in the grant agreement. Accordingly, excess grant funds were returned to the grantor in the amount of \$88,055.

Part 3 Findings and Questioned Costs Relating to the Federal Programs

1-04 Noncompliance with Capital Utilization Standards

The District's grant agreement with the U.S. Department of Commerce Economic Development Administration requires that 75 percent or more of grant funds shall be lent out or committed at all times. During the year ended June 30, 2004, the District's outstanding or committed funds did not meet this requirement as set forth in the grant agreement. Accordingly, excess grant funds were returned to the grantor in the amount of \$88,055.



ACADIANA REGIONAL DEVELOPMENT DISTRICT

Management's Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2004

Response to Finding 1-04:

Management is continuing to make every effort possible to locate recipients that will meet the criteria for lending in order to achieve the goals required for this program.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2004

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Disbursements/ Expenditures
<b>U.S. DEPARTMENT OF LABOR</b>		
Workforce Investment Act - Adult Program		
Passed through Louisiana Department of Labor	17.258	\$ 163,387
Passed through Acadiana One-Stop, Inc.	17.258	78,000
Workforce Investment Act - Youth Program		
Passed through WIB #40	17.259	<u>16,264</u>
Total U.S. Department of Labor		<u>257,651</u>
<b>U.S. DEPARTMENT OF COMMERCE</b>		
Direct Program:		
Economic Development - Support for Planning Organizations	11.302	50,500
Economic Adjustment Assistance	11.307	<u>331,827</u>
Total U.S. Department of Commerce		<u>382,327</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed through Louisiana Department of Economic Development		
Temporary Assistance for Needy Families	93.558	92,582
Passed through Louisiana Department of Social Services and passed through Tulane University		
Temporary Assistance for Needy Families	93.558	<u>15,050</u>
Total U.S. Department of Health and Human Services		<u>107,632</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Direct Program:		
Rural Business Enterprise Grant	N/A	<u>77,834</u>
<b>DELTA REGIONAL AUTHORITY</b>		
Direct Program:		
Administrative services	N/A	<u>30,000</u>
Total federal assistance		<u>\$ 855,444</u>

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Schedule of Expenditures of Federal Awards - Continued  
Year Ended June 30, 2004

NOTE 1 BASIS OF PRESENTATION

*The above schedule of expenditures of federal awards includes the federal grant activity of the Acadiana Regional Development District and is presented on the same basis of accounting as described in Note 1 to the financial statements. 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."*

NOTE 2 LOAN VALUE

In accordance with EDA requirements, the value of loans outstanding at June 30, 2004 under the Economic Adjustment Program Revolving Loan Fund was \$104,368.