

**KISATCHIE-DELTA REGIONAL PLANNING
AND DEVELOPMENT DISTRICT, INC.**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2010

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

Release Date 3/2/11

Table Of Contents

INDEPENDENT ACCOUNTANTS' REPORT	1 – 2
<u>REQUIRED SUPPLEMENTAL INFORMATION</u>	
Management's Discussion And Analysis	3 – 7
<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS</u>	
Statement Of Net Assets	8
Statement Of Activities.....	9
<u>FUND FINANCIAL STATEMENTS</u>	
Governmental Funds	
Balance Sheet.....	10
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	11
Statement of Revenues, Expenditures and Changes in Fund Balance.....	12 – 13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	14
Notes to Financial Statements	15 – 23
<u>SUPPLEMENTAL FINANCIAL INFORMATION</u>	
Combining Statement of Revenue, Expenditures and Changes in Fund Balances.....	24
<u>OTHER REPORTS</u>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	25 – 28
Management's Corrective Action Plan	29
Schedule of Prior Year Findings and Questioned Cost	30
Louisiana Attestation Questionnaire.....	Appendix

Rozier, Harrington & McKay

Certified Public Accountants

1407 Peterman Drive • Alexandria, Louisiana 71301

JOHN S. ROZIER, IV, CPA
MARK S. MCKAY, CPA
LEE W. WILLIS, CPA

STEVEN E. KIMBALL, CPA
RHONDA L. RACHAL, CPA
GEORGETTE L. VERCHER, CPA

MAILING ADDRESS
Post Office Box 12178
Alexandria, Louisiana 71315-2178
Telephone (318) 442-1608
Telecopier (318) 487-2027

M. DALE HARRINGTON, CPA
RETIRED - 2005

December 10, 2009

INDEPENDENT ACCOUNTANTS' REPORT

Kisatchie Delta Regional Planning and
Development District, Inc.
3516 Parliament Court
Alexandria, Louisiana 71303

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kisatchie Delta Regional Planning and Development District, Inc. as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Kisatchie-Delta.

A review consists principally of inquires of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with generally accepted accounting principles.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order to conform with generally accepted accounting principles in the United States of America. The information included in the accompanying Combining Statement of Revenue, Expenditures and Changes in Fund Balances is presented only for purposes of additional analysis and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of an material modifications that should be made thereto.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

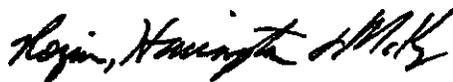
INDEPENDENT ACCOUNTANTS' REPORT

DECEMBER 10, 2010

PAGE 2

The management's discussion and analysis listed in the accompanying table of contents is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. According, we do not express any opinion or any form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued our report dated December 10, 2010 on the results of our agreed-upon procedures.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2010

This section of Kisatchie-Delta Regional Planning and Development District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2010.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present Kisatchie-Delta's financial position and results of operations from differing perspectives, which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about Kisatchie-Delta as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of Kisatchie-Delta's assets and all of its liabilities (including long-term debt). Expenses incurred in connection with the operation of Kisatchie-Delta's programs are reported as governmental activities. The governmental activities are financed by grants, fees and membership dues.

Fund Financial Statements

Fund financial statements provide detailed information regarding Kisatchie-Delta's most significant activities and are not intended to provide information for Kisatchie-Delta as a whole. Funds are accounting devices that are used to account for specific sources of funds. Kisatchie-Delta's funds are all classified as governmental funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of Kisatchie-Delta's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF KISATCHIE-DELTA AS A WHOLE

Government-wide financial data for Kisatchie-Delta are presented as follows:

Net Assets

A condensed version of the government-wide Statement of Net Assets is presented as follows:

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2010

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>Assets:</u>		
Current and Other Assets	\$ 732,764	\$ 778,633
Capital Assets	15,200	4,666
Total Assets	747,964	783,299
<u>Liabilities:</u>		
Current and Other Liabilities	98,829	79,915
Long-term Liabilities	987,871	1,059,536
Total Liabilities	1,086,700	1,139,451
<u>Net Assets:</u>		
Invested in Capital Assets	15,200	4,666
Unrestricted	(353,936)	(360,818)
Total Net Assets	\$ (338,736)	\$ (356,152)

In order to promote economic development, Kisatchie-Delta has borrowed \$2,000,000 from the USDA's Intermediary Relending Program (IRP) for the purpose of establishing a revolving loan fund. Kisatchie-Delta's IRP loan program has originated numerous loans and these loans have experienced a substantial rate of default. Due to losses associated with these problem loans, liabilities currently exceed assets and Kisatchie-Delta has a substantial deficit in unrestricted net assets. However, long-term liabilities are payable in annual installments, which are due over a series of years. Since, payments are structured over a series of years, Kisatchie-Delta has sufficient resources on hand to meet its ongoing obligations for the foreseeable future.

Changes in Net Assets

A condensed version of the government-wide Statement of Changes in Net Assets is presented as follows:

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2010

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>Revenues:</u>		
Program Revenue:		
Charges for Services	\$ 31,783	\$ 43,526
Operating Grants and Contributions	240,592	142,436
General Revenue:		
Membership Dues	39,326	31,782
Miscellaneous	4,610	41,840
Total Revenue	316,311	259,584
<u>Program Expenses:</u>		
General Government		
Finance & Administrative	45,979	46,855
Economic Development		
Federal Procurement	73,043	67,619
EDA Regional Planning	68,461	61,286
Business Loans	33,651	40,262
Assistance to Local Governments	5,023	7,755
Rural Business Enterprise	11,446	21,105
Renewal Community Projects	148	6,796
Delta Regional Assistance	13,693	9,979
LAPDD – EDA	20,195	---
LAPDD - DEQ	2,548	---
Workforce Investment Board	24,708	---
Total Expenses	298,895	261,657
Change in Net Assets	17,416	(2,073)
Net Assets Beginning	(356,152)	(354,079)
Net Assets Ending	\$ (338,736)	\$ (356,152)

As presented above, Kisatchie-Delta's net assets increased \$17,416. This increase is due to income earned from performing economic development services on a contract basis.

FINANCIAL ANALYSIS OF KISATCHIE-DELTA'S FUNDS

Activity for Kisatchie-Delta's major funds and the aggregate remaining funds is presented as follows:

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis For the Year Ended June 30, 2010

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Sources And Uses</u>	<u>Excess (Deficiency)</u>
General Fund	\$ 49,645	\$ 48,862	\$ (30,000)	\$ (29,217)
EDA	65,189	75,780	18,000	7,409
Intermediary Relending	26,074	96,377	---	(70,303)
Federal Procurement	59,397	73,043	12,000	(1,646)
Rural Business Enterprise	9,262	16,496	---	(7,234)
LAPDD - EDA	---	20,195	---	(20,195)
Workforce Investment Board	62,983	24,708	---	38,275
Other Governmental Funds	43,761	21,412	---	22,349
Total	<u>\$ 316,311</u>	<u>\$ 376,873</u>	<u>\$ ---</u>	<u>\$ (60,562)</u>

The General Fund balance decreased as a result of transfers to provide matching funds to the EDA and Federal Procurement programs.

The Intermediary Relending Program experienced a deficiency because principal payments on long-term debt are reported as expenditures by the governmental funds.

Remaining excesses and deficiencies are consistent with the contractual arrangements with agencies providing funding for various projects.

GENERAL FUND BUDGET HIGHLIGHTS

Kisatchie-Delta is a non-profit organization governed by a Board of Directors that is appointed by various governmental units. Since it is organized as a nonprofit organization, Kisatchie-Delta is not required to adopt or amend budgets for its funds and no budget comparisons are presented.

CAPITAL ASSET ADMINISTRATION

Capital asset activity for the year ended June 30, 2010 consisted of the depreciation of office equipment and software utilized to administer current grant programs. Capital outlay activity consisted of the purchase of a copier and additional costs for software currently in development. Software is expected to be placed in service in 2011.

DEBT ADMINISTRATION

For the year ended June 30, 2010, debt activity was limited to the contractual maturity of existing obligations and changes in compensated absences.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2010

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no significant factors are expected to effect further operations.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 525,096
Accounts receivable	35,263
Other assets	900
Loans receivable, net of allowance for loan losses	171,505
Depreciable capital assets, net	8,150
Non-depreciable capital assets, net	<u>7,050</u>
Total assets	<u>747,964</u>
Liabilities:	
Accounts and other payables	17,013
Long-term liabilities	
Accrued leave	10,151
Note Payable - USDA	
Due within one year	71,665
Due in more than one year	<u>987,871</u>
Total liabilities	<u>1,086,700</u>
Net Assets	
Invested in capital assets, net of related debt	15,200
Unrestricted	<u>(353,936)</u>
Total net assets (deficit)	<u>\$ (338,736)</u>

See accompanying notes and independent accountant's review report .

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Activities

Year Ended June 30, 2010

	Expenses	Program Revenues			Capital Grants & Contributions	Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions			
Governmental Activities:						
General Government						
Finance and Administration	\$ 45,979	\$ -	\$ -	\$ -		\$ (45,979)
Economic Development						
Federal Procurement	73,043	-	59,397	-		(13,646)
EDA Regional Planning	68,461	-	65,189	-		(3,272)
Business Loans	33,651	31,783	-	-		(1,868)
Assistance to Local Governments	5,023	-	-	-		(5,023)
Rural Business Enterprise	11,446	-	9,262	-		(2,184)
Renewal Community Projects	148	-	663	-		515
Delta Regional Assistance	13,693	-	31,050	-		17,357
LAPDD - EDA	20,195	-	-	-		(20,195)
LAPDD - DEQ	2,548	-	12,048	-		9,500
Workforce Investment Board	24,708	-	62,983	-		38,275
Total Governmental Activities	298,895	31,783	240,592	-		(26,520)

General Revenues:

Membership Dues	39,326
Miscellaneous	4,610
Total General Revenues	43,936
Change in Net Assets	17,416
Net Assets Beginning	(356,152)
Net Assets Ending	\$ (338,736)

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Balance Sheet

Governmental Funds - June 30, 2010

	General	EDA	Intermediary Revolving	Federal Procurement	RBEQ	LAPDD - EDA	Workforce Investment Board	Other Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 142,786	\$ -	\$ 382,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525,096
Accounts receivable	3,098	-	-	2,498	-	5,225	12,394	12,048	35,263
Interfund receivables	-	29,866	-	10,800	-	-	26,009	39,643	106,318
Other assets	900	-	-	-	-	-	-	-	900
Loans receivable, net of allowance for loan losses	-	-	171,505	-	-	-	-	-	171,505
Total assets	146,784	29,866	553,815	13,298	-	5,225	38,403	51,691	839,082
Liabilities and Fund Balance									
Liabilities:									
Accounts and other payables	15,333	597	37	-	37	544	128	337	17,013
Interfund payables	26,511	-	14,427	-	12,689	24,876	-	27,815	106,318
Total liabilities	41,844	597	14,464	-	12,726	25,420	128	28,152	123,331
Fund Balance									
General Fund	104,940	-	-	-	-	-	-	-	104,940
Special Revenue Funds	-	29,269	539,351	13,298	(12,726)	(20,195)	38,275	23,539	610,811
Total Fund Balances	104,940	29,269	539,351	13,298	(12,726)	(20,195)	38,275	23,539	715,751
Total Liabilities and Fund Balance	\$ 146,784	\$ 29,866	\$ 553,815	\$ 13,298	\$ -	\$ 5,225	\$ 38,403	\$ 51,691	\$ 839,082

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement Net Assets

June 30, 2010

Total Fund Balances - Governmental Funds	\$ 715,751
Amounts reported for governmental activities in the statement of net assets are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(1,069,687)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>15,200</u>
Net Assets of Governmental Activities	<u>\$ (338,736)</u>

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2010

	General	EDA	Intermediary Relending	Federal Procurement	RBEQ	LAPDD - EDA	Workforce Investment Board	Other Governmental Funds	Total Governmental Funds
Revenues:									
Grants - Federal	\$ -	\$ 65,189	\$ -	\$ 59,397	\$ 9,262	\$ -	\$ 62,983	\$ 40,098	\$ 236,929
State funds	-	-	-	-	-	-	-	663	663
Local funds	-	-	-	-	-	-	-	3,000	3,000
Membership dues	39,326	-	-	-	-	-	-	-	39,326
Interest and fees from loans	7,252	-	17,244	-	-	-	-	-	24,496
Recoveries	-	-	7,287	-	-	-	-	-	7,287
Miscellaneous	3,067	-	1,543	-	-	-	-	-	4,610
Total revenues	49,645	65,189	26,074	59,397	9,262	-	62,983	43,761	316,311
Expenditures:									
Current									
General Government	40,633	-	-	-	-	-	-	-	40,633
Finance and Administration	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	73,043	-	-	-	-	73,043
Federal Procurement	-	68,461	-	-	-	-	-	-	68,461
EDA Regional Planning	8,229	-	14,117	-	-	-	-	-	22,346
Business Loans	-	-	-	-	11,446	-	-	-	11,446
Rural Business Enterprise	-	-	-	-	-	-	-	148	148
Renewal Community Projects	-	-	-	-	-	-	-	13,693	13,693
Delta Regional Assistance	-	-	-	-	-	20,195	-	-	20,195
LAPDD - EDA	-	-	-	-	-	-	-	2,548	2,548
LAPDD - DEQ	-	-	-	-	-	-	-	-	-
Workforce Investment Board	-	-	-	-	-	-	24,708	-	24,708
Assistance to Local Government	-	7,319	-	-	-	-	-	5,023	5,023
Capital Expenditures	-	-	82,260	-	5,050	-	-	-	12,369
Debt Service	-	-	-	-	-	-	-	-	82,260
Total expenditures	48,862	75,780	96,377	73,043	16,496	20,195	24,708	21,412	376,873
Excess (deficiency) of revenues over expenditures	783	(10,591)	(70,303)	(13,646)	(7,234)	(20,195)	38,275	22,349	(60,562)

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2010

	General	EDA	Intermediary Relending	Federal Procurement	RBEG	LAPDD - EDA	Workforce Investment Board	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	783	(10,591)	(70,303)	(13,646)	(7,234)	(20,195)	38,275	22,349	(60,562)
Other Financing Sources (Uses):									
Operating transfers in (out)	(30,000)	18,000	-	12,000	-	-	-	-	-
Excess (deficiency) of revenues and other resources over other resources over (under) expenditures and other uses	(29,217)	7,409	(70,303)	(1,646)	(7,234)	(20,195)	38,275	22,349	(60,562)
Fund balance - beginning of year	134,157	21,860	609,654	14,944	(5,492)	-	-	1,190	776,313
Fund balance - end of year	\$ 104,940	\$ 29,269	\$ 539,351	\$ 13,298	\$ (12,726)	\$ (20,195)	\$ 38,275	\$ 23,539	\$ 715,751

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2010

Net change in fund balances of Governmental Funds \$ (60,562)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. Capital outlays and depreciation are presented as follows:

Capital Outlay	12,369
Depreciation	(1,835)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

67,444

Change in net assets of governmental activities

\$ 17,416

See accompanying notes and independent accountant's review report.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kisatchie-Delta Regional Planning and Development District, Inc. is a non-profit organization organized under the Laws of the State of Louisiana. The District represents a portion of Central Louisiana that includes eight (8) parishes. Kisatchie-Delta is governed by a Board of Directors and members of the Board are appointed by the governing bodies of various political subdivisions that lie within the boundaries of the District.

Kisatchie-Delta was organized in order to promote economic development and alleviate unemployment. Its activities are financed by Federal and State grants, as well as support from local governmental units. Since Kisatchie-Delta is financed by governmental sources and, since its Board of Directors is appointed by various local governments, Kisatchie-Delta is considered to be a quasi-governmental unit for financial reporting purposes. The accompanying financial statements were prepared in conformity with generally accepted accounting principles for governmental units.

The following is a summary of certain significant accounting policies and practices:

Financial Reporting Entity

Kisatchie-Delta is considered a legally separate stand-alone government as defined by Statement No. 14 of the Governmental Accounting Standards Board. The reporting entity is composed of the activities that are under the direct control of the Board of Directors. Kisatchie-Delta is not financially accountable for any organizations that maintain separate legal standing; therefore, it has no component units.

Basic Financial Statements

All of Kisatchie-Delta's operations are classified as governmental activities. Governmental activities involve government services that are normally supported by intergovernmental revenues and certain fees. The basic financial statements include both government-wide and fund financial statements. The government-wide and fund financial statements present the District's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about Kisatchie-Delta as a whole. The effect of interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, fees, contributions associated with a particular function and most grants.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The District's major funds are described as follows:

- General Fund – The general fund is the primary operating fund and is used to account for all governmental activities that are not required to be presented elsewhere.
- EDA – This fund accounts for activity related to regional planning activities supported by EDA grants and local matching funds.
- Intermediary Relending – This fund accounts for revolving loan activity that is financed by a loan from the United States Department of Agriculture.
- Federal Procurement – This fund accounts for assistance provided to businesses that are interested in doing business with federal agencies. Federal procurement is financed with grant funds provided by the Louisiana Productivity Center and local matching funds.
- RBEG – Fund established to account for resources devoted to provide the training and development of rural entrepreneurs.
- LAPDD - EDA - Fund established to account for resources devoted to post-disaster and recovery planning provided to the Louisiana Association of Planning and Development District program. The program is financed by grant funds provided by the Economic Development Administration.
- Workforce Investment Board – Fund established to account for resources devoted to providing employer education and awareness of offerings available through the Louisiana Workforce Commission and Business and Career Solution Centers within the district.

Basis Of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or 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 basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 90 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as an other financing source and repayment of long-term debt is reported as an expenditure.

Accumulated Unpaid Vacation

The District's employees earn from one to one and a half hours of vacation pay for every twenty hours worked depending upon their length of service. Vacation time not taken may be carried forward to subsequent periods; but upon termination, no more than thirty days of accrued vacation will be paid to the employee. Earned vacation has been charged to the funds based on the same allocation as regular salary.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions. Capital assets are depreciated using the straight-line method and useful lives ranging from 5 years to 7 years.

Interfund Receivables And Payables

Amounts of cash held or disbursed by the General Fund on behalf of other funds are recorded as Interfund Payables and Receivables. These Interfund Payables and Receivables are eliminated from the government-wide financial statement presentation.

Loans and Allowance for Loan Losses

Loans are reported at the amount of unpaid principal reduced by an allowance for loan losses. The allowance for loan losses is based on an amount that management believes will be adequate to absorb potential losses on existing loans. The allowance is established through a provision for loan losses charged to expenditures. Loans are charged against the allowance for loan losses when management believes that the collectability of principal is unlikely.

Cash And Cash Equivalents

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

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Use Of Estimates

The preparation of financial statement 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 those estimates.

Budgets

As discussed previously, Kisatchie-Delta is organized as a non-profit corporation rather than a political subdivision. Accordingly, Kisatchie-Delta is not required to prepare a formal budget or present budget comparisons with its financial statements.

NOTE 2 – INTERNAL BALANCES AND ACTIVITY

The interfund receivables and payables at June 30, 2010 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ ----	\$ 26,511
Special Revenue Funds:		
Economic Development Administration	29,866	---
Intermediary Relending	---	14,427
Federal Procurement	10,800	---
Rural Business Enterprise	---	12,689
LAPDD - EDA	---	24,876
Workforce Investment Board	26,009	---
Other Governmental Funds	39,643	27,815
Total	\$ 106,318	\$ 106,318

Various funds deposit cash into a single bank account and money is disbursed from the account on behalf of these funds. This commingling of resources results in the interfund receivables and payables presented above.

Operating transfers for the year ended June 30, 2010 are presented as follows:

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>	<u>Net</u>
General Fund	\$ ----	\$ 30,000	\$ (30,000)
Special Revenue Funds:			
Economic Development Admin	18,000	---	18,000
Federal Procurement	12,000	---	12,000
Other Governmental Funds	---	---	---
Total	\$ 30,000	\$ 30,000	\$ ----

The transfers described above were made in order to provide matching funds required by certain grants. The general fund transferred \$30,000 provided by membership dues to various programs. Recipients of these transfers included Economic Development Administration and Federal Procurement.

NOTE 3 – CAPITAL ASSETS

Changes in capital assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Depreciable Capital Assets</u>				
Furniture, Fixtures and Equipment	\$ 31,010	\$ 7,319	\$ (2,069)	\$ 36,260
Leasehold Improvements	10,554	---	---	10,554
Accumulated Depreciation	(38,898)	(1,835)	2,069	(38,664)
Total	\$ 2,666	\$ 5,484	\$ ----	\$ 8,150
<u>Non Depreciable Capital Assets</u>				
Software In Development	\$ 2,000	\$ 5,050	\$ ----	\$ 7,050
Total	\$ 2,000	\$ 5,050	\$ ----	\$ 7,050

Depreciable capital assets are limited to furniture, fixtures, equipment and improvements used in the administration of Kisatchie-Delta's activities. Accordingly, depreciation expense is reported in the accompanying government-wide financial statements as a finance and administrative expense. Non depreciable capital assets consist of software in development. The custom software being developed by an outside vendor is expected to be placed in 2011.

NOTE 4 - INTERMEDIARY RELENDING PROGRAM

Kisatchie-Delta has been selected to participate in the Intermediary Relending Program sponsored by the United States Department of Agriculture. As an intermediary, Kisatchie-Delta has borrowed \$2,000,000 from the Farmers Home Administration at an interest rate of one percent (1%). Funds

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

borrowed from the Farmers Home Administration were used to create a portfolio of revolving loans to eligible borrowers within the Kisatchie-Delta District.

As of June 30, 2010, the loan portfolio consist of five (5) loans that are secured by a variety of collateral that includes real estate, equipment and inventories. The amount currently outstanding is presented as follows:

Loans Receivable	\$	220,344
Allowance for Loan Losses		(48,839)
<u>Loans (net)</u>	<u>\$</u>	<u>171,505</u>

An analysis of activity effecting the allowance for loan losses for the year ended June 30, 2010 is presented as follows:

<u>Allowance For Loan Losses:</u>		
Balance, Beginning of the Year	\$	56,126
Provision for Bad Debts		---
Loans Charged Off		---
Recoveries		(7,287)
<u>Balance, End of the Year</u>	<u>\$</u>	<u>48,839</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2010

	<u>Accrued Leave Liability</u>	<u>Farmers Home Administration</u>	<u>Total</u>
Beginning of Year	\$ 6,640	\$ 1,130,491	\$ 1,137,131
Additions	3,511	---	3,511
Long-term Debt Retired	---	70,955	70,955
End of Year	10,151	1,059,536	1,069,687
Due Within One Year	---	71,665	71,665
<u>Due in More Than One Year</u>	<u>\$ 10,151</u>	<u>\$ 987,871</u>	<u>\$ 998,022</u>

Notes payable at June 30, 2010 are comprised of the following general obligations:

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

A \$2,000,000 loan from the USDA at 1% for the purpose of financing Kisatchie-Delta's participation in the Intermediary Relending Program. Interest is due in semi-annual installments beginning July 8, 1994. Principal and interest will be paid in a series of equal installments beginning February 8, 1997 and continuing for a period of thirty (30) years. The note is secured by Kisatchie-Delta's intermediary loan portfolio.

\$ 1,059,536

Since Kisatchie-Delta's general obligations were incurred to finance the IRP loan program, the IRP loan fund has provided resources to service the general obligation debt. In addition, interest incurred in connection with the general obligations has been reported in the Statement of Activities as a business loan program expense. For the year ended June 30, 2010, the business loan program expenses included interest expense totaling \$11,305.

Compensated absences are usually liquidated by Kisatchie-Delta's general fund

Future payment of principal and interest on outstanding general obligations is presented as follows:

<u>Year Ended June 30th</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2011	71,665	10,595	82,260
2012	72,381	9,879	82,260
2013	73,105	9,155	82,260
2014	73,836	8,424	82,260
2015	74,575	7,685	82,260
2016 – 2020	384,209	27,091	411,300
2021 – 2024	309,765	7,609	317,374
Total	\$ 1,059,536	\$ 80,438	\$ 1,139,974

NOTE 6 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2010 are presented as follows:

Grant contracts	\$ 32,165
Service fees	3,098
Other	---
Total	\$ 35,263

NOTE 7 - COMPENSATION OF BOARD MEMBERS

During the year, no compensation was paid to any member of the District's Board of Directors.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

NOTE 8 - CASH

At June 30, 2010 the District's cash balances totaled \$525,096 (Book Balance) and \$537,897 (Bank Balance). The bank balance of is secured by FDIC insurance totaling \$288,699 and collateralized by pledged securities held by the custodial bank in the name of the fiscal agent bank with a market value at June 30, 2010 of \$392,461. Even though the pledged securities are held in the name of the fiscal agent bank, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds on demand.

A portion of the bank balance was held in an account that was not insured or collateralized by pledged securities. The portion of deposits that were unsecured at June 30, 2010 totaled \$3,149.

NOTE 9 - RISK MANAGEMENT:

Kisatchie-Delta is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 10 - FUND BALANCES

At June 30, 2010, the following funds reported deficit balances:

Enterprise Zone	\$ 3,352
Cottonport Infrastructure	10,029
Pineville Infrastructure	382
RBEG	12,726
Renewal Community	8,770
LAPDD – EDA	20,195
Grant Parish Master Plan	2,749
<u>Total Deficits</u>	<u>\$ 58,203</u>

The General Fund will provide operating transfers to eliminate any deficit that cannot be eliminated through ordinary operations.

NOTE 11 – LEASE

The lease agreement executed by Kisatchie-Delta to acquire office facilities necessary for operations expired during the prior year. Currently, the facility is rented on a monthly basis until the terms of a new lease agreement have been reached. For the year ended June 30, 2010, rent expenditures totaling \$10,200 were incurred and reported as finance and administration expenditures.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2010

NOTE 12 – CONTINGENCIES

Existing conditions that may have future financial consequences are referred to as contingencies. Contingencies existing at June 30, 2010 include potential fines and penalties for the failure to pay federal payroll taxes withheld from employees' compensation, including the related FICA matching contributions in a timely manner. Failure to pay payroll taxes in a timely matter can result in substantial fines and penalties.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non Major Governmental Funds - Year Ended June 30, 2010

	Enterprise Zone	Delta Regional Authority	Renewal Community	Cottonport Infrastructure	LAPDD DEQ	LED	Pineville Infrastructure	Grant Parish Master Plan	Total
<u>Revenues:</u>									
Grants - Federal	\$ -	\$ 28,050	\$ -	\$ -	\$ 12,048	\$ -	\$ -	\$ -	\$ 40,098
Grants - State	-	-	663	-	-	-	-	-	663
Local funds	-	3,000	-	-	-	-	-	-	3,000
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	-	<u>31,050</u>	<u>663</u>	-	<u>12,048</u>	-	-	-	<u>43,761</u>
<u>Expenditures:</u>									
General Government									
Assistance to Local Governments	-	-	-	2,274	-	-	-	2,749	5,023
Delta Regional Authority	-	13,693	-	-	-	-	-	-	13,693
Renewal Community Projects	-	-	148	-	-	-	-	-	148
LAPDD - DEQ	-	-	-	-	2,548	-	-	-	2,548
Rural Business Enterprise	-	-	-	-	-	-	-	-	-
Total expenditures	-	<u>13,693</u>	<u>148</u>	<u>2,274</u>	<u>2,548</u>	-	-	<u>2,749</u>	<u>21,412</u>
Excess (deficiency) of revenues over expenditures	-	17,357	515	(2,274)	9,500	-	-	(2,749)	22,349
<u>Other Financing Sources (Uses):</u>									
Operating transfers in (out)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other resources over other resources over (under) expenditures and other uses	-	17,357	515	(2,274)	9,500	-	-	(2,749)	22,349
Fund balance - beginning of year	(3,352)	20,234	(9,285)	(7,755)	-	1,730	(382)	-	1,190
Fund balance - end of year	<u>(3,352)</u>	<u>\$ 37,591</u>	<u>\$ (8,770)</u>	<u>\$ (10,029)</u>	<u>\$ 9,500</u>	<u>\$ 1,730</u>	<u>\$ (382)</u>	<u>\$ (2,749)</u>	<u>\$ 23,539</u>

See independent accountant's review report.

Rozier, Harrington & McKay

Certified Public Accountants

1407 Peterman Drive • Alexandria, Louisiana 71301

JOHN S. ROZIER, IV, CPA
MARK S. MCKAY, CPA
LEE W. WILLIS, CPA
STEVEN E. KIMBALL, CPA
RHONDA L. RACHAL, CPA
GEORGETTE L. VERCHER, CPA

MAILING ADDRESS
Post Office Box 12178
Alexandria, Louisiana 71315-2178
Telephone (318) 442-1608
Telecopier (318) 487-2027

M. DALE HARRINGTON, CPA
RETIRED - 2005

December 10, 2010

INDEPENDENT ACCOUNTANTS' REPORT ON **APPLYING AGREED-UPON PROCEDURES**

Kisatchie-Delta Regional Planning
and Development District, Inc.
3516 Parliament Court
Alexandria, Louisiana 71303

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Kisatchie-Delta Regional Planning and Development District, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Kisatchie-Delta's compliance with certain laws and regulations during the year ended June 30, 2010, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW:

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Our review of the general ledger, inquiries of management and review of board minutes found no transactions that met the scope of the public bid law.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT

DECEMBER 10, 2010

PAGE 2

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of the Board Members as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Board Members and employees, as well as their immediate families.

Of the twenty-seven board members only thirteen responded to management's board member survey requesting the noted information. Management provided us with the thirteen surveys received.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with a listing of all employees paid during the period under examination.

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Our review of board member surveys and employee information obtained from management found that no immediate family members of the Board to be employed during the period under examination.

BUDGETING

5. Obtained a copy of the legally adopted budget and all amendments.

Kisatchie-Delta is a non-profit organization governed by a Board of Directors that is appointed by various governmental units. Since it is organized as a nonprofit organization, Kisatchie-Delta is not required to adopt or amend budgets for its funds.

6. Trace the budget adoption and amendments to the minute book.

Kisatchie-Delta is a non-profit organization governed by a Board of Directors that is appointed by various governmental units. Since it is organized as a nonprofit organization, Kisatchie-Delta is not required to adopt or amend budgets for its funds.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Accordingly, Kisatchie-Delta is not required to present budget comparisons with its financial statements.

ACCOUNTING AND REPORTING

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of supporting purchase orders indicated that all invoices are approved for payment. No further approval was required.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected the bank deposits for the period under examination and noted no debt proceeds received.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

Our inquires of management, review of the general ledger and board minutes for the year found that no employees received payments that would constitute a bonus, advance or gift.

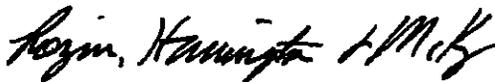
KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT

DECEMBER 10, 2010

PAGE 4

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Kisatchie-Delta Planning and Development District, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

KISATCHIE-DELTA
REGIONAL PLANNING AND DEVELOPMENT DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2010

SECTION I - Review Report	
No findings were reported.	Response – N/A
SECTION II - Attestation Report	
No findings were reported.	Response – N/A
SECTION III MANAGEMENT LETTER	
<p><u>2010(1) – PAYROLL TAXES</u></p> <p>Kisatchie-Delta is required to withhold various amounts from employee's wages and provide certain matching contributions. In addition, Kisatchie-Delta is obligated to remit the amounts withheld and matching contributions to the United State Treasury; however, the required payments to the Treasury were not completed in the prescribed manner. This oversight has exposed Kisatchie-Delta to the possible imposition of substantial penalties. We suggest completing the required payments at the earliest opportunity and establishing procedures to prevent further oversights of this nature.</p> <p><u>2010(2) – BANK RECONCILIATIONS</u></p> <p>As discussed above, Kisatchie-Delta failed to complete required payments to the United States Treasury. The required payments were recorded in Kisatchie-Delta's financial records but due to clerical oversight the funds were never disbursed from the bank account. Instead of properly reconciling the bank account these transactions were reported as outstanding items for several consecutive months. Simply following up on these extraordinary reconciling items could have resolved the matter reported as 2010(1) in a more timely manner. In the future, we recommend evaluating and resolving unusual reconciling items on a monthly basis.</p>	<p><u>RESPONSE</u></p> <p>Management plans to implement new electronic payment procedures that will insure timely completion of payroll tax deposits.</p> <p><u>RESPONSE</u></p> <p>In the future, management will investigate and resolve any reoccurring electronic payments that are not disbursed from the bank account within the expected period of time.</p>

KISATCHIE-DELTA
REGIONAL PLANNING AND DEVELOPMENT DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION I	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION II	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION III	
MANAGEMENT LETTER	
No findings of this nature were reported as a result of the previous audit.	Response – N/A

LOUISIANA ATTESTATION QUESTIONNAIRE
FOR THE YEAR ENDED JUNE 30, 2010

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

September 16, 2010

Rozier, Harrington & McKay, CPAs
P.O. Box 12187
Alexandria, LA. 71315

In connection with your review of our financial statements as of June 30, 2010 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 9/20/10 (Date).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

H. H. H. H. H. Executive Director _____ Date
9/20/10

ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

JOHN S. ROZIER, IV, CPA
MARK S. MCKAY, CPA
LEE W. WILLIS, CPA
RHONDA L. RACHAL, CPA
STEVEN E. KIMBALL, CPA
GEORGETTE VERCHER, CPA

MAILING ADDRESS
POST OFFICE BOX 12178
ALEXANDRIA, LOUISIANA 71315-2178
TELEPHONE (318) 442-1608

M. DALE HARRINGTON, CPA
RETIRED - 2005

December 10, 2010

Kisatchie-Delta Regional Planning and
Development District
3516 Parliament Court
Alexandria, Louisiana 71303

In performing our review of the financial statements of the Kisatchie-Delta Regional Planning and Development District for the year ended June 30, 2010, we identified matters worthy of management's attention and corrective. The matters we discovered are described as follows:

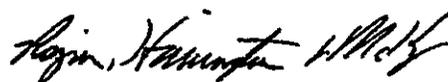
2010(1) - PAYROLL TAXES

Kisatchie-Delta is required to withhold various amounts from employee's wages and provide certain matching contributions. In addition, Kisatchie-Delta is obligated to remit the amounts withheld and matching contributions to the United State Treasury; however, the required payments to the Treasury were not completed in the prescribed manner. This oversight has exposed Kisatchie-Delta to the possible imposition of substantial penalties. We suggest completing the required payments at the earliest opportunity and establishing procedures to prevent further oversights of this nature.

2010(2) - BANK RECONCILIATIONS

As discussed above, Kisatchie-Delta failed to complete required payments to the United States Treasury. The required payments were recorded in Kisatchie-Delta's financial records but due to clerical oversight the funds were never disbursed from the bank account. Instead of properly reconciling the bank account these transactions were reported as outstanding items for several consecutive months. Simply following up on these extraordinary reconciling items could have resolved the matter reported as 2010(1) in a more timely manner. In the future, we recommend evaluating and resolving unusual reconciling items on a monthly basis.

If you need additional information, we will be available at your convenience to discuss these matters in greater detail.



ROZIER, HARRINGTON & MCKAY,
Certified Public Accountants

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs