

**ACADIANA REGIONAL
DEVELOPMENT DISTRICT**
Lafayette, Louisiana

Financial Report

Year Ended June 30, 2003

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

Release Date 1.28.04

TABLE OF CONTENTS

	<u>No.</u>
INDEPENDENT AUDITOR'S REPORT	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	4
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	5
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP Basis) and actual - general fund	6
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP Basis) and actual - budgeted special revenue funds	7
Statement of revenues, expenses, and changes in fund equity - all proprietary fund types - enterprise fund	8
Statement of cash flows - all proprietary fund types - enterprise fund	9
Notes to financial statements	10-14
SUPPLEMENTAL INFORMATION	
SCHEDULES OF INDIVIDUAL FUNDS	
Combining balance sheet - special revenue funds	17-18
Combining statement of revenues, expenditures, and changes in fund balances - special revenue funds	19-20
GENERAL FIXED ASSETS ACCOUNT GROUP	
Statement of changes in general fixed assets	22
INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government</u> <u>Auditing Standards</u>	24-25
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	26-27
Schedule of prior year findings and questioned costs	28
Schedule of findings and questioned costs	29-30
Management's corrective action plan for current year findings	31
Schedule of expenditures of federal awards	32-33



(A Corporation of Certified Public Accountants)

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INDEPENDENT AUDITOR'S REPORT

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We have audited the accompanying general purpose financial statements of the Acadiana Regional Development District (a nonprofit corporation), as of and for the year ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Acadiana Regional Development District as of June 30, 2003, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Member of:

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

In accordance with Government Auditing Standards, we have also issued our report dated September 12, 2003, 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.

Our audit was performed for the purpose of forming an opinion on the general purpose 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 general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 12, 2003

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Combined Balance Sheet - All Fund Types and Account Group
June 30, 2003

	Governmental Fund Types		Proprietary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Enterprise	General Fixed Assets	
ASSETS					
Cash-unrestricted	\$ 106,464	\$ 163	\$ -	\$ -	\$ 106,627
Cash-restricted	-	-	215,255	-	215,255
Accounts receivable	33,400	161,615	-	-	195,015
Loans receivable	-	-	426,677	-	426,677
Interfund receivable	69,895	37,998	-	-	107,893
Fixed assets	-	-	-	13,395	13,395
Utility deposits	53	-	-	-	53
Total assets	\$ 209,812	\$ 199,776	\$ 641,932	\$ 13,395	\$ 1,064,915
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 24,472	\$ 92,621	\$ 1,614	\$ -	\$ 118,707
Deferred local dues	26,144	-	-	-	26,144
Interfund payable	-	77,231	30,662	-	107,893
Note payable	-	-	360,645	-	360,645
Total liabilities	50,616	169,852	392,921	-	613,389
Fund equity and other credits:					
Investment in general fixed assets	-	-	-	13,395	13,395
Fund balances	159,196	29,924	-	-	189,120
Retained earnings-restricted	-	-	249,011	-	249,011
Total fund equity	159,196	29,924	249,011	13,395	451,526
Total liabilities, fund equity, and other credits	\$ 209,812	\$ 199,776	\$ 641,932	\$ 13,395	\$ 1,064,915

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Fund Types
Year Ended June 30, 2003

	General	Special Revenue	Total (Memorandum Only)
Revenues:			
Federal grants	\$ 10,000	\$ 1,684,364	\$ 1,694,364
State grants	9,250	-	9,250
Local funds	84,291	-	84,291
Other	5,085	27,402	32,487
Total revenues	<u>108,626</u>	<u>1,711,766</u>	<u>1,820,392</u>
Expenditures:			
Personnel	33,337	353,311	386,648
Advertising	765	7,750	8,515
Bad debts	14,173	-	14,173
Board activities	1,034	166	1,200
Consulting	47,820	96,608	144,428
Contractual services	-	945,087	945,087
Dues and subscriptions	1,040	4,454	5,494
Equipment costs	200	46,218	46,418
Insurance and bonding	2,500	1,415	3,915
Miscellaneous	515	9,504	10,019
Office expense	5,938	79,357	85,295
Participant support	-	515	515
Professional fees	2,178	46,122	48,300
Rent	3,069	35,700	38,769
Technical assistance	-	289	289
Telephone	3,004	18,494	21,498
Training	3,385	38,224	41,609
Travel	4,990	28,531	33,521
	<u>123,948</u>	<u>1,711,745</u>	<u>1,835,693</u>
Excess (deficiency) of revenues over expenditures	(15,322)	21	(15,301)
Other financing sources (uses):			
Operating transfers in	12,320	11,638	23,958
Operating transfers out	(11,638)	(12,320)	(23,958)
Total other financing sources (uses)	<u>682</u>	<u>(682)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(14,640)	(661)	(15,301)
Fund balance, beginning	<u>173,836</u>	<u>30,585</u>	<u>204,421</u>
Fund balance, ending	<u>\$ 159,196</u>	<u>\$ 29,924</u>	<u>\$ 189,120</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Federal grants	\$ 10,000	\$ 10,000	\$ -
State grants	9,250	9,250	-
Local funds	63,663	84,291	20,628
Other	7,200	5,085	(2,115)
Total revenues	<u>90,113</u>	<u>108,626</u>	<u>18,513</u>
Expenditures:			
Personnel	30,650	33,337	(2,687)
Advertising	800	765	35
Bad debts	-	14,173	(14,173)
Board activities	1,100	1,034	66
Consulting	26,000	47,820	(21,820)
Dues and subscriptions	1,050	1,040	10
Equipment costs	200	200	-
Insurance and bonding	2,540	2,500	40
Miscellaneous	3,250	515	2,735
Office expense	6,450	5,938	512
Professional fees	2,230	2,178	52
Rent	3,300	3,069	231
Telephone	3,000	3,004	(4)
Training	3,330	3,385	(55)
Travel	3,473	4,990	(1,517)
Total expenditures	<u>87,373</u>	<u>123,948</u>	<u>(36,575)</u>
Excess (deficiency) of revenues over expenditures	2,740	(15,322)	(18,062)
Other financing sources (uses):			
Operating transfers in	-	12,320	(12,320)
Operating transfers out	-	(11,638)	11,638
	<u>-</u>	<u>682</u>	<u>(682)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	2,740	(14,640)	(17,380)
Fund balance, beginning	<u>173,836</u>	<u>173,836</u>	<u>-</u>
Fund balance, ending	<u>\$ 176,576</u>	<u>\$ 159,196</u>	<u>\$ (17,380)</u>

The accompanying notes are an integral part of this statement

ACADIANA REGIONAL DEVELOPMENT DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Budgeted Special Revenue Funds
Year Ended June 30, 2003**

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Federal grants	\$ 1,837,522	\$ 1,684,364	\$ (153,158)
State grants	-	-	-
Local funds	<u>17,002</u>	<u>27,402</u>	<u>10,400</u>
Total revenues	<u>1,854,524</u>	<u>1,711,766</u>	<u>(142,758)</u>
Expenditures:			
Personnel	389,978	353,311	36,667
Advertising	9,606	7,750	1,856
Board activities	500	166	334
Consulting	103,875	96,608	7,267
Contractual	951,197	945,087	6,110
Dues and subscriptions	4,580	4,454	126
Equipment costs	46,657	46,218	439
Insurance and bonding	1,663	1,415	248
Miscellaneous	9,536	9,504	32
Office expense	78,644	79,357	(713)
Participant support	1,100	515	585
Professional fees	45,994	46,122	(128)
Mico loan program	33,000	-	33,000
Rent	36,486	35,700	786
Technical assistance	20,181	289	19,892
Telephone	17,504	18,494	(990)
Training	49,806	38,224	11,582
Travel	<u>23,177</u>	<u>28,531</u>	<u>(5,354)</u>
Total expenditures	<u>1,823,484</u>	<u>1,711,745</u>	<u>111,739</u>
Excess (deficiency) of revenues over expenditures	31,040	21	(31,019)
Other financing sources (uses):			
Operating transfers in	-	11,638	11,638
Operating transfers out	<u>-</u>	<u>(12,320)</u>	<u>(12,320)</u>
Total other financing sources (uses)	<u>-</u>	<u>(682)</u>	<u>(682)</u>
Excess (deficiency) of revenues and other expenditures and other financing uses	31,040	(661)	(31,701)
Fund balance, beginning	<u>30,585</u>	<u>30,585</u>	<u>-</u>
Fund balance, ending	<u>\$ 61,625</u>	<u>\$ 29,924</u>	<u>\$ (31,701)</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Equity
All Proprietary Fund Types - Enterprise Fund
Year Ended June 30, 2003

Operating revenues:	
Interest income	<u>\$ 27,139</u>
Operating expenses	
Personnel	14,201
Advertising	48
Audit and bookkeeping	3,300
Bad debt	67,552
Consumable supplies	901
Dues and subscriptions	124
Insurance and bonding	199
Interest expense	5,006
Miscellaneous	274
Space costs	1,125
Telephone	852
Training	68
Travel	246
Total operating expenses	<u>93,896</u>
Net loss	(66,757)
Retained earnings - restricted, beginning	<u>315,768</u>
Retained earnings - restricted, ending	<u>\$ 249,011</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Statement of Cash Flows - All Proprietary Fund Types
Enterprise Fund
Year Ended June 30, 2003

Reconciliation of net loss to net cash provided by operating activities:	
Net loss	\$ (66,757)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Bad debt	67,552
Decrease in loans receivable	39,898
Increase in accounts payable	517
Decrease in interfund payable	<u>(1,739)</u>
Net cash provided by operating activities	<u>39,471</u>
Cash flows from noncapital financing activities:	
Repayment of note payable	<u>(246,108)</u>
Net cash used in noncapital financing activities	<u>(246,108)</u>
Net decrease in cash and cash equivalents	(206,637)
Cash and cash equivalents, beginning	<u>421,892</u>
Cash and cash equivalents, ending	<u>\$ 215,255</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

General Statement

The accounting and reporting policies of the Acadiana Regional Development District (formerly Evangeline Economic and Planning District), conform to generally accepted accounting principles as applicable to governmental units and special districts. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

Basis of Presentation

The accounts of the Acadiana Regional Development District (District), are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The transactions of each fund or account group are summarized by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and one broad fund category as follows:

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.

Special Revenue Funds -

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

Proprietary Fund Type:

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)

General Fixed Asset Account Group -

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost. Donated assets, if applicable, are valued at their estimated fair value on the date donated. Acadiana Regional Development District has no public domain assets.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental Fund Types use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues from grants are recorded when the grants are approved. Revenues under cost reimbursement programs are recognized when the related costs are expended. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt (if applicable) is recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

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, 2003.

Total Columns on the Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of the data.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2003.

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.

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.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Notes to Financial Statements

NOTE 3 CASH

Cash accounts at June 30, 2003 consist of the following:

Petty cash	\$ 200
Cash in bank, unrestricted	106,427
Cash in bank, restricted	<u>215,255</u>
	<u>\$ 321,882</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 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2003 consists of the following:

General fund	
Local dues and miscellaneous	<u>\$ 33,400</u>
Special revenue funds	
Grants	<u>\$ 161,615</u>

NOTE 5 INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at June 30, 2003 consist of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 69,895	\$ -
Special Revenue Funds -		
EDA	1,391	-
Rural Business Enterprise Grant	-	8,361
Welfare to Work	28,502	-
LA Workforce Investment Act	-	66,980
LDED MEDAL	-	1,890
EDA Calcasieu Workforce	8,105	-
Enterprise Fund	-	<u>30,662</u>
	<u>\$ 107,893</u>	<u>\$ 107,893</u>

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Notes to Financial Statements

NOTE 6 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. Interest for two years with annual principal and interest payments commencing June 11, 1996. Collateral consists of mortgages on real estate, equipment and inventories of the ultimate recipients in the loan program and security in the District's loan portfolio.

\$ 360,645

The annual requirements to amortize debt outstanding at June 30, 2003, including interest payments of \$36,646, are as follows:

<u>Year Ending June 30,</u>	
2004	\$ 21,114
2005	21,114
2006	21,114
2007	21,114
2008	21,114
2009 and thereafter	<u>291,721</u>
	<u>\$ 397,291</u>

NOTE 7 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 8 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 9 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.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

ACADIANA REGIONAL DEVELOPMENT DISTRICT
Special Revenue Funds

Combining Balance Sheet
June 30, 2003

	<u>Rural Business Enterprise Grant</u>	<u>Office of Women's Service</u>	<u>Welfare to Work - Competitive</u>	<u>LA Workforce Investment Act</u>	<u>Scenic Byways</u>
ASSETS					
Cash-unrestricted	\$ -	\$ -	\$ -	\$ 53	\$ -
Accounts receivable	-	-	-	132,230	-
Interfund receivable	<u>-</u>	<u>-</u>	<u>28,502</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,502</u>	<u>\$ 132,283</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 28,502	\$ 42,147	\$ -
Interfund payable	<u>8,361</u>	<u>-</u>	<u>-</u>	<u>66,980</u>	<u>-</u>
Total liabilities	<u>8,361</u>	<u>-</u>	<u>28,502</u>	<u>109,127</u>	<u>-</u>
Fund equity:					
Fund balance (deficit)	<u>(8,361)</u>	<u>-</u>	<u>-</u>	<u>23,156</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,502</u>	<u>\$ 132,283</u>	<u>\$ -</u>

<u>EDA</u>	<u>Zydeco Cajun</u>	<u>LA Promised Land</u>	<u>EDA Calcasieu Workforce</u>	<u>Acadiana Parish</u>	<u>LDED MEDAL</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110	\$ 163
-	-	-	-	12,423	16,962	161,615
<u>1,391</u>	<u>-</u>	<u>-</u>	<u>8,105</u>	<u>-</u>	<u>-</u>	<u>37,998</u>
<u>\$ 1,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,105</u>	<u>\$ 12,423</u>	<u>\$ 17,072</u>	<u>\$ 199,776</u>
\$ 1,391	\$ -	\$ -	\$ -	\$ 10,231	\$ 10,350	\$ 92,621
-	-	-	-	-	1,890	77,231
<u>1,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,231</u>	<u>12,240</u>	<u>169,852</u>
-	-	-	8,105	2,192	4,832	29,924
<u>\$ 1,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,105</u>	<u>\$ 12,423</u>	<u>\$ 17,072</u>	<u>\$ 199,776</u>

The accompanying notes are an integral part of this statement.

ACADIANA REGIONAL DEVELOPMENT DISTRICT
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
June 30, 2003

	<u>Rural Business Enterprise Grant</u>	<u>Office of Women's Services</u>	<u>Welfare to Work - Competitive</u>	<u>LA Workforce Investment Act</u>	<u>Scenic Byways</u>
Revenues:					
Intergovernmental:					
Federal grants	\$ 32,758	\$ -	\$ 1,030,308	\$ 452,380	\$ -
State grants	-	-	-	-	-
Local funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,250</u>	<u>-</u>
Total revenues	32,758	-	1,030,308	462,630	-
Expenditures:					
Current	<u>42,171</u>	<u>-</u>	<u>1,023,635</u>	<u>463,360</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures					
	(9,413)	-	6,673	(730)	-
Other financing sources (uses):					
Operating transfers in (out)	<u>-</u>	<u>(1,490)</u>	<u>-</u>	<u>-</u>	<u>(3,086)</u>
Excess (deficiency) of revenues over expenditures and other financing uses					
	(9,413)	(1,490)	6,673	(730)	(3,086)
Fund balances (deficit), beginning	<u>1,052</u>	<u>1,490</u>	<u>(6,673)</u>	<u>23,886</u>	<u>3,086</u>
Fund balances (deficit), ending	<u>\$ (8,361)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,156</u>	<u>\$ -</u>

<u>EDA</u>	<u>Zydeco Cajun</u>	<u>LA Promised Land</u>	<u>EDA Calcasieu Workforce</u>	<u>Acadiana Parish</u>	<u>LDED MEDAL</u>	<u>Total</u>
\$ 51,000	\$ -	\$ -	\$ 15,600	\$ 12,423	\$ 89,895	\$ 1,684,364
	-	-	-	-	-	-
<u>17,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>27,402</u>
68,002	-	-	15,600	12,423	90,045	1,711,766
<u>79,640</u>	<u>-</u>	<u>-</u>	<u>7,495</u>	<u>10,231</u>	<u>85,213</u>	<u>1,711,745</u>
(11,638)	-	-	8,105	2,192	4,832	21
<u>11,638</u>	<u>(5,748)</u>	<u>(1,996)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(682)</u>
-	(5,748)	(1,996)	8,105	2,192	4,832	(661)
<u>-</u>	<u>5,748</u>	<u>1,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,585</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,105</u>	<u>\$ 2,192</u>	<u>\$ 4,832</u>	<u>\$ 29,924</u>

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Statement of Changes in General Fixed Assets
June 30, 2003

	<u>Furniture and Equipment</u>
General fixed assets, July 1, 2002	\$ 34,461
Additions	-
Deletions	<u>(21,066)</u>
General fixed assets, June 30, 2003	<u>\$ 13,395</u>

The accompanying notes are an integral part of this statement.

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



(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990
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Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
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**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 general purpose financial statements of the Acadiana Regional Development District (a nonprofit corporation) as of and for the year ended June 30, 2003, and have issued our report thereon dated September 12, 2003. 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 general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with 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 1-03.

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 general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material 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

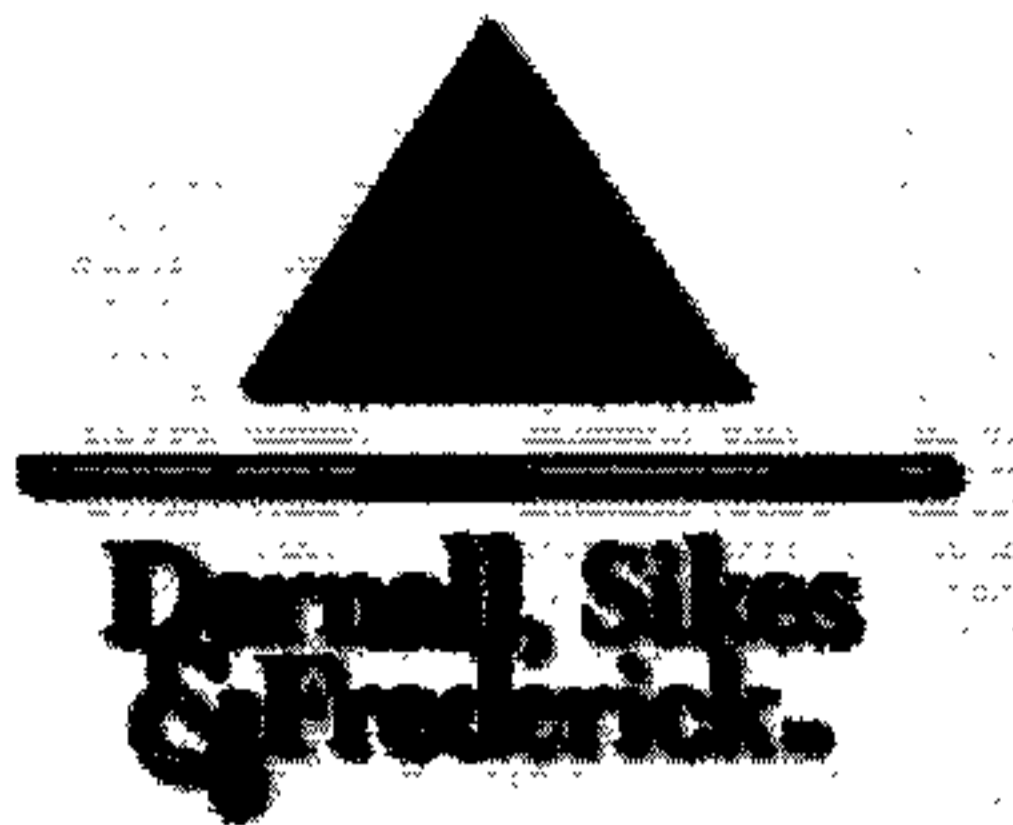
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Society of Louisiana
Certified Public Accountants

detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended 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.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 12, 2003



(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, 2003. 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.

In our opinion, 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, 2003.

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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
September 12, 2003

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2003

ML-1-02 Cost Allocations:

Status: This comment is resolved.

ML-2-02 Subrecipient Monitoring:

Status: This comment is resolved.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Schedule of Findings and Questioned Costs
Year Ended June 30, 2003

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the Acadiana Regional Development District's general purpose financial statements as of and for the year ended June 30, 2003.

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 1-03 in Part 3.

FEDERAL AWARDS

Major Program - Identification

Acadiana Regional Development District, at June 30, 2003, had two major programs:
(1) U. S. Department of Labor Welfare to Work Grant (CFDA #17.253) and
(2) U. S. Department of Commerce - Economic Adjustment Assistance (CFDA #11.307).

Low-Risk Auditee

The Acadiana Regional Development District was not considered a low-risk auditee for the fiscal year ended June 30, 2003.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the fiscal year ended June 30, 2003.

Auditor's Report - Major Programs

An unqualified 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, 2003.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2003

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 1-03 in Part 3.

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

1-03 Noncompliance with Subcontracting Provisions

The District's contract for training services with Calcasieu WIB had a provision that prohibited the subcontracting of training services to other entities. The District's use of a subcontractor to provide such training services is considered to be an act of noncompliance.

Part 3 Findings and Questioned Costs Relating to the Federal Programs

1-03 Noncompliance with Subcontracting Provisions

The District's contract for training services with Calcasieu WIB had a provision that prohibited the subcontracting of training services to other entities. The District's use of a subcontractor to provide such training services is considered to be an act of noncompliance.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

**Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2003**

Response to 1-03:

Management has submitted a corrective action plan to the Workforce Investment Board which provides for the termination of the subcontracting arrangement and provides for the District to utilize its own staff to complete the training services. Management is of the opinion that this plan will be acceptable to the Workforce Investment Board.

ACADIANA REGIONAL DEVELOPMENT DISTRICT

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2003**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
U.S. DEPARTMENT OF LABOR		
Direct Program:		
Welfare-to-Work Grants to States and Localities - Competitive	17.253	\$ 1,030,308
LA Workforce Investment Act		
Passed through Louisiana Department of Labor	17.255	148,580
Passed through Calcasieu Parish Workforce Investment Board	17.255	15,600
Passed through Acadiana One-Stop, Inc.	17.255	163,800
Passed through LWIA #40	17.255	12,423
Reed Act		
Passed through Louisiana Department of Labor	N/A	<u>140,000</u>
Total U.S. Department of Labor		<u>1,510,711</u>
U.S. DEPARTMENT OF COMMERCE		
Direct Program:		
Economic Development - Support for Planning Organizations	11.302	51,000
Economic Adjustment Assistance	11.307	<u>418,805</u>
Total U.S. Department of Commerce		<u>469,805</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through Louisiana Department of Economic Development Temporary Assistance for Needy Families	93.558	<u>89,895</u>
U.S. DEPARTMENT OF AGRICULTURE		
Direct Program:		
Rural Business Enterprise Grant	N/A	<u>32,758</u>
DELTA REGIONAL AUTHORITY		
Direct Program:		
Administrative services	N/A	<u>10,000</u>
Total federal assistance		<u>\$ 2,113,169</u>

ACADIANA REGIONAL DEVELOPMENT DISTRICT

Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2003

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, 2003 under the Economic Adjustment Program Revolving Loan Fund was \$144,870.