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IMPERIAL CALCASIEU REGIONAL PLANNING &
DEVELOPMENT COMMISSION
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2004

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

Release Date _____



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GUS SCHRAM & CO., Ltd.

A PROFESSIONAL CORPORATION

Certified Public Accountants

Business Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Imperial Calcasieu Regional Planning
and Development Commission
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Imperial Calcasieu Regional Planning and Development Commission as of June 30, 2004, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

As noted in Note 1, the Commission has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of June 30, 2004.

The management's discussion and analysis and budgetary comparison information on pages 3 through 5 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However we did not audit the information and express no opinion on it.

MEMBERSHIPS

- American Institute of Certified Public Accountants
- Private Companies Practice Section (AICPA)
- Society of Louisiana Certified Public Accountants



In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Gus Schram & Co. Ltd.

December 16, 2004

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT
COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2004

This discussion and analysis of Imperial Calcasieu Regional Planning and Development Commission's (IMCAL) financial performance provides for an overview of IMCAL's financial activities for the year ended June 30, 2004. Please read it in conjunction with the Independent Auditor's Report on page 1.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those financial statements. The financial statements are organized so that the reader can understand IMCAL as a whole, and then proceed with an increasingly detailed look at specific financial activities.

REPORTING ON IMCAL AS A WHOLE

Statement of Net Assets and Statement of Activities

These two statements report IMCAL's net assets and changes in them. The change in net assets usually provides the reader with a tool to assist in determining whether IMCAL's financial health is improving or deteriorating.

The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services. The net expense of programs reflected on Page 7 of \$(13,209) means that operating funds were relied upon to support governmental activities.

Analysis of Revenue

Revenue was principally provided from three sources: Federal and State Grants of \$200,941 (48%), Local Match of \$105,897 (26%) and Dues of \$103,480 (25%). All other sources accounted for \$5,108 (1%) of revenue.

Grants

The period that grant funds can be expended varies, so not all funds must be, or should be expended in the year of granting. Revenue is recognized to the extent expenditures were incurred that meet the specific criteria included in the award. For example, if our transportation grant funds are not fully spent during the grant period, the balance is included in our next award.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT
COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
YEAR ENDED JUNE 30, 2004

Analysis of Expenditures

Expenses by category are detailed in the Budgetary Comparison Schedule on page 26. Expenditures exceeded revenues by \$5,069 resulting in a variance of less than 2% and the functional expense categories ended with expenditures consistent with the final budget.

Financial Performance

For the year ended June 30, 2004, net assets changed as follows:

Beginning net assets	\$305,292
Decrease in net assets	(11,688)
Ending net assets	\$293,604

This represents a 4% decrease in net assets for the year. With total net assets at June 30, 2004 comprised of the following:

- (1) Invested in capital assets of \$10,366 that included property and equipment, net of accumulated depreciation.
- (2) Unrestricted net assets of \$283,604 that represent the portion available to maintain operations.

Since this is the first year to report all activities on the full accrual basis of accounting, a more detailed comparison to the prior year on the same basis is not possible. However, in future years, this section will explain the differences between the current and prior year assets, liabilities, and changes in net assets.

Budgetary Highlights

The final budget reflected a reduction in revenues of \$124,310 or 23% and expenditures of \$120,278 or 22% of the original budget. Both changes were related to under spending the transportation budget due to a budgeted position not filled and budgeted consultant fees not spent.

The actual revenues exceeded the final budget by \$3,354 or less than 1% and the actual expenditures exceeded the final budget by \$4,391 or 1%.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT
COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

Contacting IMCAL's Financial Management

This financial report is designed to provide citizens and taxpayers with a general overview of IMCAL's finances, revenues and expenditures. If you have any further questions about the report, or need additional information, contact IMCAL at Post Office Box 3164, Lake Charles, Louisiana 70602, (337) 433-1771


James E. Porter
Executive Director

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

STATEMENT OF NET ASSETS

June 30, 2004



	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash & Cash Equivalents	\$ 291,440
Grants Receivable	43,961
Interest Receivable	66
Dues Receivable	34,507
MPO Dues Receivable	34,382
Miscellaneous Receivable	656
Prepaid Expenditures	4,623
Refundable Deposit	<u>550</u>
Total Current Assets	410,185
Noncurrent assets:	
Capital assets, net	10,366
Total Noncurrent Assets	<u>10,366</u>
Total Assets	<u>420,551</u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable	8,379
Accrued Expenditures	7,941
Leave Payable	4,146
Deferred Income	<u>106,481</u>
Total Liabilities	<u>126,947</u>
 NET ASSETS	
Invested in capital assets, net of related debt	10,366
Unrestricted	<u>283,238</u>
Total Net Assets	<u>\$ 293,604</u>

"The Accompanying Notes are an Integral Part of this Statement."



IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
STATEMENT OF ACTIVITIES
 for the year ended June 30, 2004

	Expenses	Charges for Services	Operating Grants and Contributions	Net Revenue (Expense)
Functions/Programs				
Governmental activities:				
	\$	\$	\$	\$
Planning & Development	-	139,948	126,180	0 (13,768)
EDA Programs		77,983	77,983	0
FHWA Programs		159,008	159,008	0
FTA Programs		34,383	34,383	0
Enterprise Zone Program		10,350	10,350	0
Delta Region Program		5,441	6,000	559
		<u> </u>	<u> </u>	<u> </u>
Total governmental activities	\$	<u>427,114</u>	\$ <u>126,180</u>	\$ <u>287,725</u> <u>(13,209)</u>
General revenues:				
Interest				<u>1,522</u>
Total general revenues				<u>1,522</u>
Change in net assets				(11,688)
Net assets - beginning of year				<u>305,292</u>
Net assets - end of year				\$ <u>293,604</u>

"The Accompanying Notes are an Integral Part of this Statement."

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

BALANCE SHEET - GENERAL FUND

As of June 30, 2004



ASSETS

Cash & Cash Equivalents	\$	291,440
Grants Receivable		43,961
Interest Receivable		66
Dues Receivable		34,507
MPO Dues Receivable		34,382
Miscellaneous Receivable		656
Prepaid Expenditures		4,623
Refundable Deposit		<u>550</u>
Total Assets	\$	<u>410,185</u>

LIABILITIES

Accounts Payable	\$	8,379
Accrued Expenditures		7,941
Deferred Income		<u>106,481</u>
Total Liabilities		<u>122,801</u>

FUND BALANCES

Unreserved Fund Balance		281,092
Reserved - Prepaid Expenditures		4,623
Reserved - Delta Expenditures		<u>1,669</u>
Total Fund Balances		<u>287,384</u>
Total Liabilities and Fund Balances	\$	<u>410,185</u>

"The Accompanying Notes are an Integral Part of this Statement."



IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND
As of June 30, 2004

REVENUES

Federal & State Grants	\$ 200,941
Local Match - IMCAL	105,897
Dues	103,480
Interest Income	1,522
Other Income	<u>3,586</u>
Total Revenues	<u>415,426</u>

EXPENDITURES

Current Operations	
Planning & Development	132,422
Economic Development Program	77,983
FHWA Program	159,008
FTA Program	34,383
Enterprise Zone Program	10,350
Delta Regional Program	<u>5,441</u>
Capital Outlay	0
Debt Service	<u>907</u>
Total Expenditures	<u>420,491</u>

OTHER FINANCING SOURCES (USES)

Operating transfers in	1,100
Operating transfers out	<u>(1,100)</u>
Total Other Financing Sources (Uses)	<u>-</u>

Excess (Deficiency) of Revenue Over Expenditures	(5,069)
Fund Balance - January 1	<u>292,453</u>
Fund Balance - December 31	<u>\$ 287,384</u>

"The Accompanying Notes are an Integral Part of this Statement."



IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO STATEMENT OF NET ASSETS
June 30, 2004

Total governmental fund balances \$ 287,384

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the fund. 10,366

Balances for compensated absences are not reported in the fund (4,146)

Net assets of governmental activities \$ 293,604

"The Accompanying Notes are an Integral Part of this Statement."

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2004

Net change in fund balances - total governmental funds \$ (5,069)

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

*Reduction of compensated absences balances is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the statement of net assets.* 907

*Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense. This is the amount
by which depreciation exceeded capital outlays in the current period.* (7,526)

Change in net assets of governmental activities \$ (11,688)

"The Accompanying Notes are an Integral Part of this Statement."

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement establishes new financial reporting requirements for state and local governments throughout the United States. It requires new information and restructures much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

Other GASB Statements are required to be implemented in conjunction with GASB Statement No. 34. Therefore, the Commission has also implemented Statement No. 37 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement No. 33 - *Certain Financial Statement Note Disclosures*.

The accompanying financial statements present the financial position and results of operations of the Commission.

A. NATURE OF ENTITY

Imperial Calcasieu Regional Planning and Development Commission (IMCAL) was created for the purpose of coordinating and assisting in the planning, developing and implementing of local, state, and federal programs on a regional basis. Improved communication and coordination among the planning efforts of the above programs was a primary goal of the eight regional planning and development districts, of which IMCAL represents District 5.

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the AICPA industry audit guide, Audits of State and Local Governmental Units.

This report includes all funds which are controlled by or dependent on the Board of Commissioners of the Imperial Calcasieu Regional Planning and Development Commission. Control by or dependence on the Board of Commissioners was determined on the basis of financial accountability. Financial accountability includes the appointment of a voting majority of the

organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity. Based on the foregoing criteria, it was determined that no other agency should be included in this reporting entity.

B. BASIS OF PRESENTATION

Certain of the significant changes in the presentation of GASB's funds financial information include, for the first time a Management Discussion and Analysis (MD & A) section providing an analysis of IMCAL'S overall financial position and results of operations and financial statements prepared using full accrual accounting for all the Fund's activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The Commission has elected to implement the general provisions of the Statement in the current year and plans to retroactively report capital assets acquired prior to January 1, 2003. The financial report consists of Management Discussion and Analysis (MD&A), basic financial statements, notes to the basic financial statements and required supplemental information other than the MD&A. The MD&A provides an analytical overview of the financial activities of the State. The basic financial statements include the government-wide financial statements and the fund financial statements.

Government-wide financial statements - The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity.

Fund financial statements - The financial transactions of the Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities fund equity, revenues, and expenditures.

The accounts of the government are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual

provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The Commission has the following fund type and account groups:

Governmental Fund - General Fund is used to account for the Commission's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "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 pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Grant revenue, dues and interest are susceptible to accrual. The dues related to the next fiscal year are accrued and deferred. Other receipts become measurable and available when cash is received by the Commission and are recognized as revenue at that time. The Commission also considers the materiality of the amount when determining accruals.

The general fund is the Commission's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund also accounts for the various federal grants awarded to the Commission.

Account Groups. The general fixed asset account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long term debt account group is used to account for general long term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. FUND ACCOUNTING

Funds are used to report the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The Fund of IMCAL is classified as a governmental fund type (general fund).

The governmental fund (general fund) is the primary operating fund. Grants received by IMCAL are characterized by administrative and/or direct financial involvement. As such, they are accounted for in the general fund.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement focus - The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

Basis of accounting - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "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. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

E. ASSETS, LIABILITIES AND NET ASSETS, EQUITY OR NET FUND BALANCES

Cash, Cash Equivalents, and Investments - "Cash and Cash Equivalents" includes all demand deposits, savings accounts and certificates of deposit maturing within one year. "Investments" includes certificates of deposit maturing in more than one year.

Receivables- In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are included in the fund financial statements if they are both measurable and available.

Capital assets - In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

Computer equipment, including software	5 - 10 years
Furniture, office equipment	5 - 10 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition. Capital assets reported herein include only those assets purchased by IMCAL and do not reflect assets of the court obtained from other sources. The Fund has no infrastructure assets.

Fund Balances and Net Assets - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Net assets are segregated into three categories on the government-wide statement of net assets: 1) investment in capital assets, net of related debt; 2) restricted; and 3) unrestricted. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

Internally imposed designations of resources are not presented as restricted net assets. The Commission first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. It may defer the use of restricted assets based on a review of the specific transaction.

Program Revenues - Program revenues include amounts for administering various activities expedited support payments as well as the various grants. Management's policy is to allocate indirect expenses to the programs in the statement of activities based on the relative amount of time spent administering each program. Indirect expenses associated with administration of the grant programs are accumulated in a pool and distributed monthly on a cost allocation basis.

F. DEFERRED REVENUE

Deferred revenue is provided for the 2004-2005 dues (\$106,431) that are billed in the current year but are not due and payable until the following year.

E. COST ALLOCATION PLAN

Direct costs are charged directly to the grant in which the expenditure is incurred. All other costs not identifiable as direct charges are regarded as indirect costs and accumulated in a pool. This pool is distributed monthly to the grants based on the proportion of each grant's direct labor costs to total direct labor costs for that month.

F. ACCUMULATED LEAVE

For governmental fund types, the Commission's liability for accumulated unpaid annual leave has been recorded on the Statement of Net Assets. These amounts will be recorded as expenditures in the year in which they are paid or become due on demand to terminated employees. For monthly grant reporting purposes, the Commission allocates a portion of the earned annual leave as a salary cost and thus, the program is not charged when the actual leave is taken. The Commission's sick leave policy does not provide for the vesting of sick leave.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

The Commission's employees earn annual leave at a rate of twelve days per year for employees with less than two years of service and fifteen days per year for employees with over two years of service. A maximum of 20 vacation days may be accrued. A liability for such accruals has been provided; however, no liability is reported for unpaid accumulated sick leave.

G. CASH AND CASH EQUIVALENTS

The Commission's cash and cash equivalents are currently comprised of cash on hand, demand deposits and certificates of deposit. State statutes authorize the Commission to invest in United States bonds, treasury notes or certificates, time certificates of deposit of state banks organized under the laws of Louisiana and national banks having its principal office in the State of Louisiana, as well as other investments stipulated in R.S. 33:2955. See Note 2 for further disclosures regarding cash and cash equivalents.

H. PREPAID EXPENDITURES/RESERVED FUND BALANCE

The Commission has purchased commercial auto, dishonesty, and worker's compensation insurance. The coverage is consistent with that from prior years. The Commission has elected not to expense amounts paid for the portion of insurance coverage that extends into the next fiscal year. The fund balance in the governmental fund type has been reserved for the prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditures.

I. BUDGETS

Budgets for the various programs are prepared by the Executive Director and approved by the Board of Directors. The original and subsequent amendments are also approved by the Board. The original budget was adopted on May 1, 2003 and was amended on May 1, 2004 and July 26, 2004. The final amended budget is presented in these financial statements. Formal budgetary integration is employed as a management control device during the year.

J. ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2003

K. TOTAL COLUMNS OF COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position 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 this data.

NOTE 2: CASH AND CASH EQUIVALENTS

At June 30, 2004, Imperial Calcasieu Regional Planning and Development Commission had the following balances in its cash accounts:

	<u>Bank Balance</u>	<u>Book Balance</u>
Petty Cash	N/A	\$ 150
Hibernia National Bank:		
Checking	\$ 55,275	55,225
First Federal Savings:		
Certificate of Deposit	52,043	52,043
Bank One:		
Money Market	186,257	171,257
Cafeteria Plan Checking	<u>2,765</u>	<u>2,765</u>
Total Cash	<u>\$306,340</u>	<u>\$291,440</u>

Governmental Accounting Standards Board Statement 3 (GASB-3) concludes that deposits with financial institutions should be evaluated for risk and classified in one of the three following categories:

Category 1 - Insured or collateralized with securities held by the governmental entity or by its agent in the name of the governmental entity.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the governmental entity's name.

Category 3 - Uncollateralized or collateralized with securities that are not evidenced by a written security agreement or not in the name of the governmental entity.

	<u>Bank Balance</u>	<u>Book Balance</u>
Category 1	\$306,340	\$291,290
Category 2	-	-
Category 3	-	-
Total Cash	<u>\$306,340</u>	<u>\$291,290**</u>

** Petty Cash of \$150 is not reflected in the above presentation.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 was as follows:

	<u>Balance June 30, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2004</u>
Computers, Furniture & Equipment	\$ 129,419			\$129,419
<u>Less:</u> Accumulated Depreciation	<u>(111,527)</u>	<u>7,526</u>		<u>(119,053)</u>
Capital Assets, net	<u>\$ 17,892</u>	<u>\$ 7,526</u>	<u>\$ 0</u>	<u>\$ 10,366</u>

NOTE 4: CHANGES IN ACCRUED LEAVE PAYABLE

The following is a summary of transactions relating to the Commission's leave payable during fiscal year ended June 30, 2004:

	<u>Balance 7/01/03</u>	<u>Principal</u>		<u>Balance 6/30/04</u>
		<u>Additions</u>	<u>Reductions</u>	
Accumulated unpaid vacation	\$ <u>5,053</u>	\$ _____	\$ <u>907</u>	\$ <u>4,146</u>
Total Long- Term Debt	\$ <u>5,053</u>	\$ _____	\$ _____	\$ <u>4,146</u>

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2004

NOTE 5: RECEIVABLES

Grants receivable at June 30, 2004, consisted of reimbursements for expenditures incurred under the following programs:

<u>Program</u>	<u>Amount</u>
FHWA Grant	\$ 10,618
FTA Grant	1,501
EDA Grant	28,757
Enterprise Zone	<u>3,085</u>
Total	<u>\$ 43,961</u>

Miscellaneous non-grant receivables were recorded in the amount of \$656 (including interest receivable); while \$68,889 was recorded for 2004-2005 dues which were billed in June, 2004 but not received by June 30, 2004. Management does not believe that there is a credit risk exposure in relation to any of the above receivables.

NOTE 6: BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 7: LEASE COMMITMENTS

The Commission leases its office space at a monthly rate of \$1,733. The annual lease is renewable each March by the Commission. The lease expenditure for the year ended June 30, 2004 is \$21,866.

The Commission leased a 2003 Chevrolet Impala for \$436 for 24 months beginning in July, 2003. This is considered an operating lease. Total lease expenditure for the year ended June 30, 2004 is \$5,232.

NOTE 8: ECONOMIC DEPENDENCY/FUNDING SOURCES

The Commission receives the majority of its revenue from funds provided through grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Commission receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Commission will receive in the next fiscal year.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

During the year, the Commission received the following amounts from various grants:

Federal Grants:

Economic Development Administration	\$ 77,983
Federal Transportation Administration (FTA)	\$ 34,383
Federal Highway Administration (FHWA)	\$ 159,038
Delta Regional Authority	\$ 6,000

State Grants:

Enterprise Zone	\$ 10,350
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NOTE 9: OPERATING TRANSFERS

The Commission uses operating transfers to pay expenditures in excess of combined grant and match income. Operating transfers in and out amounted to \$1,093 (net zero) for the 2004 fiscal year.

NOTE 10: CAFETERIA PLAN

IMCAL offers its employees a flexible benefit plan known as a cafeteria plan, created in accordance with Internal Revenue Code Section 125. The plan, available to all full time employees, permits them to elect to have a portion of their salary paid to the plan and thereby not be subject to federal income or social security taxes on these amounts.

Therefore, the plan allows the plan participants to use tax-free dollars to pay for certain kinds of benefits and expenses which would normally be paid for with out of pocket, taxable dollars. Any amounts remaining in employee reimbursement accounts at the end of the plan year for which reimbursement of qualifying expenses has not been requested are forfeited.

NOTE 11: RETIREMENT COMMITMENTS

The Commission employees are members of the U.S. Social Security system which administers the plan and is responsible for benefit payments.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 12: CONTINGENT LIABILITIES AND COMMITMENTS

The Commission does not have any pending litigation cases at June 30, 2004. The Commission's management believes that any potential lawsuits would be adequately covered by insurance.

The Commission receives revenues from various federal and state grant programs which are subject to final review and approval as to the permissibility of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the Commission.

NOTE 13: JOINT SERVICE AGREEMENTS

On July 1, 2004, the Commission renewed its one year joint service agreement with the Lake Charles Harbor and Terminal District continuing to provide the District statistical data and information available to IMCAL which may aid the District in enticing and locating new industrial prospects to the District or in securing federal or state funding for road or other projects benefitting the District. The \$3,000 payment received August 11, 2004 is accounted for as dues and is appropriately included in deferred revenue.

The Commission renewed its one year joint service agreement with the Chennault International Airport Authority (CCIA) on July 16, 2004 providing the Authority with statistical data and information available to IMCAL which may aid the Authority in enticing and locating new industrial prospects to the CIAA or securing federal or state funding for road or other projects benefitting the CIAA.

NOTE 14: RISK MANAGEMENT

As discussed in Note 1-H, the Commission has purchased commercial insurance for its auto and dishonesty insurance. They have not retained any risk with respect to these activities. There were no significant reductions in coverages from the previous year for these policies and no significant claims in excess of insurance coverage.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

The Commission also participates in the Louisiana Parish Government Risk Management Agency pool for its workers' compensation insurance coverage. The Commission is assessed an annual fee of approximately \$1,200 in exchange for this insurance coverage. Other than the annual premium, there have been no other assessments made by the pool and no further requirements imposed on the Commission.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2004

Required supplementary information includes financial information and disclosures that are required by GASB and are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule



IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
 for the year ended June 30, 2004

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Grant Income	\$ 332,999	\$ 196,551	\$ 200,941	\$ 4,390
Local Match	84,604	105,357	105,897	540
Dues	114,979	109,480	103,480	(6,000)
Other Revenue	3,800	684	5,108	
Total Revenues	536,382	412,072	415,426	(1,070)
EXPENDITURES				
Personnel Costs	273,165	226,270	226,851	(581)
Space Rental	21,184	21,866	21,866	(0)
Travel	25,586	17,259	17,340	(81)
Equipment	5,000	440	440	0
Phone/Supplies/Postage	12,698	13,100	13,399	(299)
Insurance	4,322	3,563	4,723	(1,160)
Matching Funds Expenses	84,604	105,359	106,996	(1,637)
Other Expenses	109,823	28,247	28,880	(633)
Total Expenditures	536,382	416,104	420,495	(4,391)
Excess (deficiency) of revenues over expenditures	0	(4,032)	(5,069)	(5,461)
Fund Balance - January 1	292,453	292,453	292,453	0
Fund Balance - December 31	292,453	288,421	287,384	(5,461)

SUPPLEMENTAL
INFORMATION

IMPERIAL CALCALSIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
 SCHEDULE OF REVENUES AND EXPENDITURES - GRANT FUNDS
 For the Year Ended June 30, 2004

	ECONOMIC DEVELOPMENT ADMINISTRATION										DEPARTMENT OF TRANSPORTATION				TOTAL (MEMORANDUM ONLY)
	EDA Cycle 01-03	EDA Cycle 04-06	Enterprise Zone	DELTA 02	DELTA 03	FTA 02-03	FTA 03-04	FIWA 03-04							
REVENUES															
Federal and State Grants	\$ 1,810	\$ 28,757	\$ 9,250	\$ 0	\$ 6,000	\$ 330	\$ 26,488	\$ 127,207	\$	\$	\$	\$	\$	\$	199,841
Local Match - IMCAL	37,841	9,576	0	0	0	269	7,286	31,802							86,784
Total Revenues	39,650	38,333	9,250	0	6,000	599	33,784	159,008							286,625
EXPENDITURES															
Salaries	16,781	16,431	3,866	634	1,187	264	14,114	67,555							120,832
Fringe Benefits	3,703	3,970	900	144	276	60	2,849	12,165							24,066
Consultants and Contractors	0	0	0	0	1,174	0	0	0							1,174
Travel	1,815	1,381	51	0	0	0	1,363	9,109							13,717
Supplies	0	0	0	0	0	0	0	782							782
Telephone	0	0	0	0	0	0	0	7							7
Publications and Printing	10	90	0	0	0	0	0	1,365							1,465
Registration and Subscriptions	190	80	0	0	0	0	1,320	0							1,590
Postage	80	183	1,659	66	88	0	12	103							2,191
Advertising	0	0	0	0	48	0	0	250							298
Indirect Expenses	17,072	16,198	3,873	645	1,179	276	14,127	67,673							121,042
Total Expenditures	39,650	38,333	10,350	1,490	3,952	599	33,784	159,008							287,165
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ (1,100)	\$ (1,490)	\$ 2,048	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(540)
OTHER FINANCING SOURCES (USES)															
Operating transfers in	0	0	1,100	0	0	0	0	0							4,093
Operating transfers out															
Total Other Financing Sources (Uses)	0	0	1,100	0	0	0	0	0							4,093
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	\$ 0	\$ 0	\$ 0	\$ (1,490)	\$ 2,048	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,553

Note 1 The above schedule includes depreciation of \$791 and the current year's accrual of leave costs of \$908, which are charged as indirect costs for accounting purposes. The schedule does not include non-federal expenditures of \$132,422. For financial statement purposes, the denoted items, when combined with the total expenditures on this schedule, will reconcile to the total expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund on this report. The EDA deficiency \$(1,100) represents amounts overspent and paid from: General operating funds. The net Delta excess \$558 is reflected as an increase in the amount of Fund Balance reserved for Delta in the Balance Sheet - General Fund.



GUS SCHRAM & CO., Ltd.

A PROFESSIONAL CORPORATION

Certified Public Accountants

Business Consultants

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

To the Members of the
Imperial Calcasieu Regional Planning
and Development Commission
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2004, and have issued our report thereon dated December 16, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commission's general purpose financial statements are free of material misstatement, we performed tests of Imperial Calcasieu Regional Planning and Development Commission's 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings as item 04-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described as Item 04-1 is considered a material weaknesses.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Gus Schram & Co., Ltd.

December 16, 2004

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
SCHEDULE OF CURRENT YEAR FINDINGS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2014

I. Summary of Auditors' Results:

A) Type of Auditors' Report on Financial Statements:

Unqualified Opinion

B) Reportable Conditions and Material Weaknesses in Audit of Financial Statements:

Items 04-1 is a reportable condition and material weakness.

C) Compliance Findings in Audit of Financial Statements:

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

II. Compliance and Internal Control over Financial Reporting:

A) Internal Control - Financial Statement Audit

04-1 Lack of Segregation of Duties

Finding: Effective internal control is dependent to a great extent on segregation of responsibilities for initiating, evaluating, and approving transactions from those for detail accounting and other related functions.

Criteria: Proper internal controls require that there be segregation of certain duties.

Effect: There is no current financial statement impact of this finding.

Cause: Because of the entity's size, segregation of duties is not always feasible.

Recommendation: As in the previous year, we recommend that the executive director and board members continue to take an active interest in the monitoring of the Commission's financial information.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
SCHEDULE OF CURRENT YEAR FINDINGS (Continued)
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2004

B) Compliance with Laws and Regulations - Financial Statement
Audit:

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2004

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

- | | | |
|------|--|---|
| 03-1 | Lack of Segregation of Duties | Unresolved - See Comment 04-1 in <u>Schedule of Current Year Findings</u> . |
| 03-2 | No Dual Signature Requirement for Money Market Account - | Resolved. |
| 03-3 | Late Payment of Insurance Premium Renewal - | Resolved. |
| 03-4 | Lapse in Property Liability Insurance Coverage - | Resolved. |



IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2004

SECTION 2 - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL
STATEMENTS

04-1 Lack of Segregation
of Duties -

At this point, it is not feasible to increase the size of our accounting staff in order to provide proper segregation of duties. As we have done in the past, the management will continue to take the necessary actions to properly monitor the financial activities of the Commission which will include participation in the review of the monthly accounting data.