

**Joint Legislative Committee on Performance  
Evaluation and Expenditure Review (PEER)**

Report to  
the Mississippi Legislature



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# **An Expenditure Review of the East Central Planning and Development District**

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The East Central Planning and Development District (ECPDD) was incorporated in May 1968 as a nonprofit, nonshare, civic improvement corporation serving citizens in Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott, and Smith counties. The ECPDD provides programs and services for economic development, community planning, and social services, which include aging, child care, and workforce investment programs. The district's FY 2001 revenues totaled \$8,023,458 and expenditures totaled \$7,787,152.

The ECPDD does not base its requests for local contributions on comprehensive and timely expenditure or service needs data. The ECPDD's bylaws do not set forth a methodology for calculating localities' contributions and the district has no procedure manual that includes this information. The district does not routinely review contribution requests to determine whether it should adjust these amounts annually. Also, local decision-making on use of resources is inhibited because the ECPDD does not provide the local governments information upon which the request amount is based or information on how the contribution will be applied to match federal dollars.

## **PEER: The Mississippi Legislature's Oversight Agency**

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The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A flowing joint committee, the PEER Committee is composed of five members of the House of Representatives appointed by the Speaker and five members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms with one Senator and one Representative appointed from each of the U. S. Congressional Districts. Committee officers are elected by the membership with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of three Representatives and three Senators voting in the affirmative.

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July 8, 2003

Honorable Ronnie Musgrove, Governor  
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Members of the Mississippi State Legislature

On July 8, 2003, the PEER Committee authorized release of the report entitled **An Expenditure Review of the East Central Planning and Development District.**

A handwritten signature in cursive script that reads "Mary Ann Stevens".

Representative Mary Ann Stevens, Chair

**This report does not recommend increased funding or additional staff.**



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# An Expenditure Review of the East Central Planning and Development District

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## Executive Summary

### Introduction

This review stemmed from legislative interest in the East Central Planning and Development District's collection of revenues and expenditure of funds and the district's methodology used to determine the amounts of the localities' annual contributions.

PEER sought to determine:

- the revenue and expenditures for the East Central Planning and Development District's programs and subprograms;
- what monitoring and audit controls are in place at the district; and,
- how the district determines local contribution amounts and how funds are spent in the localities.

### Background

#### Incorporation and Membership

In Mississippi during the 1960s and 1970s, local governments under the nonprofit corporation act created ten planning and development districts for the purpose of assisting their member communities with planning economic development efforts throughout the state. Federal matching grant incentives were made available to the districts as well as the local governments if they met and maintained certain eligibility criteria, especially in the area of economic development.

The East Central PDD was incorporated in May 1968 and was organized as a nonprofit, nonshare, civic improvement corporation and serves citizens in Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott, and Smith counties.

According to the ECPDD's bylaws, the membership of the corporation is composed of members from the public and private sectors within the district's nine counties that desire to participate. The membership is made up of not less than seven

nor more than twenty-five members from each county. In FY 2001, ECPDD had 142 members. All members are to have the concurrence of the county boards of supervisors.

Programs and services of ECPDD cover two broad areas: economic development and community planning and social service programs. This includes many different services to the community, such as geographic information system assistance, redistricting services, economic and community planning assistance, and social service programs.

## **ECPDD Revenues and Expenditures**

In Fiscal Year 2001, ECPDD's revenues totaled \$8,023,458 and expenditures totaled \$7,787,152. (ECPDD uses the federal fiscal year beginning October 1 and ending September 30.)<sup>1</sup> The district's largest sources of revenue in FY 2001 were \$6,454,949 in federal grant revenues (80% of total revenues) and \$444,681 in state grant revenues (6% of the total). FY 2001 expenditures consisted primarily of grant expenditures of \$7,020,026 (90% of total expenditures) and capital outlay expenditures, \$507,148, or 7% of the total.

## **Financial Controls and Monitoring of ECPDD Programs and Services**

Several external entities audit and monitor the ECPDD to ensure financial and program compliance. Since ECPDD receives federal funds, it is subject to annual audits that include reviews of financial compliance in accordance with *Government Auditing Standards*. State and federal agencies monitor all funds from the respective sources. For example, the Mississippi Development Authority monitors economic development projects, which typically include both state and federal funds.

## **The ECPDD's Financial Relationships with District Localities**

**ECPDD does not base requests for local contributions on comprehensive and timely expenditure or service needs data. Local decision-making on use of resources is inhibited because the ECPDD does not provide the local governments information upon which the request amount is based.**

The ECPDD collects contributions from localities (counties, cities, and towns) located within the nine-county district. These local contribution funds are to be used for economic development and aging programs for the district. To collect these funds, the district issues annual request letters to the localities requesting a specified contribution amount. The localities then respond to the

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<sup>1</sup> FY 2001 financial statements are presented in this report because the ECPDD audit for fiscal year 2002 had not been completed at the time of this review and ECPDD's final transfers for grant matches are not completed until the time of the audit.

request letters with their contributions. ECPDD collects these contributions from localities within the district to match federal and state dollars for economic development and aging programs.

The ECPDD's bylaws do not set forth a methodology for calculating localities' contributions and the district has no procedure manual that includes this information. According to ECPDD staff, the district determines the amounts of the contribution requests based on population and previous contribution requests. However, ECPDD's current method of determining annual contributions is unsound because the district does not base requests for contributions on county service levels and does not routinely review contribution requests to determine whether it should adjust these amounts annually. ECPDD does not include all appropriate factors in developing its local contribution requests, such as match requirements, in-kind donations, or demographics (other than total population).

The amounts of ECPDD's requested annual contributions remained the same for eleven years. Then, in 2001, the request for annual contributions increased. ECPDD Board minutes state reasons for the increase in annual contribution requests, but ECPDD did not use these reasons with supporting documentation as the basis for allocating the increase in annual contributions.

When making requests for local contributions, ECPDD does not provide financial information or information on how the contribution will be applied to match federal dollars. ECPDD does not provide details to the localities as to the actual need or use of funds collected. While ECPDD does prepare and provide an annual report to district members, it only reports district totals and does not provide individual members with information about services provided in their jurisdiction.

## Recommendations

1. The Legislature should amend MISS. CODE ANN. Section 17-9-1 (1972) to require that planning and development districts provide specified financial and program information to the boards of supervisors and the governing authorities of the municipalities that appropriate money to such districts. The information should include, but not be limited to:
  - budget request, which shows the need and the services for which local contributions funds will be spent;
  - annual report, not limited to but including the actual number of clients served in each county by the district and how the funds from each county have been used for those services and all current and active economic development projects and amounts awarded by county;

- annual financial audit; and,
- any other financial statements the localities deem necessary in order to determine the appropriateness of the request.

The Legislature should require the districts to provide the above information to the localities at the time that the district makes its annual local contribution request. The law should require distribution of the information as a precondition to receiving any funds from local contributions for that fiscal year.

2. The East Central Planning and Development District should develop a methodology for the calculation of local contribution requests, which are to be for aging and economic development programs within the district. The methodology should include:

- other sources of revenue;
- need for the service in the locality (e.g., more clients on the waiting list for meals);
- demographics of the locality;
- previous year's clients and service levels;
- previous year's expenditures; and,
- previous year's grant revenues that require a local contribution.

ECPDD should formally adopt this methodology and incorporate it into its policy and procedure manual.

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# An Expenditure Review of the East Central Planning and Development District

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## Introduction

### Authority

The PEER Committee authorized an expenditure review of the East Central Planning and Development District (ECPDD). PEER conducted the review pursuant to the authority granted by MISS. CODE ANN. Section 5-3-57 et seq. (1972). While the ECPDD is a non-profit corporation, PEER has the authority to review any organization that receives public funds from state or local governments.

### Scope and Purpose

This review stemmed from legislative interest in the East Central Planning and Development District's collection of revenues and expenditure of funds and the district's methodology used to determine the amounts of the localities' annual contributions.

Therefore, PEER sought to determine:

- the revenues and expenditures for the East Central Planning and Development District's programs and subprograms;
- what monitoring and audit controls are in place at the district; and,
- how the district determines local contribution amounts and how funds are spent in the localities.

## Method

In conducting this review, PEER:

- reviewed relevant sections of federal and state laws, rules, regulations, policies and procedures regarding programs, finances, and governance of the East Central Planning and Development District;
- interviewed selected federal, state, and district personnel;
- analyzed financial records of the East Central Planning and Development District; and,
- examined state and federal procedures for oversight of programs administered by the East Central Planning and Development District.

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## Background

### Creation of the East Central Planning and Development District

During the 1960s an increasing number of federal programs became available to local governments, especially programs involving planning and economic development assistance from such federal agencies as the Department of Commerce's Economic Development Administration and the Department of Housing and Urban Development. In order to ensure eligibility for such program funds, local governments throughout the states moved to establish regional organizations. Planning and development districts were created in an attempt to address problems and issues on a multi-jurisdictional level.

In Mississippi, local governments under the nonprofit corporation act created these ten districts. (See Appendix A, page 25, for a map of the districts.) These districts were created and chartered private non-profit corporations for the purpose of assisting their member communities with planning and economic development efforts throughout the state. At the time of creation, assistance was provided by the then Office of Federal-State Programs under the administration of Governor John Bell Williams.

Federal matching grant incentives were available to the districts, as well as the local governments, if they met and maintained certain eligibility criteria, especially in the area of economic development. In 1971, Governor Williams, in Executive Order 81, designated the planning and development districts as the official sub-state regions to standardize regional economic development and planning boundaries.

### Organization and Structure of the East Central Planning and Development District

#### Incorporation

The East Central Planning and Development District, with its headquarters in Newton, Mississippi, is one of ten planning and development districts in the state. The East Central PDD was incorporated in May 1968 and was organized as a nonprofit, nonshare, civic improvement corporation and serves citizens in Clarke, Jasper, Kemper,

Lauderdale, Leake, Neshoba, Newton, Scott, and Smith counties.

## **Membership and Directors of the Corporation**

### ***The ECPDD's Membership***

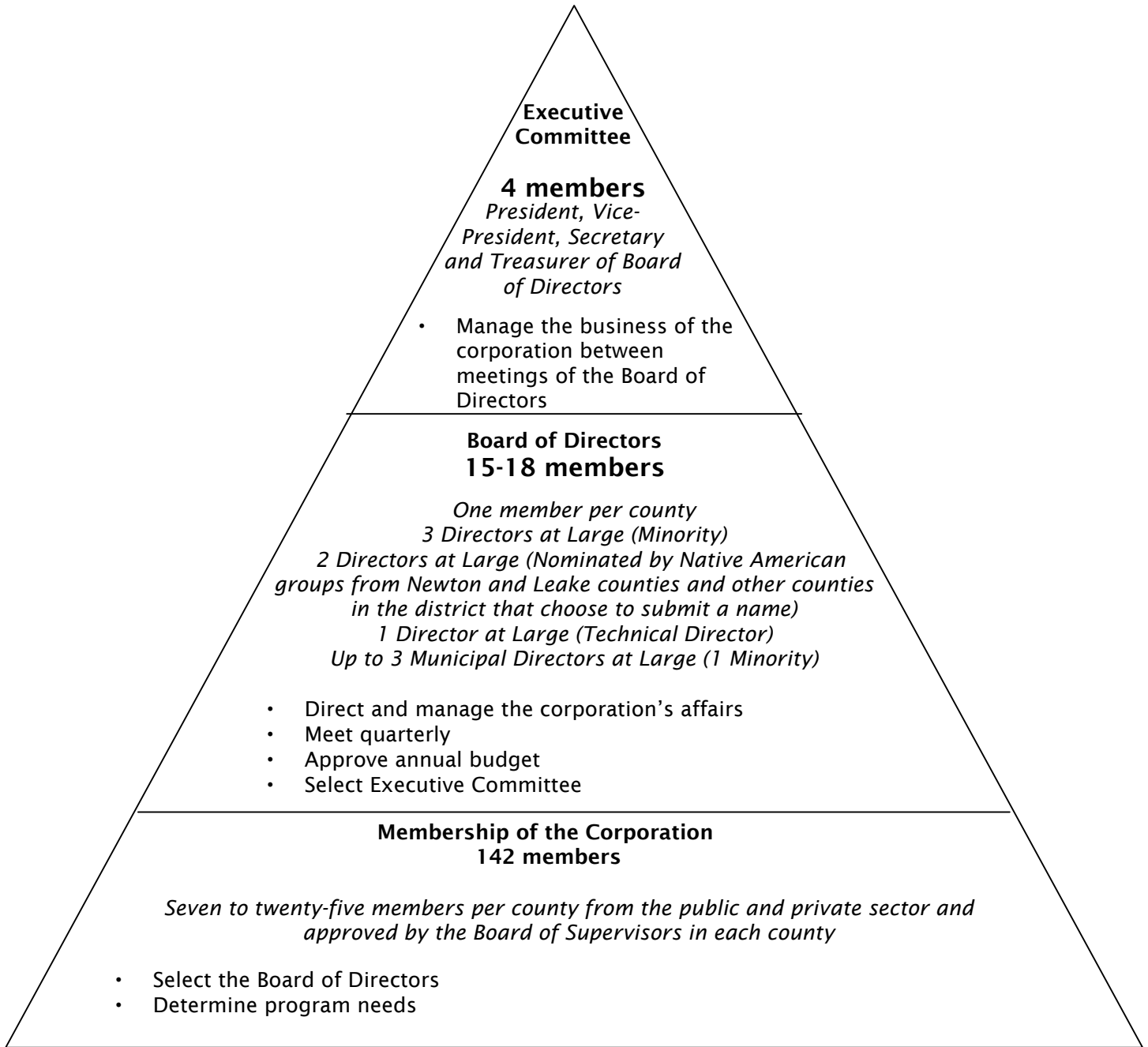
According to the ECPDD's bylaws, the current membership of the corporation is composed of members from the public and private sectors within the district's nine counties that desire to participate. (See Exhibit I, page 5, and Appendix A, page 25.) These members are to represent major business, labor, and other union organizations, electric cooperatives, and farm cooperatives and members should represent minority groups. The membership is made up of not less than seven nor more than twenty-five members from each county. All members are to have the concurrence of the county boards of supervisors. These members meet annually to review programs and services and also to select members of the board of directors.

### ***The ECPDD's Board of Directors***

Each county membership selects one member to serve on the board of directors. The minority groups in each county submit three names to the membership of each county to be voted on at the annual membership meeting, resulting in the election of one nominee. At the following board of directors' meeting, the nominees submitted by the counties are voted on by the board of directors and the three names receiving the largest number of votes constitute the three directors at large. The board of directors also selects two additional directors at large from nominees submitted in a similar manner by Native American groups of Newton and Leake counties or any county that chooses to submit a name. In like manner, from nominees submitted by the members of any county desiring to do so, the board of directors selects up to three directors at large, one of which shall be from a minority group. The board of directors selects an additional director at large to serve as Technical Director from a list of nominees. The board of directors is required to meet at least once each quarter, but usually meets bi-monthly, and may meet any other time if called by the President. According to the by-laws, the board of directors "shall be charged with the direction and management of the corporation's affairs." The board has the power to employ personnel and must approve the district's budget.



**Exhibit 1: FY 2001 Hierarchy of ECPDD Corporate Members, Board of Directors, and Executive Committee**



SOURCE: PEER analysis of ECPDD bylaws.

### ***The ECPDD's Executive Committee***

The management and business between meetings of the board of directors are to be carried out by the executive committee. The executive committee consists of four members who serve one-year terms: the President, Vice President, Secretary, and Treasurer of the board of directors.

### ***Staffing of the East Central PDD***

The East Central PDD currently employs thirty-three full-time employees, including the Executive Director, Fiscal Officer, program coordinators, social work case managers and nurse case managers, clerical support staff; and seventy-three part-time employees, including bus drivers, homemakers, site managers, and program specialists. Of this total, the majority assists in providing aging services to citizens who reside within the district.

## **Programs and Services of the ECPDD**

Programs and services of the ECPDD cover two broad areas: economic development and community planning and social service programs. According to the ECPDD's by-laws, the purpose of the corporation is to organize economic development efforts in east central Mississippi. This includes many different services to the community, such as geographic information system assistance, redistricting services, economic and community planning assistance, and social service programs.

### **Economic Development and Community Planning Programs**

Staff of the ECPDD work with the local governments in writing grant applications for community development block grants and other opportunities provided by state and federal government sources. (See Appendix B, page 26, for a summary of FY 2001 economic development projects.) The ECPDD staff may also provide administration of the funds to the local communities and oversee the programs that have received funding.

In 2001, the East Central PDD assisted local governments in receiving funds for sixty-nine projects. These are projects in all nine of the district's counties and range from recreation improvement projects to sewer improvements to law enforcement projects. (See Appendix C, page 27, for descriptions of economic development programs.) The funds for these projects come from many different sources, including state money, community

development block grant funds, and federal money. (See Appendix D, page 29, for a list of economic development projects.) Funds for these projects do not go to the district, but to the locality that has received the project award. For some project awards, there is a local match requirement that must be provided by the locality. The match requirement is separate from the local contributions made to the ECPDD. The district may also apply for grants through the Appalachian Regional Commission for projects in Kemper County, which is designated as a distressed county.

## **Loan Programs**

Loan programs are available for qualifying individuals in the district. In 2001, there were five projects totaling \$450,000 that utilized loan funds. These loans were made possible through the Economic Development Administration (EDA) Revolving Loan Fund, which is used to create jobs within the nine-county district. There are also loans available from the Mississippi Small Business Loan Program and the Minority Business Enterprise Loan program. These state funds are available through the Mississippi Development Authority, which has administrative oversight of the program.

## **Housing Programs**

The Mississippi Development Authority provides HOME Investment Partnerships Program funds to local communities and counties to be used to rehabilitate dilapidated homes in the community. There were four projects in 2001 totaling \$1 million. ECPDD puts together the application package for the community or county and if the project is funded, ECPDD can provide administrative oversight of the projects.

## **Social Service Programs**

The district's social service programs consist of aging services, child care, and workforce investment and comprise the largest component of revenues received by the ECPDD. The East Central PDD serves as an Area Agency on Aging and provides services to the elderly and/or disabled population within the district including, but not limited to: Congregate Meals; Home-Delivered Meals; Transportation; Ombudsmen; Information, Referral, and Outreach; Homemaker Services; Medicaid Waiver; and Senior Employment. (See Appendix E, page 32, for social service program descriptions.)

The East Central PDD also serves as a child care management agency and provides financial aid to those

who need assistance in securing child care, so that parents may remain active in the workforce.

Although no funds flow through the East Central PDD and there are no full-time employees allocated to this program, the district assists in the administration of the Workforce Investment Act. The East Central PDD staff serve as extended staff to the Southern Planning and Development District, which oversees the Workforce Investment Act and acts as fiscal officer for the Twin Districts area, which includes all nine counties within the East Central PDD. The district's social service programs may be categorized by type (see Appendix F, page 35). Exhibit 2, below, also shows FY 2001 performance data for these social service programs.

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**Exhibit 2: FY 2001 Performance Data for ECPDD Social Service Programs**

<b>Program</b>	<b>Number of Clients Served</b>
Medicaid Waiver	465 persons served annually
Homemaker Program	339 persons served monthly; 2,268 hours
Meals for the Elderly Congregate Meals Home-Delivered Meals	325 participants daily 1,054 meals Served daily
Child Care	2,082 children served annually
Other Social Programs Information and Referral/Outreach Ombudsmen	1,500 persons served annually 2,260 persons served annually
Transportation	200 persons served per month; 2,250 rides per month

SOURCE: FY 2001 East Central PDD Annual Report

## Revenues and Expenditures of the ECPDD

For Fiscal Year 2001, the ECPDD's revenues totaled \$8,023,458 and expenditures totaled \$7,787,152. (The ECPDD uses the federal fiscal year beginning October 1 and ending September 30.) FY 2001 financial statements are presented in this report because the ECPDD audit for fiscal year 2002 had not been completed at the time of this review and ECPDD's final transfers for grant matches are not completed until the time of the audit.

### Summary of the ECPDD's Revenues for FY 2001

As shown in Appendix G, page 38, the ECPDD receives funding through various sources of revenue, including

federal grant funds for social service programs and contributions from local governments in order to match aging and economic development funds. The ECPDD charges the district's localities for services such as technical assistance and receives funds for the administration of economic planning assistance. For example, some communities within the district that have received community development block grants provide some additional administrative funds to the ECPDD for its services. The ECPDD also receives revenues from loan program-related revenue (e.g., interest on loan funds and loan closing costs) and from other in-kind and grant match monies for sub-grants.

As shown in Exhibit 3, page 10, the ECPDD's largest sources of revenue in FY 2001 were \$6,454,949 in federal grants (80% of total revenues) and \$444,681 in state grants (6% of the total). (The largest state grant consisted of \$300,000 in loan funds from the Mississippi Development Authority.)

### **Summary of the ECPDD's Expenditures for FY 2001**

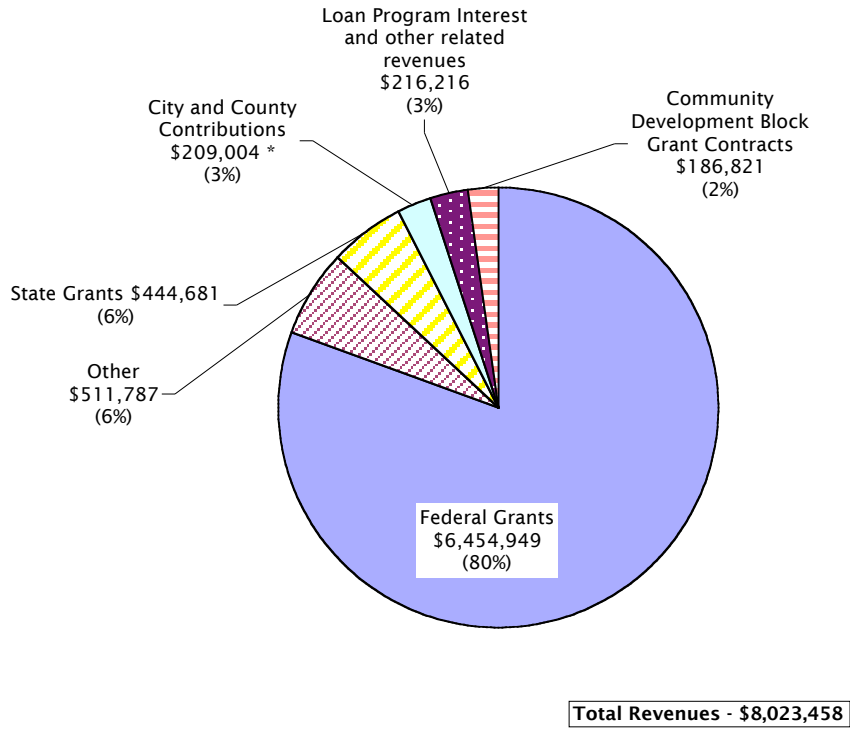
The ECPDD's FY 2001 expenditures consisted primarily of grant expenditures of \$7,020,026 (90% of total expenditures) and capital outlay expenditures, \$507,148, or 7% of the total, as shown in Exhibit 4, page 11.

The ECPDD is involved in numerous grant programs, as shown in Exhibit 5 on page 12, which categorizes grant expenditures by type. Exhibit 5 shows that the ECPDD's three primary grant expenditures in FY 2001 were \$4,122,219 for child care reimbursement; \$1,164,368 for meals for the elderly; and \$521,446 for various social programs for adults.

Appendix F, page 35, outlines the district's grant expenditures in detail, by source and type.

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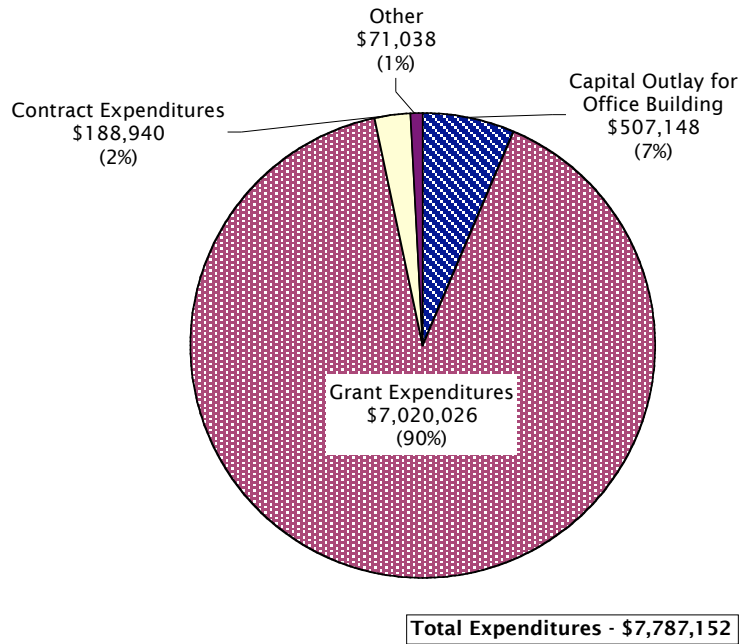
**Exhibit 3: ECPDD Revenues by Type for FY 2001**



NOTES: \* Per ECPDD staff, the district requested and received total city and county contributions for FY 2001 of \$210,034. The difference of \$1,030 (\$210,034 less \$209,004) was actually received in another fiscal year.  
See Appendix G, page 38, for more detailed revenue information.  
SOURCE: PEER analysis of the East Central PDD's FY 2001 internal financial statements and audit

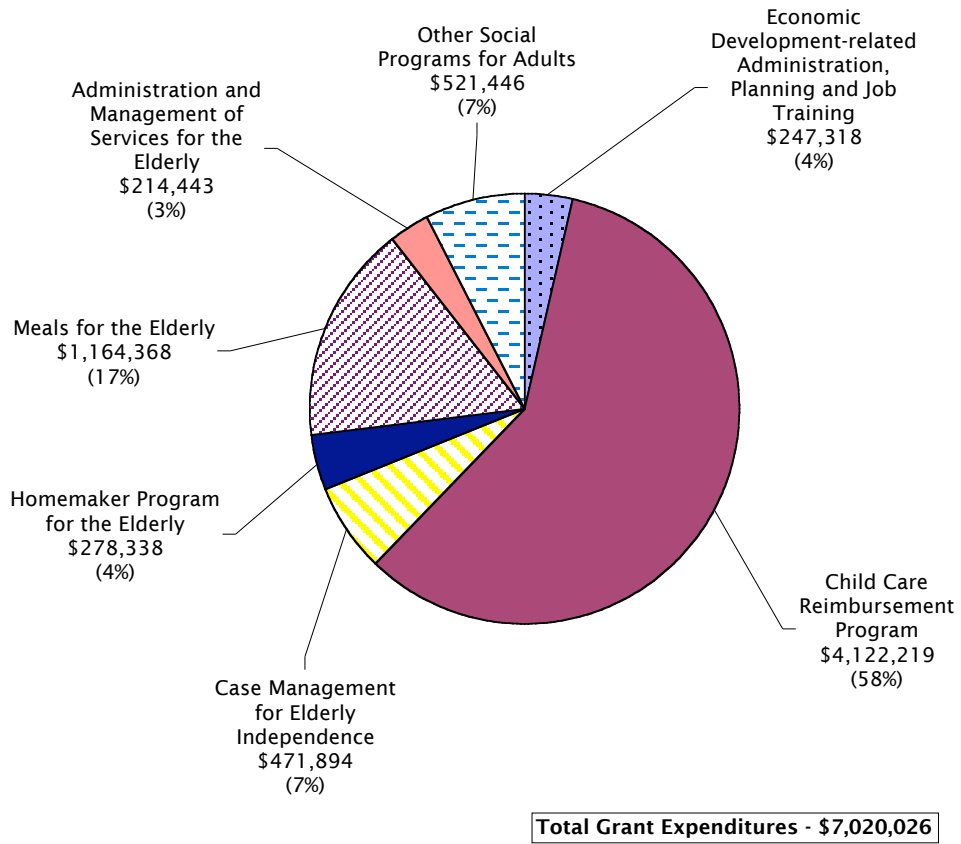
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**Exhibit 4: ECPDD Expenditures by Type for FY 2001**



NOTE: See Appendix G, page 38, for more detailed expenditure information.  
SOURCE: PEER analysis of the East Central Planning and Development District's financial information.

**Exhibit 5: ECPDD Grant Expenditures by Type for FY 2001**



SOURCE: PEER analysis of the East Central Planning and Development District's internal financial statements

**Sources of Cash**

As shown in the following chart, the ECPDD's FY 2001 revenues of \$8,023,458 exceeded its \$7,787,152 in expenditures by \$236,306. (See Appendix G, page 38, for a detailed statement of revenues and expenditures.)

	FY 2001
Revenues	\$ 8,023,458
Expenditures	(7,787,152)
<b>Revenues Over Expenditures</b>	<b>\$ 236,306</b>



As shown in Exhibit 6, page 14, the ECPDD's cash balance increased by \$671,076 in FY 2001 due to revenues exceeding expenditures by \$236,306 and other account changes of \$434,770. Under the accrual basis of accounting (used by entities under generally accepted accounting principles), changes in cash are affected by revenues and expenditures and also by various changes in assets and liability account balances, such as accounts receivable and accounts payable.

The \$325,956 operating fund loss shown in Exhibit 6 was due to expenditures for office building construction (\$507,148). In FY 2001, the primary effect on the \$671,076 increase in cash (after netting the effect of the deficit from building costs and the building loan) was the \$562,262 increase in revolving loan fund cash resulting from a loan grant and other loan program income. The cash in the revolving loan fund is restricted for use in those programs.

## **Trends in Cash**

Exhibit 7, page 15, presents the ECPDD's trends in cash balances from FY 1996 to FY 2001. Total ECPDD cash has increased from \$1.97 million in FY 1996 to \$2.8 million in FY 2001, or by 44% over the five-year period (8.7% annually on average).

The ECPDD's revolving loan fund cash, which can be used only for the loan program, increased from \$1.5 million to \$2 million during the period. Operating fund cash increased from \$510,069 to \$801,876. The ECPDD's operating fund is used for all check-writing operations of the district, including grants and revolving loan funds. (ECPDD reimburses the operating fund from its grants and loan funds as necessary when cash is received from grantors.) PEER's review of monthly bank statement balances for the three fiscal years ended September 2002 indicated that the operating fund balances fluctuate as much as \$950,000 during the year. Therefore, operating cash balances on hand are useful for maintaining positive cash flow for the ECPDD operation.

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**Exhibit 6: FY 2001 Sources of Cash for ECPDD****Revenues Over Expenditures:**

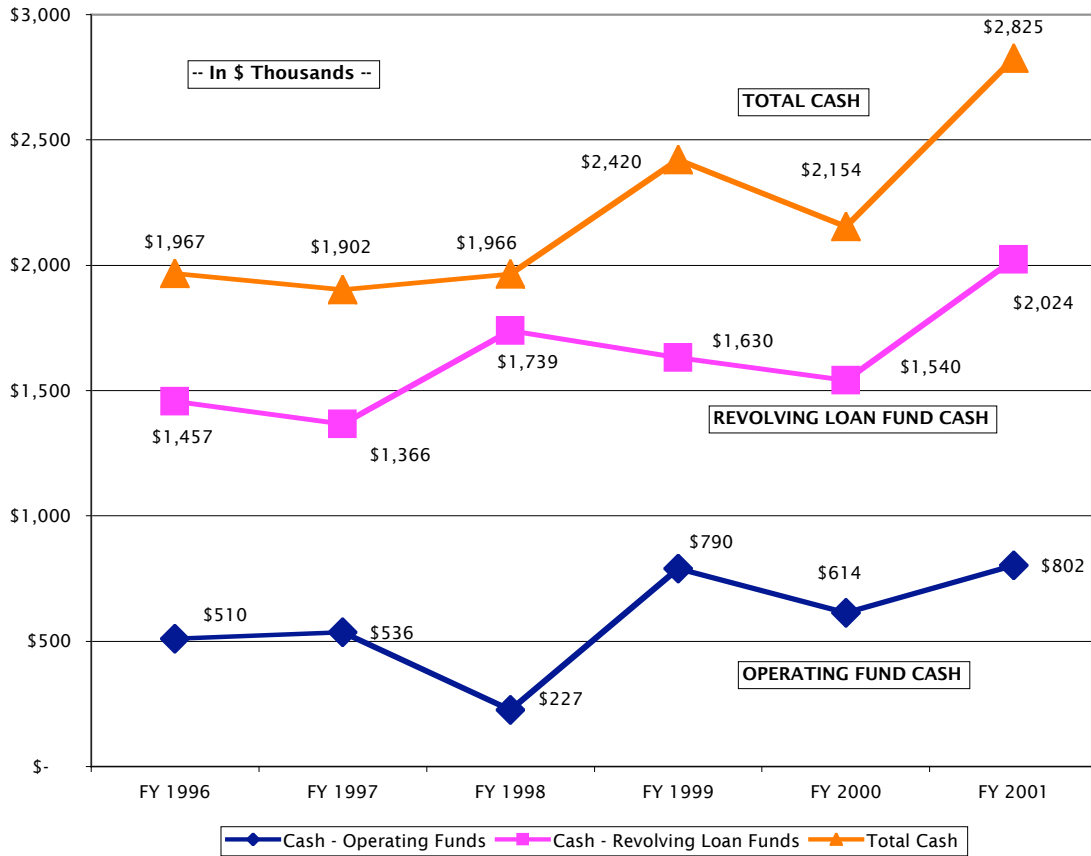
<i>Revolving Loan Funds (Restricted for Use)</i>	
Loan program state grant	\$ 300,000
Interest income and other	262,262
	<u>\$ 562,262</u>
<i>Operating Funds</i>	
Net deficit from community development contracts	\$ (1,775)
Excess Medicaid Waiver funds	23,357
Net deficit in the "local match" operating fund, due to payments for office building construction	(347,538)
	<u>\$ (325,956)</u>
	<hr/>
<b><i>Total Revenues over Expenditures</i></b>	<b>\$ 236,306</b>

**Changes in ECPDD Accounts:**

Increases in Long-Term Debt for construction of office building	\$ 624,099
Increases in grant funds due from grantors	(257,542)
Increases in other accounts and loans receivable	(6,209)
Increases in current liabilities	115,218
Refund of loan funds to grantor	(40,796)
	<hr/>
<b><i>Total Changes in Accounts</i></b>	<b>\$ 434,770</b>
	<hr/>
<b>Total Increase in Cash in FY 2001</b>	<b>\$ 671,076</b>
	<hr/>
Beginning Cash, September 30, 2000	\$ 2,154,325
	<hr/>
Ending Cash, September 30, 2001	\$ 2,825,401

SOURCE: PEER analysis of East Central PDD FY 2001 audit and internal financial statement

**Exhibit 7: Trends in ECPDD Cash from September 30, 1996, to September 30, 2001**



SOURCE: PEER analysis of the East Central PDD’s audits

### Use of Local Contributions by the ECPDD

In FY 2001, the ECPDD received \$210,034 in local contributions from cities and counties into a “local match” operating fund. (The ECPDD’s unrestricted interest income and other minor sources of income are also placed into this fund.) The ECPDD used the local contributions for \$101,564 in grant matches and \$41,353 in equipment and to help pay for construction of the district’s new office building. According to the ECPDD’s audits, the ECPDD’s board designated a total of \$238,265 of the local funds for construction of an ECPDD office building and furnishings. The ECPDD’s board first determined it would designate funds for building construction during FY 1996. The ECPDD began construction in FY 2000 and completed the building in FY 2002.

## Financial Controls and Monitoring of the ECPDD's Programs and Services

Several external entities audit and monitor the ECPDD to ensure financial and program compliance. Since the ECPDD receives federal funds, it is subject to annual audits that include reviews of financial compliance in accordance with *Government Auditing Standards*. State and federal agencies monitor all funds from the respective sources. For example, the Mississippi Development Authority monitors economic development projects, which typically include both state and federal funds.

### Financial Audit Controls

Currently, the ECPDD has a contract with Watkins, Ward, and Stafford of Eupora, Mississippi, to provide a yearly audit of the ECPDD's operations. Financial audits include checks on the accuracy of assets, liabilities, revenues, and expenditures. The audit firm uses the *Government Auditing Standards*.

According to MISS. CODE ANN. Section 7-7-211(f) and (m), the State Auditor may also audit the planning and development districts, since they are non-profit corporations that receive federal and state funds. (See Appendix H, page 39, for exact language.) The State Auditor receives or has access to the annual audits of all PDDs, which are completed by private CPA firms. There has not been a request for the State Auditor to audit the state and federal funds received by the PDDs; therefore, the State Auditor has not performed an audit of any PDD since the adoption of these amendments in 1979 and 1989.

### State and Federal Monitoring of Program Funds

Currently, many different agencies of the state monitor operations and funding of programs and services of the ECPDD. For example, the Division of Medicaid monitors the funds given to the ECPDD for the Home- and Community-Based Waiver Program and the Long-Term Care Alternatives program on a regular basis to ensure that the ECPDD is expending the funds properly and services are available to the elderly population. The Mississippi Department of Human Services monitors funds for programs for the elderly, including all Area Agency on Aging funds. This includes funds for homemaker services, case management, and meal programs. The Department of Human Services also monitors the funds for the child care

program. This monitoring includes checking client records to ensure that the client falls within the stated income level and that the ECPDD is expending funds on childcare services.

The Mississippi Development Authority monitors all Community Development Block Grants, HOME programs, loan programs, and other state economic development programs, including the Small Municipalities programs. This monitoring effort includes regular monitoring of the projects to ensure the locality is expending the funds on the approved project, that administrative fees are not exorbitant, and that all federal and state guidelines are being followed.

The ECPDD provides a yearly report stating the goals and achievements of the ECPDD in the area of economic development programs for the previous year to the Economic Development Administration of the U. S. Department of Commerce. The Economic Development Administration also reviews documentation associated with funds it provides to the ECPDD.

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## ECPDD's Financial Relationships with District Localities

The ECPDD collects contributions from localities (counties, cities, and towns) located within the nine-county district. These local contribution funds are to be used for economic development and aging programs for the district. Currently, the ECPDD does not provide details to the localities as to the actual need or use of funds collected. While the ECPDD does prepare and provide an annual report to district members, it only reports district totals and does not provide individual members with information about services provided in their jurisdiction.

### The ECPDD's Requests for Local Contributions

**The ECPDD does not base requests for local contributions on comprehensive and timely expenditure or service needs data. Local decision-making on use of resources is inhibited because the ECPDD does not provide the local governments information upon which the request amount is based.**

According to MISS. CODE ANN. Section 17-19-1 (1972), cities and counties may appropriate funds to planning and development districts:

*The board of supervisors of each county and the governing authorities of each municipality in the state are authorized and empowered, in their discretion, to appropriate and pay such sums as they deem necessary and desirable, out of any available funds of the county or municipality which are not required for any other purpose, to the planning and development district in which the county or municipality is located.*

The ECPDD collects these contributions from localities within the district to match federal and state dollars for economic development and aging programs. However, the ECPDD does not use sound practices or methods to arrive at the amounts requested from the localities.

## The ECPDD's Lack of a Sound Method of Calculating Contribution Requests

*The ECPDD's bylaws do not set forth a methodology for calculating localities' contributions and the district has no procedure manual that includes this information. The ECPDD's current method of determining annual contributions is unsound because the district does not base requests for contributions on county service levels and does not routinely review contribution requests to determine whether it should adjust these amounts annually.*

**According to district staff, the ECPDD determines the amount of contribution requests based on the population of each district member and previous contribution requests.**

According to the ECPDD, the criteria utilized by the district in determining the amount of the contribution requests is based on the population of each district member and previous contribution requests. The ECPDD makes only one annual request, which covers support for both economic development and social services. The amount of requested annual contributions remained the same from 1990 to 2000.

In 2001, the ECPDD Director and Fiscal Officer determined that local contributions should be increased. The total amount requested for FY 2001 was \$26,200, or 14% more than the FY 2000 annual contribution requests. (See Exhibit 8, page 21, for FY 2001 locality contributions.) Minutes from the ECPDD Board of Directors' meeting held June 20, 2000, state the increase was due to:

- no increase since 1990;
- an increase in aging match requirements;
- growth and development of programs;
- a lapse between when funds are requested and when they are received from state and federal funding sources;
- an increase in child care program costs; and,
- new building expenses associated with the new ECPDD office.

**The district's contribution requests are not based on the level of services provided in each county and do not include all appropriate factors such as match requirements, in-kind donations, or demographics (other than total population).**

Rather than using these reasons with supporting documentation as the basis for an increase in annual contributions, the ECPDD's officials allocated to each locality a portion of the overall increase based on the proportion of its representation of the district's total population. For example, Clarke County's total population is 12,144, which is 5.5 percent of the district's population. Therefore, the district increased Clarke County's annual contribution by 5.5% of the total district increase in annual contributions.

The ECPDD's contribution requests to the counties and local governments are not based on the level of services

provided in each county, but rather on the population of the localities.

**The district does collect service data for aging services as well as economic development projects, which could be used in the determination of the amount of funds necessary to operate the various programs.**

Also, the ECPDD does not include all appropriate factors in developing its local contribution requests, such as match requirements, in-kind donations, or demographics (other than total population). Although the district does not report service level data for each district member, it does collect service level data for aging services as well as economic development projects, which could be used to assist in the determination of the amount of funds necessary to operate the various programs within the local jurisdictions. Potentially, collecting more funds than necessary could affect cities' and counties' ability to make the best use of local resources or address needs beyond the scope of PDD programs.

## **The ECPDD's Practices in Making Local Contribution Requests**

***When making requests for local contributions, the ECPDD does not provide financial information or information on how the contribution will be applied to match federal dollars.***

The ECPDD's local contribution requests are for economic development and aging programs. This local contribution is not the same as funds that are provided by local governments to match individual economic development projects. When a locality applies for an economic development grant, it typically is required to provide match funds; these are separate from the contributions provided to the ECPDD. Local contributions are used to match federal aging dollars that are funneled through the Mississippi Department of Human Services for programs such as meals, homemaker services, legal services, and other services for the elderly. The local contribution funds are placed into an account that mixes all local dollars.

**No budget request shows how the local contribution will be applied to match federal dollars and the district provides no audits or financial information with the request.**

All counties in the district except one receive a single annual request for contributions. The exception is Smith County, which also receives an additional separate annual request for transportation funds for the single beat in the county that participates in the transportation program. While the ECPDD's personnel state that the contributions are to be used in economic development planning and aging services programs, no financial information or annual program expenditures are provided to the local governments at the time of the request. No budget request shows how the local contribution will be applied to match federal dollars and the district provides no audits or financial information with the request.



**Exhibit 8: Annual Contribution Requests and Collections, FY 2000 and FY 2001**

	FY 2000 Requested	FY 2000 Received	FY 2001 Requested	FY 2001 Received	Increase in Requested Contributions From FY 2000 to FY 2001
Clarke County	\$ 11,595	\$ 11,595	\$ 12,958	\$ 12,958	\$ 1,363
Jasper County	12,872	12,872	14,434	14,434	1,562
Kemper County	9,241	9,241	10,222	10,222	981
Lauderdale County	56,789	56,789	65,114	65,114	8,325
Leake County	13,482	13,482	15,058	15,058	1,576
Neshoba County	15,470	15,470	17,419	17,419	1,949
Newton County	12,728	12,728	14,228	14,228	1,500
Scott County	14,575	14,575	16,284	16,284	1,709
Smith County	8,321	8,321	10,816	10,721	2,495
City of Bay Springs	1,700	1,700	1,894	1,894	194
City of Carthage	2,428	2,428	2,857	2,857	429
Town of Chunky	128	128	160	160	32
Town of Decatur	958	958	1,098	1,098	140
Town of Dekalb	963	963	1,083	1,083	120
Town of Enterprise	282	282	336	336	54
City of Forest	3,252	3,252	3,820	3,820	568
Town of Heidelberg	935	935	1,050	1,050	115
Town of Hickory	311	311	368	368	57
Town of Lake	243	243	286	286	43
Town of Lena	107	107	125	125	18
Town of Louin	157	157	194	194	37
Town of Marion	358	358	510	510	152
Town of Mize	169	169	207	207	38
Town of Montrose	56	56	68	68	12
Town of Morton	2,358	2,358	2,718	2,718	360
City of Newton	2,546	2,546	2,961	2,961	415
Town of Pachuta	119	119	150	150	31
City of Philadelphia	4,087	4,087	4,846	4,846	759
Town of Polkville	60	60	74	14	14
City of Quitman	2,047	2,047	2,349	2,349	302
Town of Raleigh	888	888	1,030	1,030	142
Town of Scooba	237	237	298	298	61
Town of Sebastapol	146	146	177	177	31
Town of Shubuta	291	291	356	356	65
Town of Stonewall	1,049	1,049	1,178	1,178	129
Town of Sylvarena	47	47	60	60	13
Town of Taylorsville	1,069	1,069	1,227	1,227	158
Town of Union	1,721	1,721	1,927	1,927	206
Town of Walnut Grove	204	204	249	249	45
<b>Totals</b>	<b>\$ 183,989</b>	<b>\$ 183,989</b>	<b>\$ 210,189</b>	<b>\$ 210,034</b>	<b>\$ 26,200</b>

SOURCE: PEER analysis of the ECPDD's FY 2000 and FY 2001 contribution request letters.

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## Recommendations

1. The Legislature should amend MISS. CODE ANN. Section 17-9-1 (1972) to require that planning and development districts provide specified financial and program information to the boards of supervisors and the governing authorities of the municipalities that appropriate money to such districts. The information should include, but not be limited to:
  - budget request, which shows the need and the services for which local contribution funds will be spent;
  - annual report, not limited to but including the actual number of clients served in each county by the district and how the funds from each county have been used for those services and all current and active economic development projects and amounts awarded by county;
  - annual financial audit; and,
  - any other financial statements the localities deem necessary in order to determine the appropriateness of the request.

The Legislature should require the districts to provide the above information to the localities at the time that the district makes its annual local contribution request. The law should require distribution of the information as a precondition to receiving any funds from local contributions for that fiscal year.

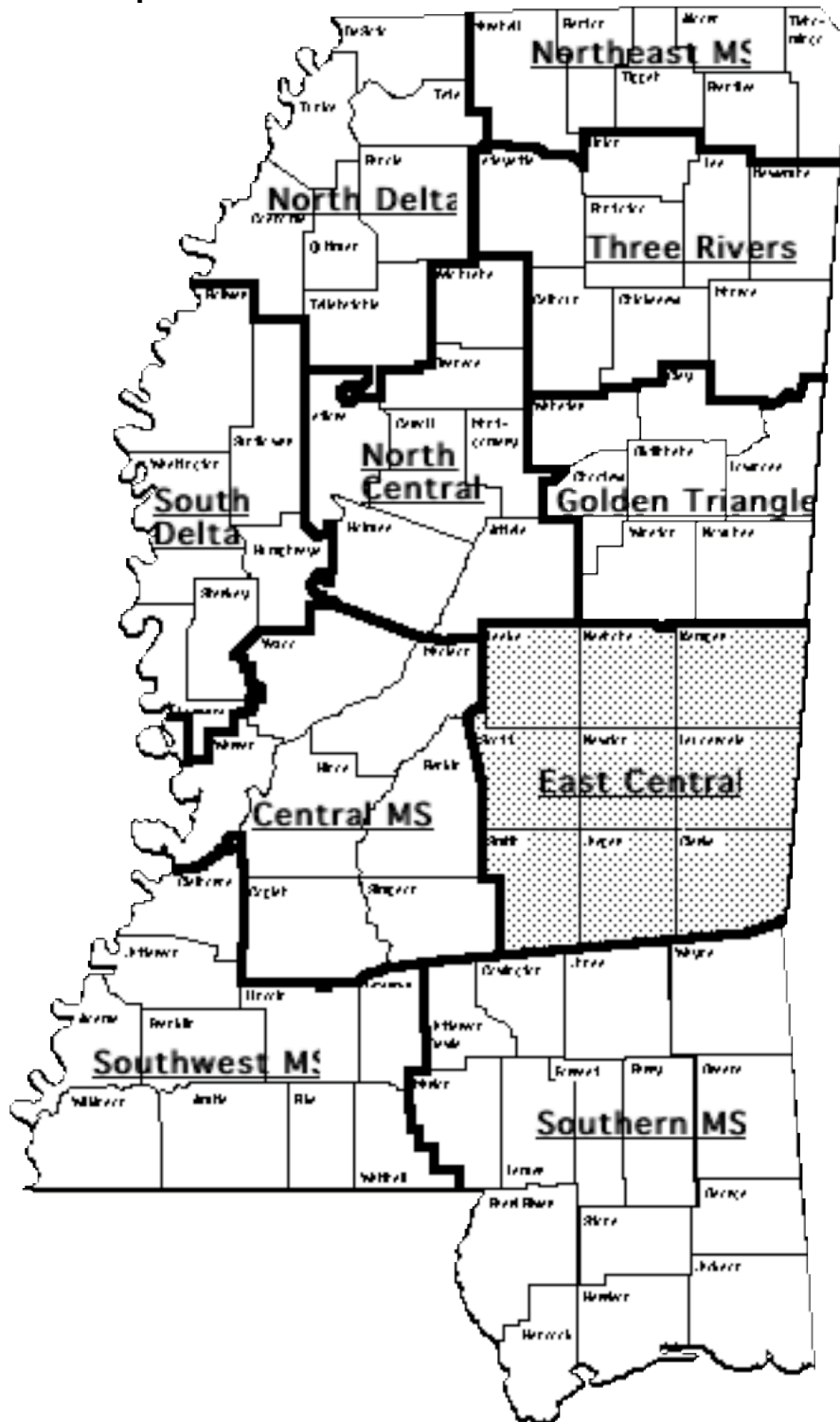
2. The East Central Planning and Development District should develop a methodology for the calculation of local contribution requests, which are to be for aging and economic development programs within the district. The methodology should include:
  - other sources of revenue;
  - need for the service in the locality (e.g., more clients on the waiting list for meals);
  - demographics of the locality;
  - previous year's clients and service levels;

- previous year's expenditures; and,
- previous year's grant revenues that require a local contribution.

The ECPDD should formally adopt this methodology and incorporate it into its policy and procedure manual.



# Appendix A: Map of the East Central Planning and Development District



SOURCE: 2002 Directory of Mississippi Planning and Development Districts.

## Appendix B: Summary of Economic Development Project Awards in FY 2001

<b>Grant Program</b>	<b>Award</b>
Mississippi Small Municipalities and Limited Population County Grant Program	\$500,500
Capital Improvement Revolving Loan Program (CAP)/Mississippi Development Infrastructure Program (DIP)	652,930
Community Development Block Grants (CDBG)	2,343,567
Local Law Enforcement Block Grants (LLEBG)	72,464
HOME Investment Partnership Program	1,000,000
Loans	450,000
Local Match for all awards *	3,039,945
Other **	5,596,201
<b>Total</b>	<b><u>\$13,655,607</u></b>

\* Some programs require a local match from the community receiving the funding; this local match is not the same as the local contribution that is paid to the PDD. (See discussion of contribution on page 20.)

\*\* Other funds are from specific areas; please see Appendix C, page 27, for detail.

SOURCE: PEER analysis of the ECPDD's annual report data and program data.

## Appendix C: Economic Development Program Descriptions

PROGRAM	FUNDING AGENCY	PURPOSE
Alcohol Countermeasures Grant Program	MS Department of Public Safety	Grant program that assists with payment of DUI Officer salaries, educational materials, training, and associated equipment.
Assistance to Firefighters Grant Program	U.S. Fire Administration	Assists in the purchase of protective equipment and firefighting equipment, including pumper trucks.
Bulletproof Vests Partnership Program (BVP)	U.S. Department of Justice, Office of Justice Programs	Designed to pay up to 50% of the cost of National Institutes of Justice-approved bulletproof vests.
Community Development Block Grant (CDBG)	U.S. Department of Housing and Urban Development (administered by the Mississippi Development Authority)	Grants to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.
Community Oriented Policing Services (COPS)	U.S. Department of Justice, Office of Community Oriented Policing Services	Designed to hire additional police officers and for computer equipment and other needs.
COPS MORE Program (Making Officer Redeployment Effective)	U.S. Department of Justice, Office of Community Policing Services	Designed to expand the time available for community policing by current law enforcement officers by funding technology, equipment and support personnel.
Economic Development Administration (EDA) Revolving Loan Funds	U.S. Department of Commerce, Economic Development Administration	Revolving loan program to be used for business lending and public infrastructure projects and targets small business creation and development, business and job retention, and the promotion of new high-tech industries.
HOME Investment Partnership Program (HOME)	U.S. Department of Housing and Urban Development (administered by the Mississippi Development Authority)	Grants to local governments to expand the supply of affordable housing for low-income persons. Grants are to be used for homeowner rehabilitation and first-time homebuyers.

Local Governments Capital Improvement Revolving Loan Program (CAP)	Mississippi Development Authority	Loans to counties or municipalities to finance capital improvements such as fire improvement and water and sewer.
Local Law Enforcement Block Grants (LLEBG)	U.S. Department of Justice (administered by the Mississippi Department of Public Safety)	Grants to local governments to furnish law enforcement equipment and activities.
Mississippi Development Infrastructure Program (DIP)	Mississippi Development Authority	Grants and loans to counties and municipalities to finance small infrastructure projects to promote economic growth in the state.
MS Recreational Trails Program	MS Department of Wildlife, Fisheries and Parks	To assist county and local governments in construction and renovation of walking trails.
Mississippi Small Municipalities and Limited Population County Grant Program	Mississippi Development Authority	Grants are for small municipalities, limited population counties, or natural gas districts to finance projects to promote economic growth and job creation in the state.
Solid Waste Assistance Fund	MS Department of Environmental Quality	Grant funds to local governments for solid waste clean up and disposal costs.
Transportation Enhancement Tree Planting Program	MS Department of Transportation and MS Forestry Commission	Towns and cities may apply for up to \$15,000 to plant trees for the purpose of enhancing transportation.

SOURCE: PEER analysis of information from the Mississippi Development Authority and the ECPDD's FY 2001 Annual Report.



# Appendix D: FY 2001 Economic Development Projects

County	Project	Small Municipalities	CAP DIP	CDBG	LLEBG	HOME	LOANS	Local Match	Other	TOTAL
Clarke	Wastewater Facility	\$ 250,000						\$ 42,000		\$ 292,000
Clarke	City of Quitman, Purchase of equipment for Police Department				3,000			334		3,334
Clarke	Town of Shubuta, Hire additional Police Officer, part-time				4,844			339		5,383
Clarke	City of Quitman, Construct walking trail				2,300			4,000	16,000	20,000
Clarke	Town of Stonewall, Purchase radios and increase overtime for Police Department				3,000			256		2,556
Jasper	Town of Heidelberg, Purchase equipment for the Police Department							334		3,334
Jasper	City of Bay Springs, Sewer line rehabilitation			133,000						133,000
Jasper	Town of Louin, Water Improvements			40,910						40,910
Jasper	Increase Police Department overtime hours for drug interdiction activities				2,500			278		2,778
Jasper	Town of Louin, Purchase equipment for the Police Department				2,000			222		2,222
Jasper	Town of Louin, Construct walking trail							4,000	16,000	20,000
Kemper	Town of DeKalb, Replacement of main sewer line			242,000						242,000
Kemper	Provide down payment assistance to 23 low income persons					250,000			770,000	1,020,000
Kemper	Purchase 6 bulletproof vests							1,631	1,631	3,263
Kemper	Town of Scooba, Purchase equipment for the police department				2,500			278		2,778
Kemper	Environmental Quality Improvements								13,500	13,500
Lauderdale	Town of Marion, Sewer Rehabilitation			300,000						300,000
Lauderdale	Provide down payment assistance to 23 low income persons					250,000			770,000	1,020,000
Lauderdale	Police Department				2,500			278		2,778
Lauderdale	Environmental Quality Improvements								21,750	21,750
Leake	Twilight and Galilee Community Parks, Recreational Improvements			50,000					64,640	114,640
Leake	Purchase 14 bulletproof vests and three tactical vests							5,823	5,823	11,647
Leake	City of Carthage, Purchase equipment for the Police Department				2,900			323		3,223
Leake	Madden Volunteer Fire Department							1,916	17,245	19,161
Leake	Marydell-Barnes Volunteer Fire Department							1,527	13,747	15,274
Leake	Purchase equipment for the Sheriff's Department				4,000			445		4,445
Neshoba	Renovation of kitchen at Neshoba County Hospital			650,000				2,600,560		3,250,560
Neshoba	Provide down payment assistance to 23 low income persons					250,000			770,000	1,020,000
Neshoba	City of Philadelphia, Pay overtime for two police officers				3,000			334		3,334
Neshoba	Environmental Quality Improvements							3,625	16,375	20,000

# Appendix D, Continued: FY 2001 Economic Development Projects

County	Project	Small Municipalities	CAP DIP	CDBG	LLEDG	HOME	LOANS	Local Match	Other	TOTAL
Newton	City of Newton, Water and Sewer Improvements			305,550					2,000,000 <sup>1</sup>	2,305,550
Newton	Town of Lake, Improvements to sewer lagoon			300,000						300,000
Newton	Provide down payment assistance to 22 low income persons					250,000			880,000 <sup>1</sup>	1,130,000
Newton	Town of Lake, Add sidewalks, lights and trees to Lake Depot			39,700					9,940 <sup>1</sup>	49,640
Newton	City of Newton, Water and Sewer Facility	100,500						37,550		138,050
Newton	Town of Lake, purchase 3 bullet-proof vests							816		1,631
Newton	City of Newton, Purchase and Install 8 channel communications consoles for the Police Department				5,000			556		5,556
Newton	Newton County, Purchase 4 computers and software				5,000			556		5,556
Newton	Newton County, Purchase equipment for the Sheriff's Department				2,500			278		2,778
Newton	City of Newton, Purchase equipment for Police Department				3,000			334		3,334
Newton	Town of Decatur, Purchase equipment for Police Department				2,500			278		2,778
Newton	City of Lake, Purchase equipment for Police Department				2,500			278		2,778
Newton	Environmental Quality Improvements- Solid Waste Enforcement Officer salary disposal project								15,000 <sup>16</sup>	15,000
Newton	Town of Union, Environmental Quality Improvements								15,000 <sup>16</sup>	15,000
Newton	Town of Lake, Transportation Enhancement							5,000		20,000
Newton	Gibbstown-Lawrence Volunteer Fire Department							3,273	1,230 <sup>11</sup>	4,503
Newton	EDA Loan						150,000	520	4,680 <sup>18</sup>	5,200
Scott	Village of Polkville, Construction of firehouse and purchase of fire truck			261,447						150,000
Scott	City of Forest, Construct lift station and road access road	150,000						25,000		261,447
Scott	City of Morton, purchase 13 bulletproof vests							3,535	3,535 <sup>8</sup>	7,069
Scott	Town of Lena, Purchase equipment for the Police Department				2,500			278		2,778
Scott	City of Forest, Purchase equipment for Police Department				1,500			167		1,667
Scott	City of Morton, Purchase equipment for Police Department				3,000			334		3,334
Scott	Town of Sebastopol, Purchase equipment for Police Department				2,200			245		2,445
Scott	EDA Loan						200,000			200,000
Scott	Purchased of five fire trucks for county volunteer fire departments		500,000					144,950		644,950

# Appendix D, Continued: FY 2001 Economic Development Projects

County	Project	Small Municipalities	CAP DIP	CDBG	LLEBG	HOME	LOANS	Local Match	Other	TOTAL
Scott	Purchase of three fire trucks for county volunteer fire departments		152,930					105,050		257,980
Scott	Hired additional school police officer							334	104,103 <sup>1</sup>	104,103
Smith	Pay overtime to Sheriff's Department				3,000					3,334
Smith	Town of Raleigh, Purchase equipment for Police Department				2,220			245		2,465
Smith	Town of Taylorsville, Pay overtime for police officers and dispatchers				2,500			278		2,778
Smith	Town of Mize, Purchase equipment for Police Department				2,500			278		2,778
Smith	Town of Raleigh, Transportation Enhancement							625	1,875 <sup>11</sup>	2,500
Smith	EDA Loan						100,000			100,000
Smith	Town of Polkville, Rebuilding of town playground			20,960					5,240 <sup>4</sup>	26,200
Smith	Police Department computer system and software							1,294	3,881 <sup>7</sup>	5,175
Smith	Alcohol Countermeasures Grant Program							39,190 <sup>9</sup>	39,190 <sup>9</sup>	78,380
	<b>TOTALS</b>	\$ 500,500	\$ 652,930	\$ 2,343,567	\$ 72,464	\$ 1,000,000	\$ 450,000	\$ 3,039,945	\$ 5,596,201	\$ 13,655,607

**NOTES:**

- <sup>1</sup> State funds appropriated by the Mississippi Legislature
- <sup>2</sup> These funds are either from Rural Development or other lending institutions such as banks or mortgage companies.
- <sup>3</sup> These funds are a combination of local county dollars and in-kind site preparation work by the county
- <sup>4</sup> These funds are in-kind work provided by community volunteers
- <sup>5</sup> These funds are from a Mississippi Department of Transportation Grant
- <sup>6</sup> COPS in Schools Program grant
- <sup>7</sup> COPS MORE Program grant
- <sup>8</sup> Bulletproof Vests Partnership (BVP) Program, Department of Justice
- <sup>9</sup> MS Department of Public Safety
- <sup>10</sup> MS Department of Environmental Quality, Office of Pollution Control
- <sup>11</sup> MS Department of Transportation/Mississippi Forestry Commission
- <sup>12</sup> MS Department of Wildlife, Fisheries and Parks
- <sup>13</sup> U.S. Fire Administration Grant

**SOURCE:** ECPDD FY 2001 Annual Report

## Appendix E: Descriptions of Social Services Programs

<b>PROGRAM</b>	<b>FUNDING AGENCY</b>	<b>PURPOSE</b>
Child Care	U.S. Department of Health and Human Services; State of Mississippi	Assists families in meeting the costs of child care, enabling them to stay on the job and make a living for the family or train for a job.
Elder Abuse	U.S. Department of Health and Human Services	Sponsors an abuse awareness program including public education, outreach, reporting and receiving complaints and referrals and recognition of signs of elder abuse.
Emergency Services	U.S. Department of Health and Human Services; State of Mississippi	Provides social, financial, and supportive assistance to help elderly individuals through a crisis such as a life-threatening or unexpected emergency situation that demands or requires immediate action or intervention.
Homemaker	U.S. Department of Health and Human Services; Division of Medicaid	Assists the elderly with light housekeeping and daily living tasks such as paying bills, shopping, picking up prescriptions, preparing meals, bathing, etc.

Information and Referral/Outreach	U.S. Department of Health and Human Services; State of Mississippi	I & R serves as the entry point into the aging service delivery system; Informs elderly individuals about the types of assistance that are available to them and the organizations that provide these services; Assists in negotiating receipt of services if the individual is unable to do so on his own.  Outreach involves seeking out people who need or may need a service and helping them obtain it.
Legal Services	U.S. Department of Health and Human Services	Provides specialized legal services to senior citizens, including assistance with Social Security, Supplemental Security Income, Medicare or related issues and assistance in ensuring the rights and entitlements of older persons.
Meals for the Elderly	U.S. Department of Agriculture; U.S. Department of Health and Human Services; Division of Medicaid; State of Mississippi	Provides home-delivered meals and meals in a group setting for those individuals who are unable to prepare and serve meals themselves. Congregate meals are served five days a week at nutrition sites throughout the nine-county district.
Medicaid Long-Term Care Alternatives	Division of Medicaid	Consults with Medicaid recipients on long-term care alternatives available to them such as home health, homemaker, etc.
Medicaid Waiver	Division of Medicaid	Provides case management services and congregate and home-delivered meals to the elderly and disabled population.

Mississippi Insurance Counseling and Assistance (MICAP)	Centers for Medicare and Medicaid Services	Provides counseling and information on Medicare and Medicaid for an individual needing assistance or having questions about health care coverage.
Ombudsman	U.S. Department of Health and Human Services	Serves residents of long-term care facilities, including nursing homes and personal care homes; Seeks to improve the quality of life for residents by receiving, investigating and resolving complaints regarding residents of long-term care facilities to ensure that their rights are protected.
Preventive Health Services	U.S. Department of Health and Human Services	Provides support services to promote good health such as routine health screening, nutritional counseling, physical fitness, mental health screenings, etc.
Respite Care	U.S. Department of Health and Human Services	Designed to give family members who have an older person living with them a break from their responsibilities; time off varies from a few hours to a week.
Senior Employment Program	U.S. Department of Health and Human Services	Identifies employment opportunities for older persons whose incomes place them at or below the federal poverty level and who are unemployed, underemployed or have difficulty finding a job; fosters and promotes part-time community employment for low-income persons age 55 and older and assists in their transition to unsubsidized employment

Transportation	U.S. Department of Health and Human Services	Consist of vans or buses that provide senior citizens with door-to-door service from home to community services such as medical appointments, shopping areas, senior centers, social security offices, etc.
Workforce Investment Act (WIA)	Department of Labor, MS Development Authority	Federal legislation that authorizes workforce investment activities designed to increase employment, retention and earnings of participants and increase the skill levels of participants.

SOURCE: PEER analysis of information from the Mississippi Department of Human Services and Division of Medicaid; interviews with Mississippi Department of Human Services staff, Division of Medicaid staff, and the ECPDD's staff

## Appendix F: ECPDD Grant Expenditures by Source and Type for FY 2001

<b>Economic Development-related Administration, Planning and Job Training</b>	
Economic Development Administration (EDA)	\$ 70,088
EDA Geographical Information Systems	60,692
Appalachian Regional Commission (ARC)	20,412
ARC Geographical Information Systems	26,370
Workforce Investment Act Youth Job Training	69,756
	<u>\$ 247,318</u>

<b>Child Care Reimbursement Program</b>	
U. S. Department of Health and Human Services Child Care Discretionary Fund	\$ 3,876,369
Eligibility Determination	113,403
Certificates Program Cost	131,550
Automated Systems	897
	<u>\$ 4,122,219</u>

<b>Case Management for Elderly Independence</b>	
Medicaid Waiver Case Management	<u>\$ 471,894</u>

<b>Homemaker Program for the Elderly</b>	
Social Services Block Grant (Title XX) Homemaker Services	<u>\$ 278,338</u>

<b>Meals for the Elderly</b>	
State-funded Home Delivered Meals program	\$ 25,000
Project Management Costs	177,273
Medicaid Waiver Home Delivered Meals	32,046
Title III, Part CI Congregate Meals	202,546
Title V Congregate Meals	11,499
Title III, Part CII Home Delivered Meals	175,092
Title XX Home Delivered Meals	377,911
United States Department of Agriculture Meals Paid	163,001
	<u>\$ 1,164,368</u>

<b>Administration and Management of Services for the Elderly</b>	
Aging Administration	\$ 101,111
Title IIIB Program Development	27,218
Title V Administration	29,281
Title XX Administration	56,833
	<u>\$ 214,443</u>



## Appendix F, Continued: ECPDD Grant Expenditures by Source and Type for FY 2001

### Other Social Programs for Adults

#### *For Elderly Adults:*

Title IIIB Transportation	\$ 156,563
Title IIIB Information and Referral	41,159
Title V Information and Referral	3,603
Title IIIB Outreach	57,883
Title V Outreach	8,781
Title IIIB Ombudsman	92,254
Title V Ombudsman	3,328
Title IIIB Legal	10,395
Heart and Hand	25,551
Medicaid Long-term Care Alternatives	77,573
Title IIIF Preventive Health	14,192
Title III, Part F Emergency Responses	398
Title III Elder Abuse	3,827

#### *For Adults:*

Centers for Medicare Services/Mississippi Insurance Counseling and Assistance Program	25,939
	<u>\$ 521,446</u>

<b>Total Grant Expenditures</b>	<b><u>\$ 7,020,026</u></b>
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SOURCE: Analysis of ECPDD internal financial statements and the Mississippi Department of Human Services *State Plan on Aging*

## Appendix G: ECPDD FY 2001 Revenues and Expenditures and Changes in Cash for All Funds

<b>Revenues:</b>	
Federal Grants	\$ 6,454,949
State Grants	444,681
Special Grants	25,551
City and County Contributions *	209,004
In Kind and Other Grant Match Revenues	308,651
Loan Program Interest and Other Related Revenues	216,216
Community Development Block Grant Contracts	186,821
Interest Income	86,443
Program Income	33,947
Reimbursement from Programs for Purchase of Equipment Used in Programs	32,194
Other	25,001
<b>Total Revenues</b>	<b>\$ 8,023,458</b>
<b>Expenditures:</b>	
Grant Expenditures	7,020,026
Contract Expenditures (primarily grant administration and management consulting for localities)	188,940
Capital Outlay for Office Building	507,148
Capital Outlay for Equipment	40,289
Loan Program Administrative Expenditures	19,565
Other	11,184
<b>Total Expenditures</b>	<b>\$ 7,787,152</b>
<b>Revenues Over Expenditures</b>	<b>\$ 236,306</b>
<b>Changes in Accounts:</b>	
Increases in Grant Funds Due from Grantors	\$ (257,542)
Increases in Other Accounts and Loans Receivable	(6,209)
Increases in Current Liabilities	115,218
Net Increase in Long-Term Debt in the Fixed Asset Fund	624,099
Refund of Loan Funds to Grantor	(40,796)
<b>Total Changes in Accounts</b>	<b>\$ 434,770</b>
<b>Increase in Cash in 2001</b>	<b>\$ 671,076</b>
Beginning Cash, September 30, 2000	\$ 2,154,325
Ending Cash, September 30, 2001	\$ 2,825,401

NOTE: \* Per ECPDD staff, the district requested and received total city and county contributions for FY 2001 of \$210,034. The difference of \$1,030 (\$210,034 less \$209,004) was actually received in another fiscal year.

SOURCE: PEER analysis of internal financial statements and external audits

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## Appendix H: Mississippi Code Language Giving the Audit Department Authority to Audit Planning and Development Districts

§ 7-7-211. Powers and duties of department.

The [Audit] department shall have the power and it shall be its duty:□

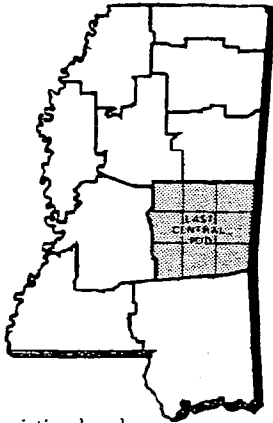
... (f) To postaudit and, when deemed necessary, preaudit and investigate the financial affairs of the levee boards; agencies created by the Legislature or by executive order of the Governor; profit or nonprofit business entities administering programs financed by funds flowing through the State Treasury or through any of the agencies of the state, or its subdivisions; and all other public bodies supported by funds derived in part or wholly from public funds, except municipalities which annually submit an audit prepared by a qualified certified public accountant using methods and procedures prescribed by the department;□

... (m) Upon written request by the Governor or any member of the state Legislature, the State Auditor may audit any state funds and/or state and federal funds received by any nonprofit corporation incorporated under the laws of this state.□

SOURCE: MISS. CODE ANN. Section 7-7-211 (1972).



# Agency Response



## EAST CENTRAL PLANNING & DEVELOPMENT DISTRICT

P. O. BOX 499 - NEWTON, MISSISSIPPI 39345 - PHONE 601-683-2007

MR. BILL RICHARDSON, Executive Director

"Assisting local  
units of Government"

### BOARD OF DIRECTORS

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Mr. Freddie Owens  
*Director at Large*

June 26, 2003

Dr. Max Arinder, Executive Director  
Joint Committee on Performance Evaluation and Expenditure Review  
P.O. Box 1204  
Jackson, Mississippi 39215-1204

Re: East Central Planning & Development District, Inc.  
Expenditure Review

Dear Dr. Arinder & Members of the Committee:

Recently the Joint Committee on Performance Evaluation and Expenditure Review (PEER) completed an expenditure review of East Central Planning & Development District, Inc. (ECPDD). As we anticipated, the PEER review demonstrated that ECPDD is fiscally sound and well-managed and provides a variety of essential services to citizens in the nine-county area encompassing ECPDD. ECPDD welcomes this opportunity to respond to the PEER review.

### PEER Recommendations

1. Amendment to Miss. Code Ann. §17-19-1 (1972)

PEER recommended that the legislature amend Miss. Code Ann. §17-19-1 to require that PDDs provide specific financial and programmatic information to the entities that appropriate money to the PDDs at the time the PDD makes its annual local contribution request.

Whether to amend the current legislation in order to mandate the types of information provided by PDDs is a legislative policy decision. From a policy standpoint, ECPDD sees no need for the legislature to create additional requirements for reasons including, but not limited to, the following:

- ▶ ECPDD currently provides any information requested by its member counties & municipalities that is appropriate and can be reasonably obtained. Copies of annual reports, financial audits, and other desired information have been and will continue to be provided by the District when requested. At annual membership meetings in each county, reports on activities within that county are given. Additionally, ECPDD works closely with its member counties & municipalities throughout the year. This close working relationship allows these governing authorities to know first hand the activities of ECPDD and what programs and services are being provided in their jurisdiction through ECPDD.
- ▶ The provision of certain information by locality as recommended by PEER would be impractical. The concept of PDDs as created by the local governments is that the PDDs are private, nonprofit, nonshare corporations created to promote regional economic development. As multi-jurisdictional organizations many of the services provided by the PDDs do not lend themselves to any “sub-regional” categorization. The amount of time and effort needed to compile such information at the county/municipality level each year would be extensive, and the usefulness of the data would not justify the burden of obtaining the information.
- ▶ While the concept of having regional organizations base funding requests on information accumulated at the sub-regional level (counties & municipalities) may have limited merit, the actual implementation of such a concept is highly problematic, unrealistic, and impractical. ECPDD is not aware of any entities which provide comprehensive services over a regional or statewide area that tie their collection of revenues and corresponding delivery of services to a sub-regional method, not even the State Legislature of Mississippi.
- ▶ It would be extremely difficult to accurately calculate the individual upcoming needs of each county & municipality because the exact needs are not known in advance. For example, unknown variables such as changes in federal/state funding levels throughout the year, new grants/programs, and shifting service needs within the local governing entities throughout the District would all have an effect on the amount of funds needed for and from each county/municipality
- ▶ Although local contributions are necessary and extremely important, they are strictly voluntary. ECPDD was voluntarily created by its member counties allowing them to pool their resources in support of economic and community development efforts. The appropriation of funds to ECPDD is at the discretion of its member counties & municipalities. Therefore, it is already within the purview of the counties & municipalities to request whatever information they determine appropriate when considering ECPDD’s request for local contributions. This determination is best done at the local level, and any legislative action mandating the types of information that the governing authorities must consider would take away the latitude that the counties & municipalities now possess in considering PDDs funding requests.

As such, ECPDD would oppose any legislative action which would amend Miss. Code Ann. §17-19-1 as recommended by PEER.

2. Local Contribution Request

PEER has suggested changes in the methodology employed by ECPDD to determine the contributions by each member local entity. In 2000, ECPDD's Board of Directors approved its current method for determining the contributions from each member county/municipality. That method took into account previous levels of funding and the population of each member local entity when calculating the approved increase in local contributions. The Executive Director and Fiscal Officer reported the need for additional funds and discussed this in detail with the Board of Directors. Among things considered were issues with cash flow, resources needed to establish/expand programs, and other pertinent items. After discussion the Board approved the increase, the first since 1990. ECPDD engages in an ongoing process of fiscal analysis and review which includes many of the factors suggested by PEER.

ECPDD will take under advisement the suggestions in methodology provided by PEER. However, the current method authorized by the Board of Directors is appropriate and working well, having been duly considered and determined to be valid, sound, and most reasonable. ECPDD would also like to acknowledge that in accordance with the PEER review report, local contributions made up only approximately 3% of a revenue budget in excess of 8 million dollars. This strongly demonstrates the high level of services that ECPDD is able to bring to its member counties & municipalities for the amount of local contributions received.

ECPDD wishes to thank the PEER staff for their courteous and cordial conduct during this review process and looks forward to continue providing essential services to local governments and needy citizens in its nine-county area in a fiscally sound and prudent manner.

Sincerely,



Bill Richardson  
Executive Director

BR:db





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Ted Booth, General Counsel

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