

**IMPERIAL CALCASIEU REGIONAL PLANNING &  
DEVELOPMENT COMMISSION**

**FINANCIAL REPORT**

**JUNE 30, 2021**

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION  
Lake Charles, Louisiana

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INDEPENDENT AUDITORS' REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions 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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Imperial Calcasieu Regional Planning and Development Commission as of June 30, 2021, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Imperial Calcasieu Regional Planning and Development Commission's basic financial statements. The introductory section and the statement of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the statement of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the statement of compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, on our consideration of the Imperial Calcasieu Regional Planning & Development Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to

report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Mr. Elroy Quirk o-Bunch*

Lake Charles, Louisiana  
December 16, 2021

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION

June 30, 2021

| ASSETS  | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| CURRENT ASSETS                                    |                                    |
| Cash and cash equivalents                         | \$ 165,101                         |
| Grants receivable                                 | 54,518                             |
| Prepaid expenditures                              | <u>2,173</u>                       |
| Total current assets                              | 221,792                            |
| NONCURRENT ASSETS                                 |                                    |
| Capital assets, net                               | <u>16,656</u>                      |
| Total assets                                      | <u>238,448</u>                     |
| LIABILITIES                                       |                                    |
| CURRENT LIABILITIES                               |                                    |
| Accrued expenditures                              | 68,662                             |
| NONCURRENT LIABILITIES                            |                                    |
| Leave payable                                     | <u>9,967</u>                       |
| Total liabilities                                 | <u>78,629</u>                      |
| DEFERRED INFLOWS OF RESOURCES                     |                                    |
| Unavailable MPO dues                              | <u>-</u>                           |
| NET POSITION                                      |                                    |
| Investment in capital assets, net of related debt | 16,656                             |
| Unrestricted                                      | <u>143,163</u>                     |
| Total net position                                | <u>\$ 159,819</u>                  |

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2021

| <u>Functions/Programs</u>            | <u>Expenses</u>       | <u>Charges<br/>for<br/>Services</u> | <u>Operating<br/>Grants<br/>and<br/>Contributions</u> | <u>Net<br/>Revenue<br/>(Expense)</u> |
|--------------------------------------|-----------------------|-------------------------------------|---|--------------------------------------|
| Planning and development             | \$ 183,044            | \$ 282,506                          | \$ -  | \$ 99,462                            |
| EDA programs                         | 349,168               | -                                   | 225,022   | (124,146)                            |
| FHWA programs                        | 247,688               | -                                   | 290,527   | 42,839                               |
| FTA programs                         | 89,859                | -                                   | 89,618  | (241)                                |
| FTA RT region program                | 15,566                | -                                   | 23,787  | 8,221                                |
| Safety program                       | 87,391                | -                                   | 138,030   | 50,639                               |
| <br>Total governmental<br>activities | <br><u>\$ 972,716</u> | <br><u>\$ 282,506</u>               | <br><u>\$ 766,984</u>                                 | <br><u>\$ 76,774</u>                 |
| <br>General revenues:                |                       |                                     |   |                                      |
| Interest                             |                       |                                     |   | \$ 130                               |
| Other income                         |                       |                                     |   | <u>1,370</u>                         |
|                                      |                       |                                     |   | <u>\$ 1,500</u>                      |
| <br>Change in net position           |                       |                                     |   | <br>\$ 78,274                        |
| <br>Net position- beginning of year  |                       |                                     |   | <br><u>81,545</u>                    |
| <br>Net position- end of year        |                       |                                     |   | <br><u>\$ 159,819</u>                |

The accompanying notes are an integral part of this statement.



IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

BALANCE SHEET - GENERAL FUND

June 30, 2021

ASSETS

|                           |                   |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 165,101        |
| Grants receivable         | 54,518            |
| Prepaid expenditures      | <u>2,173</u>      |
| Total assets              | <u>\$ 221,792</u> |

LIABILITIES

|                      |                  |
|----------------------|------------------|
| Accrued expenditures | <u>\$ 68,662</u> |
|----------------------|------------------|

DEFERRED INFLOWS OF RESOURCES

|                      |          |
|----------------------|----------|
| Unavailable MPO dues | <u>-</u> |
|----------------------|----------|

FUND BALANCES

|                                     |                |
|-------------------------------------|----------------|
| Nonspendable - prepaid expenditures | 2,173          |
| Unassigned fund balance             | <u>150,957</u> |
| Total fund balances                 | <u>153,130</u> |

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET

June 30, 2021

|  |                   |
|--|-------------------|
| Total governmental fund balances   | \$ 153,130        |
| Amounts reported for governmental activities in the statement of net position are different because:                     |                   |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | 16,656            |
| Balances for compensated absences are not reported in the fund   | <u>(9,967)</u>    |
| Net position of governmental activities  | <u>\$ 159,819</u> |

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GENERAL FUND  
Year Ended June 30, 2021

|                                       |                   |
|---------------------------------------|-------------------|
| REVENUES                              |                   |
| Federal and state grants              | \$ 766,984        |
| Dues                                  | 282,506           |
| Interest income                       | 130               |
| Other income                          | <u>1,370</u>      |
| Total revenues                        | <u>1,050,990</u>  |
| EXPENDITURES                          |                   |
| Current operations:                   |                   |
| Planning and development              | 194,699           |
| Economic development program          | 349,168           |
| FHWA program                          | 247,688           |
| FTA program                           | 89,859            |
| FTA RT program                        | 15,566            |
| Safety program                        | <u>87,391</u>     |
| Total expenditures                    | <u>984,371</u>    |
| Excess (deficiency) over expenditures | 66,619            |
| Fund balance - beginning of year      | <u>86,511</u>     |
| Fund balance - end of year            | <u>\$ 153,130</u> |

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2021

|  |                  |
|--|------------------|
| Net change in fund balances - total governmental funds   | \$ 66,619        |
| Amounts reported for governmental activities in the statement of activities are different because:   |                  |
| (Increase) in compensated absences balances is revenue in the governmental funds, but the obligation increases long-term liabilities in the statement of net position  | (1,586)          |
| 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 capital outlay exceeded depreciation in the current period. | <u>13,241</u>    |
| Change in net position of governmental activities  | <u>\$ 78,274</u> |

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

June 30, 2021

ASSETS

|             |                   |
|-------------|-------------------|
| Investments | <u>\$ 245,908</u> |
|-------------|-------------------|

LIABILITIES

|                                |                   |
|--------------------------------|-------------------|
| Deferred compensation benefits | <u>\$ 245,908</u> |
|--------------------------------|-------------------|

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
Year Ended June 30, 2021

|   |                       |
|---|-----------------------|
| ADDITIONS                                     |                       |
| Employee and employer contributions           | \$ 103,670            |
| Net appreciation in fair value of investments | <u>41,174</u>         |
| Total additions                               | 144,844               |
| <br>DEDUCTIONS                                | <br><u>42,024</u>     |
| <br>Change in net position                    | <br>102,820           |
| <br>Net position held in agency funds:        |                       |
| Beginning of year                             | <u>143,088</u>        |
| <br>End of year                               | <br><u>\$ 245,908</u> |

The accompanying notes are an integral part of this statement.



IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Note 1. Summary of Significant Accounting Policies

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 IMCAL conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies.

A. Financial Reporting 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 that 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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government.

The Statement of Net Position and the Statement of Activities report financial information for the Commission as a whole so that individual funds are not displayed. However, the Statement of Activities reports the expense of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

FUND FINANCIAL STATEMENTS

IMCAL segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. IMCAL has no proprietary activities.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

#### GOVERNMENTAL FUNDS

General Fund - The 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.

#### C. Measurement Focus and Basis of Accounting

Measurement focus refers to which transactions are recorded within various financial statements. Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds. The primary effect of internal activity (between or within funds) has been eliminated from the government-wide financial statements.

In the fund financial statements, governmental funds are accounted for using a financial resources measurement focus whereby only current assets and current liabilities generally are included on the balance sheet and increases or decreases in net current assets are presented in the operating statements. These funds utilize the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Certain revenues such as sales tax, property tax, and charges for services are assessed and collected in such a manner that they can be accrued appropriately. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on general long-term debt which are recognized when due. Also, expenditures for accrued compensated absences are not recognized until they are payable from current available financial resources.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund balances:

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 position:

Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - Net amount of the assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

E. Budgets and Budgetary Accounting

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 20, 2020 and was amended on December 9, 2021. The final amended budget is presented in these financial statements. Formal budgetary integration is employed as a management control device during the year.

Encumbrance accounting is not used.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits and certificates of deposit. IMCAL considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of deposit are stated at cost.

Louisiana State Statutes, as stipulated in R.S. 39:1271, authorize the IMCAL to invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

G. Prepaid Expenditures/Nonspendable-Prepaid Expenditures

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 is nonspendable for the prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditures.

H. Capital Assets and Depreciation

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 is 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 |

IMCAL has no infrastructure assets.

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition.

I. Accumulated Leave

For governmental fund types, the Commission's liability for accumulated unpaid annual leave has been recorded on the Statement of Net Position. 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.

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.

J. 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.



IMCAL maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. government, obligations issued or guaranteed by an agency established by the U.S. government, general obligation bonds of any state of the U.S., or of any Louisiana parish, municipality, or school district.

The deposits at June 30, 2021 are as follows:

|  | Demand Deposits   | Time Deposits    |
|--|-------------------|------------------|
| Carry amount   | \$ <u>144,629</u> | \$ <u>20,472</u> |
| Bank balances:   |                   |                  |
| a. Federally insured   | \$ 144,479        | \$ 20,472        |
| b. Collateralized by securities held by the pledging financial institution | -                 | -                |
| c. Uncollateralized and uninsured  | <u>-</u>          | <u>-</u>         |
|  | \$ <u>144,479</u> | \$ <u>20,472</u> |

Interest rate risk. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. State law limits investments to United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having a principal office in the State of Louisiana. Local governments in Louisiana are authorized to invest in LAMP. The Commission has no investment policy that would further limit its investment choices.

Concentration of credit risk. The Commission places no limit on the amount the Commission may invest in any one issuer.

Note 3. Receivables

Grants receivable at June 30, 2021, consisted of reimbursements for expenditures incurred under the following programs:

| <u>Program</u>     | <u>Amount</u>    |
|--------------------|------------------|
| EDA grant          | \$ 22,269        |
| FTA Regional grant | -                |
| FHWA grant         | 10,291           |
| FTA grant          | 5,740            |
| Safety grant       | 16,218           |
| REDRM EDA grant    | -                |
| Total              | <u>\$ 54,518</u> |

Management does not believe that there is a credit risk exposure in relation to any of the above receivables.

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

|                                       | <u>Balance</u><br><u>7/1/20</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u><br><u>6/30/21</u> |
|---------------------------------------|---------------------------------|------------------|------------------|----------------------------------|
| Computers, furniture<br>and equipment | \$ 18,338                       | \$ 14,623        | \$ -             | \$ 32,961                        |
| Accumulated<br>depreciation           | <u>(14,923)</u>                 | <u>(1,382)</u>   | <u>-</u>         | <u>(16,305)</u>                  |
| Capital assets, net                   | <u>\$ 3,415</u>                 | <u>\$ 13,241</u> | <u>\$ -</u>      | <u>\$ 16,656</u>                 |

The depreciation expense for the current year is \$1,382.

Note 5. 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, 2021:

|                                | <u>Balance</u><br><u>7/01/20</u> | <u>Principal</u> |                   | <u>Balance</u><br><u>6/30/21</u> |
|--------------------------------|----------------------------------|------------------|-------------------|----------------------------------|
|                                |                                  | <u>Additions</u> | <u>Reductions</u> |                                  |
| Accumulated unpaid<br>vacation | <u>\$ 8,381</u>                  | <u>\$ 4,873</u>  | <u>\$ 3,287</u>   | <u>\$ 9,967</u>                  |

Note 6. Fund Balance

In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Commission classifies governmental fund balances as follows:

Nonspendable:

Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted:

Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained or due to constitutional provisions or enabling legislation.

Committed:

Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority (the Commission Board) and does not lapse at year end. Formal action by the same authority is required to rescind such a commitment.

Assigned:

Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Executive Director.

Unassigned:

Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Commission uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Commission would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Commission does not have a formal minimum fund balance policy.

Note 7. 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.

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

|   |                   |
|---|-------------------|
| Federal and state grants:                                       |                   |
| Economic Development Administration (EDA)                       | \$ 225,022        |
| Federal Transportation Administration (FTA)                     | 113,405           |
| Federal Highway Administration (FHWA)                           | 290,527           |
| Regional Strategic Highway Safety Plan<br>Implementation (FHWA) | <u>138,030</u>    |
|   | <u>\$ 766,984</u> |

Note 8. Board of Directors' Compensation

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

Note 9. Lease Commitments

The Commission leases office space under operating leases expiring on July 31, 2023.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of 1 year as of June 30, 2021 for each of the next 5 years and in the aggregate are:

|                                     |                  |
|-------------------------------------|------------------|
| Year Ended June 30                  |                  |
| 2022                                | \$ 30,000        |
| 2023                                | 30,000           |
| 2024                                | 2,500            |
| 2025                                | -                |
| 2026                                | <u>-</u>         |
| Total minimum future rental payment | <u>\$ 62,500</u> |

Lease expense for the year ended June 30, 2021 amounted to \$27,500.

Note 10. Deferred Compensation

IMCAL offers employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code of 1986. The assets of the plan are held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with provisions of GASB Statement No. 32, plan balances and activities are not reflected in the financial statements.

Note 11. Fair Value

The Commission categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Commission had the following recurring fair value measurements as of June 30, 2021:

Fiduciary Activities

Investments reported at fair value on the Commission's Statement of Net Position - Fiduciary Funds consist of investments held by the Commission's 457 plan, described in Note 10, on behalf of its employees. The investments are not included on the Commission's basic financial statements and instead are shown on its fiduciary statements. The investments consist entirely of mutual funds which are traded on active markets and are considered level 1 investments.

| Investments by<br>Fair Value Level | 6/30/21           | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Units<br>(Level 3) |
|------------------------------------|-------------------|--|---|---|
| <b>Mutual funds:</b>               |                   |  |   |   |
| NCIT Indx 2025B                    | \$ 2,704          | \$ 2,704   | \$ -  | \$ -  |
| NCIT Indx 2035B                    | 89,559            | 89,559   | -   | -   |
| NCIT Indx 2050B                    | 4,005             | 4,005  | -   | -   |
| NCIT Indx 2055B                    | 3,308             | 3,308  | -   | -   |
| NCIT Indx 2060B                    | 475               | 475  | -   | -   |
| NW Inv Dest Mod Aggr Svc           | 74,042            | 74,042   | -   | -   |
| NW Inv Dest Mod Svc                | 71,634            | 71,634   | -   | -   |
| NW MDCAP MKT Indx A                | 65                | 65   | -   | -   |
| NW SMCAP Indx A                    | 63                | 63   | -   | -   |
| Nationwide Fixed Account           | 53                | 53   | -   | -   |
|                                    | <u>\$ 245,908</u> | <u>\$ 245,908</u>  | <u>\$ -</u>   | <u>\$ -</u>                                       |



Note 12. Contingent Liabilities and Commitments

The Commission does not have any pending litigation cases at June 30, 2021.

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 that 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. Subsequent Events

Subsequent events have been evaluated by management through December 16, 2021, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 Year Ended June 30, 2021

|   | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|---|--------------------|-------------------|-------------------|--|
| <b>REVENUES</b>   |                    |                   |                   |  |
| Grant income  | \$ 1,549,520       | \$ 779,520        | \$ 766,984        | \$ (12,536)                            |
| Dues  | 322,906            | 282,906           | 282,506           | (400)                                  |
| Other revenue   | 1,000              | 1,000             | 1,500             | 500                                    |
| Total revenues  | <u>1,873,426</u>   | <u>1,063,426</u>  | <u>1,050,990</u>  | <u>(12,436)</u>                        |
| <b>EXPENDITURES</b>                                     |                    |                   |                   |  |
| Personnel costs   | 1,300,000          | 730,000           | 730,176           | (176)                                  |
| Space rental  | 32,600             | 32,600            | 27,500            | 5,100                                  |
| Travel  | 20,000             | 20,000            | 6,953             | 13,047                                 |
| Equipment   | 34,000             | 34,000            | 283               | 33,717                                 |
| Phone/supplies/postage                                  | 15,000             | 15,000            | 5,643             | 9,357                                  |
| Insurance   | 10,000             | 10,000            | 10,727            | (727)                                  |
| Legal and professional                                  | 33,500             | 33,500            | 34,303            | (803)                                  |
| Other expenses  | 140,000            | 115,000           | 168,786           | (53,786)                               |
| Total expenditures                                      | <u>1,585,100</u>   | <u>990,100</u>    | <u>984,371</u>    | <u>5,729</u>                           |
| Excess (deficiency)<br>of revenues over<br>expenditures | 288,326            | 73,326            | 66,619            | (6,707)                                |
| Fund balance - beginning of<br>year                     | <u>86,511</u>      | <u>86,511</u>     | <u>86,511</u>     | <u>-</u>                               |
| Fund balance - end of year                              | <u>\$ 374,837</u>  | <u>\$ 159,837</u> | <u>\$ 153,130</u> | <u>\$ (6,707)</u>                      |

## OTHER SUPPLEMENTARY INFORMATION

- Schedule of Compensation, Benefits, and Other Payments to Agency Head

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
Year Ended June 30, 2021

Agency Head Name: Mike Hollier

The Officer herein is an Executive Officer and as such is an employee of the State of Louisiana. The payments are required to be disclosed per Act 706 for the fiscal year ended June 30, 2021, are as follows:

|                             |           |
|-----------------------------|-----------|
| Gross salary                | \$ 63,717 |
| Benefits - insurance        | -         |
| Benefits - retirement       | -         |
| Conference and seminar fees | -         |

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Imperial Calcasieu Regional Planning and Development Commission's basic financial statements and have issued our report thereon dated December 16, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. 2021-001 through 2021-002.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

#### **Imperial Calcasieu Regional Planning and Development Commission's Response to Findings**

The Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



This report is solely for the information and use of the members of the Imperial Calcasieu Regional Planning & Development Commission and the Legislative Auditor 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.

*Mr. Erroy Quirk - Bush*

Lake Charles, Louisiana  
December 16, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Commission's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2021. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the

standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Commission's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

#### Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over



compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the members of the Commission, management and federal awarding agencies and pass-through entities and the Louisiana Legislative Auditor 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.

*Mr. Elroy Quirk o Bush*

Lake Charles, Louisiana  
December 16, 2021

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

| <u>Grant Type</u>   | <u>Federal<br/>CFDA Number</u> | <u>Grant Number</u> | <u>Current<br/>Expenditures</u> |
|---|--------------------------------|---------------------|---------------------------------|
| U.S. Department of Commerce   |                                |                     |                                 |
| Direct Program:   |                                |                     |                                 |
| Economic Development Cluster:   |                                |                     |                                 |
| Economic Adjustment Assistance  | 11.307                         | 08-79-05245         | \$ 80,426                       |
| Economic Adjustment Assistance-CARES Act                                      | 11.307                         | ED20AUS3070064      | <u>75,531</u>                   |
| Total Economic Development Cluster  |                                |                     | 155,957                         |
| Economic Development Support for Planning<br>Organizations                    |                                |                     |                                 |
|   | 11.302                         | ED19AUS3020018      | <u>69,065</u>                   |
| Total U.S. Department of Commerce   |                                |                     | <u>225,022</u>                  |
| U.S. Department of Transportation   |                                |                     |                                 |
| Passed Through Louisiana Department of Transportation:                        |                                |                     |                                 |
| Highway Planning and Construction Cluster:                                    |                                |                     |                                 |
| Highway Planning and Construction   | 20.205                         | H.972382.1          | 290,527                         |
| Highway Planning and Construction   | 20,509                         | H.13660.1           | <u>138,030</u>                  |
| Total Highway Planning and Construction Cluster                               |                                |                     | <u>428,557</u>                  |
| Metropolitan Planning and State and Non-Metropolitan<br>Planning and Research |                                |                     |                                 |
|   | 20.505                         | U2760080.1721       | 89,618                          |
| Formula Grants for Rural Areas and Tribal Transit<br>Program                  |                                |                     |                                 |
|   | 20.509                         | U2760018.1911       | 17,045                          |
| Transit Services Programs Cluster:  |                                |                     |                                 |
| Enhanced Mobility of Seniors and Individuals with<br>Disabilities             | 20.513                         | U2760016.1922       | <u>6,742</u>                    |
| Total U.S. Department of Transportation                                       |                                |                     | <u>541,962</u>                  |
| Total Federal Expenditures  |                                |                     | <u>\$ 766,984</u>               |

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Note A. Scope of Audit

The audit was performed pursuant to the Single Audit Act of 1996 and the Uniform Guidance.

Summary of significant accounting policies:

The Schedule of Expenditures of Federal Awards has been prepared on the full accrual basis of accounting used by the Commission in preparation of the government wide financial statements that report these awards. The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with accounting principles generally accepted in the United States of America requires management to make certain assumptions that affect the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

Note B. Disbursements

Disbursements reported in the Schedule of Expenditures of Federal Awards cannot be traced, in every case, directly to the disbursements reported in the Commission's Financial Report. However, the detailed information regarding the disbursements reflected in both issued reports can be traced to the Commission's detailed general ledger with adjustments for any year-end financial statement accruals and reversals.

Note C. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Commission that were received directly from federal agencies or passed through other entities and governmental agencies.

The Commission has prepared this Schedule of Expenditures of Federal Awards to comply with the provisions of the Uniform Guidance. The Uniform Guidance stipulates that a Schedule of Expenditures of Federal Awards be prepared showing total expenditures of each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA) and for other federal financial awards that have not been assigned a catalog number.

Note D. Indirect Cost Rate

The Commission did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified  
Internal control over financial reporting:  
Material weakness identified?  Yes  No  
Significant deficiency identified not  
Considered to be material weakness?  Yes  None reported  
Noncompliance material to financial statements  
noted  Yes  No

Federal Awards

Internal control over major programs:  
Material weakness identified?  Yes  No  
Significant deficiency identified not  
Considered to be material weakness?  Yes  None reported

Type of auditor's report issued on compliance  
for major programs: Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with the Uniform  
Guidance?  Yes  No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 20.205                | Highway Planning and Construction Cluster |

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

(continued on next page)



IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

2021-001 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: Without proper segregation of duties, errors within the financial records or fraud could go undetected.

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.

Response: 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 that will include participation in the review of the monthly accounting data.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

(Continued)

2021-002 Controls over Financial Reporting

Finding: In our judgment, the Commission's accounting personnel and those charged with governance, in the course of their assigned duties, lack the resources to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles and to detect and correct a material misstatement, if present.

Criteria: Many small organizations rely on their auditor to generate the annual financial statements including footnotes. The auditor cannot be part of the system of internal control over financial reporting.

Effect: Material misstatements in financial statements could go undetected.

Recommendation: In our judgment, due to the lack of resources available to management to correct this material weakness in financial reporting, we recommend management mitigate this weakness by having a heightened awareness of all transactions being reported.

Response: We concur with the recommendation. Management has implemented supervision and review procedures to the extent possible.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021

SECTION IV- FINANCIAL STATEMENT FINDINGS

|          |                                      |  |
|----------|--------------------------------------|--|
| 2020-001 | Lack of segregation of duties        | Unresolved - See comment 2021-001<br>In Section II Financial Statement<br>Findings |
| 2020-002 | Controls over financial<br>reporting | Unresolved - See comment 2021-002<br>in Section II Financial Statement<br>Findings |

SECTION V - FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

No findings to report.