

Financial Report

*South Central Planning &
Development Commission, Inc.
Houma, Louisiana*

June 30, 2023



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June 30, 2023

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PRINCIPAL OFFICIALS

South Central Planning & Development Commission, Inc.

June 30, 2023

Officers

Jeff Naquin, Chairman
David Hanagriff, Vice-Chairman
Archie Chaisson, Secretary
Ellis Alexander, Treasurer

Assumption Parish
St. Mary Parish
Lafourche Parish
St. Charles Parish

Commissioners

Willie Reed
Mark Atzenhoffer
Jerry Jones
Matt Jewell
Marilyn Bellock
Beth Billings
C. "Bub" Millet
Pete Dufresne
Jaclyn Hotard
Dr. Henry Hardy (*passed away March 2023, seat vacant*)
Carl Monica
Leroy Mitchell (*passed away October 2017, seat vacant*)
Gordon Dove
Leroy Charles
Cohen Guidry
Billy Hebert
Michael Larussa
David Klingman
David Prevost
Arlanda Williams
Duval Arthur
Stephen Bourgeois
Eugene Foulcard
Joey Bouziga
Barry Plaisance
Patrick St. Pierre
Lee Dragna
Rodney Grogan
Kevin Clement
Ron Animashaun

Assumption Parish
Lafourche Parish
Lafourche Parish
St. Charles Parish
St. Charles Parish
St. Charles Parish
St. Charles Parish
St. James Parish
St. John the Baptist Parish
Terrebonne Parish
Commission of Berwick
Commission of Gramercy
Commission of Franklin
Commission of Golden Meadow
Commission of Lockport
Commission of Lucher
Commission of Morgan City
Commission of Patterson
Commission of Thibodaux
Village of Napoleonville

Chief Executive Officer

Kevin P. Belanger

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of South Central Planning & Development Commission, Inc. (the “Commission”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Commission as of June 30, 2023 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Loan Fund, and Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 14, the Schedule of the Commission's Proportionate Share of the Net Pension Liability on page 54 and the Schedule of Commission's Contributions on page 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an 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 inquires 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The listing of Principal Officials and the accompanying supplementary information on page 56 through 74 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule Expenditures of Federal Awards, on page 80 and 81 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* (Uniform Guidance) and is also not a required part the basic financial statements. The Combining Balance Sheets and Combining Statement of Revenues, Expenditures and Changes In Fund Balance - Loan Programs and Grant Programs, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The listing of Principal Officials 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 on our consideration of South Central Planning & Development Commission, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 22, 2023.

MANAGEMENT’S DISCUSSION AND ANALYSIS

South Central Planning & Development Commission, Inc.

June 30, 2023

The Chief Executive Officer and Chief Administrative Officer are responsible for the overview and analysis of the financial activities of South Central Planning & Development Commission, Inc. (the “Commission”) for the year ended June 30, 2023. The narrative provided is designed to introduce the financial highlights and offer an overview of our financial statements.

Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities, resulting changes and facts known to date. This narrative includes a government-wide financial analysis of revenues, expenses and changes in the net position. Further detail offers our readers a financial analysis of the Commission’s funds consisting of the governmental fund types and proprietary funds.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources as of June 30, 2023 by approximately \$42,270,000 (net position). As of June 30, 2023, net position included approximately \$35,336,000 of net position restricted to the loan program. Net investment in capital assets totaled approximately \$8,006,000 as of June 30, 2023. The remaining unrestricted net position of the Commission is approximately \$1,072,000 deficit.

The Commission’s total unrestricted net position includes the business-type activities being in a deficit net position of approximately \$1,499,000 as of June 30, 2023. The Commission’s unrestricted net position of governmental activities was approximately \$427,000 as of June 30, 2023.

The Commission’s governmental activities’ change in net position was an increase of approximately \$849,000 for the year ended June 30, 2023 and business-type activities was a decrease of approximately \$59,000 for the year ended June 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to South Central Planning & Development Commission, Inc.’s basic financial statements. South Central Planning & Development Commission, Inc.’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements

The government-wide financial statements, reported in Exhibits A and B, are designed to be similar to private-sector businesses in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. These statements combine governmental funds' current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a column for the business-type activities of the primary government.

The Statement of Net Position, reported in Exhibit A, presents information on all the Commission's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities, reported in Exhibit B, presents information showing how the government's net position changed during the most recent fiscal year. All changes in the assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, earned but unused vacation leave result in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities, which are provided by the government's general dues assessment and other revenues. This is intended to summarize information and simplify the user's analysis of costs of various governmental services and business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus of the fund financial statements is on major funds, rather than generic fund types. All funds of the Commission can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major fund presentation in Exhibits C through I is presented on a sources and uses of liquid resources basis. This is the manner in which the financial budget is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The Commission has four governmental funds and each is presented as major funds: General Fund, Loan Fund, Grant Fund, and the Capital Projects Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Proprietary Funds include enterprise funds on the fund financial statements illustrated in Exhibits J through L. Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The enterprise funds are presented as major funds - the Regional Building Code Fund and the Information Technology Fund.

While the business-type fund financial statements for the enterprise fund (See Exhibits J through L) is the same as the business-type column, the government-wide financial statement and the governmental funds total column requires a reconciliation because of the different measurement focus which is reflected on the page following each governmental fund statement (see Exhibits D and F). The flow of current financial resources reflects inter-fund transfers as other financial sources and uses as well as capital outlay expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements.

Capital Assets

General capital assets include buildings, furniture, fixtures and equipment and intangible assets that are used in operations and exceed the Commission's capitalization threshold, as explained in Note 1h) Exhibit M. Accumulated depreciation and amortization is recorded for the life span of the asset.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the financial statements and can be found in Exhibit M of this report.

Required Supplementary Information

The required supplementary information presented immediately following the notes to the financial statements in Exhibits N and O presents the Schedule of the Commission's Proportionate Share of Net Pension Liability and the Schedule of Commission's Contributions for the Municipal Employees Retirement System of Louisiana (MERS).

Supplementary Information

Schedules 1 through 4 of this report present the Combining Balance Sheet of loan and grant programs and Combining Statements of Revenues, Expenditures and Changes in Fund Balance for the various loan and grant programs. Schedule 5 presents a Schedule of Compensation, Benefits and Other Payments to the Commission's Agency Head or Chief Executive Officer.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Reports Required by Government Auditing Standards and the Uniform Guidance**

Also included in the report are special auditor reports on internal control over financial reporting, compliance and other matters, findings and schedules as required by *Government Auditing Standards* and *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Uniform Guidance requires a Schedule of Expenditures of Federal Awards. The Schedule of Expenditures of Federal Awards, Schedule 6, presents required information about the Commission's federally funded programs in a manner that can facilitate financial compliance analysis by agencies that have granted Federal money to the Commission.

Government-Wide Financial Analysis

The table below reflects the condensed Statement of Net Position as of June 30, 2023 with comparative figures from June 30, 2022:

**Condensed Statement of Net Position
(in thousands)**

	Governmental Activities		Business-Type Activities		Totals	
	For The Year Ended June 30,		For The Year Ended June 30,		For The Year Ended June 30,	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 38,361	\$ 36,852	\$ 27	\$ 339	\$ 38,388	\$ 37,191
Capital assets	4,911	4,713	3,095	2,683	8,006	7,396
Total assets	43,272	41,565	3,122	3,022	46,394	44,587
Deferred outflows of resources	1,441	753	986	589	2,427	1,342
Total assets and deferred outflows of resources	<u>\$ 44,713</u>	<u>\$ 42,318</u>	<u>\$ 4,108</u>	<u>\$ 3,611</u>	<u>\$ 48,821</u>	<u>\$ 45,929</u>
Long-term liabilities	\$ 3,056	\$ 1,542	\$ 2,115	\$ 1,215	\$ 5,171	\$ 2,757
Other liabilities	947	478	372	371	1,319	849
Total liabilities	4,003	2,020	2,487	1,586	6,490	3,606
Deferred inflows of resources	36	473	25	370	61	843
Total liabilities and deferred inflows of resources	4,039	2,493	2,512	1,956	6,551	4,449
Net assets:						
Net investment in capital assets	4,911	4,713	3,095	2,683	8,006	7,396
Restricted	35,336	34,433	-	-	35,336	34,433
Unrestricted (deficit)	427	679	(1,499)	(1,028)	(1,072)	(349)
Total net position	<u>40,674</u>	<u>39,825</u>	<u>1,596</u>	<u>1,655</u>	<u>42,270</u>	<u>41,480</u>
Total liabilities and net position	<u>\$ 44,713</u>	<u>\$ 42,318</u>	<u>\$ 4,108</u>	<u>\$ 3,611</u>	<u>\$ 48,821</u>	<u>\$ 45,929</u>

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Government-Wide Financial Analysis (Continued)**

The increase in current and other assets is primarily due to an increase in the amount due from other governments for the Restore Louisiana Small Business Loan Program. Additionally, an increase in capital assets resulted from the purchase of six vehicles for governmental activities and business activities capitalizing approximately \$820,000 of software development costs as intangible assets. Deferred outflows of resources increased and deferred inflows of resources decreased primarily due to accounting for the Commission's proportionate share of pension liability in MERS Plan B.

For more detailed information see Exhibit A, the Statement of Net Position.

Approximately 18.94% of the Commission's net position as of June 30, 2023, reflect the Commission's net investment in capital assets (buildings, furniture, fixtures, equipment and intangible assets), 83.73% is restricted for the loan program, and the unrestricted net position is a 2.67% deficit of total net position.

The table below provides a summary of the changes in net position for the year ended June 30, 2023, with comparative figures from June 30, 2022:

Condensed Statement of Changes in Net Position
(in Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	For The Year Ended June 30,		For The Year Ended June 30,		For The Year Ended June 30,	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 4,198	\$ 3,444	\$ 5,150	\$ 4,637	\$ 9,348	\$ 8,081
Operating grants and contributions	5,443	1,702	-	-	5,443	1,702
Capital grants and contributions	217	142	-	-	217	142
Recoveries of doubtful loans	54	404	-	-	54	404
General revenues:						
Dues assessment	148	149	-	-	148	149
Miscellaneous	717	922	4	3	721	925
Transfers	-	48	-	(48)	-	-
Total revenues	10,777	6,811	5,154	4,592	15,931	11,403
Expenses						
Economic development and assistance	9,928	7,275	5,213	4,310	15,141	11,585
Change in net position	849	(464)	(59)	282	790	(182)
Net Position						
Beginning net position	39,825	40,289	1,655	1,373	41,480	41,662
Ending net position	<u>\$ 40,674</u>	<u>\$ 39,825</u>	<u>\$ 1,596</u>	<u>\$ 1,655</u>	<u>\$ 42,270</u>	<u>\$ 41,480</u>

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Analysis (Continued)

The Commission's net position increased by approximately \$790,000 during the current fiscal year.

Governmental Activities net position increased approximately \$849,000, primarily due to the operating grant revenue received related to the Restore Louisiana Business Program and the Economic Development Administration CARES Revolving Loan Program.

Economic development expenses increased by approximately \$2,653,000 in 2023 due to increases in personal services due to an increase in staffing and an increase in other services and charges mostly resulting from increases in relending activity, interested participants for grant funds, and more loans meeting payoff and program requirements to receive a portion of their loan as a grant award. The Commission also recognized a decrease in provision for doubtful loans of approximately \$417,000.

Business-Type Activities net position decreased by approximately \$59,000, primarily due to a larger increase in operating expenses than charges for services in the Regional Building Code Fund. The current year's change in net position for the Information Technology Fund was an increase of approximately \$105,000, and the continuing operation of the Regional Building Code Fund resulted in a decrease to net position of approximately \$164,000.

Financial Analysis of the Commission's Funds

The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balance of the Commission's governmental funds as of June 30, 2023 was approximately \$37,415,000 as compared to \$36,492,000 as of June 30, 2022, an increase of approximately \$923,000. The increase in the governmental funds' fund balance is primarily due to an increase in cash and amounts due from other governments.

Revenues for the Commission's governmental funds for the year ended June 30, 2023 was approximately \$10,750,000. There are five funding categories: intergovernmental (55.66%), charges for services (39.05%), recoveries of doubtful loans (.50%), interest earned (4.03%) and miscellaneous (.76%). The Commission's governmental fund expenditures were approximately \$9,853,000 for the year ended June 30, 2023. There are seven categories of expenditures: personal services (53.76%), supplies and materials (3.89%), other services and charges (17.15%), repairs and maintenance (.53%), provision for doubtful loans (.01%), grant distributions (20.70%) and capital expenditures (3.96%).

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

Personal services increased by approximately \$1,448,000, provision for doubtful loans decreased by approximately \$417,000, and grant distributions increased by approximately \$1,020,000.

Fund Analysis

General Fund:

The General Fund is the chief operating fund of the Commission. At the end of the current fiscal year, the total fund balance of the General Fund was approximately \$1,931,000. Of this amount, approximately \$112,000 was non-spendable, approximately \$50,000 was assigned, and the remainder of fund balance, approximately \$1,769,000, is unassigned. During the current fiscal year, the fund balance of the Commission's General Fund, decreased by approximately \$35,000 (Exhibit E).

Loan Fund:

The Commission maintains twelve loan programs. The loan programs are federally funded. The expenditures consist of personal services (22.48%), supplies and materials (5.00%), other charges and services (21.42%) provisions for doubtful loans (.02%), grant distributions (48.83%) and capital expenditures (2.25%).

Capital Projects Fund:

There was no activity to the Capital Project Fund in the current year.

Grant Fund:

The Commission maintains 14 individual grant programs. These programs are generally reimbursed by federal/state grants. Expenditures in excess of the grants are covered by transfers from the General Fund.

Proprietary Funds:

The Commission's proprietary funds, the Regional Building Code Fund and the Information Technology Fund provide the same type of information found in the government-wide financial statements, but in more detail.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Fund Analysis (Continued)**

Proprietary Funds: (Continued)

Unrestricted net position of the Regional Building Code Fund as of June 30, 2023 amounted to a deficit of approximately \$357,000 (Exhibit J). This fund is used to account for revenues and expenses associated with the Commission's regional building inspection activities. This fund encompasses all assets associated with its operation. Net investment in capital assets, furniture, fixtures, equipment, and intangibles, at the end of the current fiscal year totaled approximately \$20,000 (Exhibit J). During the year ended June 30, 2023, the Regional Building Code Fund recognized a decrease in net position of approximately \$164,000 due to increases in personal services and other services and charges.

Unrestricted net position of the Information Technology Fund as of June 30, 2023 amounted to a deficit of approximately \$1,141,000 (Exhibit J). This fund is used to account for revenues and expenses associated with the Commission's informational technology activities. This fund encompasses all assets associated with its operation. Net investment in capital assets, furniture, fixtures, equipment and intangibles, at the end of the current fiscal year totaled approximately \$3,074,000 (Exhibit J). During the year ended June 30, 2023, the Information Technology Fund recognized an increase in net position of approximately \$105,000 due to an increase in charges for service.

Budgetary Highlights

Budgets are presented to the Board of Commissioners and adopted as required by Louisiana Revised Statutes. As needed budget adjustments are made to account for any significant deviation from beginning of the year projections. The major differences between the original General Fund budget and the final amended budget for revenues and expenditures was an increase of approximately \$453,000 in charges for services and a decrease of approximately \$273,000 in miscellaneous revenue. Other significant differences between the original and final General Fund budget was increases of approximately \$312,000 in personal services, \$202,000 in other services and charges, and \$157,000 in capital expenditures.

Budgets are also presented for the Commission's special revenue funds: the Loan Fund and Grant Fund. Differences in the original and final Loan Fund budget were increases in recoveries of doubtful loans, grant distributions, provision for doubtful loans, and in operating transfers in and out. The Grant Fund had decreases from the original budget to the final budget in intergovernmental revenue, personal services, and other services and charges.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Capital Asset and Long-Term Obligations**

The Commission's net investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to approximately \$8,005,000 (net of accumulated depreciation). This net investment in capital assets includes construction in progress, buildings, furniture, fixtures, equipment, and intangible assets as shown in the following table. This amount represents a net increase of approximately \$609,000 over last year. The increase was primarily for software development costs capitalized for approximately \$820,000 in business activities of the Information Technology Fund.

Capital Assets
(Net of depreciation)
(in Thousands)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Totals</u>	
	<u>Activities</u>		<u>Activities</u>		<u>For The Year Ended</u>	
	<u>For The Year Ended</u>		<u>For The Year Ended</u>		<u>For The Year Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>		<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Construction in progress	\$ 158	\$ 158	\$ -	\$ -	\$ 158	\$ 158
Buildings	4,221	4,325	-	-	4,221	4,325
Furniture, fixtures, and equipment	531	230	212	261	743	491
Intangibles	-	-	2,883	2,422	2,883	2,422
Totals	<u>\$4,910</u>	<u>\$4,713</u>	<u>\$3,095</u>	<u>\$2,683</u>	<u>\$8,005</u>	<u>\$7,396</u>

Additional information on the Commission's capital assets can be found in Note 5, Exhibit M of this report.

Long-term obligations of the Commission as of June 30, 2023 consisted of net pension liability and compensated absences.

The Commission awards permanent full-time employees paid vacation time that varies depending upon the years of service. Earned but unused vacation time vests with the employee and is paid upon termination. Accrued vacation time is accounted as a long-term obligation of the Commission. As of June 30, 2023 the Commission recognized approximately \$326,000 of accrued vacation, \$180,000 in governmental activities and \$146,000 in business-type activities, of accrued vacation pay.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Capital Asset and Long-Term Obligations (Continued)

Also, in the fiscal year ended June 30, 2015, the Commission implemented Governmental Accounting Standards Board Statement No. 68, “*Accounting and Financial Reporting for Pensions*”, which required recognition of the Commission’s proportionate share of the net pension liability of its pension plan, the Municipal Employees Retirement System of Louisiana (MERS). As of June 30, 2023 the Commission’s proportionate share of the net pension liability amounted to approximately \$4,845,000, \$2,876,000 and \$1,969,000 in governmental activities and business-type activities, respectively. During the year ended June 30, 2023, the Commission experienced an increase in its proportionate share of the net pension liability of approximately \$2,139,000, with \$1,357,000 of the increase in governmental activities.

Additional information on the Commission’s long-term debt can be found in Note 7, Exhibit M of this report.

Economic Factors and Next Year’s Budget and Rates

The Board of Commissioners and management considered many factors when setting the fiscal year 2024 budget. These factors include any unusual conditions, one time expenditures and increases in rates or fees that occurred during the 2023 fiscal year or that have already been announced for the 2024 fiscal year.

General Fund revenues for fiscal year 2024 are projected to be \$4,937,579 approximately \$154,000 more than the 2023 fiscal year revenues. Budgeted expenditures are expected to increase approximately \$7,000 in comparison to 2023 fiscal year expenditures because of increased salary and fringe.

Special Revenue Fund revenues are expected to increase by approximately \$31,629,000 in comparison to fiscal year 2023. Budgeted expenditures of Special Revenue Funds are expected to increase approximately \$9,152,000 compared to 2023. The Commission’s fund balance is budgeted with an increase of \$23,384,692, \$50,124 decrease to General Fund’s fund balance and \$23,434,816 increase to Special Revenue Funds fund balance.

Requests for Information

This financial report is designed to provide a general overview of the Commission’s finances for all those with an interest in the Commission’s finances. If you have any questions about this report or need additional financial information, contact South Central Planning & Development Commission, Inc., 5058 West Main Street, Houma, Louisiana 70360 or P.O. Box 1870, Gray, Louisiana 70359. General information relating to the Commission can be found at the Commission’s website www.scpdc.org.

STATEMENT OF NET POSITION**South Central Planning & Development Commission, Inc.**

June 30, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Cash and cash equivalents	\$ 11,511,130	\$ 438,654	\$ 11,949,784
Receivables:			
Economic loans	23,452,786	-	23,452,786
Miscellaneous	33,407	-	33,407
Due from other governmental units	2,268,752	464,003	2,732,755
Internal balances	935,420	(935,420)	-
Prepaid other	141,140	59,532	200,672
Deposits	19,296	-	19,296
Capital assets:			
Not subject to depreciation	157,878	-	157,878
Depreciable, net accumulated depreciation	4,752,637	212,005	4,964,642
Intangible assets, net accumulated amortization	-	2,882,801	2,882,801
Total assets	<u>43,272,446</u>	<u>3,121,575</u>	<u>46,394,021</u>
Deferred outflow of resources, pensions	<u>1,440,669</u>	<u>986,480</u>	<u>2,427,149</u>
Total assets and deferred outflow of resources	<u>44,713,115</u>	<u>4,108,055</u>	<u>48,821,170</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Accounts payable and accrued expenses	543,600	182,292	725,892
Unearned revenue	403,330	188,860	592,190
Non-current liabilities:			
Due within one year	150,346	122,031	272,377
Due after one year	<u>2,905,712</u>	<u>1,993,413</u>	<u>4,899,125</u>
Total liabilities	<u>4,002,988</u>	<u>2,486,596</u>	<u>6,489,584</u>
Deferred inflows of resources, pensions	<u>36,595</u>	<u>25,058</u>	<u>61,653</u>
Total liabilities and deferred inflow of resources	<u>4,039,583</u>	<u>2,511,654</u>	<u>6,551,237</u>
<u>NET POSITION</u>			
Net investment in capital assets	4,910,515	3,094,806	8,005,321
Restricted:			
Loan program	35,336,628	-	35,336,628
Unrestricted (deficit)	<u>426,389</u>	<u>(1,498,405)</u>	<u>(1,072,016)</u>
Total net position	<u>\$ 40,673,532</u>	<u>\$ 1,596,401</u>	<u>\$ 42,269,933</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	Program Revenue				Net (Expense) Revenue and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Recoveries of Doubtful Loans	Governmental Activities	Business- Type Activities	Totals
Economic development and assistance:								
Governmental activities:								
General and administration	\$ 4,898,403	\$ 3,773,102	\$ -	\$ 216,649	\$ -	\$ (908,652)	\$ -	\$ (908,652)
Loan program	3,630,915	-	4,531,533	-	53,439	954,057	-	954,057
Grant program	1,398,609	425,000	911,397	-	-	(62,212)	-	(62,212)
Total governmental activities:	<u>9,927,927</u>	<u>4,198,102</u>	<u>5,442,930</u>	<u>216,649</u>	<u>53,439</u>	<u>(16,807)</u>	<u>-</u>	<u>(16,807)</u>
Business-type activities:								
Regional building code	1,547,899	1,381,993	-	-	-	-	(165,906)	(165,906)
Information technology	3,664,953	3,767,798	-	-	-	-	102,845	102,845
Total business-type activities:	<u>5,212,852</u>	<u>5,149,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,061)</u>	<u>(63,061)</u>
Totals	<u>\$ 15,140,779</u>	<u>\$ 9,347,893</u>	<u>\$ 5,442,930</u>	<u>\$ 216,649</u>	<u>\$ 53,439</u>	<u>(16,807)</u>	<u>(63,061)</u>	<u>(79,868)</u>
General revenues:								
Dues assessment						147,915	-	147,915
Unrestricted investment earnings						4,029	4,151	8,180
Insurance proceeds						26,031	-	26,031
Miscellaneous						687,387	287	687,674
Total general revenues and transfers						<u>865,362</u>	<u>4,438</u>	<u>869,800</u>
Change in net position						848,555	(58,623)	789,932
Net position:								
Beginning of the year						<u>39,824,977</u>	<u>1,655,024</u>	<u>41,480,001</u>
End of the year						<u>\$ 40,673,532</u>	<u>\$ 1,596,401</u>	<u>\$ 42,269,933</u>
See notes to financial statements.								

**BALANCE SHEET -
GOVERNMENTAL FUNDS**

South Central Planning & Development Commission, Inc.

June 30, 2023

	General Fund	Loan Fund	Grant Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash	\$ 242,117	\$ 11,269,013	\$ -	\$ -	\$ 11,511,130
Receivables:					
Economic loans	-	23,452,786	-	-	23,452,786
Miscellaneous	30,965	2,442	-	-	33,407
Due from other governmental units	721,861	1,067,330	479,561	-	2,268,752
Due from other funds	2,105,141	798,893	-	69,093	2,973,127
Prepays	104,009	26,176	10,955	-	141,140
Deposits	7,769	11,527	-	-	19,296
	<u>\$ 3,211,862</u>	<u>\$ 36,628,167</u>	<u>\$ 490,516</u>	<u>\$ 69,093</u>	<u>\$ 40,399,638</u>
Total assets					
Liabilities					
Accounts payable and accrued expenditures	\$ 480,129	\$ 52,482	\$ 10,989	\$ -	\$ 543,600
Due to other funds	397,744	1,160,436	479,527	-	2,037,707
Unearned revenue	403,330	-	-	-	403,330
	<u>1,281,203</u>	<u>1,212,918</u>	<u>490,516</u>	<u>-</u>	<u>2,984,637</u>
Total liabilities					
Fund Balances					
Nonspendables	111,778	23,452,786	-	-	23,564,564
Restricted:					
Loans	-	11,962,463	-	-	11,962,463
Assigned:					
Capital projects	-	-	-	69,093	69,093
Subsequent years expenditures	50,124	-	-	-	50,124
Unassigned	1,768,757	-	-	-	1,768,757
	<u>1,930,659</u>	<u>35,415,249</u>	<u>-</u>	<u>69,093</u>	<u>37,415,001</u>
Total fund balances					
	<u>\$ 3,211,862</u>	<u>\$ 36,628,167</u>	<u>\$ 490,516</u>	<u>\$ 69,093</u>	<u>\$ 40,399,638</u>
Total liabilities and fund balances					

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

South Central Planning & Development Commission, Inc.

June 30, 2023

Fund Balances - Governmental Funds		\$ 37,415,001
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 governmental funds.		
Governmental capital assets	\$ 6,440,273	
Less accumulated depreciation	<u>(1,529,758)</u>	4,910,515
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
		1,440,669
Non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net pension liability	(2,876,075)	
Compensated absences payable	<u>(179,983)</u>	(3,056,058)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.		
		<u>(36,595)</u>
Net Position of Governmental Activities		<u><u>\$ 40,673,532</u></u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	General Fund	Loan Fund	Grant Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Intergovernmental	\$ 982,827	\$ 4,089,307	\$ 911,397	\$ -	\$ 5,983,531
Charges for services	3,773,102	-	425,000	-	4,198,102
Recoveries of doubtful loans	-	53,439	-	-	53,439
Interest earned	4,029	429,394	-	-	433,423
Miscellaneous	23,700	58,256	-	-	81,956
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	4,783,658	4,630,396	1,336,397	-	10,750,451
Expenditures					
Current:					
Economic development and assistance:					
Personal services	3,398,493	829,301	1,069,924	-	5,297,718
Supplies and materials	167,678	184,326	31,541	-	383,545
Other services and charges	649,108	790,190	250,824	-	1,690,122
Repairs and maintenance	52,219	-	-	-	52,219
Provision for doubtful loans	-	751	-	-	751
Grant distributions	237,007	1,801,447	-	-	2,038,454
Capital expenditures	264,305	82,987	43,373	-	390,665
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,768,810	3,689,002	1,395,662	-	9,853,474
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	14,848	941,394	(59,265)	-	896,977
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)					
Insurance proceeds	26,031	-	-	-	26,031
Operating transfers in	278,520	667,392	332,184	-	1,278,096
Operating transfers out	(354,437)	(650,740)	(272,919)	-	(1,278,096)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(49,886)	16,652	59,265	-	26,031
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(35,038)	958,046	-	-	923,008
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances					
Beginning of year	1,965,697	34,457,203	-	69,093	36,491,993
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
End of year	\$ 1,930,659	\$ 35,415,249	\$ -	\$ 69,093	\$ 37,415,001
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS OF
THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		\$ 923,008
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 390,665	
Depreciation expense	<u>(192,869)</u>	197,796
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Pension expense	(233,327)	
Increase in compensated absences	<u>(38,922)</u>	<u>(272,249)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 848,555</u></u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 307,915	\$ 354,415	\$ 982,827	\$ 628,412
Charges for services	3,335,877	3,789,368	3,773,102	(16,266)
Interest earned	285	4,180	4,029	(151)
Miscellaneous	322,700	49,830	23,700	(26,130)
Total revenues	<u>3,966,777</u>	<u>4,197,793</u>	<u>4,783,658</u>	<u>585,865</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	3,008,400	3,320,258	3,398,493	(78,235)
Supplies and materials	65,595	120,768	167,678	(46,910)
Other services and charges	531,900	733,815	649,108	84,707
Repairs and maintenance	47,000	58,805	52,219	6,586
Grant distributions	162,500	206,500	237,007	(30,507)
Capital expenditures	105,000	262,109	264,305	(2,196)
Total expenditures	<u>3,920,395</u>	<u>4,702,255</u>	<u>4,768,810</u>	<u>(66,555)</u>
Excess (deficiency) of revenues over expenditures	<u>46,382</u>	<u>(504,462)</u>	<u>14,848</u>	<u>519,310</u>
Other Financing Sources (Uses)				
Insurance proceeds	-	-	26,031	26,031
Operating transfers in	1,052,215	287,809	278,520	(9,289)
Operating transfers out	(151,205)	(372,937)	(354,437)	18,500
Total other financing sources (uses)	<u>901,010</u>	<u>(85,128)</u>	<u>(49,886)</u>	<u>35,242</u>
Net Change in Fund Balance	947,392	(589,590)	(35,038)	554,552
Fund Balance				
Beginning of year	<u>2,560,980</u>	<u>1,965,697</u>	<u>1,965,697</u>	<u>-</u>
End of year	<u>\$ 3,508,372</u>	<u>\$ 1,376,107</u>	<u>\$ 1,930,659</u>	<u>\$ 554,552</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
LOAN FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,268,945	\$ 3,990,105	\$ 4,089,307	\$ 99,202
Recoveries of doubtful loans	-	47,100	53,439	6,339
Charges for services	21,500	-	-	-
Interest earned	332,615	428,705	429,394	689
Miscellaneous	30,400	40,450	58,256	17,806
Total revenues	<u>1,653,460</u>	<u>4,506,360</u>	<u>4,630,396</u>	<u>124,036</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	260,400	831,310	829,301	2,009
Supplies and materials	750	139,105	184,326	(45,221)
Other services and charges	538,720	743,841	790,190	(46,349)
Grant distributions	-	1,174,000	1,801,447	(627,447)
Provision for doubtful loans	-	(62,845)	751	(63,596)
Capital expenditures	-	76,900	82,987	(6,087)
Total expenditures	<u>799,870</u>	<u>2,902,311</u>	<u>3,689,002</u>	<u>(786,691)</u>
Excess of revenues over expenditures	<u>853,590</u>	<u>1,604,049</u>	<u>941,394</u>	<u>(662,655)</u>
Other Financing Sources (uses)				
Operating transfers in	920,805	733,457	667,392	(66,065)
Operating transfers out	(1,768,550)	(856,310)	(650,740)	205,570
Total other financing sources (uses)	<u>(847,745)</u>	<u>(122,853)</u>	<u>16,652</u>	<u>139,505</u>
Net Change in Fund Balance	5,845	1,481,196	958,046	(523,150)
Fund Balance				
Beginning of year	<u>35,702,449</u>	<u>34,457,203</u>	<u>34,457,203</u>	<u>-</u>
End of year	<u>\$ 35,708,294</u>	<u>\$ 35,938,399</u>	<u>\$ 35,415,249</u>	<u>\$ (523,150)</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GRANT FUND**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,136,700	\$ 896,079	\$ 911,397	\$ 15,318
Charges for services	488,125	444,305	425,000	(19,305)
Total revenues	<u>1,624,825</u>	<u>1,340,384</u>	<u>1,336,397</u>	<u>(3,987)</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	1,120,570	1,067,367	1,069,924	(2,557)
Supplies and materials	8,800	13,281	31,541	(18,260)
Other services and charges	405,935	286,743	250,824	35,919
Repairs and maintenance	2,500	-	-	-
Capital expenditures	24,000	47,850	43,373	4,477
Total expenditures	<u>1,561,805</u>	<u>1,415,241</u>	<u>1,395,662</u>	<u>19,579</u>
Excess (deficiency) of revenues over expenditures	<u>63,020</u>	<u>(74,857)</u>	<u>(59,265)</u>	<u>15,592</u>
Other Financing Sources (Uses)				
Operating transfers in	130,645	336,530	332,184	(4,346)
Operating transfers out	(193,665)	(261,673)	(272,919)	(11,246)
Total other financing sources (uses)	<u>(63,020)</u>	<u>74,857</u>	<u>59,265</u>	<u>(15,592)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

South Central Planning & Development Commission, Inc.

June 30, 2023

	<u>Business-Type Activities Enterprise Funds</u>		<u>Totals</u>
	<u>Regional Building Code Fund</u>	<u>Information Technology Fund</u>	
ASSETS			
Current			
Cash and cash equivalents	\$ 159,834	\$ 278,820	\$ 438,654
Due from other governmental units	10,815	453,188	464,003
Prepaid insurance	15,570	9,304	24,874
Prepaid other	7,257	27,401	34,658
Total current assets	<u>193,476</u>	<u>768,713</u>	<u>962,189</u>
Capital Assets			
Furniture, fixtures, and equipment	408,544	712,705	1,121,249
Less accumulated depreciation	(388,081)	(521,163)	(909,244)
Intangible assets	342,198	4,602,564	4,944,762
Less accumulated amortization	(342,198)	(1,719,763)	(2,061,961)
Net capital assets	<u>20,463</u>	<u>3,074,343</u>	<u>3,094,806</u>
Total assets	<u>213,939</u>	<u>3,843,056</u>	<u>4,056,995</u>
Deferred Outflow of Resources, Pensions	<u>379,900</u>	<u>606,580</u>	<u>986,480</u>
Total assets and deferred outflows of resources	<u>593,839</u>	<u>4,449,636</u>	<u>5,043,475</u>
LIABILITIES			
Current			
Accounts payable and accrued expenses	45,450	136,842	182,292
Due to other funds	29,779	905,641	935,420
Compensated absences payable	71,722	50,309	122,031
Unearned revenue	-	188,860	188,860
Total payable from current assets	<u>146,951</u>	<u>1,281,652</u>	<u>1,428,603</u>
Noncurrent			
Compensated absences payable	15,705	8,351	24,056
Net pension liability	758,412	1,210,945	1,969,357
Total noncurrent liabilities	<u>774,117</u>	<u>1,219,296</u>	<u>1,993,413</u>
Total liabilities	<u>921,068</u>	<u>2,500,948</u>	<u>3,422,016</u>
Deferred Inflows of Resources, Pensions	<u>9,650</u>	<u>15,408</u>	<u>25,058</u>
Total liabilities and deferred inflows of resources	<u>930,718</u>	<u>2,516,356</u>	<u>3,447,074</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	20,463	3,074,343	3,094,806
Unrestricted (deficit)	<u>(357,342)</u>	<u>(1,141,063)</u>	<u>(1,498,405)</u>
Total net position (deficit)	<u>\$ (336,879)</u>	<u>\$ 1,933,280</u>	<u>\$ 1,596,401</u>

See notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	Business-Type Activities Enterprise Funds		Totals
	Regional Building Code Fund	Information Technology Fund	
Operating Revenues			
Charges for services	\$ 1,381,993	\$ 3,767,798	\$ 5,149,791
Operating Expenses			
Personal services	1,351,681	2,254,275	3,605,956
Supplies and materials	18,367	27,144	45,511
Other services and charges	155,653	934,469	1,090,122
Repairs and maintenance	9,290	-	9,290
Depreciation and amortization expense	12,908	449,065	461,973
Total operating expenses	1,547,899	3,664,953	5,212,852
Operating income (loss)	(165,906)	102,845	(63,061)
Nonoperating Revenues			
Investment income	2,237	1,914	4,151
Miscellaneous	-	287	287
Total nonoperating revenues	2,237	2,201	4,438
Change in Net Position	(163,669)	105,046	(58,623)
Net Position (Deficit)			
Beginning of year	(173,210)	1,828,234	1,655,024
End of year	\$ (336,879)	\$ 1,933,280	\$ 1,596,401

See notes to financial statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	<u>Business-Type Activities Enterprise Funds</u>		
	<u>Regional Building Code Fund</u>	<u>Information Technology Fund</u>	<u>Totals</u>
Cash Flows Provided by Operating Activities			
Cash received from customers and users	\$ 1,373,179	\$ 3,758,502	\$ 5,131,681
Cash payments to suppliers	(176,111)	(498,161)	(674,272)
Cash payments to employees for services and benefits	(1,283,576)	(2,203,325)	(3,486,901)
Net cash (used in) provided by operating activities	(86,508)	1,057,016	970,508
Cash Flow Used in Capital Financing Activities			
Acquisition and development of capital assets	(2,285)	(871,489)	(873,774)
Cash Flows Provided by Investing Activities			
Investment income	2,237	1,914	4,151
Net Increase (Decrease) in Cash and Cash Equivalents	(86,556)	187,441	100,885
Cash and Cash Equivalents			
Beginning of year	246,390	91,379	337,769
End of year	<u>\$ 159,834</u>	<u>\$ 278,820</u>	<u>\$ 438,654</u>

	Business-Type Activities Enterprise Funds		
	Regional Building Code Fund	Information Technology Fund	Totals
Reconciliation of Operating Income to Net			
Cash provided by Operating Activities:			
Operating income (loss)	\$ (165,906)	\$ 102,845	\$ (63,061)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation and amortization	12,908	449,065	461,973
Pension expense	18,055	21,193	39,248
Miscellaneous income	-	287	287
(Increase) decrease in assets:			
Due from other governmental units	(8,814)	(17,109)	(25,923)
Prepaid expenses	449	(10,472)	(10,023)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	5,248	26,489	31,737
Due to other funds	6,880	442,742	449,622
Compensated absences	44,672	34,450	79,122
Unearned revenue	-	7,526	7,526
	79,398	954,171	1,033,569
Net cash (used in) provided by operating activities	\$ (86,508)	\$ 1,057,016	\$ 970,508

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**South Central Planning & Development Commission, Inc.**

June 30, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the South Central Planning & Development Commission, Inc. (the "Commission") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to special districts as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

a) Reporting Entity

The Commission was created under enabling legislation of the State of Louisiana and incorporated under the provisions of Louisiana Revised Statutes 12:201 et., seq., as amended in 1968; provided, however, that its activities shall be consistent with the powers, duties, rights and liabilities as may be deemed necessary or proper to accomplish the purposes of a regional planning or an economic development district and are for charitable, educational and scientific research purposes.

The Commission although governed by a Board of Commissioners who are directly appointed by the governing bodies of the municipalities and parishes, of which it serves, is considered a separate governmental entity because it is substantially autonomous.

GASB No. 14, "*The Financial Reporting Entity*", GASB No. 39, "*Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*", and GASB No. 61, "*The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*" established the criterion for determining which component units should be considered part of the Commission for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Commission and the potential component unit.
4. Imposition of will by the Commission on the potential component unit.
5. Financial benefit/burden relationship between the Commission and the potential component unit.

The Commission has reviewed all of its activity and determined that there are no potential component units, and the basic financial statements include all the fund types of the entity.

b) Basis of Presentation

The Commission's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the Commission and the governmental and proprietary fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Commission. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs, which normally are financed through intergovernmental revenues and other nonexchange revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special programs. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Dues and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The focus of the fund financial statement is on major funds. The daily accounts and operations of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the Commission are grouped, into generic fund types and broad fund categories as follows:

Governmental activities presented as governmental funds in the fund financial statements:

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for and reported all financial resources except those that are required to be accounted for and reported in another fund. The General Fund is always a major fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed to expenditures for specified purposes. Special revenue funds reported as major funds in the fund financial statements are as follows:

Loan Fund - used to account for and report receipts and uses of grant funds received from various federal agencies which are restricted to uses specified as economic development loans and grants as specified in grant documents.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Grant Fund - used to account for and report the receipts and disbursements of Federal and State grant programs as services are performed.

Capital Projects Fund - used to account for and report the financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by the Proprietary Funds). The Capital Projects Fund is reported as a major fund.

Business activities presented as proprietary funds in the fund financial statements:

Enterprise Funds - are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements, the enterprise funds reported as a major fund in the fund financial statements are as follows:

Regional Building Code Fund - accounts for and reports the providing of construction plan approval and inspection services to the residents of the participating municipalities and parishes in which the Commission serves. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing and collection.

Information Technology Fund - accounts for and reports the design, development, maintenance and marketing of computer software used by local governmental organizations. All activities necessary to provide such services are accounted for in this fund including but not limited to design, software configuration, software interfaces, coding, testing, training and software maintenance.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds include the cost of services, administrative expenses, depreciation of capital assets, and amortization of intangible assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

c) Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

The government-wide financial statements are reported 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.

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements (Continued)

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Member assessments are recognized as revenues in the period for which they are assessed. Grant and contract revenues are recognized when earned since they are measurable and available. Interest earned and other miscellaneous revenues are recorded as revenues when received in cash by the Commission because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which are recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place.

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Budgets and Budgetary Accounting

The Commission under the terms of its charter, adopts an annual budget. This budget is for the General Fund and special revenue funds. Special revenue funds, which as of June 30, 2023 consisted of various government and government agency projects, are budgeted on a project by project basis as funding becomes available. The General Fund and special revenue funds budgets were amended during the year to reflect changes in budgeted revenues, expenditures and operating transfers as dictated by the circumstances.

Budgets for carryover grants and projects, which are to be performed over more than one accounting period, are reflected only to the extent they affect the current period being reported on. Budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

Major funds are included in the budget presentations in the basic financial statements. The budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America (GAAP).

The Capital Projects Fund present project budgets as opposed to annual budgets and are not reported in the accompanying financial statements.

f) Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in regular and money market accounts.

For purposes of the Statement of Cash Flows, cash and cash equivalents include certificates of deposit with maturities of three months or less when purchased.

g) Accounts and Loans Receivable

The financial statements of the Commission contain no allowance for uncollectible accounts receivable. Uncollectible amounts due for member assessments, contract revenues and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Miscellaneous accounts receivable and amounts due from other governments in excess of 60 days comprise the accounts receivable allowance for uncollectibles. These amounts are not considered to be material in relation to the financial position or operations of the funds of the Commission.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Accounts and Loans Receivable (Continued)

Economic loans are shown net of an allowance for loan losses. Additions to the allowance for loan losses are recognized as expenditures in the governmental fund financial statements at the time information becomes available which would indicate the loan is less than fully collectible. As of June 30, 2023, the loan loss reserve amounted to \$482,155, which is a decrease of \$390,615 including loan write-offs of \$373,494 for the year ended June 30, 2023.

h) Capital Assets

Capital assets, which include buildings, furniture, fixtures, equipment and intangible assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets purchased, acquired or developed with an original cost of \$1,000 or more. Such assets are recorded at historical costs or estimated historical cost if actual is unavailable.

Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

As described above, capital assets also include the historical cost of intangible assets. As of June 30, 2023 the Commission's intangible assets consist of computer software costs purchased and developed internally. For purposes of identifying capitalizable computer software costs, the Commission has classified activities into (1) preliminary stage, (2) application development stage, and (3) post-implementation/operation stage. Costs incurred during the application development stage are capitalized, while costs incurred during preliminary and post-implantation/operational stages are expensed as incurred.

Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Furniture, fixtures, and equipment	4 - 25 years
Intangible assets	10 years

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Non-Current Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The non-current liabilities consist of certificates of indebtedness, accumulated annual leave and net pension liability.

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the governmental fund financial statements. In the proprietary fund financial statements non-current liabilities are reported as liabilities.

The Commission's policies regarding vacation and sick leave permit employees to accumulate earned but unused vacation. The liability for these compensated absences is recorded as liabilities in the government-wide statements and the proprietary fund type fund statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

j) Compensated Absences

All full-time, permanent employees of the Commission receive two weeks of vacation which accrues at a rate of 3.08 hours per pay period beginning with the first day of full-time, permanent employment. After five years of service employees will receive three weeks of vacation at a rate of 4.62 hours per pay period and will receive an additional day of vacation per year of service after ten years of continuous employment. Vacation cannot be used for the first three months of full-time, permanent employment. Employees may carry over a maximum of 100 hours, 150 hours if employed five years or longer, 200 hours if employed ten years or longer, 250 hours if employed fifteen years or longer, of vacation from one fiscal year to another. Any time in excess of the carryover limits must be approved by the Chief Executive Officer before the end of the fiscal year or the excess time will be lost without compensation. Vacation is paid when an employee terminates service with the Commission.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Compensated Absences (Continued)

All full-time, permanent employees of the Commission earn sick leave at the rate of one day per month or 3.69 hours per pay period. No limits on this accrual privilege have been established. Sick leave can be accumulated but does not vest and, therefore, a provision has not been made for sick leave.

k) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System of Louisiana (MERS) and additions to/deductions from MERS fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments of MERS are reported at fair value.

l) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

m) Interfund Transactions

In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be paid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Indirect Cost Plan

The Commission maintains an indirect cost plan for the allocation of costs that are incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited through June 30, 2023. These indirect costs are allocated based on direct salaries incurred by each fund benefiting from the indirect costs.

o) Fund Equity

Government-Wide Statements:

Equity is classified as net position and displayed in three components:

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 that are attributable to the acquisition, construction or improvement of those assets, if any.

Restricted net position - Consists of assets less liabilities (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Fund Equity (Continued)

Fund Financial Statements: (Continued)

- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Commission's Board of Directors. Commitments may be established, modified, or rescinded only through resolutions approved by the Commission's Board of Directors.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but that are intended to be used for specific purposes. Assigned amounts may be established, modified or rescinded by majority vote of the Board of Directors or by the Chief Executive Officer.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the Commission considers an expenditure to be made from the most restrictive first when more than one classification is available. The Commission's fund balance was classified as non-spendable, restricted, assigned and unassigned as of June 30, 2023.

p) New GASB Statements

During the year ending June 30, 2023, the Commission implemented the following GASB Statements:

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties;

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (Continued)

(2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement did not affect the Commission's financial statements.

Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement did not affect the Commission's financial statements.

The GASB has issued the following statements which will become effective in future years as shown below:

Statement No. 99, "*Omnibus 2022*" provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of the Statement on the financial statements.

Statement No. 100, "*Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*" provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (Continued)

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

q) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 22, 2023, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 12,122,313	\$ 11,949,684

Note 2 - DEPOSITS (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Commission’s deposits may not be returned to it. The Commission has a written policy for custodial credit risk which follows state law. As of June 30, 2023, \$11,872,313 of the Commission’s bank balance of \$12,122,313 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent and are deemed to be in the Commission’s name by state law.

As of June 30, 2023, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Commission. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits as shown on the Statement of Net Position is as follows:

Cash on hand	\$ 100
Carrying amount of deposits	<u>11,949,684</u>
Total cash	<u><u>\$11,949,784</u></u>

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

As of June 30, 2023 due from other governmental units consisted of the following:

Agency	Governmental Activities	Business- Type Activities	Totals
LED Restore LA Ida	\$ 571,186	\$ -	\$ 571,186
LED Restore LA Laura Delta	419,487	-	419,487
East Baton Rouge DOD - P&ID	382,467	-	382,467
LA Dept. of Transportation and Development	125,951	-	125,951
U.S. Environmental Protection Agency, Region 6	103,833	-	103,833
Louisiana Division of Historic Preservation	71,146	-	71,146
Louisiana Office of Community Development	68,638	-	68,638
Terrebonne Parish Consolidated Government	55,753	-	55,753
East Baton Rouge Expedited Plan Review Services	54,604	-	54,604
Houston Airport-Transit	-	49,950	49,950
Bayou Terrebonne Estuary Foundation Bayou Folshe Watershed	44,273	-	44,273
Pensacola, Florida	-	35,820	35,820
East Baton Rouge Department of Defense Natural Resources District	35,621	-	35,621
Governor's Office of Homeland Security Emergency Preparedness	35,417	-	35,417
Louisiana Department of Wildlife & Fisheries	33,249	-	33,249
East Baton Rouge, Louisiana	-	30,210	30,210
RBPMA Task Force	30,000	-	30,000
U.S. Economic Development Administration	28,823	-	28,823
LA Department of Transportation and Development	27,867	-	27,867
St Tammany GPS	-	24,270	24,270
Other governmental units	180,437	323,753	504,190
Totals	<u>\$ 2,268,752</u>	<u>\$ 464,003</u>	<u>\$ 2,732,755</u>

As of June 30, 2023, governmental activities included \$33,945 of unbilled general receivables, \$992,635 of unbilled loan receivables, and \$162,149 of unbilled grant receivables reported in the General Fund, Loan Fund and Grant Fund. There were no unbilled receivables from business activities as of June 30, 2023.

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables consist of the following as of June 30, 2023:

Individual Funds	Interfund Receivables	Interfund Payables
General Funds	\$2,105,141	\$ 397,744
Special Revenue Fund:		
Loan Fund	798,893	1,160,436
Grant Fund	-	479,527
Capital Projects Fund	69,093	-
Enterprise Funds:		
Building Code Fund	-	29,779
Information Technology Fund	-	905,641
Totals	\$2,973,127	\$2,973,127

The balances above resulted from the time lag between the dates the (1) interfund goods and services are provided, or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
<u>Governmental Activities:</u>				
Capital assets not subject to depreciation:				
Construction in progress	\$ 157,878	\$ -	\$ -	\$ 157,878
Capital assets being depreciated:				
Buildings	5,155,628	-	-	5,155,628
Furniture, fixtures, and equipment	736,102	390,665	-	1,126,767
Total capital assets being depreciated	5,891,730	390,665	-	6,282,395
Less accumulated depreciation for:				
Buildings	(831,080)	(103,264)	-	(934,344)
Furniture, fixtures, and equipment	(505,809)	(89,605)	-	(595,414)
Total accumulated depreciation	(1,336,889)	(192,869)	-	(1,529,758)
Total governmental activities capital assets, net	<u>\$ 4,712,719</u>	<u>\$ 197,796</u>	<u>\$ -</u>	<u>\$ 4,910,515</u>
<u>Business-Type Activities:</u>				
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 1,067,332	\$ 53,917	\$ -	\$ 1,121,249
Intangible assets	4,124,905	819,857	-	4,944,762
Total capital assets being depreciated	5,192,237	873,774	-	6,066,011
Less accumulated depreciation for:				
Furniture, fixtures, and equipment	(805,897)	(103,347)	-	(909,244)
Intangible assets	(1,703,335)	(358,626)	-	(2,061,961)
Total accumulated depreciation	(2,509,232)	(461,973)	-	(2,971,205)
Total business-type activities capital assets, net	<u>\$ 2,683,005</u>	<u>\$ 411,801</u>	<u>\$ -</u>	<u>\$ 3,094,806</u>

During 2023, the Commission recognized \$192,869 of depreciation and amortization expense in governmental activities and reported it in the general economic development and assistance.

Note 6 - ACCOUNTS PAYABLE

As of June 30, 2023, the Commission had accounts payable reported in the Governmental Activities of \$543,600 and \$182,292 in Business-type Activities. The General Fund pays all Capital Projects Fund, Loan Fund and Grant Fund expenditures therefore the table below also reports the incurred charges in the Capital Projects Fund, Loan Fund and Grant Fund.

	<u>Personal Services</u>	<u>Vendors</u>	<u>Totals</u>
Governmental Activities:			
General Fund	\$255,704	\$224,425	\$480,129
Loan Fund	-	52,482	52,482
Grant Fund	-	10,989	10,989
Capital Projects Fund	-	-	-
	<u>255,704</u>	<u>287,896</u>	<u>543,600</u>
Business-Type Activities:			
Regional Building Code Fund	44,475	975	45,450
Information Technology Fund	76,328	60,514	136,842
	<u>120,803</u>	<u>61,489</u>	<u>182,292</u>
Totals	<u><u>\$376,507</u></u>	<u><u>\$349,385</u></u>	<u><u>\$725,892</u></u>

Note 7 - NON-CURRENT LIABILITIES

Non-current liabilities as of June 30, 2023 consisted of accumulated annual leave (vacation pay) amounts vested with employees, and net pension liability. The following is a summary of changes in the non-current liabilities of the Commission for the year ended June 30, 2023:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities					
Net pension liability	\$ 1,518,629	\$ 1,357,446	\$ -	\$ 2,876,075	\$ -
Compensated absences	141,061	38,922	-	179,983	150,346
Business-Type Activities					
Net pension liability	1,187,620	781,737	-	1,969,357	-
Compensated absences	66,965	79,122	-	146,087	122,031
Totals	<u><u>\$2,914,275</u></u>	<u><u>\$2,257,227</u></u>	<u><u>\$ -</u></u>	<u><u>\$5,171,502</u></u>	<u><u>\$272,377</u></u>

Note 7 - NON-CURRENT LIABILITIES (Continued)

Funding of accumulated annual leave is to be provided from revenues of various funds, except when disallowed by grant program, at the time paid. Accumulated annual leave disallowed by grant programs is paid by the General Fund. Funding of the net pension liability is provided by the fund that incurs the related payroll. Funding of the payments for the certificates of indebtedness is to be provided by the General Fund.

Note 8 - UNEARNED REVENUES

Unearned revenues are reported in the governmental and business-type activities. In the General Fund unearned revenue represents advances on governmental grants as of June 30, 2023. While unearned revenues reported in the Information Technology Fund represents advance payments from customers for the use of software. For the year ended June 30, 2023 the unearned revenue activity consisted of the following:

	General Fund	Information Technology Fund
Balance June 30, 2022	\$ 162,544	\$ 181,334
Advances	240,786	7,526
Balance June 30, 2023	\$ 403,330	\$ 188,860

Note 9 - RECONCILIATION OF TRANSFERS

A reconciliation of operating transfers for the year ended June 30, 2023 is as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund:		
General Fund	\$ 5,601	\$ 5,601
Loan Fund	-	16,652
Grant Fund	272,919	332,184
Totals	278,520	354,437
Loan Fund:		
General Fund	16,652	-
Loan Fund	650,740	650,740
Totals	667,392	650,740
Grant Fund:		
General Fund	332,184	272,919
Grand totals	\$ 1,278,096	\$ 1,278,096

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 10 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 11 - PENSION PLAN

Plan Description. The Commission contributes to the Municipal Employees Retirement System of Louisiana - Plan B (the "System"), a cost-sharing, multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system, and which elect to become members of the System. The Municipal Employees Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Benefits Provided. The System provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.0% of the member's monthly average final compensation multiplied by the years of creditable service. Members hired before January 1, 2013 can retire providing the member meets one of the following criteria: any age with thirty years of creditable service, age sixty with a minimum of ten or more years of creditable service, any age with ten years of creditable service eligible for disability benefits, or survivor's benefits requiring five years of creditable service at death of the member. Members hired on or after January 1, 2013 may retire providing the member meets one of the following: age sixty-seven with seven or more years of creditable service, age sixty-two with ten or more years of creditable service, age fifty-five with thirty or more years of creditable service, or any age with twenty-five years of creditable service, exclusive of military service and unused annual sick leave. However, any member retiring under the final listed criteria shall have the benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section if the member had continued in service to that age. The State Legislature authorized the System to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During participation in DROP, employer contributions continue but employee contributions cease. Upon termination of employment or the end of the specified DROP period, a participant may receive at their option a lump sum equal to the payments in their account or an annuity based upon the account balance. The election to participate in DROP is irrevocable once participation begins and monthly retirement benefits are paid in an interest earning DROP fund. Members with ten or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

Note 11 - PENSION PLAN (Continued)

Contributions. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the employer contribution rate was 15.50%.

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Contributions to the System from the Commission were \$848,001 for the year ended June 30, 2023.

Pension Liabilities. As of June 30, 2023, the Commission reported a liability of \$4,845,432 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2022, the Commission's proportion was 5.5188%, which was a decrease of 0.868% from its proportion measured as of June 30, 2021.

Pension Expense. For the year ended June 30, 2023, the Commission recognized pension expense of \$1,120,576.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (61,653)
Net difference between projected and actual earnings on pension plan investments	891,118	-
Changes in proportion share	636,215	-
Change in assumptions	51,815	-
Commission contributions subsequent to the measurement date	848,001	-
	\$ 2,427,149	\$ (61,653)

Note 11 - PENSION PLAN (Continued)

The Commission reported \$848,001 as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>For The Year Ended June 30th,</u>	<u>Amount</u>
2024	\$ 639,731
2025	382,012
2026	96,070
2027	<u>399,682</u>
Total	<u>\$ 1,517,495</u>

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions Expected	
Remaining Service Lives	3 years
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation.
Salary Increases, Including Inflation and Merit Increases:	
1 to 4 years of service	7.4%
More than 4 years of service	4.9%
Mortality Rates	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Note 11 - PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.60% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 6.95% for the year ended June 30, 2022. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2022 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	53.00%	2.31%
Public fixed income	38.00%	1.65%
Alternatives	9.00%	0.39%
Totals	100.00%	4.35%
Inflation		2.60%
Expected Arithmetic Nominal Rate		6.95%

Discount Rate. The discount rate used to measure the collective pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Retirement System's Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents the Commission's proportionate share of the collective net pension liability using the discount rate of 6.85%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85%) or one percentage-point higher (7.85%) than the current rate are on the next page:

Note 11 - PENSION PLAN (Continued)

	1.00% Decrease (5.85%)	Current Discount Rate (6.85%)	1.00% Increase (7.85%)
* Commission's proportionate share of the net pension liability	\$ 6,605,246	\$ 4,845,432	\$ 3,357,049

Pension Plan Fiduciary Net Position. The Municipal Employees Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2022. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

Note 12 - COMPENSATION OF COMMISSIONERS

Commissioners for South Central Planning & Development Commission, Inc. received no compensation during the year ended June 30, 2023.

Note 13 - CONTINGENCIES

The Commission received funding under grants from various federal and state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE COMMISSION'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**

South Central Planning & Development Commission, Inc.

For the eight years ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commission's proportion of the net pension liability	<u>5.519%</u>	<u>4.672%</u>	<u>3.840%</u>	<u>3.434%</u>	<u>3.652%</u>	<u>3.735%</u>	<u>4.066%</u>	<u>3.724%</u>
Commission's proportionate share of the net pension liability	<u>\$ 4,845,432</u>	<u>\$ 2,706,249</u>	<u>\$ 3,480,130</u>	<u>\$ 3,003,896</u>	<u>\$ 3,088,624</u>	<u>\$ 3,231,975</u>	<u>\$ 3,370,838</u>	<u>\$ 2,531,092</u>
Commission's covered-employee payroll	<u>\$ 4,436,934</u>	<u>\$ 3,590,165</u>	<u>\$ 2,976,072</u>	<u>\$ 2,624,983</u>	<u>\$ 2,706,103</u>	<u>\$ 2,772,614</u>	<u>\$ 2,987,763</u>	<u>\$ 2,584,039</u>
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>109.21%</u>	<u>75.38%</u>	<u>116.94%</u>	<u>114.43%</u>	<u>114.14%</u>	<u>116.57%</u>	<u>112.82%</u>	<u>97.95%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>69.56%</u>	<u>79.14%</u>	<u>66.26%</u>	<u>66.14%</u>	<u>63.49%</u>	<u>63.49%</u>	<u>63.34%</u>	<u>68.71%</u>

The schedule is provided prospectively beginning with the Commission's fiscal year ended June 30, 2016, and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF COMMISSION CONTRIBUTIONS

South Central Planning & Development Commission Inc.

For the eight years ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 848,001	\$ 687,725	\$ 556,476	\$ 416,651	\$ 367,498	\$ 358,559	\$ 304,987	\$ 283,837
Contributions in relation to the contractually required contribution	<u>(848,001)</u>	<u>(687,725)</u>	<u>(556,476)</u>	<u>(416,651)</u>	<u>(367,498)</u>	<u>(358,559)</u>	<u>(304,987)</u>	<u>(283,837)</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Commission's covered payroll	<u>\$ 5,470,978</u>	<u>\$ 4,436,934</u>	<u>\$ 3,590,165</u>	<u>\$ 2,976,072</u>	<u>\$ 2,624,983</u>	<u>\$ 2,706,103</u>	<u>\$ 2,772,614</u>	<u>\$ 2,987,763</u>
Contributions as a percentage of covered-employee payroll	<u>15.50%</u>	<u>15.50%</u>	<u>15.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.25%</u>	<u>11.00%</u>	<u>9.50%</u>

The schedule is provided prospectively beginning with the Commission's fiscal year ended June 30, 2016, and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION SECTION

LOAN PROGRAMS

EPA Brownfield Revolving Loan Program - accounts for and report receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

Economic Development Administration Revolving Loan Program - accounts for and reports receipts and uses of grant funds received from the United States Department of Commerce (Economic Development Administration) to operate a revolving loan program.

Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Program - accounts for and reports receipts and uses of Phase I of Louisiana Department of Economic Development grant funds for the disbursement of Community Development Block Grants provided by the United States Department of Housing and Urban Development.

Louisiana Economic Development Revolving Capital Program - accounts for and reports receipts and uses of Louisiana Department of Economic Development grant funds for the disbursement of Community Development Block Grants provided by United States Department of Housing and Urban Development.

Louisiana Economic Development Innovation Loan Program - accounts for and report receipts and uses of Louisiana Department of Economic Development grant funds which is provided from the United States Department of Housing and Urban Development, funds are restricted to uses specified in the grant documents.

Louisiana Economic Innovation Revolving Capital Program - accounts for and reports receipts and uses of Louisiana Department of Economic Development grant funds for the disbursement of Community Development Block Grants provided by the United States Department of Housing and Urban Development to operate a revolving loan program.

Louisiana Economic Development District #4 Revolving Capital Program - accounts for and reports receipts and uses of Louisiana Department of Economic Development grant funds for the disbursement of Community Development Block Grants provided by United States Department of Housing and Urban Development.

St. John the Baptist Grant & Loan Program - accounts for and reports receipts and uses of Louisiana Department of Economic Development disaster recovery grant funds which provided from the United States Department of Housing and Urban Development to operate a revolving loan program.

St. John the Baptist Revolving Loan Fund - accounts for and reports receipts and uses of paybacks of the St. John the Baptist Grant & Loan Program funds as recommended by St. John the Baptist officials.

LOAN PROGRAMS

(Continued)

Restore Louisiana Small Business Program - accounts for and reports receipts and uses of Restore Louisiana Small Business grant funds for the disbursement of Community Development Block Grants provided by the United States Department of Housing and Urban Development.

Restore Louisiana Small Business Revolving Loan Program - accounts for and reports receipts and uses of Restore Louisiana Small Business grant funds for the disbursement of Community Development Block Grants provided by the United States Department of Housing and Urban Development.

Economic Development Administration CARES Revolving Loan Program - accounts for and reports receipts and uses of grant funds received from the United States Department of Commerce (Economic Development Administration) to operate a CARES revolving loan program.

**COMBINING BALANCE SHEET -
LOAN PROGRAMS**

South Central Planning & Development Commission, Inc.

June 30, 2023

	EPA Brownfield Revolving Loan Program	Economic Development Administration Revolving Loan Program	Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Program	Louisiana Economic Development Revolving Capital Program	Louisiana Economic Innovation Loan Program	Louisiana Economic Innovation Revolving Capital Program
Assets						
Cash	\$ 877,422	\$ 184,911	\$ -	\$ 277,422	\$ 27,151	\$ 443,191
Receivables:						
Economic loans	868,421	1,849,028	-	3,671,819	204,558	1,498,222
Miscellaneous	-	-	-	-	-	-
Due from other governments	65,334	-	-	-	-	-
Due from other funds	-	-	-	658,553	-	134,377
Prepays other	658	-	-	-	-	-
Deposits	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets and other debits	<u>\$ 1,811,835</u>	<u>\$ 2,033,939</u>	<u>\$ -</u>	<u>\$ 4,607,794</u>	<u>\$ 231,709</u>	<u>\$ 2,075,790</u>
Liabilities						
Accounts payable and accrued expenditures	\$ 213	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>18,460</u>	<u>21,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>18,673</u>	<u>21,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance						
Nonspendable	868,421	1,849,028	-	3,671,819	204,558	1,498,222
Restricted	<u>924,741</u>	<u>163,337</u>	<u>-</u>	<u>935,975</u>	<u>27,151</u>	<u>577,568</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>1,793,162</u>	<u>2,012,365</u>	<u>-</u>	<u>4,607,794</u>	<u>231,709</u>	<u>2,075,790</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 1,811,835</u>	<u>\$ 2,033,939</u>	<u>\$ -</u>	<u>\$ 4,607,794</u>	<u>\$ 231,709</u>	<u>\$ 2,075,790</u>

Louisiana Economic Development District #4 Revolving Capital Program	St. John the Baptist Grant and Loan Program	St. John the Baptist Revolving Loan Program Fund	Restore Louisiana Small Business Program	Restore Louisiana Small Business Revolving Loan Program	Economic Development Administration CARES Revolving Loan Program	Total Loan Fund
\$ 33	\$ 565,866	\$ 93,941	\$ 6,750,940	\$ 1,761,300	\$ 286,836	\$ 11,269,013
-	15,384	131,745	6,920,545	3,859,086	4,433,978	23,452,786
-	-	-	-	-	2,442	2,442
-	-	-	990,673	-	11,323	1,067,330
-	-	-	-	1,963	4,000	798,893
2	-	-	25,516	-	-	26,176
-	-	-	11,527	-	-	11,527
<u>\$ 35</u>	<u>\$ 581,250</u>	<u>\$ 225,686</u>	<u>\$ 14,699,201</u>	<u>\$ 5,622,349</u>	<u>\$ 4,738,579</u>	<u>\$ 36,628,167</u>
\$ -	\$ -	\$ -	\$ 52,269	\$ -	\$ -	\$ 52,482
-	-	-	1,106,534	-	13,868	1,160,436
-	-	-	1,158,803	-	13,868	1,212,918
-	15,384	131,745	6,920,545	3,859,086	4,433,978	23,452,786
35	565,866	93,941	6,619,853	1,763,263	290,733	11,962,463
35	581,250	225,686	13,540,398	5,622,349	4,724,711	35,415,249
<u>\$ 35</u>	<u>\$ 581,250</u>	<u>\$ 225,686</u>	<u>\$ 14,699,201</u>	<u>\$ 5,622,349</u>	<u>\$ 4,738,579</u>	<u>\$ 36,628,167</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - LOAN PROGRAMS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	EPA Brownfield Revolving Loan Program	Economic Development Administration Revolving Loan Program	Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Program	Louisiana Economic Development Revolving Capital Program	Louisiana Economic Innovation Loan Program
Revenues					
Intergovernmental	\$ 169,364	\$ -	\$ -	\$ -	\$ -
Recoveries of doubtful loans	-	-	-	12,018	-
Interest earned	31,728	37,316	-	157,404	12,204
Miscellaneous	20,807	5,832	-	8,552	1,919
	<u>221,899</u>	<u>43,148</u>	<u>-</u>	<u>177,974</u>	<u>14,123</u>
Total revenues					
Expenditures					
Current:					
Economic development and assistance:					
Personal services	76,837	-	-	-	-
Supplies and materials	165	-	-	-	-
Other services and charges	43,091	21,573	1	157,163	-
Grant distributions	-	-	-	-	-
Provision for doubtful loans	-	-	-	-	-
Capital expenditures	-	-	-	-	-
	<u>120,093</u>	<u>21,573</u>	<u>1</u>	<u>157,163</u>	<u>-</u>
Total expenditures					
Excess of revenues over expenditures	101,806	21,575	(1)	20,811	14,123
Other Financing Sources (Uses)					
Operating transfers in	15,760	-	-	-	-
Operating transfers out	-	-	-	-	(28,850)
	<u>15,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,850)</u>
Total other financing sources (uses)					
Net Change in Fund Balance	117,566	21,575	(1)	20,811	(14,727)
Fund Balance					
Beginning of year	1,675,596	1,990,790	1	4,586,983	246,436
End of year	<u>\$ 1,793,162</u>	<u>\$ 2,012,365</u>	<u>\$ -</u>	<u>\$ 4,607,794</u>	<u>\$ 231,709</u>

Louisiana Economic Innovation Revolving Capital Program	Louisiana Economic Development District #4 Revolving Capital Program	St. John the Baptist Grant and Loan Program	St. John the Baptist Revolving Program Fund	Restore Louisiana Business Program	Restore Louisiana Small Business Revolving Loan Program	Economic Development Administration CARES Revolving Loan Program	Total Loan Fund
\$ -	\$ -	\$ -	\$ -	\$ 990,590	\$ -	\$ 2,929,353	\$ 4,089,307
-	-	7,908	-	33,513	-	-	53,439
27,618	8	10,732	-	31,978	117,573	2,833	429,394
3,705	-	662	257	4,821	11,701	-	58,256
<u>31,323</u>	<u>8</u>	<u>19,302</u>	<u>257</u>	<u>1,060,902</u>	<u>129,274</u>	<u>2,932,186</u>	<u>4,630,396</u>
-	-	-	-	615,279	-	137,185	829,301
-	-	-	-	183,532	-	629	184,326
60,932	-	10,165	9,604	481,659	-	6,002	790,190
-	-	-	-	1,801,447	-	-	1,801,447
-	-	-	-	751	-	-	751
-	-	-	-	78,138	-	4,849	82,987
<u>60,932</u>	<u>-</u>	<u>10,165</u>	<u>9,604</u>	<u>3,160,806</u>	<u>-</u>	<u>148,665</u>	<u>3,689,002</u>
<u>(29,609)</u>	<u>8</u>	<u>9,137</u>	<u>(9,347)</u>	<u>(2,099,904)</u>	<u>129,274</u>	<u>2,783,521</u>	<u>941,394</u>
28,850	-	-	-	-	621,890	892	667,392
-	-	-	-	(621,890)	-	-	(650,740)
<u>28,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(621,890)</u>	<u>621,890</u>	<u>892</u>	<u>16,652</u>
(759)	8	9,137	(9,347)	(2,721,794)	751,164	2,784,413	958,046
<u>2,076,549</u>	<u>27</u>	<u>572,113</u>	<u>235,033</u>	<u>16,262,192</u>	<u>4,871,185</u>	<u>1,940,298</u>	<u>34,457,203</u>
<u>\$ 2,075,790</u>	<u>\$ 35</u>	<u>\$ 581,250</u>	<u>\$ 225,686</u>	<u>\$ 13,540,398</u>	<u>\$ 5,622,349</u>	<u>\$ 4,724,711</u>	<u>\$ 35,415,249</u>

GRANT PROGRAMS

Economic Development Administration Grant Program - accounts for and reports receipts and uses of grant funds received from the United States Department of Commerce (Economic Development Administration) which are restricted to uses as specified in the grant documents.

MPO Transit Planning Services Grant Program - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development Public Transportation Section, which are restricted to uses as specified in the contract documents.

MPO Highway Services Grant Program - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development, which are restricted to uses as specified in the contract documents.

Delta Regional Authority Grant Program - accounts for and reports receipts and uses of grant funds received from Delta Regional Authority.

EPA River Region Wastewater Grant Program - accounts for and reports receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to those uses as specified in the contract documents.

Louisiana Wildlife and Fisheries Survey Assistance Grant Program - accounts for and reports receipts and uses of grant funds received from the State of Louisiana Department of Wildlife and Fisheries which are restricted to uses specified in the grant documents.

Louisiana Wildlife and Fisheries Equipment Grant - accounts for and reports receipts and uses of grant funds received from the State of Louisiana Department of Wildlife and Fisheries which are restricted to uses specified in the grant documents.

DOTD Regional Highway Safety Plan Program - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development, which are restricted to uses as specified in the contract documents.

Regional Human Services Transportation Plan - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development, which are restricted to uses as specified in the contract documents.

DOTD Travel Demand Management Program - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development, which are restricted to uses as specified in the contract documents.

GRANT PROGRAMS
(Continued)

DOTD South Central Bicycle Ped Safety Plan - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Department of Transportation and Development Public Transportation Section, which are restricted to uses as specified in the contract documents.

Louisiana Office of Community Development - Regional Capacity Building Program - Watershed Initiative - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Office of Community Development, provided by the United States Department of Housing and Urban Development.

Historic Preservation Hurricanes Recovery Program - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Department of Culture, Recreation, and Tourism, Office of Cultural Development, Division of Historic Preservation which are restricted to uses as specified in the contract documents.

BOR LUMCON BTNEP Home Sewage Assistance Program - accounts for and reports receipts and uses of grant funds received from the State of Louisiana, Louisiana Board of Regents for its Louisiana Universities Marine Consortium Program, for its Barataria-Terrebonne National Estuary Program which are restricted to uses as specified in the contract documents.

COMBINING BALANCE SHEET -
GRANT PROGRAMS

South Central Planning & Development Commission, Inc.

June 30, 2023

	<u>Economic Development Administration Grant Program</u>	<u>MPO Transit Planning Services Grant Program</u>	<u>MPO Highway Services Grant Program</u>
Assets			
Cash	\$ -	\$ -	\$ -
Due from other governments	17,500	6,287	205,608
Due from other funds	-	-	-
Prepaid other	<u>2,650</u>	<u>-</u>	<u>7,150</u>
Total assets	<u>\$ 20,150</u>	<u>\$ 6,287</u>	<u>\$ 212,758</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 7,270	\$ -	\$ 1,270
Unearned revenue	-	-	-
Due to other funds	<u>12,880</u>	<u>6,287</u>	<u>211,488</u>
Total liabilities	20,150	6,287	212,758
Fund Balance			
Nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 20,150</u>	<u>\$ 6,287</u>	<u>\$ 212,758</u>

**Schedule 3
(Continued)**

	<u>Delta Regional Authority Grant Program</u>	<u>EPA River Region Waste Water Grant Program</u>	<u>Louisiana Wildlife and Fisheries Survey Assistance Grant Program</u>
Assets			
Cash	\$ -	\$ -	\$ -
Due from other governments	-	5,692	33,249
Due from other funds	-	-	-
Prepaid other	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ -</u>	<u>\$ 5,692</u>	<u>\$ 33,249</u>
Liabilities			
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 302
Unearned revenue	-	-	-
Due to other funds	-	5,692	32,947
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	-	5,692	33,249
Fund Balance			
Nonspendable	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 5,692</u>	<u>\$ 33,249</u>

**Schedule 3
(Continued)**

	<u>DOTD Travel Demand Management Program</u>	<u>DOTD South Central Regional Bicycle/Ped Safety Plan</u>	<u>Louisiana Office of Community Development - Regional Capacity Building Program</u>
Assets			
Cash	\$ -	\$ -	\$ -
Due from other governments	1,339	4,297	68,638
Due from other funds	-	-	-
Prepaid other	-	-	113
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,339</u>	<u>\$ 4,297</u>	<u>\$ 68,751</u>
Liabilities			
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 894
Unearned revenue	-	-	-
Due to other funds	1,339	4,297	67,857
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,339	4,297	68,751
Fund Balance			
Nonspendable	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 1,339</u>	<u>\$ 4,297</u>	<u>\$ 68,751</u>

	<u>Historic Preservation Hurricanes Recovery Program</u>	<u>BOR Lumcon BTNEP Home Sewage Assistance Program</u>	<u>Total Grant Fund</u>
Assets			
Cash	\$ -	\$ -	\$ -
Due from other governments	71,146	38,499	479,561
Due from other funds	-	-	-
Prepaid other	-	-	10,955
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 71,146</u>	<u>\$ 38,499</u>	<u>\$ 490,516</u>
Liabilities			
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 10,989
Unearned revenue	-	-	-
Due to other funds	71,146	38,499	479,527
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	71,146	38,499	490,516
Fund Balance			
Nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 71,146</u>	<u>\$ 38,499</u>	<u>\$ 490,516</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GRANT PROGRAMS**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

	Economic Development Administration Grant Program	MPO Transit Planning Services Grant Program	MPO Highway Services Grant Program
Revenues			
Intergovernmental	\$ 70,004	\$ 20,074	\$ 426,003
Charges for services	-	-	-
Total revenues	70,004	20,074	426,003
Expenditures			
Current:			
Economic development and assistance:			
Personal services	344,686	14,681	268,022
Supplies and materials	5,598	-	22,477
Other services and charges	34,403	579	45,673
Repairs and maintenance	-	-	-
Capital expenditures	-	-	29,398
Total expenditures	384,687	15,260	365,570
Excess (deficiency) of revenues over expenditures	(314,683)	4,814	60,433
Other Financing Sources (Uses)			
Operating transfers in	314,683	-	-
Operating transfers out	-	(4,814)	(60,433)
Total other financing sources (uses)	314,683	(4,814)	(60,433)
Net Change in Fund Balance	-	-	-
Fund Balance			
Beginning of year	-	-	-
End of year	\$ -	\$ -	\$ -

	<u>Delta Regional Authority Grant Program</u>	<u>EPA River Region Waste Water Grant Program</u>	<u>Louisiana Wildlife and Fisheries Survey Assistance Grant Program</u>
Revenues			
Intergovernmental	\$ 12,000	\$ -	\$ -
Charges for services	-	-	408,411
Total revenues	<u>12,000</u>	<u>-</u>	<u>408,411</u>
Expenditures			
Current:			
Economic development and assistance:			
Personal services	24,707	-	235,771
Supplies and materials	56	-	3,082
Other services and charges	2,110	-	19,117
Repairs and maintenance	-	-	-
Capital expenditures	-	-	2,845
Total expenditures	<u>26,873</u>	<u>-</u>	<u>260,815</u>
Excess (deficiency) of revenues over expenditures	<u>(14,873)</u>	<u>-</u>	<u>147,596</u>
Other Financing Sources (Uses)			
Operating transfers in	14,873	-	-
Operating transfers out	-	-	(147,596)
Total other financing sources (uses)	<u>14,873</u>	<u>-</u>	<u>(147,596)</u>
Net Change in Fund Balance	-	-	-
Fund Balance			
Beginning of year	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Louisiana Wildlife and Fisheries Equipment Reimbursement Grant</u>	<u>DOTD Regional Highway Safety</u>	<u>Regional Human Services Transportation Plan</u>
Revenues			
Intergovernmental	\$ -	\$ 124,525	\$ 8,189
Charges for services	<u>1,803</u>	<u>14,786</u>	<u>-</u>
Total revenues	<u>1,803</u>	<u>139,311</u>	<u>8,189</u>
Expenditures			
Current:			
Economic development and assistance:			
Personal services	1,620	86,568	7,205
Supplies and materials	-	190	20
Other services and charges	-	16,588	763
Repairs and maintenance	-	-	-
Capital expenditures	<u>-</u>	<u>11,130</u>	<u>-</u>
Total expenditures	<u>1,620</u>	<u>114,476</u>	<u>7,988</u>
Excess (deficiency) of revenues over expenditures	<u>183</u>	<u>24,835</u>	<u>201</u>
Other Financing Sources (Uses)			
Operating transfers in	-	-	-
Operating transfers out	<u>(183)</u>	<u>(24,835)</u>	<u>(201)</u>
Total other financing sources (uses)	<u>(183)</u>	<u>(24,835)</u>	<u>(201)</u>
Net Change in Fund Balance	-	-	-
Fund Balance			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

	<u>DOTD Travel Demand Management Program</u>	<u>DOTD South Central Regional Bicycle/Ped Safety Plan</u>	<u>Louisiana Office of Community Development - Regional Capacity Building Program</u>
Revenues			
Intergovernmental	\$ 7,028	\$ 4,296	\$ 68,622
Charges for services	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>7,028</u>	<u>4,296</u>	<u>68,622</u>
Expenditures			
Current:			
Economic development and assistance:			
Personal services	5,452	4,039	64,160
Supplies and materials	-	90	-
Other services and charges	194	167	7,090
Repairs and maintenance	-	-	-
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,646</u>	<u>4,296</u>	<u>71,250</u>
Excess (deficiency) of revenues over expenditures	<u>1,382</u>	<u>-</u>	<u>(2,628)</u>
Other Financing Sources (Uses)			
Operating transfers in	-	-	2,628
Operating transfers out	<u>(1,382)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,382)</u>	<u>-</u>	<u>2,628</u>
Net Change in Fund Balance	-	-	-
Fund Balance			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Historic Preservation Hurricanes Recovery Program	BOR Lumcon BTNEP Home Sewage Assistance Program	Total Grant Fund
Revenues			
Intergovernmental	\$ 71,500	\$ 99,156	\$ 911,397
Charges for services	-	-	425,000
Total revenues	71,500	99,156	1,336,397
Expenditures			
Current:			
Economic development and assistance:			
Personal services	1,387	11,626	1,069,924
Supplies and materials	-	28	31,541
Other services and charges	69,723	54,417	250,824
Repairs and maintenance	-	-	-
Capital expenditures	-	-	43,373
Total expenditures	71,110	66,071	1,395,662
Excess (deficiency) of revenues over expenditures	390	33,085	(59,265)
Other Financing Sources (Uses)			
Operating transfers in	-	-	332,184
Operating transfers out	(390)	(33,085)	(272,919)
Total other financing sources (uses)	(390)	(33,085)	59,265
Net Change in Fund Balance	-	-	-
Fund Balance			
Beginning of year	-	-	-
End of year	\$ -	\$ -	\$ -

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

Agency Head Name: Kevin P. Belanger, CEO

Purpose

Salary	\$ 235,202
Benefits - insurance	25,992
Benefits - retirement	36,456
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Phone allowance	1,320
Per diem	-
Reimbursements	559
Travel	7,395
Registration fees	637
Mileage reimbursements	5,176
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	2,207
Other	2,598
	<hr/>
	\$ 317,542
	<hr/> <hr/>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR’S 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 Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United State 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, the business-type activities and each major fund of South Central Planning & Development Commission, Inc., (the “Commission”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements and have issued our report thereon dated December 22, 2023.

Report on 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”), as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 Commission’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement, noncompliance with which could have a direct and material effect on the 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 test disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
December 22, 2023

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South Central Planning & Development Commission, Inc.’s, (the “Commission”) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The Commission’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

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) Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 22, 2023.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**South Central Planning & Development Commission, Inc.**

For the year ended June 30, 2023

Federal Grantor/Pass- Through Grantor/Program Title	Federal Assistance Listing	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures To Subrecipients
U.S. Department of Commerce:				
Economic Development Administration:				
Support for Planning Organizations	11.302	ED22AUS3020025	\$ 70,000	
Sudden and Severe Economic Dislocation				
Adjustment Revolving Loan Fund	11.307	08-59-02912.01	2,081,379	
CARES Act Revolving Loan Fund	11.307	08-79-05427	1,900,001	
CARES Act Revolving Loan Fund	11.307	08-79-05572	2,778,876	
CARES Act Revolving Loan Fund - Administration	11.307	08-79-05572	148,477	
Total U.S. Department of Commerce			<u>6,978,733</u>	
U.S. Department of Housing and Urban Development:				
Office of Community Planning and Development:				
<u>Pass-Through Payments:</u>				
<u>Louisiana Department of Economic Development:</u>				
Community Development Block Grant				
Small Business Recovery Loan and Grant Program - Revolving Capital Fund	14.228	B-06-DG-22-001	4,474,387	
Small Business Recovery Loan and Grant Program - Innovation Program	14.228	B-06-DG-22-001	392,387	
Small Business Recovery Loan and Grant Program - Innovation Revolving Capital Fund	14.228	B-06-DG-22-001	1,939,028	
Small Business Recovery Loan and Grant Program - St. John the Baptist Grant and Loan Fund	14.228	48USJB7001	296,906	
Small Business Recovery Loan and Grant Program - Restore Louisiana Small Business Program	14.228	16-DL-22-0001	15,773,362	
Grant Disaster Recovery Program				
Louisiana Watershed Initiative	14.228	16-DL-22-0001	68,622	
Small Business Recovery Loan and Grant Program - LA Laura Delta	14.228	B-21-DZ-22-0001	419,487	
Small Business Recovery Loan and Grant Program - LA Ida	14.228	B-21-DZ-22-0001	571,186	
Total U.S. Department of Housing and Urban Development			<u>23,935,365</u>	
U.S. Department of the Interior				
Louisiana Division of Historic Preservation:				
<u>Pass-Through Payments:</u>				
<u>Louisiana Division of Historic Preservation:</u>				
Historic Structure Survey of St. Charles Parish	15.957	19-22-HIM-02	58,202	
Historic Structure Survey of Red River Parish	15.957	19-22-HIM-03	13,298	
Total U.S. Department of Interior			<u>71,500</u>	

Federal Grantor/Pass- Through Grantor/Program Title	Federal Assistance Listing	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures To Subrecipients
U.S. Department of Transportation:				
Federal Highway Administration:				
<u>Pass-Through Payments:</u>				
<u>Louisiana Department of Transportation and Development:</u>				
Houma MPO Travel Demand Manager	20.205	H.011005	7,028	
Federal Highway Administration - Metropolitan Planning	20.205	H972462.1	340,794	
South Central Bike and Pedestrian Safety Plan	20.205	H013539	4,296	
Strategic Highway Safety Plan	20.205	H013506	124,525	
Federal Transit Administration:				
<u>Pass-Through Payments:</u>				
<u>Louisiana Department of Transportation and Development:</u>				
Federal Transit Metropolitan Planning Grants				
MPO-FTA-2022	20.505	LA-2019-18	16,058	
MPO-FTA-2022-CHSTP	20.509	LA-2019-011	3,189	
MPO-FTA-2022-CHSTP	20.513	LA-2018-006	5,000	
Total U.S. Department of Transportation			500,890	
Environmental Protection Agency:				
Louisiana Board of Regents:				
<u>Pass-Through Payments:</u>				
<u>Louisiana Board of Regents:</u>				
Gulf of Mexico Program				
BTNEP Bayou Lafourche	66.475	BTNEP20-10	99,156	
Office of Solid Waste and Emergency Response:				
Brownfield Revolving Loan Fund	66.818	BL-96693301	1,070,996	
Brownfield Revolving Loan Fund - Administration	66.818	BL-96693301	169,365	
Total Environmental Protection Agency			1,339,517	
Delta Regional Authority:				
Delta Local Development District Assistance				
Local	90.202		12,000	
U.S. Department of Homeland Security:				
<u>Pass-Through Payments:</u>				
<u>Louisiana Department of Homeland Security and Emergency Preparedness:</u>				
River Bayou Parish Mutual Aid and Assistance Task Force:				
Homeland Security Grant Program	97.067	EMW-2020-SS-00011-S01	42,345	
Homeland Security Grant Program	97.067	EMW-2021-SS-00019-S01	116,007	
Homeland Security Grant Program	97.067	EMW-2022-SS-00042-S01	58,297	
Homeland Security Grant Program	97.067	EMW-2022-SS-00042-S01	30,000	
Total U.S. Department of Homeland Security			246,649	
Total			\$33,084,654	

See notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

South Central Planning & Development Commission, Inc.

June 30, 2023

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the Commission under programs of the federal government for the year ended June 30, 2023. The information in the SEFA is presented in accordance with the 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). Because the SEFA presents only a selected portion of the operation of the Commission it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Commission has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - VALUE OF LOANS OUTSTANDING

Loans outstanding as of June 30, 2023 for the Sudden and Severe Economic Dislocation Adjustment Revolving Loan Program, Federal Assistance Listing number 11.307, was \$6,908,733, the Small Business Recovery Loan and Grant Programs, Federal Assistance Listing number 14.228, \$23,935,365, and the Environmental Protection Agency Brownfield Revolving Loan Program, Federal Assistance Listing number 66.818, \$1,240,361. In addition, an allowance for uncollectible loans amounting to \$482,155 has been recorded in the financial statements as of June 30, 2023.

Note 4 - FINDINGS OF NONCOMPLIANCE

See Schedule of Findings and Questioned Costs.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes None reported

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

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

c) Identification of Major Program:

<u>Federal Assistance Listing</u>	<u>Name of Federal Program</u>
14.228	Louisiana Department of Economic Development: Small Business Recovery Loan and Grant Program - St. John the Baptist Grant and Loan Fund

Section I - Summary of Auditor's Results (Continued)

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

Auditee qualified as a low-risk auditee? Yes No

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

There were no internal control over financial reporting findings reported during the audit of the financial statements for the year ended June 30, 2023.

Compliance and Other Matters

2023-001 Budget Variance

Criteria - In accordance with R.S. 39:1311, the governing authority must adopt a budget amendment if there is a 5% or greater variance in actual expenditures over budgeted expenditures.

Condition - The Commission did not adopt a budget amendment in the loan fund for the 5% overage in expenditures for the fiscal year ended June 30, 2023.

Cause - The Commission did not amend its adopted budget.

Effect - The Commission did not comply with state budget laws.

Recommendation - We recommend that the Commission adopt budget amendments for 5% overage in expenditures.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2023.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no material weaknesses or significant deficiencies related to internal controls over financial reporting reported during the audit for the year ended June 30, 2022.

Compliance

No compliance findings material to the financial statement were reported during the year ended June 30, 2022.

Section II - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2022.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2022.

MANAGEMENT'S CORRECTIVE ACTION PLAN

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no internal control over financial reporting findings reported during the audit of the financial statements for the year ended June 30, 2023.

Compliance and Other Matters

2023-001 Budget Variance

Recommendation - We recommend that the Commission adopt budget amendments for 5% overage in expenditures.

Management's Response - The Commission will adopt a budget amendment each year going forward when there is a 5% or greater shortage in revenue or a 5% or greater overage in expenditures.

Section II - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2023.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2023.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
South Central Planning & Development Commission, Inc.,
Houma, Louisiana.

We have performed the procedures described in Schedule 7 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2022 through June 30, 2023. South Central Planning & Development Commission, Inc. (the “Commission”) management is responsible for those C/C areas identified in the SAUPs.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 7.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
December 22, 2023.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2023

The required procedures and our findings are as follows:

1) Procedures Performed on the Commission's Written Policies and Procedures:

- A. Obtain and inspect the Commission's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Commission's operations:
- i. Budgeting, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - ii. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing.
Exceptions: There was an exception noted due to the policy lacking a provision on how vendors are added to the vendor list.
 - iii. Disbursements, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or Commission fund additions.
Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

1) Procedures Performed on the Commission's Written Policies and Procedures: (Continued)

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the written policy for contracting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- viii. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Commission's ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

1) Procedures Performed on the Commission's Written Policies and Procedures: (Continued)

- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Performance: Obtained and read the written policy for information technology disaster recovery/business continuity.
Exceptions: There were exceptions noted due to the policy lacking provisions on periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.

- xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Performance: Obtained and read the written policy for sexual harassment.
Exceptions: There were exceptions noted due to the policy lacking provisions on annual employee training and annual reporting.

2) Procedures Performed on the Commission's Board:

- A. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:
 - i. Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
Performance: Obtained and read the written minutes of the Board meetings. The Board is required to meet quarterly. All meetings had a quorum.
Exceptions: There were no exceptions noted.

 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
Performance: Inspected meeting minutes to determine if the minutes included references to budget-to-actual comparisons for the General Fund.
Exceptions: There were no exceptions noted.

2) Procedures Performed on the Commission's Board: (Continued)

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Performance: Obtained the prior year's audit report and observed the unassigned fund balance in the General Fund. The General Fund did not have a negative ending unassigned fund balance.

Exceptions: There were no exceptions noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Obtained and read the written minutes of the Board meetings.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the Commission's Bank Reconciliations:

- A. Obtain a listing of the Commission's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Commission's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged):

Performance: Obtained monthly bank reconciliation for the month of June for the main operating bank account and 4 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were exceptions noted due to the bank reconciliations of 2 of the accounts selected for testing being prepared after 2 months of the related statement closing date.

- ii. Bank reconciliations include written evidence that a member of management who does not manage cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Obtained the Commission's bank reconciliations and observed that the reconciliations were reviewed by a member of management who does not handle cash.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the Commission's Bank Reconciliations: (Continued)

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months.

We noted no checks outstanding for longer than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Commission's Collections (Excluding Electronic Funds Transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. The Commission has one deposit site.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The Commission has one collection location.

Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of management and observed receipts and general ledger transactions.

Exceptions: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of management and observed employees collecting cash are not responsible for making deposits.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Commission's Collections (Excluding Electronic Funds Transfers): (Continued)

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - Performance: Inspected policy manuals, inquired of management and observed employees collecting cash do not make general ledger postings.
 - Exceptions: There were no exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
 - Performance: Inspected policy manuals, inquired of management and employees performing reconciliation do not collect cash.
 - Exceptions: There were no exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
 - Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft. The policy was in force during the fiscal year.
 - Exceptions: There were no exceptions noted.

- D. Randomly select 2 deposit dates for each of the Commission's 5 bank accounts selected for procedures #3 under "Procedures Performed on the Commission's Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates selected and randomly select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits selected and:
 - i. Observe that receipts are sequentially pre-numbered.
 - Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.
 - Exceptions: There were no exceptions noted.

 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - Performance: Traced supporting documentation to the deposit slip.
 - Exceptions: There were no exceptions noted.

4) Procedures Performed on the Commission's Collections (Excluding Electronic Funds Transfers): (Continued)

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
Performance: Traced deposit slip total to actual deposit per bank statement.
Exceptions: There were no exceptions noted.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Performance: Observed that the deposits tested were made within one business day of receipt.
Exceptions: There were no exceptions noted.
- v. Trace the actual deposit per the bank statement to the general ledger.
Performance: Traced the actual deposit per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter. The Commission only has one location that processes payments.
Exceptions: There were no exceptions noted.
- B. For each location selected under procedure #5A, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Commission has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.
Exceptions: There were no exceptions noted.
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least two employees are involved.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. At least two employees are involved in processing and approving payments to vendors.
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least two employees are involved.
Exceptions: There were no exceptions noted.
 - iii. The employees responsible for processing payments are prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
Performance: Obtained a listing of employees involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.
Exceptions: There were no exceptions noted.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Performance: Obtained a listing of employees involved with signing and mailing checks.
Exceptions: There were no exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other means.
Performance: Obtained a listing of employees authorized to sign checks.
Exceptions: There were no exceptions noted.
- C. For each location selected under procedure #5A, obtain the Commission's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- Performance: Obtained the Commission's non-payroll disbursement transaction population and management's representation that the population is complete.
Exceptions: There were no exceptions noted.
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Commission.
Performance: Observed the 5 disbursements matched the related original invoice/billing statements and observed supporting documentation indicating he deliverables were received.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the Commission's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Commission's policy, and (b) approved by the required number of authorized signers per the Commission's policy.

Performance: Observed that selected disbursements were approved by authorized persons and required number of signers.

Exceptions: There were no exceptions noted.

6) Procedures Performed on the Commission's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards from management and management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

6) Procedures Performed on the Commission's Credit Cards, Debit Cards, Fuel Cards, P-Cards: (Continued)

- ii. Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: Observed finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed if the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.

Performance: Observed the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were exceptions noted due to some transactions lacking written documentation of the business/public purpose.

- iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed the transactions from the monthly statements were supported with documentation of the individuals participating in meals.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the Commission's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained general ledger for travel and travel-related expense reimbursements and management's representation in a separate letter.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the Commission's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Agreed reimbursement to rates established by the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Observed reimbursements were supported by an original itemized receipt.

Exceptions: There were no exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1A(vii)).

Performance: Observed each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the Commission's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract and:

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete. The Commission had one active contract.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the Commission's Contracts: (Continued)

- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Performance: Inspected supporting contract documentation and inquired of client about any contracts subject to Louisiana Public Bid Law.
Exceptions: There were no exceptions noted.
- ii. Observe that the contract was approved by the governing body/District Council, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
Performance: Inspected contract documentation. The contract was properly approved.
Exceptions: There were no exceptions noted.
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (i.e., if approval is required for any amendment, the documented approval).
Performance: Inspected contract and inquired of management about amendments to the contract in the fiscal year.
Exceptions: There were no exceptions noted.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
Performance: Obtained supporting documentation for payment and agreed payment to the terms of the contract.
Exceptions: There were no exceptions noted.

9) Procedures Performed on the Commission's Payroll and Personnel:

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Select 5 employees/officials, paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.
Exceptions: There were no exceptions noted.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A, obtain attendance records and leave documentation for the pay period, and:

9) Procedures Performed on the Commission's Payroll and Personnel: (Continued)

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave).
Performance: Inspected payroll documentation for record of attendance and leave during the period.
Exceptions: There were no exceptions noted.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees/officials.
Performance: Inspected time sheets for the approval of attendance and inspected leave forms for approval of leave during the period.
Exceptions: There were no exceptions noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the Commission's cumulative leave records.
Performance: Observed the leave records maintained by the accountant to ensure leave taken during the period was reflected in the records.
Exceptions: There were no exceptions noted.
 - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
Performance: Observed the authorized salary/pay rate maintained in the personnel files and agreed to rate paid.
Exceptions: There were no exceptions noted.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Commission's policy on termination payments. Agree the hours to the employees'/officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the Commission's policy.
- Performance: Obtained a listing of employees terminated during the fiscal year from management and received management's representation that the list is complete. Agreed the hours to the cumulative leave records, agreed the pay rates to the authorized pay rates, and agreed the termination payment to the termination policy.
- Exceptions: There were no exceptions noted.

9) Procedures Performed on the Commission's Payroll and Personnel: (Continued)

- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the Commission's Ethics:

- A. Using the 5 selected employees/officials from procedure #9A under "Procedures Performed on the Commission's Payroll and Personnel", obtain ethics compliance documentation from management and:

- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.

Performance: Inspected personnel files and ethics course completion certificates for the 5 employees tested.

Exceptions: There were no exceptions noted.

- ii. Observe whether the Commission maintains documentation which demonstrates each employee and official were notified of any changes to the Commission's ethics policy during the fiscal period, as applicable.

Performance: Examined personnel files for signature verification of the employees and officials notified of any changes to the policy. There were no changes to the policy in the fiscal year.

Exceptions: There were no exceptions noted.

- B. Inquire and/or observe whether the Commission has appointed an ethics designee as required by R.S. 42:1170.

Performance: We inquired as to whether the Commission appointed an ethics designee.

Exceptions. There were no exceptions noted.

11) Procedures Performed on the Commission's Debt Service:

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period; none were noted.

Exceptions: There were no exceptions noted.

11) Procedures Performed on the Commission's Debt Service: (Continued)

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Performance: Inquired of management regarding a listing of bonds/notes outstanding at the end of the fiscal period; none were noted.

Exceptions: There were no exceptions noted.

12) Procedures Performed on the Commission's Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Commission reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Commission is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- B. Observe the Commission has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Observed the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

13) Procedures Performed on the Commission's Information Technology Disaster Recovery/ Business Continuity:

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the Commission's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personal responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the Commission's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

**13) Procedures Performed on the Commission's Information Technology Disaster Recovery/
Business Continuity: (Continued)**

- ii. Obtain and inspect the Commission's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Performance: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the Commission's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

- B. Randomly Select 5 terminated employees (or all terminated employees if less than 5) using a list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

14) Procedures Performed on the Commission's Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the Commission's Payroll and Personnel" #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Examined sexual harassment training documentation for the 5 employees tested.

Exceptions: There were no exceptions noted.

- B. Observe the Commission has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Commission's premises if the Commission does not have a website).

Performance: Inquired of management regarding the sexual harassment policy and complaint procedure on its website.

Exceptions: There was an exception noted due to the Commission's sexual harassment policy not being posted on its website.

**14) Procedures Performed on the Commission's Prevention of Sexual Harassment:
(Continued)**

C. Obtain the Commission's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

Performance: Obtained the Commission's annual sexual harassment report.

Exceptions: There were no exceptions noted.

i. Number and percentage of public servants in the agency who have completed the training requirements.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

ii. Number of sexual harassment complaints received by the agency.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

v. Amount of time it took to resolve each complaint.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

1)A(ii) Management will consider adding the required provision to the existing purchasing policy.

1)A(xi) Management will consider adding the required provisions to the existing information technology disaster recovery/business continuity policy.

1)A(xii) Management will consider adding the required provisions to the existing sexual harassment policy.

Management's Overall Response to Exceptions: (Continued)

- 3)A(i) Management will consider preparing bank reconciliations within 2 months of the related statement closing date.
- 6)C(ii) Management will consider documenting the business/public purpose when using credit cards.
- 14)B Management will consider posting the sexual harassment policy on their website.