

**IMPERIAL CALCASIEU REGIONAL PLANNING &
DEVELOPMENT COMMISSION**

FINANCIAL REPORT

JUNE 30, 2020

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

Lake Charles, Louisiana

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Imperial Calcasieu Regional Planning and Development Commission as of June 30, 2020, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Imperial Calcasieu Regional Planning and Development Commission's basic financial statements. The introductory section and the schedule of revenues and expenditures - grant funds and statement of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2021, on our consideration of the Imperial Calcasieu Regional Planning & Development Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

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

Mr. Troy Quik + Bush
Lake Charles, Louisiana
February 1, 2021

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION
June 30, 2020

ASSETS	<u>Governmental Activities</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 79,914
Grants receivable	24,180
Dues receivable	37,288
MPO dues receivable	33,863
Prepaid expenditures	<u>2,182</u>
Total current assets	177,427
NONCURRENT ASSETS	
Capital assets, net	<u>3,415</u>
Total assets	<u>180,842</u>
LIABILITIES	
CURRENT LIABILITIES	
Accrued expenditures	10,840
NONCURRENT LIABILITIES	
Leave payable	<u>8,381</u>
Total liabilities	<u>19,221</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable MPO dues	<u>80,076</u>
NET POSITION	
Investment in capital assets, net of related debt	3,415
Unrestricted	<u>78,130</u>
Total net position	<u>\$ 81,545</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net Revenue (Expense)</u>
Planning and development	\$ 188,571	\$ 126,054	\$ -	\$ (62,517)
EDA programs	9,146	-	6,360	(2,786)
FHWA programs	183,859	-	180,133	(3,726)
FTA programs	19,066	-	24,617	5,551
FTA RT region program	4,369	-	6,931	2,562
Safety program	<u>72,959</u>	<u>-</u>	<u>111,398</u>	<u>38,439</u>
Total governmental activities	<u>\$ 477,970</u>	<u>\$ 126,054</u>	<u>\$ 329,439</u>	<u>\$ (22,477)</u>
General revenues:				
Interest				\$ 549
Other income				<u>12,589</u>
				<u>\$ 13,138</u>
Change in net position				\$ (9,339)
Net position- beginning of year				<u>90,884</u>
Net position- end of year				<u>\$ 81,545</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

BALANCE SHEET - GENERAL FUND

June 30, 2020

ASSETS

Cash and cash equivalents	\$ 79,914
Grants receivable	24,180
Dues receivable	37,288
MPO dues receivable	33,863
Prepaid expenditures	<u>2,182</u>
Total assets	<u>\$ 177,427</u>

LIABILITIES

Accrued expenditures	<u>\$ 10,840</u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable MPO dues	<u>80,076</u>
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FUND BALANCES

Nonspendable - prepaid expenditures	2,182
Unassigned fund balance	<u>84,329</u>
Total fund balances	<u>86,511</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET

June 30, 2020

Total governmental fund balances	\$ 86,511
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	3,415
Balances for compensated absences are not reported in the fund	<u>(8,381)</u>
Net position of governmental activities	<u>\$ 81,545</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 GENERAL FUND
 Year Ended June 30, 2020

REVENUES	
Federal and state grants	\$ 319,467
Local match - grants	9,972
Dues	126,054
Interest income	549
Other income	<u>12,589</u>
Total revenues	<u>468,631</u>
EXPENDITURES	
Current operations:	
Planning and development	186,511
Economic development program	9,146
FHWA program	183,859
FTA program	19,066
FTA RT program	4,369
Safety program	<u>72,959</u>
Total expenditures	<u>475,910</u>
Excess (deficiency) over expenditures	(7,279)
Fund balance - beginning of year	<u>93,790</u>
Fund balance - end of year	<u>\$ 86,511</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$ (7,279)
Amounts reported for governmental activities in the statement of activities are different because:	
(Increase) in compensated absences balances is revenue in the governmental funds, but the obligation increases long-term liabilities in the statement of net position	(1,107)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	<u>(953)</u>
Change in net position of governmental activities	<u>\$ (9,339)</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

June 30, 2020

ASSETS

Investments	<u>\$ 143,088</u>
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LIABILITIES

Deferred compensation benefits	<u>\$ 143,088</u>
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The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
Year Ended June 30, 2020

ADDITIONS	
Employee and employer contributions	\$ 6,022
Net appreciation in fair value of investments	<u>(1,021)</u>
Total additions	5,001
DEDUCTIONS	
	34,000
Change in net position	(28,999)
Net position held in agency funds:	
Beginning of year	<u>172,087</u>
End of year	<u>\$ 143,088</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies

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

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

The following is a summary of certain significant accounting policies.

A. Financial Reporting Entity

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

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

This report includes all funds that are controlled by or dependent on the Board of Commissioners of the Imperial Calcasieu Regional Planning and Development Commission. Control by or dependence on the Board of Commissioners was determined on the basis of financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity. Based on the foregoing criteria, it was determined that no other agency should be included in this reporting entity.

B. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

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

GOVERNMENTAL FUNDS

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

D. Net Position Flow Assumption

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

Fund balances:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net position:

Net position is displayed in three components:

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

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

E. Budgets and Budgetary Accounting

Budgets for the various programs are prepared by the Executive Director and approved by the Board of Directors. The original and subsequent amendments are also approved by the Board. The original budget was adopted on July 19, 2019 and was amended on December 10, 2020. The final amended budget is presented in these financial statements. Formal budgetary integration is employed as a management control device during the year.

Encumbrance accounting is not used.

F. Cash, Cash Equivalents and Investments

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

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

G. Prepaid Expenditures/Nonspendable-Prepaid Expenditures

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

H. Capital Assets and Depreciation

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

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

IMCAL has no infrastructure assets.

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

I. Accumulated Leave

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

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

J. Unavailable MPO Dues

Unavailable MPO dues is provided for the 2020-2021 dues \$80,076 that are billed in the current year but are not due and payable until the following year.

K. Cost Allocation Plan

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

Note 2. Cash and Cash Equivalents

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

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

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

The deposits at June 30, 2020 are as follows:

	Demand Deposits	Time Deposits
Carry amount	\$ 59,544	\$ 20,370
Bank balances:		
a. Federally insured	\$ 59,394	\$ 20,370
b. Collateralized by securities held by the pledging financial institution	-	-
c. Uncollateralized and uninsured	-	-
	<u>\$ 59,394</u>	<u>\$ 20,370</u>

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

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

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

Note 3. Receivables

Grants receivable at June 30, 2020, consisted of reimbursements for expenditures incurred under the following programs:

<u>Program</u>	<u>Amount</u>
EDA grant	\$ 2,649
FTA Regional grant	757
FHWA grant	8,285
FTA grant	934
Safety grant	8,383
REDRM EDA grant	<u>3,172</u>
Total	<u>\$ 24,180</u>

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

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance <u>7/1/19</u>	Increases	Decreases	Balance <u>6/30/20</u>
Computers, furniture and equipment	\$ 18,338	\$ -	\$ -	\$ 18,338
Accumulated depreciation	<u>(13,970)</u>	<u>(953)</u>	<u>-</u>	<u>(14,923)</u>
Capital assets, net	<u>\$ 4,368</u>	<u>\$ (953)</u>	<u>\$ -</u>	<u>\$ 3,415</u>

The depreciation expense for the current year is \$953.

Note 5. Changes in Accrued Leave Payable

The following is a summary of transactions relating to the Commission's leave payable during fiscal year ended June 30, 2020:

	Balance <u>7/01/19</u>	<u>Principal</u>		Balance <u>6/30/20</u>
		<u>Additions</u>	<u>Reductions</u>	
Accumulated unpaid vacation	<u>\$ 7,274</u>	<u>\$ 3,921</u>	<u>\$ (2,814)</u>	<u>\$ 8,381</u>

Note 6. Fund Balance

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

Nonspendable:

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

Restricted:

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

Committed:

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

Assigned:

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

Unassigned:

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

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

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

Note 7. Economic Dependency/Funding Sources

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

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

Federal and state grants:	
Economic Development Administration (EDA)	\$ 6,360
Federal Transportation Administration (FTA)	31,548
Federal Highway Administration (FHWA)	170,161
Louisiana Department of Transportation and Development	<u>111,398</u>
	<u>\$ 319,467</u>

Note 8. Board of Directors' Compensation

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

Note 9. Lease Commitments

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

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of 1 year as of June 30, 2020 for each of the next 5 years and in the aggregate are:

Year Ended June 30	
2021	\$ 30,000
2022	30,000
2023	30,000
2024	2,500
2025	<u>-</u>
Total minimum future rental payment	<u>\$ 92,500</u>

Lease expense for the year ended June 30, 2020 amounted to \$30,000.

Note 10. Deferred Compensation

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

Note 11. Fair Value

The Commission categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Commission had the following recurring fair value measurements as of June 30, 2020:

Fiduciary Activities

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

Investments by Fair Value Level	<u>6/30/20</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Units (Level 3)
<u>Mutual funds:</u>				
NW Inv Dest Mod Aggr SVC	\$ 83,905	\$ 83,905	\$ -	\$ -
NW Inv Dest Mod SVC	58,508	58,508	-	-
NW Mny Mkt Prm	426	426	-	-
Nationwide Fixed Account	<u>249</u>	<u>249</u>	-	-
	<u>\$ 143,088</u>	<u>\$ 143,088</u>	<u>\$ -</u>	<u>\$ -</u>

Note 12. Contingent Liabilities and Commitments

The Commission does not have any pending litigation cases at June 30, 2020.

The Commission's management believes that any potential lawsuits would be adequately covered by insurance.

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

Note 13. Subsequent Events

The Commission is monitoring the impact of the COVID-19 global pandemic. The pandemic is a rapidly evolving situation that is adversely affecting current global economic activities and conditions. While the impact on the Commission from the recent outbreak of COVID-19 is unknown at this time and difficult to predict, various aspects of the Commission could be adversely affected by COVID-19.

In August and October 2020, the geographic region in which the Commission operates was impacted by Hurricanes Laura and Delta. The impact on the Commission, if any, is difficult to predict at this time.

Subsequent events have been evaluated by management through February 1, 2021, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Grant income	\$ 804,180	\$ 342,000	\$ 319,467	\$ (22,533)
Local match	-	10,000	9,972	(28)
Dues	126,052	126,052	126,054	2
Other revenue	2,067	1,748	13,138	11,390
Total revenues	<u>932,299</u>	<u>479,800</u>	<u>468,631</u>	<u>(11,169)</u>
EXPENDITURES				
Personnel costs	366,387	310,000	276,165	3,835
Space rental	32,600	30,000	30,000	-
Travel	30,000	7,500	7,544	(44)
Equipment	27,500	-	-	-
Phone/supplies/postage	10,500	2,500	2,119	381
Insurance	7,500	9,000	8,707	293
Legal and professional	12,500	29,000	29,165	(165)
Other expenses	237,187	121,800	122,210	(410)
Total expenditures	<u>724,174</u>	<u>479,800</u>	<u>475,910</u>	<u>3,890</u>
Excess (deficiency) of revenues over expenditures	208,125	-	(7,279)	(7,279)
Fund balance - beginning of year	<u>93,790</u>	<u>93,790</u>	<u>93,790</u>	<u>-</u>
Fund balance - end of year	<u>\$ 301,915</u>	<u>\$ 93,790</u>	<u>\$ 86,511</u>	<u>\$ (7,279)</u>

OTHER SUPPLEMENTARY INFORMATION

- Schedule of Revenues and Expenditures - Grant Funds
- Schedule of Compensation, Benefits, and Other Payments to Agency Head

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF REVENUES AND EXPENDITURES - GRANT FUNDS

Year Ended June 30, 2020

	Economic Development		Safety	FTA RT
	Administration			
	EDA	REDRM EDA		
	19-20	18-20	19-20	18-19
REVENUES				
Federal and state grants	\$ 3,188	\$ 3,172	\$ 111,398	\$ -
Local match - IMCAL	-	-	-	-
Total revenues	<u>3,188</u>	<u>3,172</u>	<u>111,398</u>	<u>-</u>
EXPENDITURES				
Salaries	3,773	4,695	65,205	2,193
Fringe benefits	305	373	5,168	159
Consultants and contractors	-	-	-	-
Travel	-	-	2,586	-
Registration and subscriptions	-	-	-	-
Postage	-	-	-	-
Advertising	-	-	-	-
DATA	-	-	-	-
Total expenditures	<u>4,078</u>	<u>5,068</u>	<u>72,959</u>	<u>2,352</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (890)</u>	<u>\$ (1,896)</u>	<u>\$ 38,439</u>	<u>\$ (2,352)</u>

Note 1: The schedule does not include non-federal expenditures of \$186,511. For financial statement purposes, the denoted items, when combined with the total expenditures on this schedule, will reconcile to the total expenditures in the statement of revenues and expenditures, and changes in fund balance - general fund on this report.

Department of Transportation							
FTA RT	FTA	FTA	FHWA	FHWA	FHWA	Total	
19-20	18-19	19-20	18-19	19-20	MTP2045	(Memo Only)	
\$ 6,931	\$ -	\$ 24,617	\$ -	\$ 170,161	\$ -	\$ 319,467	
-	-	-	-	9,972	-	9,972	
<u>6,931</u>	<u>-</u>	<u>24,617</u>	<u>-</u>	<u>180,133</u>	<u>-</u>	<u>329,439</u>	
1,865	10,024	5,714	(1,035)	72,158	-	164,592	
152	712	481	(148)	5,618	-	12,820	
-	-	-	-	1,417	99,721	101,138	
-	1,135	-	(6)	3,157	-	6,872	
-	700	300	-	1,788	-	2,788	
-	-	-	-	-	1	1	
-	-	-	-	457	-	457	
-	-	-	-	731	-	731	
<u>2,017</u>	<u>12,571</u>	<u>6,495</u>	<u>(1,189)</u>	<u>85,326</u>	<u>99,721</u>	<u>289,399</u>	
\$ 4,914	\$ (12,571)	\$ 18,122	\$ (1,189)	\$ 94,807	\$ (99,722)	\$ 40,040	

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
Year Ended June 30, 2020

Agency Head Name: Mike Hollier

The Officer herein is an Executive Officer and as such is an employee of the State of Louisiana. The payments are required to be disclosed per Act 706 for the fiscal year ended June 30, 2020, are as follows:

Gross salary	\$ 14,924
Benefits - insurance	-
Benefits - retirement	-
Conference and seminar fees	-

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Imperial Calcasieu Regional Planning and Development Commission's basic financial statements and have issued our report thereon dated February 1, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. 2020-001 through 2020-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

Purpose of this Report

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

This report is solely for the information and use of the members of the Imperial Calcasieu Regional Planning & Development Commission and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

McElroy Quirk & Burch

Lake Charles, Louisiana
February 1, 2021

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
Year Ended June 30, 2020

SECTION I. Summary of Auditors' Results:

Financial Statements

Type of auditor's report issued:			Unmodified
Internal control over financial reporting:			
Material weakness identified?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/> No
Control deficiencies identified not considered to be material weakness?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No

(continued on next page)

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
PREPARED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
Year Ended June 30, 2020
(Continued)

SECTION II. Compliance and Internal Control over Financial Reporting:

A) Internal Control - Financial Statement Audit

2020-001 Lack of Segregation of Duties

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

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

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

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

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

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

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
Year Ended June 30, 2020
(Continued)

2020-002 Controls over Financial Reporting

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

Criteria: The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. SAS No. 112 emphasizes that the auditor cannot be part of the system of internal control over financial reporting.

Effect: Material misstatements in financial statements could go undetected.

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

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

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
PREPARED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
Year Ended June 30, 2020

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

2019-001	Lack of segregation of duties	Unresolved - See comment 2020-001 in Schedule of Current Year Findings
2019-002	Controls over financial reporting	Unresolved - See comment 2020-002 in Schedule of Current Year Findings