

Financial Report

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

June 30, 2021



Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

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

June 30, 2021

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South Central Planning & Development Commission, Inc.

June 30, 2021

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PRINCIPAL OFFICIALS
South Central Planning & Development Commission, Inc.

June 30, 2021

Officers

Jeff Naquin, Chairman
David Hanagriff, Vice-Chairman
Archie Chaisson, Secretary
Steven Nosacka, Treasurer

Assumption Parish
St. Mary Parish
Lafourche Parish
Commission of Gramercy

Commissioners

Willie Reed
Mark Atzenhoffer
Jerry Jones
Matt Jewell
Ellis Alexander
Marilyn Bellock
Beth Billings
C. "Bub" Millet
Pete Dufresne
Jaclyn Hotard
Dr. Henry Hardy
Carl Monica
Leroy Mitchell (*passed away October 2017, seat vacant*)
Gordon Dove
Leroy Charles
James Erny (*resignation effective August 31, 2020, seat vacant*)
Billy Hebert
Michael Larussa
David Prevost
Arlanda Williams
Duval Arthur
Eugene Foulcard
Joey Bouziga
Ed Reinhardt
Patrick St. Pierre
Lee Dragna
Rodney Grogan
Tommy Eschete
Ron Animashaun

Assumption Parish
Lafourche Parish
Lafourche Parish
St. Charles Parish
St. Charles Parish
St. Charles Parish
St. Charles Parish
St. Charles Parish
St. James Parish
St. John the Baptist Parish
St. John the Baptist Parish
St. John the Baptist Parish
St. John the Baptist Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Terrebonne Parish
Commission of Berwick
Commission of Franklin
Commission of Golden Meadow
Commission of Lockport
Commission of Lutchter
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.

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the South Central Planning & Development Commission, Inc. (the "Commission") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the South Central Planning & Development Commission, Inc., as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Commission's Proportionate Share of the Net Pension Liability and Schedule of Commission Contributions on pages 4 through 14, 57, and 58, respectively, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's financial statements as a whole. The listings of Principal Officials and Combining Balance Sheets and Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Loan Programs, and Grant Programs, and Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Office, on pages 59 through 76, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, on pages 81 through 82, is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The Combining Balance Sheets and Combining Statements 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 were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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 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 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 March 24, 2022 on our consideration of South Central Planning & Development Commission, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 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 South Central Planning & Development Commission, Inc.'s internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,
March 24, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

South Central Planning and Development Commission, Inc.

June 30, 2021

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, 2021. 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, 2021 by approximately \$41,662,000 (net position). As of June 30, 2021, net position included approximately \$35,813,000 of net position restricted to the loan program. Net investment in capital assets totaled approximately \$6,564,000 as of June 30, 2021. The remaining unrestricted net position of the Commission is approximately \$715,000 deficit.

The Commission's total unrestricted net position includes the business-type activities being in a deficit net position of approximately \$908,000 as of June 30, 2021. The Commission's unrestricted net position of governmental activities was approximately \$193,000 as of June 30, 2021.

The Commission's governmental activities' change in net position was an increase of approximately \$2,549,000 for the year ended June 30, 2021 and business-type activities was an increase of approximately \$561,000 for the year ended June 30, 2021.

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 five governmental funds and each is presented as major funds: General Fund, Loan Fund, Grant Fund, Capital Projects Fund, and the Debt Service 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, 2021 with comparative figures from June 30, 2020:

**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,	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 37,856	\$ 35,711	\$ 468	\$ 378	\$ 38,324	\$ 36,089
Capital assets	4,283	3,802	2,281	1,821	6,564	5,623
Total assets	42,139	39,513	2,749	2,199	44,888	41,712
Deferred outflows of resources	701	497	549	419	1,250	916
Total assets and deferred outflows of resources	<u>\$ 42,840</u>	<u>\$ 40,010</u>	<u>\$ 3,298</u>	<u>\$ 2,618</u>	<u>\$ 46,138</u>	<u>\$ 42,628</u>
Long-term liabilities	\$ 1,966	\$ 1,655	\$ 1,548	\$ 1,397	\$ 3,514	\$ 3,052
Other liabilities	523	450	329	270	852	720
Total liabilities	2,489	2,105	1,877	1,667	4,366	3,772
Deferred inflows of resources	62	165	48	139	110	304
Total liabilities and deferred inflows of resources	<u>2,551</u>	<u>2,270</u>	<u>1,925</u>	<u>1,806</u>	<u>4,476</u>	<u>4,076</u>
Net assets:						
Net investment in capital assets	4,283	3,766	2,281	1,821	6,564	5,587
Restricted	35,813	33,966	-	-	35,813	33,966
Unrestricted (deficit)	193	8	(908)	(1,009)	(715)	(1,001)
Total net position	<u>40,289</u>	<u>37,740</u>	<u>1,373</u>	<u>812</u>	<u>41,662</u>	<u>38,552</u>
Total liabilities and net position	<u>\$ 42,840</u>	<u>\$ 40,010</u>	<u>\$ 3,298</u>	<u>\$ 2,618</u>	<u>\$ 46,138</u>	<u>\$ 42,628</u>

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Analysis (Continued)

The increase in current and other assets is primarily due to the Commission's receipt of an award from the Department of Commerce's Economic Development Administration (EDA) in the amount of \$2,134,000 for the Coronavirus Aid, Relief, and Economic Security (CARES) Act Revolving Loan Fund to support the Commission's Revolving Loan Fund (RLF). The scope of work for this award is to capitalize a RLF to alleviate sudden and severe economic dislocation caused by the coronavirus (COVID-19) pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives of the region served by this Award. In addition, business activities capitalized approximately \$649,000 of software development costs as intangible assets. Deferred outflows of resources and long-term liabilities increased 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 15.76% of the Commission's net position as of June 30, 2021, reflect the Commission's net investment in capital assets (buildings, furniture, fixtures, equipment and intangible assets), 85.96% is restricted for the loan program, and the unrestricted net position is a 1.72% deficit of total net position.

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

The table below provides a summary of the changes in net position for the year ended June 30, 2021, with comparative figures from June 30, 2020:

Condensed Statement of Changes in Net Position
(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>June 30,</u>		<u>June 30,</u>		<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program revenues:						
Charges for services	\$ 2,358	\$ 1,638	\$ 4,107	\$ 3,763	\$ 6,465	\$ 5,401
Operating grants and contributions	4,104	2,298	-	-	4,104	2,298
Capital grants and contributions	238	140	-	-	238	140
Recoveries of doubtful loans	171	167	-	-	171	167
General revenues:						
Dues assessment	151	151	-	-	151	151
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Miscellaneous	515	1,033	-	-	515	1,033
Transfers	57	-	(57)	-	-	-
Total revenues	7,594	5,427	4,050	3,763	11,644	9,190
Expenses						
Economic development and assistance	5,045	9,971	3,489	3,175	8,534	13,146
Change in net position	2,549	(4,544)	561	588	3,110	(3,956)
Net Position						
Beginning net position	37,740	42,284	812	224	38,552	42,508
Ending net position	<u>\$40,289</u>	<u>\$37,740</u>	<u>\$1,373</u>	<u>\$ 812</u>	<u>\$41,662</u>	<u>\$38,552</u>

The Commission's net position increased by approximately \$3,110,000 during the current fiscal year.

Governmental Activities net position increased approximately \$2,549,000, primarily due to the current year operating grant revenue received related to the CARES Act Revolving Loan Program.

Economic development expenses decreased by approximately \$4,926,000 in 2021 primarily due to the prior year request from the Office of Community Development that South Central Planning and Development Commission transfer all outstanding Acadiana Regional Development District related revolving loans and funds to the Acadiana Planning Commission which totaled approximately \$3,500,000.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Analysis (Continued)

Business-Type Activities net position increased by approximately \$561,000, primarily due to higher charges for services revenues. The current year's change in net position for the Information Technology Fund was an increase of approximately \$621,000, and the continuing operation of the Regional Building Code Fund decreased the change in net position by approximately \$60,000.

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, 2021 was approximately \$37,429,000 as compared to \$35,390,000 as of June 30, 2020, an increase of approximately \$2,039,000. The increase in the governmental funds' fund balance is primarily due to the prior year transfer of loan funds as previously described.

Revenues for the Commission's governmental funds for the year ended June 30, 2021 was approximately \$7,536,000. There are five funding categories: intergovernmental (61.14%), charges for services (31.28%), recoveries of doubtful loans (2.28%), interest earned (4.30%) and miscellaneous (1.00%). The Commission's governmental fund expenditures were approximately \$5,555,000 for the year ended June 30, 2021. There are nine categories of expenditures: personal services (56.53%), supplies and materials (2.01%), other services and charges (23.10%), repairs and maintenance (3.36%), provision for doubtful loans (1.63%), grant distributions (4.28%), debt service (0.67%) and capital expenditures (8.42%).

An increase in capital expenditures of approximately \$357,000 was primarily due to the construction in progress expenses associated with the construction of the new storage building. Provision for doubtful loans decreased by approximately \$1,314,000. Grant disbursements increased by approximately \$99,000. Other services and charges decreased by approximately \$886,000. The personal services category increased approximately \$616,000.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 \$1,521,000. Of this amount, approximately \$84,000 was non-spendable and the remainder of fund balance, approximately \$1,437,000, is unassigned. During the current fiscal year, the fund balance of the Commission's General Fund, increased by approximately \$203,000 (Exhibit E).

Loan Fund:

The Commission maintains twelve loan programs. The loan programs are federally funded. The expenditures consist of personal services (26.57%), supplies and materials (0.27%), other charges and services (66.71%) and provisions for doubtful loans (6.45%).

Capital Projects Fund:

During the current year, the capital expenditures increased by \$422,000 and fund balance decreased to \$11,000.

Grant Fund:

The Commission maintains eighteen 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.

Unrestricted net position of the Regional Building Code Fund as of June 30, 2021 amounted to a deficit of approximately \$401,000 (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 \$54,000 (Exhibit J). During the year ended June 30, 2021, the Regional Building Code Fund recognized a decrease in net position of approximately \$60,000 due to increases in expenses.

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

Proprietary Funds: (Continued)

Unrestricted net position of the Information Technology Fund as of June 30, 2021 amounted to a deficit of approximately \$506,000 (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 \$2,227,000 (Exhibit J). During the year ended June 30, 2021, the Information Technology Fund recognized an increase in net position of approximately \$621,000 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 difference between the original General Fund budget and the final amended budget for revenues and expenditures was a decrease of approximately \$148,000 in personal services. Other significant differences between the original and final General Fund budget was a decrease of approximately \$291,000 in other services and charges.

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 intergovernmental revenue, other services and charges, and in operating transfers in and out. Grant Fund had increases from the original budget to the final budget in intergovernmental revenue and other services and charges.

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, 2021, amounts to approximately \$6,565,000 (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 \$941,000 over last year. The increase was primarily for software development costs capitalized for approximately \$649,000 in business activities of the Information Technology Fund.

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

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>June 30,</u>		<u>June 30,</u>		<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Construction in process	\$ 601	\$ 45	\$ -	\$ -	\$ 601	\$ 45
Buildings	3,540	3,625	-	-	3,540	3,625
Furniture, fixtures, and equipment	143	132	273	216	416	348
Intangibles	-	-	2,008	1,606	2,008	1,606
Totals	<u>\$4,284</u>	<u>\$3,802</u>	<u>\$2,281</u>	<u>\$1,822</u>	<u>\$6,565</u>	<u>\$5,624</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, 2021 consisted of net pension liability and compensated absences.

On May 14, 2014, the Commission issued \$250,000 of Certificates of Indebtedness, Series 2014A for the purpose of making capital improvements. The certificates matured through May 1, 2021 with an interest rate of 4.50%. Interest payments were due quarterly and principal payments were made annually on May 1. The balance of outstanding certificates was paid during the year ended June 30, 2021.

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, 2021 the Commission recognized approximately \$221,000, \$111,000 in governmental activities and \$110,000 in business-type activities, of accrued vacation pay.

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, 2021 the Commission's proportionate share of the net pension liability amounted to approximately \$3,480,000, \$1,951,000 and \$1,529,000 in governmental activities and business-type

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Capital Asset and Long-Term Obligations (Continued)

activities, respectively. During the year ended June 30, 2021, the Commission experienced an increase in its proportionate share of the net pension liability of approximately \$476,000, with \$320,000 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 2022 budget. These factors include any unusual conditions, one time expenditures and increases in rates or fees that occurred during the 2021 fiscal year or that have already been announced for the 2022 fiscal year.

General Fund revenues for fiscal year 2022 are projected to be \$2,097,751, approximately \$225,175 less than the 2021 fiscal year revenues. The most significant change in revenue results from the decrease in funding from the East Baton Rouge Plan Review Services because of restructuring of the contract. Budgeted expenditures are expected to increase approximately \$163,583 in comparison to 2021 fiscal year expenditures because of increased salary and fringe. Special Revenue Fund revenues are expected to decrease by approximately \$1,601,331 in comparison to fiscal year 2021.

Budgeted expenditures of Special Revenue Funds are expected to increase approximately \$226,719 compared to 2021 expenditures mostly due to the completion of the EDA CARES loan program being completed. The Commission's fund balance is budgeted with a decrease of \$372,146, \$11,566 increase to General Fund's fund balance and \$383,712 decrease 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, 2021

	Governmental Activities	Business- Type Activities	Totals
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Cash and cash equivalents	\$ 8,994,269	\$ 409,270	\$ 9,403,539
Receivables:			
Economic loans	27,602,509	-	27,602,509
Miscellaneous	27,047	-	27,047
Due from other governmental units	851,058	306,842	1,157,900
Internal balances	290,847	(290,847)	-
Prepaid other	57,147	42,460	99,607
Deposits	32,891	-	32,891
Capital assets:			
Not subject to depreciation	600,706	-	600,706
Depreciable, net accumulated depreciation	3,682,641	272,984	3,955,625
Intangible assets, net accumulated amortization	-	2,008,033	2,008,033
Total assets	42,139,115	2,748,742	44,887,857
Deferred outflow of resources, pensions	701,113	549,197	1,250,310
Total assets and deferred outflow of resources	42,840,228	3,297,939	46,138,167
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Accounts payable and accrued expenses	273,629	101,783	375,412
Unearned revenue	153,052	135,891	288,943
Non-current liabilities:			
Due within one year	95,999	90,832	186,831
Due after one year	1,966,422	1,547,791	3,514,213
Total liabilities	2,489,102	1,876,297	4,365,399
Deferred inflows of resources, pensions	61,846	48,445	110,291
Total liabilities and deferred inflow of resources	2,550,948	1,924,742	4,475,690
<u>NET POSITION</u>			
Net investment in capital assets	4,283,347	2,281,017	6,564,364
Restricted:			
Loan program	35,812,716	-	35,812,716
Unrestricted (deficit)	193,217	(907,820)	(714,603)
Total net position	\$ 40,289,280	\$ 1,373,197	\$ 41,662,477

See notes to financial statements.

STATEMENT OF ACTIVITIES

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2021

	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	\$ 2,332,571	\$ 1,830,508	\$ -	\$ 237,719	\$ -	\$ (264,344)	\$ -	\$ (264,344)
Loan program	1,404,003	-	3,055,720	-	171,463	1,823,180	-	1,823,180
Grant program	1,308,364	527,253	1,048,737	-	-	267,626	-	267,626
Total governmental activities:	5,044,938	2,357,761	4,104,457	237,719	171,463	1,826,462	-	1,826,462
Business-type activities:								
Regional building code	1,272,924	1,212,500	-	-	-	-	(60,424)	(60,424)
Information technology	2,216,097	2,894,295	-	-	-	-	678,198	678,198
Total business-type activities:	3,489,021	4,106,795	-	-	-	-	617,774	617,774
Totals	\$ 8,533,959	\$ 6,464,556	\$ 4,104,457	\$ 237,719	\$ 171,463	1,826,462	617,774	2,444,236
General revenues:								
Dues assessment						150,611	-	150,611
Unrestricted investment earnings						186	218	404
Miscellaneous						514,201	39	514,240
Transfers						57,334	(57,334)	-
Total general revenues and transfers						722,332	(57,077)	665,255
Change in net position						2,548,794	560,697	3,109,491
Net position:								
Beginning of the year						37,740,486	812,500	38,552,986
End of the year						\$ 40,289,280	\$ 1,373,197	\$ 41,662,477

See notes to financial statements.

BALANCE SHEET -
GOVERNMENTAL FUNDS

South Central Planning & Development Commission, Inc.

June 30, 2021

	General Fund	Loan Fund	Grant Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets						
Cash	\$ 696,782	\$ 8,297,487	\$ -	\$ -	\$ -	\$ 8,994,269
Receivables:						
Economic loans	-	27,602,509	-	-	-	27,602,509
Miscellaneous	24,737	2,310	-	-	-	27,047
Due from other governmental units	362,091	141,866	347,101	-	-	851,058
Due from other funds	1,021,722	-	1,643	87,919	-	1,111,284
Prepays	51,476	143	5,528	-	-	57,147
Deposits	31,998	893	-	-	-	32,891
Total assets	<u>\$ 2,188,806</u>	<u>\$ 36,045,208</u>	<u>\$ 354,272</u>	<u>\$ 87,919</u>	<u>\$ -</u>	<u>\$ 38,676,205</u>
Liabilities						
Accounts payable and accrued expenditures	\$ 213,768	\$ 153	\$ 29,778	\$29,930	\$ -	\$ 273,629
Due to other funds	301,043	194,900	324,494	-	-	820,437
Unearned revenue	153,052	-	-	-	-	153,052
Total liabilities	<u>667,863</u>	<u>195,053</u>	<u>354,272</u>	<u>29,930</u>	<u>-</u>	<u>1,247,118</u>
Fund Balances						
Nonspendables	83,474	27,602,509	-	-	-	27,685,983
Restricted:						
Loans	-	8,247,646	-	-	-	8,247,646
Debt service	-	-	-	-	-	-
Assigned:						
Assigned for capital projects	-	-	-	57,989	-	57,989
Unassigned	1,437,469	-	-	-	-	1,437,469
Total fund balances	<u>1,520,943</u>	<u>35,850,155</u>	<u>-</u>	<u>57,989</u>	<u>-</u>	<u>37,429,087</u>
Total liabilities and fund balances	<u>\$ 2,188,806</u>	<u>\$ 36,045,208</u>	<u>\$ 354,272</u>	<u>\$ 87,919</u>	<u>\$ -</u>	<u>\$ 38,676,205</u>

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, 2021

Fund Balances - Governmental Funds		\$ 37,429,087
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	\$ 5,539,807	
Less accumulated depreciation	<u>(1,256,460)</u>	4,283,347
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
		701,113
Non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net pension liability	(1,951,485)	
Compensated absences payable	<u>(110,936)</u>	(2,062,421)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.		
		<u>(61,846)</u>
Net Position of Governmental Activities		<u><u>\$ 40,289,280</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, 2021

	General Fund	Loan Fund	Grant Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues						
Intergovernmental	\$ 839,657	\$ 2,719,195	\$ 1,048,737	\$ -	\$ -	\$ 4,607,589
Charges for services	1,889,892	-	467,869	-	-	2,357,761
Recoveries of doubtful loans	-	171,463	-	-	-	171,463
Interest earned	186	324,158	-	-	-	324,344
Miscellaneous	51,277	23,964	-	-	-	75,241
Total revenues	2,781,012	3,238,780	1,516,606	-	-	7,536,398
Expenditures						
Current:						
Economic development and assistance:						
Personal services	1,614,171	372,630	1,153,349	-	-	3,140,150
Supplies and materials	73,415	3,794	34,467	-	-	111,676
Other services and charges	315,796	328,631	115,468	63,030	-	822,925
Repairs and maintenance	186,228	-	314	-	-	186,542
Provision for doubtful loans	-	90,454	-	-	-	90,454
Grant distributions	237,796	460,391	-	-	-	698,187
Debt service:						
Principal retirement	-	-	-	-	35,715	35,715
Interest payments	-	-	-	-	1,607	1,607
Capital expenditures	26,632	-	19,082	421,957	-	467,671
Total expenditures	2,454,038	1,255,900	1,322,680	484,987	37,322	5,554,927
Excess (deficiency) of revenues over expenditures	326,974	1,982,880	193,926	(484,987)	(37,322)	1,981,471
Other Financing Sources (Uses)						
Operating transfers in	387,227	2,025,373	46,759	416,549	34,209	2,910,117
Operating transfers out	(511,109)	(2,158,323)	(240,685)	-	-	(2,910,117)
Transfer in from:						
Proprietary Fund	-	-	-	57,334	-	57,334
Total other financing sources (uses)	(123,882)	(132,950)	(193,926)	473,883	34,209	57,334
Net Change in Fund Balances	203,092	1,849,930	-	(11,104)	(3,113)	2,038,805
Fund Balances						
Beginning of year	1,317,851	34,000,225	-	69,093	3,113	35,390,282
End of year	\$ 1,520,943	\$ 35,850,155	\$ -	\$ 57,989	\$ -	\$ 37,429,087

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, 2021

Net Change in Fund Balances - Total Governmental Funds **\$ 2,038,805**

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	\$ 606,115	
Depreciation expense	<u>(124,896)</u>	481,219

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has an effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments		35,715
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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	(13,560)	
Decrease in compensated absences	<u>6,615</u>	<u>(6,945)</u>

Change in Net Position of Governmental Activities **\$ 2,548,794**

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 300,612	\$ 380,611	\$ 839,657	\$ 459,046
Charges for services	1,890,309	1,893,621	1,889,892	(3,729)
Interest earned	55	179	186	7
Miscellaneous	21,200	48,515	51,277	2,762
Total revenues	<u>2,212,176</u>	<u>2,322,926</u>	<u>2,781,012</u>	<u>458,086</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	1,752,600	1,604,740	1,614,171	(9,431)
Supplies and materials	84,650	46,864	73,415	(26,551)
Other services and charges	535,889	244,166	315,796	(71,630)
Repairs and maintenance	7,500	162,550	186,228	(23,678)
Grant distributions	160,000	230,000	237,796	(7,796)
Capital expenditures	60,000	26,100	26,632	(532)
Total expenditures	<u>2,600,639</u>	<u>2,314,420</u>	<u>2,454,038</u>	<u>(139,618)</u>
Deficiency of revenues over expenditures	<u>(388,463)</u>	<u>8,506</u>	<u>326,974</u>	<u>318,468</u>
Other Financing Sources (Uses)				
Operating transfers in	1,154,895	942,576	387,227	(555,349)
Operating transfers out	(466,829)	(58,998)	(511,109)	(452,111)
Total other financing sources (uses)	<u>688,066</u>	<u>883,578</u>	<u>(123,882)</u>	<u>(1,007,460)</u>
Net Change in Fund Balance	299,603	892,084	203,092	(688,992)
Fund Balance				
Beginning of year	<u>1,171,118</u>	<u>1,317,851</u>	<u>1,317,851</u>	<u>-</u>
End of year	<u>\$ 1,470,721</u>	<u>\$ 2,209,935</u>	<u>\$ 1,520,943</u>	<u>\$ (688,992)</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 829,166	\$ 2,701,449	\$ 2,719,195	\$ 17,746
Recoveries of doubtful loans	-	-	171,463	171,463
Charges for services	6,000	32,071	-	(32,071)
Interest earned	225,970	324,495	324,158	(337)
Miscellaneous	24,000	21,272	23,964	2,692
Total revenues	<u>1,085,136</u>	<u>3,079,287</u>	<u>3,238,780</u>	<u>159,493</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	203,200	385,215	372,630	12,585
Supplies and materials	4,800	6,415	3,794	2,621
Other services and charges	154,550	18,385	328,631	(310,246)
Grant distributions	-	450,710	460,391	(9,681)
Provision for doubtful loans	-	(23,968)	90,454	(114,422)
Capital expenditures	1,000	103,622	-	103,622
Total expenditures	<u>363,550</u>	<u>940,379</u>	<u>1,255,900</u>	<u>(315,521)</u>
Excess of revenues over expenditures	<u>721,586</u>	<u>2,138,908</u>	<u>1,982,880</u>	<u>(156,028)</u>
Other Financing Sources (uses)				
Operating transfers in	303,384	2,028,783	2,025,373	(3,410)
Operating transfers out	(877,250)	(2,763,955)	(2,158,323)	605,632
Total other financing sources (uses)	<u>(573,866)</u>	<u>(735,172)</u>	<u>(132,950)</u>	<u>602,222</u>
Net Change in Fund Balance	147,720	1,403,736	1,849,930	446,194
Fund Balance				
Beginning of year	<u>36,410,377</u>	<u>34,000,225</u>	<u>34,000,225</u>	<u>-</u>
End of year	<u>\$ 36,558,097</u>	<u>\$ 35,403,961</u>	<u>\$ 35,850,155</u>	<u>\$ 446,194</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,377,464	\$ 1,014,227	\$ 1,048,737	\$ 34,510
Charges for services	352,500	413,700	467,869	54,169
Miscellaneous	-	-	-	-
Total revenues	<u>1,729,964</u>	<u>1,427,927</u>	<u>1,516,606</u>	<u>88,679</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	1,171,735	1,151,684	1,153,349	(1,665)
Supplies and materials	16,800	11,034	34,467	(23,433)
Other services and charges	398,799	87,195	115,468	(28,273)
Repairs and maintenance	5,000	325	314	11
Capital expenditures	23,430	20,630	19,082	1,548
Total expenditures	<u>1,615,764</u>	<u>1,270,868</u>	<u>1,322,680</u>	<u>(51,812)</u>
Excess (deficiency) of revenues over expenditures	<u>114,200</u>	<u>157,059</u>	<u>193,926</u>	<u>36,867</u>
Other Financing Uses				
Operating transfers in	29,800	43,720	46,759	3,039
Operating transfers out	<u>(144,000)</u>	<u>(200,779)</u>	<u>(240,685)</u>	<u>(39,906)</u>
Total other financing sources (uses)	<u>(114,200)</u>	<u>(157,059)</u>	<u>(193,926)</u>	<u>(36,867)</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, 2021

	Business-Type Activities Enterprise Funds		
	Regional Building Code Fund	Information Technology Fund	
ASSETS			
Current			
Cash and cash equivalents	\$ 168,611	\$ 240,659	\$ 409,270
Due from other governmental units	-	306,842	306,842
Prepaid insurance	19,520	5,590	25,110
Prepaid other	2,439	14,911	17,350
Total current assets	190,570	568,002	758,572
Capital Assets			
Furniture, fixtures, and equipment	444,686	564,550	1,009,236
Less accumulated depreciation	(390,431)	(345,821)	(736,252)
Intangible assets	342,197	3,063,516	3,405,713
Less accumulated amortization	(342,198)	(1,055,482)	(1,397,680)
Net capital assets	54,254	2,226,763	2,281,017
Total assets	244,824	2,794,765	3,039,589
Deferred Outflow of Resources, Pensions	262,667	286,530	549,197
Total assets and deferred outflows of resources	507,491	3,081,295	3,588,786
LIABILITIES			
Current			
Accounts payable and accrued expenses	32,018	69,765	101,783
Due to other funds	2,688	288,159	290,847
Compensated absences payable	57,919	32,913	90,832
Unearned revenue	-	135,891	135,891
Total payable from current assets	92,625	526,728	619,353
Noncurrent			
Compensated absences payable	7,674	11,472	19,146
Net pension liability	731,111	797,534	1,528,645
Total noncurrent liabilities	738,785	809,006	1,547,791
Total liabilities	831,410	1,335,734	2,167,144
Deferred Inflows of Resources, Pensions	23,170	25,275	48,445
Total liabilities and deferred inflows of resources	854,580	1,361,009	2,215,589
NET POSITION (DEFICIT)			
Net investment in capital assets	54,254	2,226,763	2,281,017
Unrestricted (deficit)	(401,343)	(506,477)	(907,820)
Total net position (deficit)	\$(347,089)	\$ 1,720,286	\$ 1,373,197

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, 2021

	<u>Business-Type Activities Enterprise Funds</u>		
	<u>Regional Building Code Fund</u>	<u>Information Technology Fund</u>	<u>Totals</u>
Operating Revenues			
Charges for services	\$ 1,212,500	\$ 2,894,295	\$ 4,106,795
Operating Expenses			
Personal services	1,107,182	1,413,376	2,520,558
Supplies and materials	17,806	24,725	42,531
Other services and charges	113,741	473,305	587,046
Repairs and maintenance	13,072	525	13,597
Depreciation and amortization expense	21,123	304,166	325,289
Total operating expenses	<u>1,272,924</u>	<u>2,216,097</u>	<u>3,489,021</u>
Operating income	<u>(60,424)</u>	<u>678,198</u>	<u>617,774</u>
Nonoperating Revenues			
Investment income	98	120	218
Miscellaneous	29	10	39
Total nonoperating revenues	<u>127</u>	<u>130</u>	<u>257</u>
Transfer to Other Funds			
Operating transfers out	<u>-</u>	<u>(57,334)</u>	<u>(57,334)</u>
Change in Net Position	<u>(60,297)</u>	<u>620,994</u>	<u>560,697</u>
Net Position (Deficit)			
Beginning of year	<u>(286,792)</u>	<u>1,099,292</u>	<u>812,500</u>
End of year	<u>\$ (347,089)</u>	<u>\$ 1,720,286</u>	<u>\$ 1,373,197</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2021

	<u>Business-Type Activities Enterprise Funds</u>		<u>Totals</u>
	<u>Regional Building Code Fund</u>	<u>Information Technology Fund</u>	
Cash Flows provided by Operating Activities			
Cash received from customers and users	\$ 1,212,529	\$ 2,877,861	\$ 4,090,390
Cash payments to suppliers	(149,476)	(623,755)	(773,231)
Cash payments to employees for services and benefits	<u>(1,145,052)</u>	<u>(1,412,985)</u>	<u>(2,558,037)</u>
Net cash provided by (used in) operating activities	(81,999)	841,121	759,122
Cash Flow used in Noncapital Financing Activities			
Net transfers to other funds	-	(57,334)	(57,334)
Cash Flow used in Capital Financing Activities			
Acquisition and development of capital assets	(27,866)	(756,984)	(784,850)
Cash Flows provided by Investing Activities			
Investment income	<u>98</u>	<u>120</u>	<u>218</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(109,767)	26,923	(82,844)
Cash and Cash Equivalents			
Beginning of year	<u>278,378</u>	<u>213,736</u>	<u>492,114</u>
End of year	<u>\$ 168,611</u>	<u>\$ 240,659</u>	<u>\$ 409,270</u>

**Exhibit L
(Continued)**

	Business-Type Activities Enterprise Funds		Totals
	Regional Building Code Fund	Information Technology Fund	
Reconciliation of Operating Income to Net Cash provided by Operating Activities:			
Operating income (loss)	\$ (60,424)	\$ 678,198	\$ 617,774
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	21,123	304,165	325,288
Pension expense (credits)	(59,909)	(5,223)	(65,132)
Miscellaneous income	29	10	39
(Increase) decrease in assets:			
Due from other governmental units	-	(38,257)	(38,257)
Prepaid expenses	(3,211)	(2,234)	(5,445)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	8,436	10,729	19,165
Due to other funds	(2,567)	(126,578)	(129,145)
Compensated absences	14,524	(1,502)	13,022
Unearned revenue	-	21,813	21,813
	(21,575)	162,923	141,348
Total adjustments			
Net cash provided by (used in) operating activities	\$ (81,999)	\$ 841,121	\$ 759,122

See notes to financial statements.

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

June 30, 2021

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:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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.

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.

Debt Service Fund - used to account for and report financial resources that are restricted, committed or assigned expenditures for debt principal, interest and related costs. The Debt Service 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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.

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, 2021 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. The Debt Service Fund does not employ formal budgetary accounting because control is achieved through the indenture provisions of the bonds or certificates.

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, 2021, the loan loss reserve amounted to \$1,017,620, which is a decrease of \$755,859 including loan write-offs of \$649,589 for the year ended June 30, 2021.

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, 2021 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, 2021. 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, 2021.

p) New GASB Statements

During the year ending June 30, 2021, the Commission implemented the following GASB Statements:

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (Continued)

Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This statement did not affect the Commission's financial statements.

Statement No. 90, "*Majority Equity Interest*" improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and therefore, the government should report that organization as a component unit. 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. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (Continued)

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (Continued)

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this statement on the financial 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; (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. The requirements of this statement are effective for the years beginning after June 15, 2022. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (Continued)

Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87 "*Leases*", as amended. Under this Statement a government should recognize a right to use subscription asset and a corresponding subscription liability at the commencement of the subscription term. The subscription liability should be measured at the present value of subscription payments. Future subscription payments should be discounted using the interest rate the vendor charges the government or the government's incremental borrowing rate. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example interest expense) in future financial reporting periods. Activities associated with SBITAs, other than subscription payments, should be grouped into three stages and costs meeting specific capitalization criteria, including costs necessary to place the subscription asset in service, should be capitalized in the subscription asset, otherwise costs should be expensed as incurred. This Statement provides an exception for short-term SBITAs of 12 months or less, including options to extend. Subscription payments for short-term SBITAs should be expensed as incurred. This Statement requires disclosure of descriptive information about SBITAs other than short-term SBITAs. The requirements of this Statement are effective for years beginning after June 15, 2022. Management has not as yet determined the effect of the Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria and Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*" provides for purposes of determining whether a primary government is financially accountable for a potential component unit, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84 "*Fiduciary Activities*", be applicable to only defined pension plans and defined OPEB plans that are administered through trusts. The Statement also requires that IRC Section 457 deferred compensation plan be classified as either a pension plan or as an other employee benefit plans depending on whether the plan meets the definition of a pension plan and clarifies that Statement No. 84 should be applied to all arrangement organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement that the absence of a governing board for a potential component unit should be treated the same as the

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New GASB Statements (Continued)

appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform and limit the financial burden criterion in paragraph 7 of Statement No. 84, be applicable to only defined pension plans and defined OPEB plans that are administered through trusts are effective immediately. The requirements in this Statement that are related to accounting and reporting for IRC Section 457 plans are effective for years beginning after June 15, 2021. Management has not as yet determined the effect of the Statement on the financial statements.

Statement No. 98, "*The Annual Comprehensive Financial Report*" establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym sounds like a profoundly objectionable racial slur. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Management believes this statement will not effect the District's 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 March 24, 2022, 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.

Note 2 - DEPOSITS (Continued)

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	\$10,465,764	\$9,403,439

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, 2021, \$10,215,764 of the Commission's bank balance of \$10,465,764 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, 2021, 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	9,403,439
Total cash	\$9,403,539

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

As of June 30, 2021 due from other governmental units consisted of the following:

Agency	Governmental Activities	Business- Type Activities	Totals
Louisiana Department of Transportation and Development	\$ 60,977	\$ -	\$ 60,977
U.S. Economic Development Administration	86,599	-	86,599
U.S. Environmental Protection Agency, Region 6	33,831	-	33,831
Louisiana Board of Regents/LUMCON	14,533	-	14,533
Louisiana Division of Historic Preservation LED Restore LA Small Business	26,286	-	26,286
Louisiana Office of Community Development	60,067	-	60,067
Governor's Office of Homeland Security Emergency Preparedness	91,413	-	91,413
Houma Terrebonne Airport - EDA Administration	16,345	-	16,345
St John (River Region) - EDA Welding Center	15,750	-	15,750
Louisiana Department of Wildlife and Fisheries	14,280	-	14,280
East Baton Rouge Expedited Plan Review Services	58,424	-	58,424
East Baton Rouge, Louisiana	269,334	-	269,334
Lake Charles, Louisiana	-	40,827	40,827
Shreveport, Louisiana	-	10,865	10,865
St Tammany, Louisiana	-	18,217	18,217
HAS Transit, Texas	-	11,601	11,601
LCRA - Texas	-	49,950	49,950
Other Governmental Units	-	14,310	14,310
	<u>103,219</u>	<u>161,072</u>	<u>264,291</u>
Totals	<u>\$851,058</u>	<u>\$306,842</u>	<u>\$ 1,157,900</u>

As of June 30, 2021, governmental activities included \$46,311 of unbilled general receivables, \$69,287 of unbilled loan receivables, and \$47,815 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, 2021.

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables consist of the following as of June 30, 2021:

Individual Funds	Interfund Receivables	Interfund Payables
General Fund	\$ 1,021,722	\$ 301,043
Special Revenue Fund:		
Loan Fund	-	194,900
Grant Funds	1,643	324,494
Capital Projects Fund	87,919	-
Enterprise Funds:		
Building Code Fund	-	2,688
Information Technology Fund	-	288,159
Totals	\$ 1,111,284	\$ 1,111,284

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, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
<u>Governmental Activities:</u>				
Capital assets not subject to depreciation:				
Construction in progress	\$ 44,598	\$556,108	\$ -	\$ 600,706
Capital assets being depreciated:				
Buildings	4,283,453	-	-	4,283,453
Furniture, fixtures, and equipment	657,086	50,007	(51,445)	655,648
Total capital assets being depreciated	4,940,539	50,007	(51,445)	4,939,101
Less accumulated depreciation for:				
Buildings	(657,987)	(85,820)	-	(743,807)
Furniture, fixtures, and equipment	(525,022)	(39,076)	51,445	(512,653)
Total accumulated depreciation	(1,183,009)	(124,896)	51,445	(1,256,460)
Total governmental activities capital assets, net	<u>\$ 3,802,128</u>	<u>\$481,219</u>	<u>\$ -</u>	<u>\$ 4,283,347</u>
<u>Business-Type Activities:</u>				
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 960,553	\$135,506	\$(86,823)	\$ 1,009,236
Intangible assets	2,756,369	649,344	-	3,405,713
Total capital assets being depreciated	3,716,922	784,850	(86,823)	4,414,949
Less accumulated depreciation for:				
Furniture, fixtures, and equipment	(744,615)	(78,460)	86,823	(736,252)
Intangible assets	(1,150,852)	(246,828)	-	(1,397,680)
Total accumulated depreciation	(1,895,467)	(325,288)	86,823	(2,133,932)
Total business-type activities capital assets, net	<u>\$ 1,821,455</u>	<u>\$459,562</u>	<u>\$ -</u>	<u>\$ 2,281,017</u>

During 2021, the Commission recognized \$124,896 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, 2021, the Commission had accounts payable reported in the Governmental Activities of \$273,629 and \$101,783 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	\$ 84,913	\$ 128,855	\$213,768
Loan Fund	-	153	153
Grant Fund	-	29,778	29,778
Capital Projects Fund	-	29,930	29,930
	<u>84,913</u>	<u>188,716</u>	<u>273,629</u>
Business-Type Activities:			
Regional Building Code Fund	30,962	1,056	32,018
Information Technology Fund	45,864	23,901	69,765
	<u>76,826</u>	<u>24,957</u>	<u>101,783</u>
Totals	<u>\$161,739</u>	<u>\$213,673</u>	<u>\$375,412</u>

Note 7 - NON-CURRENT LIABILITIES

Non-current liabilities as of June 30, 2021 consisted of accumulated annual leave (vacation pay) amounts vested with employees, net pension liability and certificates of indebtedness. The following is a summary of changes in the non-current liabilities of the Commission for the year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Governmental Activities					
2014 certificates of indebtedness	\$ 35,715	\$ -	\$(35,715)	\$ -	\$ -
Net pension liability	1,631,083	320,402	-	1,951,485	-
Compensated absences	117,550	-	(6,614)	110,936	95,999
Business-Type Activities					
Net pension liability	1,372,813	155,832	-	1,528,645	-
Compensated absences	96,956	13,022	-	109,978	90,832
Totals	<u>\$3,254,117</u>	<u>\$489,256</u>	<u>\$(42,329)</u>	<u>\$3,701,044</u>	<u>\$186,831</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.

During the year ended June 30, 2021, the Commission's outstanding Certificates of Indebtedness, Series 2014A totaling \$250,000 were paid in full. The certificates bore interest at 4.50% and were secured by a pledge of revenue.

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, 2021. 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, 2021 the unearned revenue activity consisted of the following:

	General Fund	Grant Fund	Information Technology Fund
Balance June 30, 2020	\$ 198,772	\$ 12,417	\$ 114,078
Advances	-	-	21,813
Earnings	(45,720)	(12,417)	-
Balance June 30, 2021	\$ 153,052	\$ -	\$ 135,891

Note 9 - RECONCILIATION OF TRANSFERS

A reconciliation of operating transfers for the year ended June 30, 2021 is as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund:		
General Fund	\$ -	\$ -
Loan Fund	146,544	13,592
Grant Fund	240,683	46,759
Debt Service Fund	-	34,209
Capital Projects Fund	-	416,549
Totals	387,227	511,109
Loan Fund:		
General Fund	13,594	146,544
Loan Fund	2,011,779	2,011,779
Totals	2,025,373	2,158,323
Grant Fund:		
General Fund	46,759	240,685
Debt Service Fund:		
General Fund	34,209	-
Capital Projects Fund:		
General Fund	416,549	-
Proprietary Fund	57,334	57,334
Totals	473,883	57,334
Grand totals	\$ 2,967,451	\$ 2,967,451

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, 2021, 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 \$556,476 for the year ended June 30, 2021.

Pension Liabilities. As of June 30, 2021, the Commission reported a liability of \$3,480,130 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020, the Commission's proportion was 3.840%, which was a decrease of 0.406% from its proportion measured as of June 30, 2019.

Pension Expense. For the year ended June 30, 2021, the Commission recognized pension expense of \$504,904.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (58,555)
Net difference between projected and actual earnings on pension plan investments	377,819	-
Changes in proportion share	208,161	(51,736)
Change in assumptions	107,854	-
Commission contributions subsequent to the measurement date	<u>556,476</u>	<u>-</u>
	<u>\$ 1,250,310</u>	<u>\$ (110,291)</u>

Note 11 - PENSION PLAN (Continued)

The Commission reported \$556,476 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, 2021. Deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

For The Year Ended June 30th,	Amount
2022	\$227,980
2023	214,144
2024	86,077
2025	55,342
Total	\$583,543

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

* Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions Expected	
Remaining Service Lives	3 years
Investment Rate of Return	6.95%, 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 rates of return is 7.00% for the year ended June 30, 2020. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2020 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	53.00%	2.33%
Public fixed income	38.00%	1.67%
Alternatives	9.00%	0.40%
Totals	100.00%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Rate		7.00%

Discount Rate. The discount rate used to measure the collective pension liability was 6.95%. 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 6.95%, 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 (5.95%) or one percentage-point higher (7.95%) than the current rate are on the next page:

Note 11 - PENSION PLAN (Continued)

	1.00% Decrease (5.95%)	Current Discount Rate (6.95%)	1.00% Increase (7.95%)
Commission's proportionate share share of the net pension liability	\$4,632,699	\$3,480,130	\$2,504,894

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, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

Note 12 - COMPENSATION OF COMMISSIONERS

Commissioners for South Central Planning & Development Commission, Inc. received no compensation during the year ended June 30, 2021.

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.

Note 14 - 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 effect the financial statements. Subsequent events have been evaluated through March 24, 2022, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

South Central Planning & Development Commission, Inc.

For the six years ended June 30, 2021

	<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>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>\$ 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>\$ 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>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>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 six years ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 556,476	\$ 416,651	\$ 367,498	\$ 358,559	\$ 304,987	\$ 283,837
Contributions in relation to the contractually required contribution	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered payroll	<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>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.

LOAN PROGRAMS

(Continued)

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.

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, 2021

	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
Assets					
Cash	\$ 189,248	\$ 441,558	\$ 1	\$ 404,262	\$ 1
Receivables:					
Economic loans	1,478,261	1,530,229	38,100	3,879,072	372,812
Miscellaneous	-	-	-	-	-
Due from other governments	21,024	-	-	-	-
Due from other funds	-	-	-	-	-
Prepays other	-	-	-	-	-
Deposits	-	-	-	-	-
	<u>\$ 1,688,533</u>	<u>\$ 1,971,787</u>	<u>\$ 38,101</u>	<u>\$ 4,283,334</u>	<u>\$ 372,813</u>
Total assets and other debits					
Liabilities					
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	21,024	-	-	-	-
	<u>21,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities					
Fund Balance					
Nonspendable	1,478,261	1,530,229	38,100	3,879,072	372,812
Restricted	189,248	441,558	1	404,262	1
	<u>1,667,509</u>	<u>1,971,787</u>	<u>38,101</u>	<u>4,283,334</u>	<u>372,813</u>
Total fund balance					
Total liabilities and fund balance	<u>\$ 1,688,533</u>	<u>\$ 1,971,787</u>	<u>\$ 38,101</u>	<u>\$ 4,283,334</u>	<u>\$ 372,813</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 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
\$ 1,291,652	\$ 25	\$ 519,264	\$ 30,429	\$ 5,244,445	\$ 176,569	\$ 33	\$ 8,297,487
705,039	2	100,326	169,323	14,603,956	2,787,792	1,937,597	27,602,509
-	-	-	-	-	-	2,310	2,310
-	-	-	-	60,068	-	60,774	141,866
-	-	-	-	-	-	-	-
-	-	-	-	143	-	-	143
-	-	-	-	893	-	-	893
<u>\$ 1,996,691</u>	<u>\$ 27</u>	<u>\$ 619,590</u>	<u>\$ 199,752</u>	<u>\$ 19,909,505</u>	<u>\$ 2,964,361</u>	<u>\$ 2,000,714</u>	<u>\$ 36,045,208</u>
\$ -	\$ -	\$ -	\$ -	\$ 153	\$ -	\$ -	\$ 153
-	-	-	-	110,792	-	63,084	194,900
-	-	-	-	110,945	-	63,084	195,053
705,039	2	100,326	169,323	14,603,956	2,787,792	1,937,597	27,602,509
1,291,652	25	519,264	30,429	5,194,604	176,569	33	8,247,646
<u>1,996,691</u>	<u>27</u>	<u>619,590</u>	<u>199,752</u>	<u>19,798,560</u>	<u>2,964,361</u>	<u>1,937,630</u>	<u>35,850,155</u>
<u>\$ 1,996,691</u>	<u>\$ 27</u>	<u>\$ 619,590</u>	<u>\$ 199,752</u>	<u>\$ 19,909,505</u>	<u>\$ 2,964,361</u>	<u>\$ 2,000,714</u>	<u>\$ 36,045,208</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, 2021

	<u>EPA Brownfield Revolving Loan Program</u>	<u>Economic Development Administration Revolving Loan Program</u>	<u>Louisiana Economic Development Small Business Recovery Loan and Grant Phase I Program</u>	<u>Louisiana Economic Development Revolving Capital Program</u>	<u>Louisiana Economic Innovation Loan Program</u>
Revenues					
Intergovernmental	\$ 67,969	\$ -	\$ -	\$ -	\$ -
Recoveries of doubtful loans	-	-	5,500	144,617	-
Interest earned	36,285	51,013	-	126,207	3,188
Miscellaneous	-	3,439	-	2,985	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	104,254	54,452	5,500	273,809	3,188
Expenditures					
Current:					
Economic development and assistance:					
Personal services	77,860	-	-	-	-
Supplies and materials	236	-	-	-	-
Other services and charges	3,467	27,133	-	206,411	-
Grant distributions	-	-	-	-	-
Provision for doubtful loans	-	-	(38,600)	-	-
Capital expenditures	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	81,563	27,133	(38,600)	206,411	-
Excess of revenues over expenditures	22,691	27,319	44,100	67,398	3,188
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)					
Operating transfers in	13,594	-	-	6,000	-
Operating transfers out	-	-	(6,000)	-	(81,927)
Intergovernmental transfer out to	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	13,594	-	(6,000)	6,000	(81,927)
Net Change in Fund Balance	36,285	27,319	38,100	73,398	(78,739)
Fund Balance					
Beginning of year	1,631,224	1,944,468	1	4,209,936	451,552
End of year	<u>\$ 1,667,509</u>	<u>\$ 1,971,787</u>	<u>\$ 38,101</u>	<u>\$ 4,283,334</u>	<u>\$ 372,813</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
\$ -	\$ -	\$ -	\$ -	\$ 553,962	\$ -	\$ 2,097,264	\$ 2,719,195
-	-	-	-	21,346	-	-	171,463
32,683	-	7,199	-	26,982	40,589	12	324,158
409	-	896	7	8,063	8,146	19	23,964
<u>33,092</u>	<u>-</u>	<u>8,095</u>	<u>7</u>	<u>610,353</u>	<u>48,735</u>	<u>2,097,295</u>	<u>3,238,780</u>
-	-	-	-	143,828	-	150,942	372,630
-	-	-	-	2,791	-	767	3,794
57,717	-	13,520	-	12,427	-	7,956	328,631
-	-	-	-	460,391	-	-	460,391
-	-	28,632	-	100,422	-	-	90,454
-	-	-	-	-	-	-	-
<u>57,717</u>	<u>-</u>	<u>42,152</u>	<u>-</u>	<u>719,859</u>	<u>-</u>	<u>159,665</u>	<u>1,255,900</u>
<u>(24,625)</u>	<u>-</u>	<u>(34,057)</u>	<u>7</u>	<u>(109,506)</u>	<u>48,735</u>	<u>1,937,630</u>	<u>1,982,880</u>
81,927	-	-	165,730	-	1,758,122	-	2,025,373
-	-	(165,730)	-	(1,904,666)	-	-	(2,158,323)
-	-	-	-	-	-	-	-
<u>81,927</u>	<u>-</u>	<u>(165,730)</u>	<u>165,730</u>	<u>(1,904,666)</u>	<u>1,758,122</u>	<u>-</u>	<u>(132,950)</u>
57,302	-	(199,787)	165,737	(2,014,172)	1,806,857	1,937,630	1,849,930
<u>1,939,389</u>	<u>27</u>	<u>819,377</u>	<u>34,015</u>	<u>21,812,732</u>	<u>1,157,504</u>	<u>-</u>	<u>34,000,225</u>
<u>\$ 1,996,691</u>	<u>\$ 27</u>	<u>\$ 619,590</u>	<u>\$ 199,752</u>	<u>\$ 19,798,560</u>	<u>\$ 2,964,361</u>	<u>\$ 1,937,630</u>	<u>\$ 35,850,155</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.

EPA Brownfield Petroleum Assessment Part II Grant Program - accounts for and reports receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

EPA Brownfield Hazardous Site Assessment Part II Grant Program - accounts for and reports receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses specified in the grant documents.

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

EPA River Region Waste Water 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.

EPA Clean Water Action Plan - accounts for and reports receipts and uses of grant funds received from the United States Environmental Protection Agency which are restricted to uses as specified in the grant 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 Assistance CARES Act 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.

GRANT PROGRAMS

(Continued)

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.

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.

DOTD Houma - Thibodaux MPO Transportation Plan Update - 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, 2021

	<u>Economic Development Administration Grant Program</u>	<u>MPO Transit Planning Services Grant Program</u>	<u>MPO Highway Services Grant Program</u>	<u>EPA Brownfield Petroleum Assessment Part II Grant Program</u>	<u>EPA Brownfield Hazardous Site Assessment Part II Grant Program</u>
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	68,325	2,601	30,869	12,808	-
Due from other funds	-	-	-	-	-
Prepaid other	<u>2,452</u>	<u>275</u>	<u>1,980</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 70,777</u></u>	<u><u>\$ 2,876</u></u>	<u><u>\$ 32,849</u></u>	<u><u>\$ 12,808</u></u>	<u><u>\$ -</u></u>
Liabilities					
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 75	\$ 2,725	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	<u>70,777</u>	<u>2,876</u>	<u>32,774</u>	<u>10,083</u>	<u>-</u>
Total liabilities	70,777	2,876	32,849	12,808	-
Fund Balance					
Nonspendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 70,777</u></u>	<u><u>\$ 2,876</u></u>	<u><u>\$ 32,849</u></u>	<u><u>\$ 12,808</u></u>	<u><u>\$ -</u></u>

**Schedule 3
(Continued)**

	Delta Regional Authority Grant Program	EPA River Region Waste Water Grant Program	EPA Clean Water Action Plan	Louisiana Wildlife and Fisheries Survey Assistance Grant Program	Louisiana Wildlife and Fisheries Assistance CARES Act Grant Program
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	5,692	9,911	58,424	-
Due from other funds	-	-	-	-	1,643
Prepaid other	-	-	-	-	-
Total assets	\$ -	\$ 5,692	\$ 9,911	\$ 58,424	\$ 1,643
Liabilities					
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ 1,643
Unearned revenue	-	-	-	-	-
Due to other funds	-	5,692	9,911	58,424	-
Total liabilities	-	5,692	9,911	58,424	1,643
Fund Balance					
Nonspendable	-	-	-	-	-
Total liabilities and fund balance	\$ -	\$ 5,692	\$ 9,911	\$ 58,424	\$ 1,643

**Schedule 3
(Continued)**

	DOTD Regional Highway Safety Plan	Regional Human Services Transportation Plan	DOTD Travel Demand Management Program	DOTD South Central Regional Bicycle/Ped Safety Plan	DOTD Houma - Thibodaux MPO Transport Plan Update
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$-
Due from other governments	20,924	648	640	5,299	-
Due from other funds	-	-	-	-	-
Prepaid other	738	-	-	-	-
Total assets	<u>\$ 21,662</u>	<u>\$ 648</u>	<u>\$ 640</u>	<u>\$ 5,299</u>	<u>\$-</u>
Liabilities					
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$-
Unearned revenue	-	-	-	-	-
Due to other funds	21,662	648	640	5,299	-
Total liabilities	21,662	648	640	5,299	-
Fund Balance					
Nonspendable	-	-	-	-	-
Total liabilities and fund balance	<u>\$ 21,662</u>	<u>\$ 648</u>	<u>\$ 640</u>	<u>\$ 5,299</u>	<u>\$-</u>

**Schedule 3
(Continued)**

	<u>Louisiana Office of Community Development - Regional Capacity Building Program</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	91,413	26,286	13,261	347,101
Due from other funds	-	-	-	1,643
Prepaid other	83	-	-	5,528
	<u>\$91,496</u>	<u>\$26,286</u>	<u>\$13,261</u>	<u>\$354,272</u>
Liabilities				
Accounts payable and accrued expenditures	\$ -	\$ 24,855	\$ 480	\$ 29,778
Unearned revenue	-	-	-	-
Due to other funds	91,496	1,431	12,781	324,494
	91,496	26,286	13,261	354,272
Fund Balance				
Nonspendable	-	-	-	-
	<u>\$91,496</u>	<u>\$26,286</u>	<u>\$13,261</u>	<u>\$354,272</u>
Total liabilities and fund balance	<u>\$91,496</u>	<u>\$26,286</u>	<u>\$13,261</u>	<u>\$354,272</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, 2021

	<u>Economic Development Administration Grant Program</u>	<u>MPO Transit Planning Services Grant Program</u>	<u>MPO Highway Services Grant Program</u>	<u>EPA Brownfield Petroleum Assessment Part II Grant Program</u>
Revenues				
Intergovernmental	\$ 345,076	\$ 44,373	\$ 262,468	\$ 27,954
Charges for services	-	-	-	-
Total revenues	<u>345,076</u>	<u>44,373</u>	<u>262,468</u>	<u>27,954</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	353,961	34,719	188,914	25,743
Supplies and materials	2,071	27	21,225	30
Other services and charges	18,431	2,358	19,247	2,181
Repairs and maintenance	-	-	314	-
Capital expenditures	<u>8,952</u>	<u>-</u>	<u>10,130</u>	<u>-</u>
Total expenditures	<u>383,415</u>	<u>37,104</u>	<u>239,830</u>	<u>27,954</u>
Excess (deficiency) of revenues over expenditures	<u>(38,339)</u>	<u>7,269</u>	<u>22,638</u>	<u>-</u>
Other Financing Sources (Uses)				
Operating transfers in	38,339	-	-	-
Operating transfers out	<u>-</u>	<u>(7,269)</u>	<u>(22,638)</u>	<u>-</u>
Total other financing sources (uses)	<u>38,339</u>	<u>(7,269)</u>	<u>(22,638)</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Schedule 4
(Continued)**

	EPA Brownfield Hazardous Site Assessment Part II Grant Program	Delta Regional Authority Grant Program	EPA River Region Waste Water Grant Program	EPA Clean Water Action Plan
Revenues				
Intergovernmental	\$ -	\$ 12,000	\$ 4,119	\$ 6,174
Charges for services	-	18,000	-	-
	<u>-</u>	<u>18,000</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>30,000</u>	<u>4,119</u>	<u>6,174</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	330	20,664	1,926	1,426
Supplies and materials	-	-	2	2
Other services and charges	12	1,747	156	10
Repairs and maintenance	-	-	-	-
Capital expenditures	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>342</u>	<u>22,411</u>	<u>2,084</u>	<u>1,438</u>
Excess (deficiency) of revenues over expenditures	<u>(342)</u>	<u>7,589</u>	<u>2,035</u>	<u>4,736</u>
Other Financing Sources (Uses)				
Operating transfers in	342	-	-	-
Operating transfers out	-	(7,589)	(2,035)	(4,736)
	<u>-</u>	<u>(7,589)</u>	<u>(2,035)</u>	<u>(4,736)</u>
Total other financing sources (uses)	<u>342</u>	<u>(7,589)</u>	<u>(2,035)</u>	<u>(4,736)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Schedule 4
(Continued)**

	Louisiana Wildlife and Fisheries Survey Assistance Grant Program	Louisiana Wildlife and Fisheries Assistance CARES Act Grant Program	DOTD Regional Highway Safety	Regional Human Services Transportation Plan
Revenues				
Intergovernmental	\$ -	\$ -	\$ 103,476	\$ 8,651
Charges for services	<u>384,824</u>	<u>62,877</u>	<u>2,168</u>	<u>-</u>
Total revenues	<u>384,824</u>	<u>62,877</u>	<u>105,644</u>	<u>8,651</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	223,061	31,056	90,036	7,176
Supplies and materials	2,409	3,230	34	6
Other services and charges	17,781	4,077	7,807	450
Repairs and maintenance	-	-	-	-
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>243,251</u>	<u>38,363</u>	<u>97,877</u>	<u>7,632</u>
Excess (deficiency) of revenues over expenditures	<u>141,573</u>	<u>24,514</u>	<u>7,767</u>	<u>1,019</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(141,573)</u>	<u>(24,514)</u>	<u>(7,767)</u>	<u>(1,019)</u>
Total other financing sources (uses)	<u>(141,573)</u>	<u>(24,514)</u>	<u>(7,767)</u>	<u>(1,019)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Schedule 4
(Continued)**

	<u>DOTD Travel Demand Management Program</u>	<u>DOTD South Central Regional Bicycle/Ped Safety Plan</u>	<u>DOTD Houma - Thibodaux MPO Transport Plan Update</u>	<u>Louisiana Office of Community Development - Regional Capacity Building Program</u>
Revenues				
Intergovernmental	\$ 9,258	\$ 62,216	\$ 17,795	\$ 91,238
Charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>9,258</u>	<u>62,216</u>	<u>17,795</u>	<u>91,238</u>
Expenditures				
Current:				
Economic development and assistance:				
Personal services	7,640	44,891	4,947	89,174
Supplies and materials	-	21	4,895	33
Other services and charges	531	4,799	-	5,101
Repairs and maintenance	-	-	-	-
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,171</u>	<u>49,711</u>	<u>9,842</u>	<u>94,308</u>
Excess (deficiency) of revenues over expenditures	<u>1,087</u>	<u>12,505</u>	<u>7,953</u>	<u>(3,070)</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	3,070
Operating transfers out	<u>(1,087)</u>	<u>(12,505)</u>	<u>(7,953)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,087)</u>	<u>(12,505)</u>	<u>(7,953)</u>	<u>3,070</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Schedule 4
(Continued)**

	Historic Preservation Hurricanes Recovery Program	BOR Lumcon BTNEP Home Sewage Assistance Program	Total Grant Fund
Revenues			
Intergovernmental	\$ 37,228	\$ 16,711	\$ 1,048,737
Charges for services	-	-	467,869
	<u>37,228</u>	<u>16,711</u>	<u>1,516,606</u>
Expenditures			
Current:			
Economic development and assistance:			
Personal services	12,342	15,343	1,153,349
Supplies and materials	107	375	34,467
Other services and charges	29,787	993	115,468
Repairs and maintenance	-	-	314
Capital expenditures	-	-	19,082
	<u>42,236</u>	<u>16,711</u>	<u>1,322,680</u>
Excess (deficiency) of revenues over expenditures	<u>(5,008)</u>	<u>-</u>	<u>193,926</u>
Other Financing Sources (Uses)			
Operating transfers in	5,008	-	46,759
Operating transfers out	-	-	(240,685)
	<u>5,008</u>	<u>-</u>	<u>(193,926)</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>

**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, 2021

Agency Head Name: Kevin P. Belanger, CEO

Purpose

Salary	\$ 205,283
Benefits - insurance	23,284
Benefits - retirement	31,819
Benefits - other	5,761
Car allowance	-
Vehicle provided by government	-
Phone allowance	1,320
Per diem	-
Reimbursements	2,717
Travel	165
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	873
Other	2,675
	<hr/>
	\$ 273,897
	<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, 2021, and the related notes to the financial statements which collectively comprise the Commission's basic financial statements and have issued our report thereon dated March 24, 2022.

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 may exist that have not been identified.

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 agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-001.

South Central Planning & Development Commission, Inc.'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 over financial reporting and compliance and 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
March 24, 2022.

**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

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and "*Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards*" (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Commission's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

Purpose of This Report

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 purposes.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
March 24, 2022.

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

For the year ended June 30, 2021

Federal Grantor/Pass- Through Grantor/Program Title	Federal CFDA Number	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	ED19AUS3020009	\$ 70,000	
CARES Support for Planning Organizations	11.302	ED20AUS3070062	250,336	
Disaster Supplemental Assistance - REDRM	11.307	08-79-05269	24,739	
Sudden and Severe Economic Dislocation				
Adjustment Revolving Loan Fund	11.307	08-59-02912.01	1,749,210	
CARES Act Revolving Loan Fund	11.307	08-79-05427	1,937,609	
CARES Act Revolving Loan Fund - Administration	11.307	08-79-05427	159,667	
Total U.S. Department of Commerce			<u>4,191,561</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 - Phase I	14.228	B-06-DG-22-001	53,852	
Small Business Recovery Loan and Grant Program - Revolving Capital Fund	14.228	B-06-DG-22-001	5,177,525	
Small Business Recovery Loan and Grant Program - Innovation Program	14.228	B-06-DG-22-001	592,098	
Small Business Recovery Loan and Grant Program - Innovation Revolving Capital Fund	14.228	B-06-DG-22-001	875,369	
Small Business Recovery Loan and Grant Program - St. John the Baptist Grant and Loan Fund	14.228	48USJB7001	459,439	
Small Business Recovery Loan and Grant Program - Restore Louisiana Small Business Program	14.228	16-DL-22-0001	21,147,114	
Small Business Recovery Loan and Grant Program - Restore Louisiana Small Business Program - Administration	14.228	16-DL-22-0001	155,342	
Grant Disaster Recovery Program Louisiana Watershed Initiative	14.228	16-DL-22-0001	91,238	
Total U.S. Department of Housing and Urban Development			<u>28,551,977</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	20,808	
Historic Structure Survey of Red River Parish	15.957	19-22-HIM-03	16,421	
Total U.S. Department of Interior			<u>37,229</u>	

Federal Grantor/Pass- Through Grantor/Program Title	Federal CFDA Number	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	9,258	
Federal Highway Administration - Metropolitan Planning	20.205	H972382.1	199,162	
South Central Bike and Pedestrian Safety Plan	20.205	H013539	52,239	
MPO transportation Plan update	20.205	H972322	17,795	
Strategic Highway Safety Plan	20.205	H013506	103,476	
Federal Transit Administration:				
<u>Pass-Through Payments:</u>				
<u>Louisiana Department of Transportation and Development:</u>				
Federal Transit Metropolitan Planning Grants				
MPO-FTA 2020	20.505	LA-2019-18	31,956	
MPO-FTA-2020-CHSTP	20.509	LA-2017-013	8,651	
Total U.S. Department of Transportation			422,537	
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	16,711	
Office of Solid Waste and Emergency Response:				
Brownfield Revolving Loan Fund	66.818	BL-96693301	1,560,320	
Brownfield Revolving Loan Fund - Administration	66.818	BL-96693301	67,969	
Brownfield Petroleum	66.818	BF-01-F21101-3	27,954	
Total Environmental Protection Agency			1,672,954	
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-2018-SS-00016-S01	19,372	
Homeland Security Grant Program	97.067	EMW-2019-SS-00014-S01	116,188	
Homeland Security Grant Program	97.067	EMW-2020-SS-00011-S01	100,887	
Total U.S. Department of Homeland Security			236,447	
Totals			\$ 35,124,705	

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, 2021

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, 2021. 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, 2021 for the Sudden and Severe Economic Dislocation Adjustment Revolving Loan Program, Federal CFDA number 11.307, was \$3,846,486, the Small Business Recovery Loan and Grant Programs, Federal CFDA number 14.228, \$28,951,977, and the Environmental Protection Agency Brownfield Revolving Loan Program, Federal CFDA number 66.818, \$1,656,243. In addition, an allowance for uncollectible loans amounting to \$1,017,619 has been recorded in the financial statements as of June 30, 2021.

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, 2021

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>CFDA Number</u>	<u>Name of Federal Program</u>
14.228	Community Development Block Grant Small Business Recovery Loan and Grant Program - Revolving Capital Fund

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

Dollar threshold used to distinguish
between Type A and Type B programs: \$1,053,741

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, 2021.

Compliance and Other Matters

2021-001 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, 2021.

Cause - The Commission failed to 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.

Views of Responsible Officials -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 or if there is a 5% or greater variance in the actual fund balance at the beginning of the year.

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, 2021.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2021

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

Internal Control Over Financial Reporting

2020-001 Budget Variance

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

Management's Response - Unresolved. 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 or if there is a 5% or greater variance in the actual fund balance at the beginning of the year. See 2021-001.

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, 2020.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2020.

MANAGEMENT'S CORRECTIVE ACTION PLAN

South Central Planning & Development Commission, Inc.

For the year ended June 30, 2021

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, 2021.

Compliance and Other Matters

2021-001 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 or if there is a 5% or greater variance in the actual fund balance at the beginning of the year.

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, 2021.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2021.