

**IMPERIAL CALCASIEU REGIONAL PLANNING &  
DEVELOPMENT COMMISSION**

**FINANCIAL REPORT**

**JUNE 30, 2022**

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION  
Lake Charles, Louisiana

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INDEPENDENT AUDITORS' REPORT

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

**Report on Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Imperial Calcasieu Regional Planning and Development Commission as of June 30, 2022, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Imperial Calcasieu Regional Planning and Development Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Responsibilities of Management 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, and for 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.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Imperial Calcasieu Regional Planning and Development Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Imperial Calcasieu Regional Planning and Development Commission's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Imperial Calcasieu Regional Planning and Commission's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional, procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of the Imperial Calcasieu Regional Planning & Development Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

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

*Ms. Tracy Divil + Beach*

Lake Charles, Louisiana  
December 16, 2022

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION  
June 30, 2022

ASSETS	<u>Governmental Activities</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 405,787
Grants receivable	57,686
Prepaid expenditures	1,903
GIS receivable	<u>5,576</u>
Total current assets	470,952
NONCURRENT ASSETS	
Right to use leased asset, net of amortization	28,018
Capital assets, net	<u>32,415</u>
Total noncurrent assets	60,433
Total assets	<u>531,385</u>
LIABILITIES	
CURRENT LIABILITIES	
Accrued expenditures	38,683
NONCURRENT LIABILITIES	
Leave payable	13,263
Due within one year	28,759
Due in more than one year	<u>4,962</u>
Total noncurrent liabilities	<u>46,984</u>
Total liabilities	<u>85,667</u>
NET POSITION	
Investment in capital assets, net of related debt	32,415
Unrestricted	<u>413,303</u>
Total net position	<u>\$ 445,718</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net Revenue (Expense)</u>
Planning and development	\$ 356,920	\$ 440,099	\$ -	\$ 83,179
GIS mapping	12,297	30,029	-	17,732
Delta region program	-	-	250	250
EDA programs	534,821	-	560,573	25,752
FHWA programs	247,325	-	316,362	69,037
FTA programs	40,913	-	45,433	4,520
FTA RT region program	9,278	-	15,000	5,722
Safety program	91,948	-	153,060	61,112
MPO supplement	181,675	-	207,441	25,766
Watershed	3,246	-	1,794	(1,452)
DOTD rail study	<u>2,112</u>	<u>-</u>	<u>1,340</u>	<u>(772)</u>
Total governmental activities	<u>\$ 1,480,535</u>	<u>\$ 470,128</u>	<u>\$ 1,301,253</u>	<u>\$ 290,846</u>
General revenues:				
Interest				\$ 166
Other income				<u>1,816</u>
				<u>\$ 1,982</u>
Change in net position				\$ 292,828
Net position- beginning of year-restated				<u>152,890</u>
Net position- end of year				<u>\$ 445,718</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

BALANCE SHEET - GENERAL FUND

June 30, 2022

ASSETS

Cash and cash equivalents	\$ 405,787
Grants receivable	57,686
Prepaid expenditures	1,903
Enterprise receivable	<u>5,576</u>
Total assets	<u>\$ 470,952</u>

LIABILITIES

Accrued expenditures	<u>\$ 38,683</u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable MPO dues	<u>-</u>
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FUND BALANCES

Nonspendable - prepaid expenditures	1,903
Unassigned fund balance	<u>430,366</u>
Total fund balances	<u>432,269</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET

June 30, 2022

Total governmental fund balances	\$ 432,269
Amounts reported for governmental activities in the statement of net position are different because:	
Right to use leased asset used in governmental activities are not financial resources and therefore are not reported in the funds	28,018
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	32,415
Balances for compensated absences are not reported in the fund	(13,263)
Long-term liabilities are not due and payable in the Current period and, therefore, are not reported in the funds	<u>(33,721)</u>
Net position of governmental activities	<u>\$ 445,718</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GENERAL FUND  
Year Ended June 30, 2022

REVENUES	
Federal and state grants	\$ 1,301,253
Dues	440,099
GIS mapping	30,029
Interest income	166
Other income	<u>1,816</u>
Total revenues	<u>1,773,363</u>
EXPENDITURES	
Current operations:	
Planning and development	382,906
Economic development program	534,821
FHWA program	247,325
FTA program	40,913
FTA RT program	9,278
Safety program	91,948
MPO supplement	181,675
Watershed	3,246
DOTD rail study	<u>2,112</u>
Total expenditures	<u>1,494,224</u>
Excess (deficiency) over expenditures	279,139
Fund balance - beginning of year	<u>153,130</u>
Fund balance - end of year	<u>\$ 432,269</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ 279,139
Amounts reported for governmental activities in the statement of activities are different because:	
(Increase) in compensated absences balances is revenue in the governmental funds, but the obligation increases long-term liabilities in the statement of net position	(3,296)
Right to use leased asset capital outlay expenditures which were capitalized	27,089
Amortization expense for intangible assets	(25,863)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	<u>15,759</u>
Change in net position of governmental activities	<u>\$ 292,828</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

June 30, 2022

ASSETS

Investments	<u>\$ 208,636</u>
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LIABILITIES

Deferred compensation benefits	<u>\$ 208,636</u>
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The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
Year Ended June 30, 2022

ADDITIONS	
Employee and employer contributions	\$ 31,886
Net (depreciation) in fair value of investments	<u>(35,799)</u>
Total additions	(3,913)
DEDUCTIONS	<u>33,359</u>
Change in net position	(37,272)
Net position held in agency funds:	
Beginning of year	<u>245,908</u>
End of year	<u>\$ 208,636</u>

The accompanying notes are an integral part of this statement.

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Note 1. Summary of Significant Accounting Policies

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

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

The following is a summary of certain significant accounting policies.

A. Financial Reporting Entity

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

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

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

B. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

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

#### GOVERNMENTAL FUNDS

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

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

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

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

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

available financial resources.

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

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

D. Net Position Flow Assumption

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

Fund balances:

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

Net position:

Net position is displayed in three components:

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

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

E. Budgets and Budgetary Accounting

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

Encumbrance accounting is not used.

F. Cash, Cash Equivalents and Investments

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

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

G. Prepaid Expenditures/Nonspendable-Prepaid Expenditures

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

H. Capital Assets and Depreciation

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

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

IMCAL has no infrastructure assets.

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

I. Accumulated Leave

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

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

J. Cost Allocation Plan

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

#### K. Adoption of New Accounting Principles

For the year ended June 30, 2022, the following statement was implemented: GASB Statement No. 87, Leases. This statement changed the accounting and financial reporting for leases by governments. It requires leases to recognize an intangible right-to-use asset and liability for leases that were previously classified as operating leases and establishes a single classification model for leases going forward.

#### L. Right to Use Assets

The Entity has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

#### Note 2. Cash and Cash Equivalents

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

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

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

The deposits at June 30, 2022 are as follows:

	Demand Deposits	Time Deposits
Carry amount	<u>\$ 385,213</u>	<u>\$ 20,574</u>
Bank balances:		
a. Federally insured	\$ 250,000	\$ 20,574
b. Collateralized by securities held by the pledging financial institution	117,538	-
c. Uncollateralized and uninsured	<u>22,639</u>	<u>-</u>
	<u>\$ 390,177</u>	<u>\$ 20,574</u>

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

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

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

Note 3. Receivables

Grants receivable at June 30, 2022 consisted of reimbursements for expenditures incurred under the following programs:

<u>Program</u>	<u>Amount</u>
EDA grant	\$ 6,179
FHWA grant	9,898
MPO supplemental	38,475
Watershed	1,794
DOTD rail study	<u>1,340</u>
Total	<u>\$ 57,686</u>

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

Note 4. Right to Use Leased Assets

The entity has recorded a right to use lease asset. The asset is a right to use assets for leased equipment. The related lease is discussed in Note 6. The right to use lease asset is amortized on a straight-line basis over the terms of the related lease.

	Beginning Balance	Increases	Decreases	Ending Balance
Right to use assets:				
Leased equipment	\$ 129,314	\$ -	\$ -	\$ 129,314
Less accumulated Amortization for:				
Leased equipment	<u>(75,433)</u>	<u>(25,863)</u>	<u>-</u>	<u>(101,296)</u>
Capital assets, net	<u>\$ 53,881</u>	<u>\$ (25,863)</u>	<u>\$ -</u>	<u>\$ 28,018</u>

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance 7/1/21	Increases	Decreases	Balance 6/30/22
Computers, furniture and equipment	\$ 32,961	\$ 22,940	\$ -	\$ 55,901
Accumulated depreciation	<u>(16,305)</u>	<u>(7,181)</u>	<u>-</u>	<u>(23,486)</u>
Capital assets, net	<u>\$ 16,656</u>	<u>\$ 15,759</u>	<u>\$ -</u>	<u>\$ 32,415</u>

The depreciation expense for the current year is \$7,181.

Note 6. Long-Term Obligations

Leases

The Town has entered into an agreement to lease certain equipment. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments of the date of their inception.

The agreement was executed on August 1, 2018, to lease computer equipment and requires 60 monthly payments of \$2,500. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 6%. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$28,018 at June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2023	\$ 28,759	\$ 1,241	\$ 30,000
2024	<u>4,963</u>	<u>37</u>	<u>5,000</u>
	<u>\$ 33,722</u>	<u>\$ 1,278</u>	<u>\$ 35,000</u>

The following is a summary of the long-term obligation activity for the year ended June 30, 2022:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due</u> <u>Ending</u> <u>One Year</u>
Governmental activities:					
Accumulated unpaid vacation	\$ 9,967	\$ 9,329	\$ 6,033	\$ 13,263	\$ -
Lease liabilities	<u>60,811</u>	<u>-</u>	<u>27,090</u>	<u>33,721</u>	<u>28,759</u>
Governmental activities long-term liabilities	<u>\$ 70,778</u>	<u>\$ 9,329</u>	<u>\$ 33,123</u>	<u>\$ 46,984</u>	<u>\$ 28,759</u>

Note 7. Fund Balance

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

Nonspendable:

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

Restricted:

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

Committed:

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

Assigned:

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

Unassigned:

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

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

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

Note 8. Economic Dependency/Funding Sources

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

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

Federal and state grants:	
Delta Regional Authority	\$ 250
Economic Development Administration (EDA)	560,573
Federal Transportation Administration (FTA)	60,433
Federal Highway Administration (FHWA)	316,362
Louisiana Department of Transportation and Development	361,840
Calcasieu Parish Police Jury	<u>1,794</u>
	<u>\$ 1,301,253</u>

Note 9. Board of Directors' Compensation

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

Note 10. Deferred Compensation

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

Note 11. Fair Value

The Commission categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Commission had the following recurring fair value measurements as of June 30, 2022:

**Fiduciary Activities**

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

Investments by Fair Value Level	6/30/22	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Units (Level 3)
Mutual funds:				
NCIT Indx 2025B	\$ 8,007	\$ 8,007	\$ -	\$ -
NCIT Indx 2035B	80,548	80,548	-	-
NCIT Indx 2050B	9,018	9,018	-	-
NCIT Indx 2055B	5,499	5,499	-	-
NCIT Indx 2060B	6,949	6,949	-	-
NW Inv Dest Mod Aggr Svc	37,397	37,397	-	-
NW Inv Dest Mod Svc	60,844	60,844	-	-
NW MDCAP MKT Indx A	54	54	-	-
NW Money MKT Prm	134	134	-	-
NW SMCAP Indx A	47	47	-	-
Nationwide Fixed Account	139	139	-	-
	<u>\$ 208,636</u>	<u>\$ 208,636</u>	<u>\$ -</u>	<u>\$ -</u>

#### Note 12. Contingent Liabilities and Commitments

The Commission does not have any pending litigation cases at June 30, 2022.

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

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

#### Note 13. Restatement of Net Position

The beginning net position as reflected on the Statement of Activities has been restated to reflect the following adjustments:

Balance at June 30, 2021	\$ 159,819
Implementation of GASB 87 Leases	(6,929)
Balance at July 1, 2021, as Restated	<u>\$ 152,890</u>

#### Note 14. Subsequent Events

Subsequent events have been evaluated by management through December 16, 2022, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Grant income	\$ 1,390,238	\$1,320,641	\$1,301,253	\$ (19,388)
Dues	475,641	475,641	440,099	(35,542)
GIS services	-	30,000	30,029	29
Other revenue	<u>1,000</u>	<u>-</u>	<u>1,982</u>	<u>1,982</u>
Total revenues	<u>1,866,879</u>	<u>1,826,282</u>	<u>1,773,363</u>	<u>(52,919)</u>
<b>EXPENDITURES</b>				
Personnel costs	1,300,000	1,328,580	1,131,945	196,635
Space rental	30,000	37,200	4,200	33,000
Matching funds	280,911	-	-	-
Reserve funds	15,000	-	-	-
Travel	-	-	7,289	(7,289)
Equipment	20,000	10,000	11,813	(1,813)
Phone/supplies/postage	15,000	15,000	7,897	7,103
Insurance	15,000	10,000	9,456	544
Legal and professional	30,000	39,000	32,565	6,435
Contract and consultant services	40,000	100,000	134,677	(34,677)
Data	10,000	20,000	94,780	(74,780)
Lease principal payments	-	-	27,088	(27,088)
Lease interest payments	-	-	2,912	(2,912)
Other expenses	<u>40,000</u>	<u>120,000</u>	<u>29,602</u>	<u>90,398</u>
Total expenditures	<u>1,795,911</u>	<u>1,679,780</u>	<u>1,494,224</u>	<u>185,556</u>
Excess (deficiency) of revenues over expenditures	70,968	146,502	279,139	132,637
Fund balance - beginning of year	<u>153,130</u>	<u>153,130</u>	<u>153,130</u>	<u>-</u>
Fund balance - end of year	<u>\$ 224,098</u>	<u>\$ 299,632</u>	<u>\$ 432,269</u>	<u>\$ 132,637</u>

## OTHER SUPPLEMENTARY INFORMATION

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

IMPERIAL CALCASIEU REGIONAL PLANNING & DEVELOPMENT COMMISSION

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
Year Ended June 30, 2022

Agency Head Name: Mike Hollier

The Officer herein is an Executive Officer and as such is an employee of the State of Louisiana. The payments are required to be disclosed per Act 706 for the fiscal year ended June 30, 2022, are as follows:

Gross salary	\$ 74,046
Benefits - insurance	-
Benefits - retirement	-
Conference and seminar fees	-
Transportation stipend	2,440



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Imperial Calcasieu Regional Planning and Development Commission's basic financial statements and have issued our report thereon dated December 16, 2022.

**Report on Internal Control Over Financial Reporting**

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



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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. (2022-001 through 2022-002)

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as item 2022-003.

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

*Government Auditing Standards* requires the Auditor to perform limited procedures on the Commission's response to the findings identified in our audit and 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 the response.

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

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

*Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

*Matthew Quil + Bank*

Lake Charles, Louisiana  
December 16, 2022



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

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

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Commission's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2022. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Imperial Calcasieu Regional Planning and Development 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, 2022.



### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### **Responsibilities of Management for Compliance**

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

### **Auditors' Responsibilities for the Audit of Compliance**

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### **Report on Internal Control Over Compliance**

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

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

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

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

*Matthew Quil & Sons*

Lake Charles, Louisiana  
December 16, 2022

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

<u>Grant Type</u>	<u>Federal</u> <u>CFDA Number</u>	<u>Grant Number</u>	<u>Current</u> <u>Expenditures</u>
U.S. Department of Commerce			
Direct Program:			
Economic Development Cluster:			
Economic Adjustment Assistance-CARES Act	11.307	ED20AUS3070064	\$ 462,217
Economic Development Support for Planning Organizations	11.302	ED19AUS3020018	<u>98,357</u>
Total U.S. Department of Commerce			<u>560,574</u>
U.S. Department of Transportation			
Passed Through Louisiana Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	H.972382.1	316,322
Highway Planning and Construction	20,205	H.13660.1	153,060
Highway Planning and Construction	20,205	H.0147411	<u>207,441</u>
Total Highway Planning and Construction Cluster			<u>676,823</u>
Metropolitan Planning and State and Non-Metropolitan Planning and Research	20.505	U2760080.1721	45,433
Formula Grants for Rural Areas and Tribal Transit Program	20.509	U2760018.1911	10,000
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	U2760016.1922	<u>5,000</u>
Total U.S. Department of Transportation			<u>737,256</u>
Total Federal Expenditures			<u>\$ 1,297,830</u>

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2022

Note A. Scope of Audit

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

Summary of significant accounting policies:

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

Note B. Disbursements

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

Note C. Schedule of Expenditures of Federal Awards

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

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

Note D. Indirect Cost Rate

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

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?  Yes  No

(continued on next page)

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022  
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

2022-001 Lack of Segregation of Duties

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

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

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

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

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

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

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2022

(Continued)

2022-002 Controls over Financial Reporting

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

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

Effect: Material misstatements in financial statements could go undetected.

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

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

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022  
(Continued)

2022-003 Deposits in Excess of Federally Insured Amounts

Finding: Deposits in excess of federally insured amounts were not fully collateralized at year end.

Criteria: Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value.

Effect: Without adequate collateral the deposits are subject to deposit risk.

Recommendation: Management should ensure that all deposits in excess of federal insured amounts Are collateralized.

Response: We recognize this issue. We will work with the financial institution which had this lapse to ensure that it does not occur again. Any repeated failure in this area will require the Commission to move these accounts to those financial institutions which do not have any problems in maintaining sufficient collateral. In addition, procedures will be implemented to ensure we are independently monitoring this area.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022

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

No findings to report.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022

SECTION IV- FINANCIAL STATEMENT FINDINGS

2021-001	Lack of segregation of duties	Unresolved - See comment 2022-001 In Section II Financial Statement Findings
2021-002	Controls over financial reporting	Unresolved - See comment 2022-002 in Section II Financial Statement Findings

SECTION V - FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

No findings to report.



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the  
Imperial Calcasieu Regional Planning and Development Commission  
And the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas of the Imperial Calcasieu Regional Planning and Development Commission identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget:

*No exceptions noted.*

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and

purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes:

*No exceptions noted.*

- c) **Disbursements**, including processing, reviewing, and approving:

*No exceptions noted.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation):

*As of June 30, 2022, the Entity did not have written policies and procedures that addressed this area.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees' rate of pay or approval and maintenance of pay rate schedules:

*No exceptions noted.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process:

*As of June 30, 2022, the Entity did not have written policies and procedures that addressed this area.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases):

*No exceptions noted.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers:

*No exceptions noted.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy:

*As of June 30, 2022, the Entity did not have written policies and procedures that addressed this area.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements:

*As of June 30, 2022, the Entity did not have written policies and procedures that addressed this area.*

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*No exceptions noted.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*No exceptions noted.*

### **Board or Finance Committee**

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws or other equivalent document:

*No exceptions noted.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget to actual comparisons on the general fund,

quarterly budget to actual, at a minimum, on proprietary funds, and semi-annual budget to actual, at a minimum, on all special revenue funds:

*No exceptions noted.*

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

*No exceptions noted.*

### ***Bank Reconciliations***

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

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

*No exceptions noted.*

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

*No exceptions noted.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable:

*No exceptions noted.*

### ***Collections (excluding electronic funds transfers)***

---

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

*No exceptions noted.*

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers:

*No exceptions noted.*

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

*No exceptions noted.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit:

*No exceptions noted.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation:

*No exceptions noted.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.:

*No exceptions noted.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered:

*No exceptions noted.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip:

*No exceptions noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement:

*No exceptions noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100):

*No exceptions noted.*

- e) Trace the actual deposit per the bank statement to the general ledger:

*No exceptions noted.*

**Non-Payroll Disbursements (excluding credit card purchases/payments, travel reimbursements, and petty-cash purchases)**

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*No exceptions noted.*

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase:

*No exceptions noted.*

- b) At least two employees are involved in processing and approving payments to vendors:

*No exceptions noted.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files:

*The employee responsible for processing payments is able to add/modify vendor files.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments:

*The employee responsible for preparing the checks also mails the payment.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity:

*No exceptions noted.*

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable:

*Five instances where there was no evidence of segregation of duties.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

*This procedure is not applicable due to the fact that the Entity does not have any active credit cards, bank debit cards, fuel cards, or P-cards.*

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

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

*This procedure is not applicable due to the fact that the Entity does not have any active credit cards, bank debit cards, fuel cards, or P-cards.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*This procedure is not applicable due to the fact that the Entity does not have any active credit cards, bank debit cards, fuel cards, or P-cards.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 of transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only):

*This procedure is not applicable due to the fact that the Entity does not have any active credit cards, bank debit cards, fuel cards, or P-cards.*

### ***Travel and Expense Reimbursement***

---

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

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

*No exceptions noted.*

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

*No exceptions noted.*

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h):

*No exceptions noted.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement:

*No exceptions noted.*

## **Contracts**

---

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

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law:

*No exceptions noted.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter):

*No exceptions noted.*

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment: and that amendments were made in compliance with the contract terms:

*No exceptions noted.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract:

*No exceptions noted.*

## ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*No exceptions noted.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave):

*No exceptions noted.*

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials:

*No exceptions noted.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records:

*No exceptions noted.*

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*No exceptions noted.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee or officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy:

*No exceptions noted.*

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines:

*No exceptions noted.*

### **Ethics**

---

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management and:

- a) Observe whether the documentation demonstrates each employee and official completed one hour of ethics training during the fiscal period:

*No exceptions noted.*

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

*No exceptions noted.*

### **Debt Service**

---

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued:

*N/A- No bonds or debt instruments issued during the fiscal period.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants):

*N/A- No bonds or debt instruments at the end of the fiscal period.*

## ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled:

*No misappropriations of assets during the fiscal period.*

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

*No exceptions noted.*

## ***Information Technology Disaster Recovery/Business Continuity***

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*We performed the procedure and discussed the results with management.*

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

*We performed the procedure and discussed the results with management.*

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

*We performed the procedure and discussed the results with management.*

## **Sexual Harassment**

---

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*The employees selected did not complete at least one hour of sexual harassment training during the calendar year.*

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

*No exceptions noted.*

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

- a) Number and percentage of public servants in the agency who have completed the training requirements:

*The entity did not produce an annual sexual harassment report for the current fiscal period.*

- b) Number of sexual harassment complaints received by the agency:

*The entity did not produce an annual sexual harassment report for the current fiscal period.*

- c) Number of complaints which resulted in a finding that sexual harassment occurred:

*The entity did not produce an annual sexual harassment report for the current fiscal period.*

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action:

*The entity did not produce an annual sexual harassment report for the current fiscal period.*

- e) Amount of time it took to resolve each complaint:

*The entity did not produce an annual sexual harassment report for the current fiscal period.*

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

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

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

A handwritten signature in blue ink, appearing to read "M. Tracy Smith & Co.", is positioned above the typed text.

Lake Charles, Louisiana  
December 16, 2022



Southwest Louisiana Regional Planning Commission (SWLA-RPC)  
Imperial Calcasieu Regional Planning & Development Commission (IMCAL)  
Louisiana Planning District 5

December 7, 2022  
RPC-1/2022071

McElroy, Quirk & Burch  
PO Box 3070  
Lake Charles, LA 70602-3070

In response to #9c Non-Payroll Disbursements, The Entity's Internal Controls specifies that purchasing decisions are made by the management team and are subject to review and approval by the Executive Director. Purchase Orders and Vendor Requests are initiated by a manager prior to any purchase of \$100 or more. All Purchase Order and Vendor Request forms must be signed by the Executive Director. A physical and digital log and physical and digital copies of Purchase Orders and Vendor Requests are maintained and kept accessible to the finance team once approved. Please see attached.

In response to #9d Non-Payroll Disbursements, The Entity's Internal Controls specifies that an administrative team member mails out checks. Please see attached.

In response to #10b Non-Payroll Disbursements, The Entity's Internal Controls Policy specifies segregation of duties in regard to disbursement documentation. Please see attached.

In response to #26 Sexual Harassment, The Entity will require all employees to complete at least one hour of sexual harassment training during the calendar year. The Entity retroactively required team members to complete the state mandated training after this finding.

In response to #28 Sexual Harassment, The Entity will produce an annual sexual harassment report.

Signature Jamie D. Fairies Date 7 December 2022  
Title Special Projects Manager



Southwest Louisiana Regional Planning Commission (SWLA-RPC)  
Imperial Calcasieu Regional Planning & Development Commission (IMCAL)  
Louisiana Planning District 5

## **INTERNAL CONTROL PROCEDURES AND STAFF DUTY OVERSIGHT**

### **Segregation of Duties**

Administrative, human resources and finance duties are segregated among different team members to reduce the risk of error or inappropriate actions. The administrative, finance and human resources teams are supervised by the Special Projects Manager, who in turn is supervised by the Executive Director.

### **Management**

The management team, which consists of the Executive Director, Special Projects Manager, GIS & Technology Manager and Transportation Manager, is responsible for the oversight of their respective teams. The Special Projects Manager supervises the administrative, human resources and finance teams, economic development, and design teams. The GIS & Technology Manager supervises the GIS data and mapping and technology teams. The Transportation Manager supervises the transportation team. The Executive Director has oversight of the management team and all reporting teams.

### **Administrative**

The administrative team, which consists of an administrative assistant and management, is responsible for maintaining a log and digital repository of official incoming and outgoing correspondence.

### **Document Retention**

The administrative team retains original, signed contracts, signed, and stamped resolutions, board agendas, signed meeting minutes, and other official documents in accordance with both state retention laws and internal policies and procedures. The finance team is responsible for maintaining all accounting documentation per state retention law. The responsibility of maintaining access to all stored and hosted data is through our contracted IT firm.

### **Incoming/Outgoing Mail**

The administrative team is responsible for incoming and outgoing mail. The team receives all mail, date-stamps physical letters to the Executive Director for review prior to routing to other appropriate recipients. Physical checks are dated as received, itemized, and provided to the finance team for deposit. The Special Projects Manager or Executive Director makes deposits on the day checks are received. All outgoing checks are mailed by the administrative team.

### **Human Resources**

Personnel documents are maintained by and accessible only to the human resources team. Both physical and digital files are kept confidential.

### **Personnel**

At the request of the Executive Director and management team, the Special Projects Manager initiates hiring and termination procedures. The human resources team documents each addition or modification to a team member's role, such as pay rate, title, department, cost of living increase, or

personal changes, such as address changes, on a Personnel Status Form. Each Personnel Status Form is then approved by the Executive Director and maintained by the human resources team in the team member's specific physical and digital personnel file.

Information pertinent to the finance team for processing new or terminated team members, end of year or other status changes are shared confidentially. All Personnel Status Forms are retained by the human resources team only.

Team members may request access to his/her personnel file in writing with signed approved by the Special Projects Manager or Executive Director.

## **Finance**

Physical and digital finance documents and processes are maintained by the finance team and kept accessible to the finance and management teams.

### **Accounting Software Access Controls**

Access to QuickBooks, the commission's accounting software, is limited to the finance team and the commission's accounting firm via passwords, lockouts, and electronic access logs. All financial logs and statements are subject to random review.

### **Physical Audits of Assets**

Petty cash is maintained in a fireproof lockable filing cabinet for safekeeping and is reconciled by the finance staff as needed. These funds are subject to random reconciliation by the Special Projects Manager or Executive Director.

A computer and equipment inventory is maintained by the technical team and is available to the finance team upon request. Equipment is checked out to individual team members, who sign an acknowledgement form, and then returned into inventory in a similar manner.

### **Purchasing**

Purchasing decisions are made by the management team and are subject to review and approval by the Executive Director. Purchase Orders and Vendor Requests are initiated by the Special Projects Manager prior to any purchase of \$100. All Purchase Orders and Vendor Requests forms must be signed by the Executive Director. A physical and digital log and physical and digital copies of Purchase Orders and Vendor Requests are maintained and kept accessible to the finance team. Vendor invoices are required to contain the Purchase Order Number prior to processing. All vendor purchases are net 30 whenever possible.

### **Designation of Funds**

Funds received are processed as follows:

- Chase Bank
  - Money Market – Grant Reimbursement Deposits
  - Business Checking – Payroll/Accounts Payable
- Southwest Louisiana Credit Union
  - Business Checking – Matching Funds for Grants
  - District Savings – Economic Development District Member Dues
  - MPO Checking – Metropolitan Planning Organization Member Dues
  - Certificate of Deposits – Reserves

**Payroll and Accounts Payable Processes**

Payroll and accounts payable checks are generated bi-weekly. In advance of any financial transactions, the finance team prepares a Transfer Worksheet with detailed checking and savings account balances, payroll and benefits details, and outstanding income and expenses. Once reviewed by the Special Projects Manager and Executive Director, the Executive Director initiates a transfer from the appropriate account.

**Direct Deposit and Automated Clearing House (ACH)**

Payroll is initiated biweekly and is by direct deposit only. Team members provide a voided check or a letter from their financial institution with their checking account and routing numbers upon hire. It is the responsibility of the team member to update this information two weeks prior to pay day. Whenever possible, vendor payments are made electronically to ensure faster and more reliable delivery.

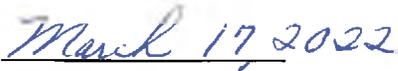
**Paper Checks**

When it is not possible to automate payments, a paper check will be issued. All checks require two authorized signatures, which may be the Executive Director, district board chair, vice chair, or treasurer. The finance staff prepares checks and assembles supporting data for the Special Projects Manager and Executive Director’s review prior to obtaining signatures. After reviews have been completed and two signatures have been obtained, the checks are mailed by the administrative team.

**Bank Reconciliation**

Bank reconciliations are performed by the finance staff and reviewed by the Special Projects Manager and the Executive Director. The review by the Executive Director includes an examination of the canceled checks and deposits.

  
\_\_\_\_\_  
Michael Hollier  
Executive Director

  
\_\_\_\_\_  
Date