

**GOLDEN CRESCENT
REGIONAL PLANNING COMMISSION**

ANNUAL FINANCIAL REPORT

For the year ended August 31, 2023

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FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA
DENNIS C. CIHAL, CPA
ERIC L. KUCERA, CPA
CLAYTON P. VAN PELT, CPA
ROBERT W. SCHAAR, CPA
MELISSA M. TERRY, CPA

VOICE: (361) 573-3255
FAX: (361) 573-9531

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Golden Crescent Regional Planning Commission
Victoria, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Golden Crescent Regional Planning Commission (the "Commission") as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of August 31, 2023 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our 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 the financial statements in accordance with the 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, that raise substantial doubt about the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an 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 the Commission's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal and state 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* (Uniform Guidance) and the Texas Grant Management Standards (TxGMS), 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

May 21, 2024

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2023

The discussion and analysis of the Golden Crescent Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the year ended August 31, 2023. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the Commission's financial performance.

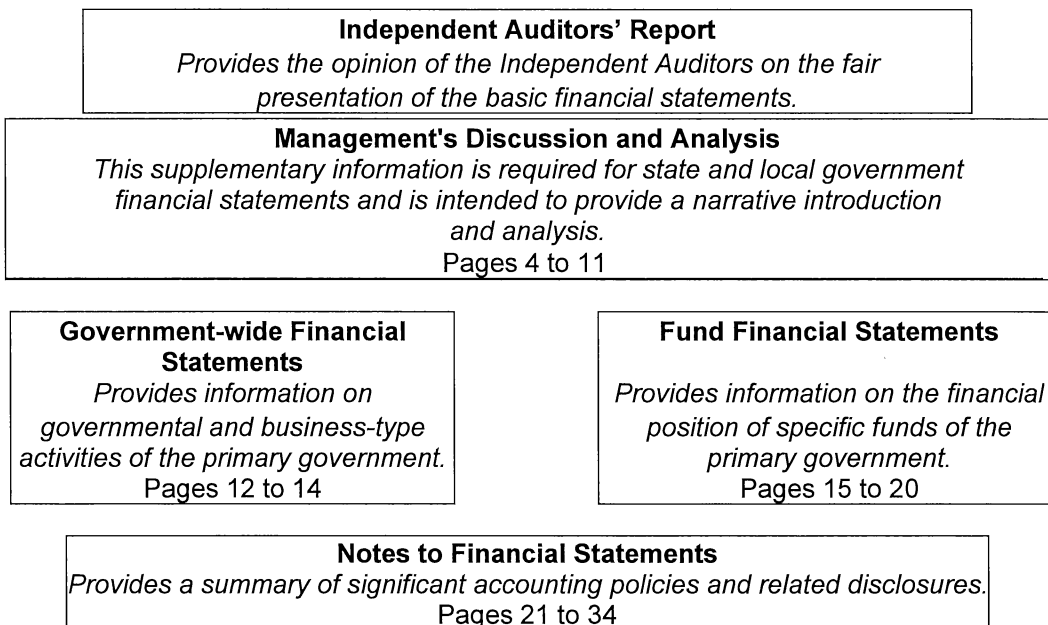
FINANCIAL HIGHLIGHTS

- The assets of the Commission exceeded its liabilities at the close of the fiscal year ended August 31, 2023, by \$4,407,930. Of this amount, \$943,969 of unrestricted net position is available to meet the Commission's ongoing obligations to citizens and creditors.
- The total cost of all Commission activities was \$10,405,183 for the fiscal year.
- During the year, the Commission's expenses exceeded revenues of the governmental activities by \$809,256. This represents a 15.5% decrease in net position from the previous fiscal year as a result from operations.
- At August 31, 2023, unassigned fund balance for the General Fund was \$443,135 and total General Fund balance decreased \$64,962 or 12.6% from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The basic financial statements are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. The report also contains other supplementary information in addition to the basic financial statements.

Organization and Flow of Financial Section Information



OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Government-wide Financial Statements

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

Statement of Net Position

The statement of net position presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

Statement of Activities

The statement of activities presents information showing how the government's net position changed during fiscal year 2023. All changes in net position are reported as soon as the underlying event, giving rise to the change, occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected and earned, but unused vacation leave).

Both of these financial statements present the Commission's governmental activities, which is principally supported by intergovernmental revenues. Governmental activities of the Commission include general government, health and welfare, public safety, and environmental protection. The government-wide financial statements can be found immediately following the Management's Discussion and Analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Governmental Funds - (Continued)

The Commission maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Department of Aging and Disability Services, Department of Transportation, Commission on State Emergency Communications, and Texas Health and Human Services Commission, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual statements and schedules following the required supplementary information.

The basic governmental fund financial statements may be found immediately following the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 21 through 34 of this report.

Other Information

The combining and individual fund statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to financial statements. Combining and individual fund statements can be found on pages 35 through 49 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$4,407,930 at the close of the fiscal year ended August 31, 2023.

At the end of fiscal year 2023, the Commission is able to report positive balances in all categories of net position.

Table I
Golden Crescent Regional Planning Commission

NET POSITION

	<u>Governmental Activities</u>		Total %
	<u>2023</u>	<u>2022*</u>	<u>Change</u>
ASSETS			
Current and other assets	\$ 3,074,484	\$ 3,463,629	-11.24%
Capital assets (net)	<u>3,545,109</u>	<u>4,384,794</u>	-19.15%
Total assets	<u>6,619,593</u>	<u>7,848,423</u>	
LIABILITIES			
Long-term liabilities	101,754	420,412	-75.80%
Other liabilities	<u>2,109,909</u>	<u>2,210,825</u>	-4.56%
Total liabilities	<u>2,211,663</u>	<u>2,631,237</u>	
NET POSITION			
Net investment in capital assets	3,463,961	4,063,325	-14.75%
Unrestricted net position	<u>943,969</u>	<u>1,153,861</u>	-18.19%
Total net position	<u>\$ 4,407,930</u>	<u>\$ 5,217,186</u>	

*Net position for 2022 has been restated. See Note 14 of this report.

The largest portion of the Commission's net position (78.6%) reflects its investment in capital assets (e.g., property, plant, and equipment) net of related debt. The Commission uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of \$943,969 may be used to meet the Commission's ongoing obligations to citizens and creditors.

There was a net decrease of \$809,256 in net position reported in connection with the Commission's governmental activities. This decrease represents a 15.5% decrease in total net position for governmental activities compared to prior year. Overall revenues decreased 1.05% and total expenses decreased 1.77%. There was a decrease in operating grants and contributions of \$49,878 as well as a decrease in capital grants and contributions of \$155,141. The largest decrease in expenses was related to health and welfare with a decrease of \$238,472. The Commission's federal and state grant funding varies from year to year which explains the variances and is consistent with previous years.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

Table II
Golden Crescent Regional Planning Commission

CHANGES IN NET POSITION

	Governmental Activities		Total % Change
	2023	2022*	
REVENUES			
Program revenues			
Charges for services	\$ 1,395,903	\$ 1,292,725	7.98%
Operating grants and contributions	8,133,627	8,183,505	-0.61%
Capital grants and contributions	-	155,141	-100.00%
General revenues			
Unrestricted investment earnings	1,231	502	145.22%
Miscellaneous	<u>65,166</u>	<u>66,332</u>	-1.76%
Total revenues	<u>9,595,927</u>	<u>9,698,205</u>	-1.05%
EXPENSES			
General government	288,198	342,939	-15.96%
Health and welfare	8,990,835	9,229,307	-2.58%
Public safety	935,415	948,944	-1.43%
Environmental protection	<u>190,735</u>	<u>71,450</u>	166.95%
Total expenses	<u>10,405,183</u>	<u>10,592,640</u>	-1.77%
Change in net position	(809,256)	(894,435)	
Net position - September 1	<u>5,217,186</u>	<u>6,111,621</u>	
Net position - August 31	<u>\$ 4,407,930</u>	<u>\$ 5,217,186</u>	-15.51%

*Net position for 2022 has been restated. See Note 14 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

Golden Crescent Regional Planning Commission

2023 Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	% of Total	Revenues	% of Total	Net (Expense) Revenue
General government	\$ 288,198	2.77%	\$ 236,090	2.48%	\$ (52,108)
Health and welfare	8,990,835	86.41%	8,147,236	85.49%	(843,599)
Public safety	935,415	8.99%	956,918	10.04%	21,503
Environmental protection	190,735	1.83%	189,286	1.99%	(1,449)
Total	\$ 10,405,183	100.00%	\$ 9,529,530	100.00%	\$ (875,653)

Golden Crescent Regional Planning Commission

Revenue by Source - Governmental Activities

Description	Revenues		Revenues	
	2023	% of Total	2022	% of Total
Charges for services	\$ 1,395,903	14.55%	\$ 1,292,725	13.33%
Operating grants and contributions	8,133,627	84.76%	8,183,505	84.38%
Capital grants and contributions	-	0.00%	155,141	1.60%
Unrestricted investment earnings	1,231	0.01%	502	0.01%
Miscellaneous	65,166	0.68%	66,332	0.68%
Total	\$ 9,595,927	100.00%	\$ 9,698,205	100.00%

FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2023, the Commission's governmental funds reported combined ending fund balances of \$1,057,029, a net decrease of \$195,775 in comparison with prior year.

The General Fund is the chief operating fund of the Commission. At the end of fiscal year 2023, unassigned fund balance of the General Fund was \$443,135 and total fund balance was \$452,099.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Commission's investment in capital assets for its governmental activities as of August 31, 2023, amounts to \$3,545,109 (net of accumulated depreciation and amortization). This investment in capital assets includes building improvements, office equipment, furniture, vehicles, and right-to-use leases. The net decrease in the Commission's investment in capital assets for the current fiscal year was 19.15%. Major capital asset events during the current fiscal year included the following:

- The acquisition of various equipment for \$87,915.

Additional information on the Commission's capital assets can be found in Note 4 of this report.

Long-term Debt

The Commission had \$81,148 in right-to-use lease liabilities outstanding as of August 31, 2023.

At the end of fiscal year 2023, the Commission had outstanding \$113,060 in compensated absences. The compensated absences balance increased by \$14,117 or 14.27% over prior fiscal year.

Additional information on the Commission's debt can be found in Note 8 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S ANNUAL FINANCIAL PLAN

The Golden Crescent Regional Planning Commission's (GCRPC) activities continue to be funded primarily through grants, contracts, and interlocal agreements from federal and state government sources. Local government funding is provided to GCRPC through interlocal agreements and the collection of membership dues.

ECONOMIC FACTORS AND NEXT YEAR'S ANNUAL FINANCIAL PLAN - (Continued)

Amounts of funding available and allocated to GCRPC may vary widely from year to year. The economic condition of the federal, state, and local governments, budget deficits, legislative intent, and regulatory guidance all affect appropriations and annual reauthorizations of funding available to political subdivisions and regional planning organizations like GCRPC. Supplemental federal and state funding provided to GCRPC to address the impacts of the coronavirus (COVID-19) pandemic came to an end in Fiscal Year 2023. Local government funding for GCRPC did not experience significant positive or negative fluctuations in Fiscal Year 2023.

In contrast to Fiscal Year 2022, where federal, state and local responses to the COVID-19 pandemic continued to be a significant known factor affecting GCRPC revenues and expenditures, in Fiscal Year 2023 GCRPC began the inevitable wind down and close out of supplemental COVID-19 related funding for the majority of GCRPC's programs.

During Fiscal Year 2024 planning, GCRPC estimated its revenues from federal, state, and local government sources would fall within the range of expenditures projected through the end of Fiscal Year 2024. GCRPC's financial plan for Fiscal Year 2024 was based on the premise that no supplemental COVID-19 related funding would be available. Additional factors considered included the looming threat of a government shutdown, broader economic uncertainty, rising costs of goods and services, the planned retirement of the Deputy Executive Director, and the corresponding board approved severance plan. Thus, GCRPC's financial plan is conservative in its approach and could be considered a return to pre-COVID fiscal management expectations.

REQUESTS FOR INFORMATION

This financial report is designed to present users with a general overview of the Commission's finances and to demonstrate the Commission's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Deputy Executive Director in the Commission's offices, 1908 North Laurent, Suite 600, Victoria, Texas 77901.

Basic Financial Statements

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION*STATEMENT OF NET POSITION**August 31, 2023*

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash	\$ 729,334
Receivables (net)	2,299,156
Prepaid items	8,964
Restricted assets	
Cash	<u>37,030</u>
Total current assets	<u>3,074,484</u>
Noncurrent assets	
Capital and right-to-use assets	
Furniture, equipment, and vehicles (net)	3,465,930
Right-to-use lease assets	
Buildings (net)	<u>79,179</u>
Net capital and right-to-use assets	<u>3,545,109</u>
Total noncurrent assets	<u>3,545,109</u>
Total assets	<u>6,619,593</u>
LIABILITIES	
Current liabilities	
Accounts payable	776,307
Accrued expenditures	188,709
Due to other governments	29,930
Unearned revenue	1,022,509
Accrued compensated absences	11,306
Current portion of right-to-use lease liability	<u>81,148</u>
Total current liabilities	<u>2,109,909</u>
Noncurrent liabilities	
Accrued compensated absences	<u>101,754</u>
Total noncurrent liabilities	<u>101,754</u>
Total liabilities	<u>2,211,663</u>
NET POSITION	
Net investment in capital assets	3,463,961
Unrestricted net position	<u>943,969</u>
Total net position	<u>\$ 4,407,930</u>

The accompanying notes are an integral part of this statement.

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

STATEMENT OF ACTIVITIES

For the year ended August 31, 2023

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 288,198	\$ 103,269	\$ 132,821	\$ -
Health and welfare	8,990,835	1,292,634	6,854,602	-
Public safety	935,415	-	956,918	-
Environmental protection	190,735	-	189,286	-
Total governmental activities	<u>10,405,183</u>	<u>1,395,903</u>	<u>8,133,627</u>	<u>-</u>
Total primary government	<u>\$ 10,405,183</u>	<u>\$ 1,395,903</u>	<u>\$ 8,133,627</u>	<u>\$ -</u>

General revenues:
 Unrestricted investment earnings
 Miscellaneous
 Total general revenues
 Change in net position
 Net position - beginning, as restated
 Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense)
Revenue and Changes
in Net Position

Primary
Government

Governmental
Activities

\$ (52,108)
(843,599)
21,503
(1,449)
(875,653)
(875,653)

1,231
65,166
66,397

(809,256)
5,217,186
\$ 4,407,930

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2023

	<u>General</u>	<u>Department of Transportation</u>	<u>Commission on State Emergency Communications</u>
ASSETS			
Current assets			
Cash	\$ 247,386	\$ 238,124	\$ -
Restricted cash	-	-	37,030
Receivables, net	42,312	1,715,230	86,518
Due from other funds	223,976	-	-
Prepaid items	8,964	-	-
Total assets	<u>\$ 522,638</u>	<u>\$ 1,953,354</u>	<u>\$ 123,548</u>
LIABILITIES			
Accounts payable	\$ 28,708	\$ 498,017	\$ 100,701
Accrued expenditures	32,365	116,978	8,921
Due to other governments	-	20,345	1,419
Due to other funds	-	30,345	-
Unearned revenue	9,466	1,013,043	-
Total liabilities	<u>70,539</u>	<u>1,678,728</u>	<u>111,041</u>
FUND BALANCES			
Nonspendable	8,964	-	-
Restricted	-	274,626	12,507
Unassigned	443,135	-	-
Total fund balances	<u>452,099</u>	<u>274,626</u>	<u>12,507</u>
Total liabilities and fund balances	<u>\$ 522,638</u>	<u>\$ 1,953,354</u>	<u>\$ 123,548</u>

The accompanying notes are an integral part of this statement.

Department of Health and Human Services	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 243,824	\$ 729,334
-	-	37,030
328,293	126,803	2,299,156
-	-	223,976
-	-	8,964
<u>\$ 328,293</u>	<u>\$ 370,627</u>	<u>\$ 3,298,460</u>
\$ 141,499	\$ 7,382	\$ 776,307
22,828	7,617	188,709
5,909	2,257	29,930
118,396	75,235	223,976
-	-	1,022,509
<u>288,632</u>	<u>92,491</u>	<u>2,241,431</u>
-	-	8,964
39,661	278,136	604,930
-	-	443,135
<u>39,661</u>	<u>278,136</u>	<u>1,057,029</u>
<u>\$ 328,293</u>	<u>\$ 370,627</u>	<u>\$ 3,298,460</u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES*

August 31, 2023

Total governmental fund balances		\$ 1,057,029
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital and right-to-use lease assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital and right-to-use lease assets at year-end consist of:		
Governmental capital and right-to-use lease assets costs	\$ 8,092,713	
Accumulated depreciation and amortization of governmental capital and right-to-use lease assets	<u>(4,547,604)</u>	3,545,109
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Right-to-use lease liability	(81,148)	
Compensated absences	<u>(113,060)</u>	<u>(194,208)</u>
Net position of governmental activities		<u>\$ 4,407,930</u>

The accompanying notes are an integral part of this statement.

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION*STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**For the year ended August 31, 2023*

	<u>General</u>	<u>Department of Transportation</u>	<u>Commission on State Emergency Communications</u>
REVENUES			
Grants - federal	\$ -	\$ 3,093,451	\$ -
Grants - state	-	1,644,443	777,841
Contract service revenue	-	34,382	-
Other revenue	29,355	1,513,860	-
Investment income	937	73	221
Membership dues	103,269	-	-
Total revenues	<u>133,561</u>	<u>6,286,209</u>	<u>778,062</u>
EXPENDITURES			
Current			
General government	116,609	-	-
Health and welfare	-	6,472,643	-
Public safety	-	-	776,341
Environmental protection	-	-	-
Total expenditures	<u>116,609</u>	<u>6,472,643</u>	<u>776,341</u>
Excess (deficiency) of revenues over expenditures	16,952	(186,434)	1,721
OTHER FINANCING SOURCES (USES)			
Transfers in	-	87,560	-
Transfers out	(81,914)	-	-
Total other financing sources (uses)	<u>(81,914)</u>	<u>87,560</u>	<u>-</u>
Net change in fund balances	(64,962)	(98,874)	1,721
Fund balances at beginning of year, as restated	<u>517,061</u>	<u>373,500</u>	<u>10,786</u>
Fund balances at end of year	<u>\$ 452,099</u>	<u>\$ 274,626</u>	<u>\$ 12,507</u>

The accompanying notes are an integral part of this statement.

Department of Health and Human Services	Other Governmental Funds	Total Governmental Funds
\$ 1,517,895	\$ 211,167	\$ 4,822,513
369,958	290,017	3,082,259
-	-	34,382
100	8,959	1,552,274
-	-	1,231
-	-	103,269
<u>1,887,953</u>	<u>510,143</u>	<u>9,595,928</u>
-	140,330	256,939
1,943,616	-	8,416,259
-	151,429	927,770
-	190,735	190,735
<u>1,943,616</u>	<u>482,494</u>	<u>9,791,703</u>
(55,663)	27,649	(195,775)
55,578	27,004	170,142
<u>(87,578)</u>	<u>(650)</u>	<u>(170,142)</u>
<u>(32,000)</u>	<u>26,354</u>	<u>-</u>
(87,663)	54,003	(195,775)
<u>127,324</u>	<u>224,133</u>	<u>1,252,804</u>
<u>\$ 39,661</u>	<u>\$ 278,136</u>	<u>\$ 1,057,029</u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the year ended August 31, 2023

Total net change in fund balances - governmental funds		\$ (195,775)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Increase in capital assets	\$ 87,915	
Depreciation expense	<u>(690,062)</u>	(602,147)
Right-to-use lease assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the term of the lease agreement as amortization expense.		
Amortization expense		(237,538)
Current year payments on long-term debt are expenditures in the fund financial statements, but they serve to reduce long-term liabilities in the government-wide financial statements. In the current year, these amounts consist of:		
Right-to-use lease principal retirement		240,321
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences		<u>(14,117)</u>
Change in net position of governmental activities		<u>\$ (809,256)</u>

The accompanying notes are an integral part of this statement.

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
August 31, 2023

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GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
August 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Golden Crescent Regional Planning Commission (the "Commission") is the regional planning and intergovernmental coordination agency in the Victoria, Texas region created pursuant to legislation of the Texas State Legislature. It does not have stockholders or equity holders and is not subject to income taxes. The region consists of Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, and Victoria Counties of Texas.

The accounting policies of the Commission conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Commission's basic financial statements include the accounts of all Commission operations. The criteria for including legally separate organizations as component units within the Commission's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). No legally separate organizations met the necessary criteria for inclusion as component units for the year ended August 31, 2023.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Commission.

The Commission reports the following major governmental funds:

The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following are considered major funds for the current fiscal period: Department of Transportation, Commission on State Emergency Communications, and the Department of Health and Human Services.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the Commission. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all investment income.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Budgets and Budgetary Accounting

The Commission prepares an annual operating budget based on expected revenues from the various state and federal grantor agencies and local governments. The grants relate to specific programs that contemplate revenues and expenditures over the lives of each program and generally have funding periods different from the Commission's budget year. The annual budget, which is approved by the Commission's General Assembly, is based on estimates of the portions of the various programs that will be completed during the fiscal year. The budget is revised periodically, primarily when anticipated grants are ratified by the various funding agencies. Budget discussions, including revisions, are conducted by the Commission's Board of Directors in open meetings. However, as the Commission has no taxing or oversight authority, the budgetary process is not one which culminates in an appropriation bill or an ordinance enacted into law. In this respect, the budget for the Commission is not an "appropriated budget" as defined by GASB Cod. Sec. 2400.108 and schedules of revenues and expenditures - budgeted and actual for the General Fund and special revenue funds have not been included as part of the financial statements.

E. Leases

Commission as Lessee

With the exception of short-term leases, when the Commission is a lessee in noncancellable lease arrangements the Commission recognizes a right-to-use lease liability (lease liability) and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Commission recognizes lease liabilities with an initial, individual value that would be material to the government-wide financial statements. For leases not meeting these criteria, lease payments are recognized as outflows of resources based on the payment provisions of the contract. See Note 8 for details of the Commission's leasing arrangements as lessee.

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Commission is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Leases - (Continued)

Commission as Lessor

With the exception of short-term leases and certain regulated leases, when the Commission is a lessor in noncancellable lease arrangements the Commission recognizes a right-to-use lease receivable (lease receivable) and a deferred inflow of resources in the government-wide and governmental fund financial statements. The Commission recognizes lease receivables with an initial, individual value that would be material to the governmental financial statements. The Commission does not recognize any such leases as of August 31, 2023. For leases not meeting these criteria, lease revenues are recognized as inflows of resources based on the payment provisions of the contract.

At the commencement of a lease, the Commission initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Commission determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Commission uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Commission monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Deposits and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Commission may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or otherwise secured; and certain repurchase agreements.

The Commission's Board of Directors has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the Commission are in compliance with the Board of Director's investment policies.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

All trade receivables are shown net of an allowance for uncollectibles.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded when purchased rather than when consumed.

I. Restricted Assets

The restricted cash in the Commission on State Emergency Communications Fund, a special revenue fund, consists of funds reserved for 911 expenditures. The restricted cash in the Department of Transportation Fund, also a special revenue fund, consists of funds reserved for capital purchases related to the transit system.

J. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide statement of net position. The Commission defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20
Furniture and equipment	5-15
Vehicles	10

K. Compensated Absences

Regular full-time employees may earn vacation leave on a basis of 10 working days annually for those employees with up to five years of service, 15 days after five years of service and 20 days after 10 years of service. Unused vacation leave can be carried over to the next fiscal year. The maximum allowable accumulation of unused vacation leave is 120 hours or 15 days. All compensated absence pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Deferred Outflows/Inflows of Resources

The statement of net position may report a separate section for deferred outflows of resources which follows the asset section. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Commission does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position can also report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Commission does not have any items that qualify for reporting in this category.

M. Fund Equity

GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," (the "Statement") was issued in February 2009. This Statement eliminates the requirement to report governmental fund balances as reserved, unreserved, or designated. It replaces those categories with five possible classifications of governmental fund balances - nonspendable, restricted, committed, assigned, and unassigned. This Statement also redefines the governmental funds for clarity and to be consistent with these new fund balance classifications.

The provisions of this Statement are effective for periods beginning after June 15, 2010. The Commission did not adopt a new fund balance policy in accordance with GASB Statement No. 54 during fiscal year 2023. This Statement did not have an impact on the Commission's functions, financial position or results of operations.

For the classification of Governmental Fund balances, the Commission considers an expenditure to be made from the most restrictive first when more than one classification is available.

N. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with generally accepted accounting principles requires the Commission to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS**Interest Rate Risk**

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Commission was not exposed to interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. The Commission was not exposed to credit risk.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Commission was not exposed to concentration of credit risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's investment policy requires that deposits at financial institutions be insured by the FDIC and/or collateralized by securities pledged to the Commission by the depository in an amount equal to at least 102% of the carrying value of deposits held. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized and therefore the Commission was not exposed to custodial credit risk.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission was not exposed to custodial credit risk.

NOTE 3: RECEIVABLES

Amounts shown in the financial statements as receivable consist of reimbursements due the Commission under various grant contracts as of August 31, 2023. Qualifying expenditures in excess of receipts give rise to this type of receivable. All amounts reported as receivable are expected to meet the "available" criteria necessary to report them as revenue in the current period.

NOTE 4: CAPITAL ASSETS

The Commission's capital asset activity for the year ended August 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets being depreciated				
Furniture and equipment	\$ 1,300,366	\$ 87,915	\$ -	\$ 1,388,281
Vehicles	6,150,177	-	-	6,150,177
Total capital assets being depreciated	<u>7,450,543</u>	<u>87,915</u>	<u>-</u>	<u>7,538,458</u>
Right-to-Use lease assets being amortized				
Buildings	554,255	-	-	554,255
Total right-to-use lease assets being amortized	<u>554,255</u>	<u>-</u>	<u>-</u>	<u>554,255</u>
Less accumulated depreciation and amortization for Capital assets being depreciated				
Furniture and equipment	542,104	115,665	-	657,769
Vehicles	2,840,362	574,397	-	3,414,759
Right-to-Use lease assets being amortized				
Buildings	237,538	237,538	-	475,076
Total accumulated depreciation and amortization	<u>3,620,004</u>	<u>927,600</u>	<u>-</u>	<u>4,547,604</u>
Total capital assets being depreciated and right-to-use lease assets being amortized, net	<u>4,384,794</u>	<u>(839,685)</u>	<u>-</u>	<u>3,545,109</u>
Governmental activities capital assets, net	<u>\$ 4,384,794</u>	<u>\$ (839,685)</u>	<u>\$ -</u>	<u>\$ 3,545,109</u>
Governmental Activities				
General government				20,702
Health and welfare				893,097
Public safety				13,801
Total depreciation and amortization expense - governmental activities				<u>\$ 927,600</u>

NOTE 5: RISK MANAGEMENT

The Commission is exposed to various risks of loss encompassed in the areas of general liabilities, workers' compensation claims, and employee health related expenses. The Commission has purchased commercial insurance to cover potential losses in those areas. The Commission has entered into interlocal agreements with the Texas Municipal League Intergovernmental Risk Pool coverage. Through the payment of contributions to the Texas Municipal League Intergovernmental Risk Pool, the Commission has transferred these risks to the pool. The Commission has not retained any risks other than the deductible and is covered up to the limits of coverage after the deductible. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 6: DEFINED CONTRIBUTION PLAN

The Commission sponsors a defined contribution pension plan established under Section 401(a) of the Internal Revenue Code that covers substantially all of its employees. The plan is administered by Mission Square Retirement. Employees are required to participate in the plan as a condition of employment. Employees are required to contribute to the plan 4% of their eligible earnings, which amounted to approximately \$130,380 for the year ended August 31, 2023. The Commission's contributions are required at a rate of 6% of each covered employee's salary. The Commission's total payroll for the year ended August 31, 2023, was \$3,441,477, and the Commission's contributions were based on a payroll of \$3,259,503.

NOTE 7: DEFERRED COMPENSATION PLAN

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sec. 457. The plan is available to all the Commission's employees and permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. The deferred compensation is available to employees' beneficiaries in the case of death.

Contributions to the plan by the Commission are discretionary. No contributions were made to the plan by the Commission for the year ended August 31, 2023. However, several employees made contributions to the plan for the year ended August 31, 2023.

All assets of the plan are held in trust by an independent administrator for the exclusive benefit of participants and their beneficiaries.

NOTE 8: LONG-TERM DEBTChanges in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Right-to-Use lease liability	\$ 321,469	\$ -	\$ 240,321	\$ 81,148	\$ 81,148
Compensated absences	<u>98,943</u>	<u>167,097</u>	<u>152,980</u>	<u>113,060</u>	<u>11,306</u>
Total governmental activities, long-term liabilities	<u>\$ 420,412</u>	<u>\$ 167,097</u>	<u>\$ 393,301</u>	<u>\$ 194,208</u>	<u>\$ 92,454</u>

Compensated absences are generally liquidated by the General Fund.

Right-to-Use Lease

The Commission's noncancelable lease agreement with Laurent Tower, LLC for its administrative offices and facilities for its transit operations is reported as a right-to-use lease liability as of August 31, 2023. The lease liability is allocated across funds based on usage. The lease is payable in monthly installments through February 2024.

NOTE 8: LONG-TERM DEBT - (Continued)

Right-to-Use Lease - (Continued)

Annual requirements to maturity for the right-to-use lease liability are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 81,148	\$ 101	\$ 81,249
	<u>\$ 81,148</u>	<u>\$ 101</u>	<u>\$ 81,249</u>

NOTE 9: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Receivables and Payables

At times during the fiscal year the various funds of the Commission were involved in transactions that created interfund receivable and payable balances. These transactions related to such things as the purchase of goods by one fund on behalf of another and the receipt of revenue in one fund that belongs to or is designated for another fund.

Interfund receivable and payable balances as of August 31, 2023, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Department of Transportation	\$ 30,345
	Department of Health and Human Services	118,396
	Nonmajor Governmental Department of Commerce	14,014
	Texas General Land Office	<u>61,221</u>
		<u>\$ 223,976</u>

B. Interfund Transfers

Each year various funds of the Commission transfer funds to other funds. The Commission's General Fund makes planned transfers to other specified governmental funds. These transfers are intended to provide the necessary resources to meet the operating obligations of the receiving funds. During the current fiscal year, transfers between funds consisted of the following:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>Dept. of Transportation</u>	<u>Dept. of Health and Human Svcs.</u>	<u>Nonmajor Funds</u>	
General	\$ -	\$ 55,560	\$ 26,354	\$ 81,914
Dept. of Health and Human Svcs.	87,560	18	-	87,578
Nonmajor Funds	-	-	650	650
	<u>\$ 87,560</u>	<u>\$ 55,578</u>	<u>\$ 27,004</u>	<u>\$ 170,142</u>

NOTE 10: COMMITMENTS AND CONTINGENCIES

Grant Programs

The Commission participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Commission has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at August 31, 2023, may be impaired. In the opinion of the Commission, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 11: UNEARNED REVENUE

The Commission's governmental funds report unearned revenue on the financial statements in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Amount</u>
General Fund	
Grants	\$ 1,740
Other	7,726
Department of Transportation	
Insurance	453,000
Grants	101,392
Inteplast	404,508
Other	<u>54,143</u>
	<u>\$ 1,022,509</u>

NOTE 12: FUND BALANCES

The following is a detail of the governmental fund balances as of August 31, 2023:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Unassigned</u>	<u>Total</u>
General				
Prepaid items	\$ 8,964	\$ -	\$ -	\$ 8,964
Unassigned	-	-	443,135	443,135
Department of Transportation				
Health and welfare	-	274,626	-	274,626
Commission on State				
Emergency Communications				
Public safety	-	12,507	-	12,507
Department of Health and				
Human Services				
Health and welfare	-	39,661	-	39,661
Nonmajor Governmental				
General government	-	44,706	-	44,706
Public safety	-	233,430	-	233,430
	<u>\$ 8,964</u>	<u>\$ 604,930</u>	<u>\$ 443,135</u>	<u>\$ 1,057,029</u>

NOTE 13: IMPLEMENTATION OF NEW STANDARD

During 2023, the Commission adopted GASB Statement No. 96 (GASB 96), Subscription-Based Information Technology Agreements (SBITA). The objective of this Statement was to establish standards for recognizing and measuring right to use subscription assets and liabilities related to contracts conveying control of the right to use another party's (a SBITA vendor's) information technology software. As of August 31, 2023, the Commission did not have any items required to be recorded as right to use subscription assets or liabilities as a result of implementing GASB 96.

NOTE 14: RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Commission's government wide financial statements for the fiscal year August 31, 2022 have been restated to properly reflect the cash and receivable balances for fiscal year ending August 31, 2022. The result of the restatement was to decrease the receivables for the governmental activities by \$55,879 and decrease the net position by \$55,879. The fund financial statements were also restated as follows: Decrease Department of Transportation receivables by \$55,879, increase cash by \$31,027 and decrease fund balance by \$24,852. Cash and fund balance for the Department of Health and Human Services were also decreased by \$31,027.

Combining and Individual Fund Statements

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

August 31, 2023

	Special Revenue Funds			
	Texas Commission on Environmental Quality	Department of Homeland Security	Office of the Texas Governor	Department of Commerce
ASSETS				
Current assets				
Cash	\$ 4,855	\$ 7,038	\$ 216,005	\$ -
Receivables, net				
Grantors	-	-	18,971	14,079
Total assets	<u>\$ 4,855</u>	<u>\$ 7,038</u>	<u>\$ 234,976</u>	<u>\$ 14,079</u>
LIABILITIES				
Accounts payable	\$ 2,180	\$ -	\$ 3,657	\$ 65
Accrued expenditures	2,675	-	2,670	-
Due to other governments	-	2,254	3	-
Due to other funds	-	-	-	14,014
Total liabilities	<u>4,855</u>	<u>2,254</u>	<u>6,330</u>	<u>14,079</u>
FUND BALANCES				
Restricted	-	4,784	228,646	-
Total liabilities and fund balances	<u>\$ 4,855</u>	<u>\$ 7,038</u>	<u>\$ 234,976</u>	<u>\$ 14,079</u>

<u>Special Revenue Funds</u>		
<u>Texas Department of Agriculture</u>	<u>Texas General Land Office</u>	<u>Total</u>
\$ 15,926	\$ -	\$ 243,824
<u>7,402</u>	<u>86,351</u>	<u>126,803</u>
<u>\$ 23,328</u>	<u>\$ 86,351</u>	<u>\$ 370,627</u>
\$ 278	\$ 1,202	\$ 7,382
857	1,415	7,617
-	-	2,257
-	61,221	75,235
<u>1,135</u>	<u>63,838</u>	<u>92,491</u>
<u>22,193</u>	<u>22,513</u>	<u>278,136</u>
<u>\$ 23,328</u>	<u>\$ 86,351</u>	<u>\$ 370,627</u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the year ended August 31, 2023

	Special Revenue Funds			
	Texas Commission on Environmental Quality	Department of Homeland Security	Office of the Texas Governor	Department of Commerce
REVENUES				
Grants - federal	\$ -	\$ -	\$ 78,346	\$ 53,539
Grants - state	189,286	-	100,731	-
Other revenue	-	-	-	8,959
Total revenues	189,286	-	179,077	62,498
EXPENDITURES				
Current				
General government	-	-	-	87,403
Public safety	-	-	151,429	-
Environmental protection	190,735	-	-	-
Total expenditures	190,735	-	151,429	87,403
Excess (deficiency) of revenues over expenditures	(1,449)	-	27,648	(24,905)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,449	-	650	24,905
Transfers out	-	-	(650)	-
Total other financing sources (uses)	1,449	-	-	24,905
Change in fund balances	-	-	27,648	-
Fund balances, beginning of year	-	4,784	200,998	-
Fund balances, end of year	\$ -	\$ 4,784	\$ 228,646	\$ -

Special Revenue Funds

<u>Texas Department of Agriculture</u>	<u>Texas General Land Office</u>	<u>Total</u>
\$ 7,402	\$ 71,880	\$ 211,167
-	-	290,017
-	-	8,959
<u>7,402</u>	<u>71,880</u>	<u>510,143</u>
3,560	49,367	140,330
-	-	151,429
-	-	190,735
<u>3,560</u>	<u>49,367</u>	<u>482,494</u>
3,842	22,513	27,649
-	-	27,004
-	-	(650)
<u>-</u>	<u>-</u>	<u>26,354</u>
3,842	22,513	54,003
<u>18,351</u>	<u>-</u>	<u>224,133</u>
<u>\$ 22,193</u>	<u>\$ 22,513</u>	<u>\$ 278,136</u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

DEPARTMENT OF TRANSPORTATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

	<u>Urban</u>	<u>Rural</u>	<u>Elderly and Disabled</u>
	<u>#URB-Total</u>	<u>#RPT-Total</u>	<u>#ED-Total</u>
REVENUES			
Grants - federal	\$ 1,685,833	\$ 1,107,056	\$ 265,562
Grants - state	579,217	1,065,226	-
Contract service revenue	34,382	-	-
Other revenue	255,608	-	-
Investment income	-	-	-
Total revenues	<u>2,555,040</u>	<u>2,172,282</u>	<u>265,562</u>
EXPENDITURES			
Current			
Health and welfare			
Personnel	1,689,603	795,653	49,938
Travel	174	69	-
Indirect costs	219,899	109,984	5,088
Other costs	124,117	88,549	1,706
Program costs	533,272	260,693	-
Subcontractor costs	-	1,010,865	231,641
Equipment	40,087	12,387	-
Total expenditures	<u>2,607,152</u>	<u>2,278,200</u>	<u>288,373</u>
Excess (deficiency) of revenues over expenditures	(52,112)	(105,918)	(22,811)
OTHER FINANCING SOURCES			
Transfers in	-	64,749	22,811
Total other financing sources (uses)	<u>-</u>	<u>64,749</u>	<u>22,811</u>
Change in fund balance	(52,112)	(41,169)	-
Fund balance, beginning of year, as restated	<u>290,338</u>	<u>41,169</u>	<u>-</u>
Fund balance, end of year	<u>\$ 238,226</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Commuter Services</u>	<u>Fleet Fire Replacement</u>	<u>RTAP Training</u>	<u>Regional Transit Coordination</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 35,000	\$ 3,093,451
-	-	-	-	1,644,443
-	-	-	-	34,382
1,258,252	-	-	-	1,513,860
-	73	-	-	73
<u>1,258,252</u>	<u>73</u>	<u>-</u>	<u>35,000</u>	<u>6,286,209</u>
629,231	-	-	32,454	3,196,879
73	-	-	-	316
112,778	-	-	3,219	450,968
42,782	875	-	672	258,701
463,901	-	-	-	1,257,866
-	-	-	-	1,242,506
12,933	-	-	-	65,407
<u>1,261,698</u>	<u>875</u>	<u>-</u>	<u>36,345</u>	<u>6,472,643</u>
(3,446)	(802)	-	(1,345)	(186,434)
-	-	-	-	87,560
-	-	-	-	87,560
(3,446)	(802)	-	(1,345)	(98,874)
<u>18,411</u>	<u>10,124</u>	<u>9,655</u>	<u>3,803</u>	<u>373,500</u>
<u>\$ 14,965</u>	<u>\$ 9,322</u>	<u>\$ 9,655</u>	<u>\$ 2,458</u>	<u>\$ 274,626</u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

COMMISSION ON STATE EMERGENCY COMMUNICATIONS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

	911 Strategic Plan				Total
	FY2014-20	FY2021	FY2022	FY2023	
REVENUES					
Grants - state	\$ -	\$ 7,199	\$ 6,599	\$ 764,043	\$ 777,841
Investment income	-	-	-	221	221
Total revenues	-	7,199	6,599	764,264	778,062
EXPENDITURES					
Current					
Public safety					
Personnel	-	-	-	172,160	172,160
Travel	-	-	-	4,864	4,864
Indirect costs	-	-	-	18,368	18,368
Other costs	-	-	-	24,898	24,898
Program costs	-	7,199	16,703	532,149	556,051
Total expenditures	-	7,199	16,703	752,439	776,341
Excess (deficiency) of revenues over expenditures	-	-	(10,104)	11,825	1,721
OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Change in fund balance	-	-	(10,104)	11,825	1,721
Fund balance, beginning of year	573	-	10,213	-	10,786
Fund balance, end of year	\$ 573	\$ -	\$ 109	\$ 11,825	\$ 12,507

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

	Aging	ADRC	211 Program
REVENUES			
Grants - federal	\$ 1,368,562	\$ 46,827	\$ 102,506
Grants - state	161,278	109,769	98,911
Other revenue	100	-	-
Total revenues	<u>1,529,940</u>	<u>156,596</u>	<u>201,417</u>
EXPENDITURES			
Current			
Health and welfare			
Personnel	402,469	128,236	170,334
Travel	29,390	1,749	3,743
Indirect costs	42,438	13,862	17,064
Other costs	66,760	21,560	11,757
Program costs	1,092	-	-
Subcontractor costs	1,026,333	4,056	51
Equipment	2,722	-	-
Total expenditures	<u>1,571,204</u>	<u>169,463</u>	<u>202,949</u>
Excess (deficiency) of revenues over expenditures	(41,264)	(12,867)	(1,532)
OTHER FINANCING SOURCES (USES)			
Transfers in	41,264	12,867	1,447
Transfers out	-	-	-
Total other financing sources (uses)	<u>41,264</u>	<u>12,867</u>	<u>1,447</u>
Change in fund balance	-	-	(85)
Fund balance, beginning of year, as restated	-	-	85
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Medical Transportation</u>	<u>Total</u>
\$ -	\$ 1,517,895
-	369,958
-	100
<u>-</u>	<u>1,887,953</u>
-	701,039
-	34,882
-	73,364
-	100,077
-	1,092
-	1,030,440
-	2,722
<u>-</u>	<u>1,943,616</u>
-	(55,663)
-	55,578
<u>(87,578)</u>	<u>(87,578)</u>
<u>(87,578)</u>	<u>(32,000)</u>
(87,578)	(87,663)
<u>127,239</u>	<u>127,324</u>
<u>\$ 39,661</u>	<u>\$ 39,661</u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

	<u>Solid Waste Planning</u>
REVENUES	
Grants - state	\$ 189,286
Total revenues	<u>189,286</u>
EXPENDITURES	
Current	
Environmental protection	
Personnel	26,101
Travel	96
Indirect costs	2,577
Other costs	2,802
Program costs	<u>159,159</u>
Total expenditures	<u>190,735</u>
Excess (deficiency) of revenues over expenditures	(1,449)
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>1,449</u>
Change in fund balance	-
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u>\$ -</u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

DEPARTMENT OF HOMELAND SECURITY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

	<u>Homeland Security Grant Program</u>
REVENUES	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Excess (deficiency) of revenues over expenditures	-
OTHER FINANCING SOURCES (USES)	<u>-</u>
Change in fund balance	-
Fund balance, beginning of year	<u>4,784</u>
Fund balance, end of year	<u><u>\$ 4,784</u></u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

OFFICE OF THE TEXAS GOVERNOR

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

	CJD Admin.	Regional Law Enforcement	Homeland Security Grant Program	Coronavirus Emergency Supplemental	Total
REVENUES					
Grants - federal	\$ -	\$ -	\$ 63,911	\$ 14,435	\$ 78,346
Grants - state	61,898	21,333	17,500	-	100,731
Total revenues	<u>61,898</u>	<u>21,333</u>	<u>81,411</u>	<u>14,435</u>	<u>179,077</u>
EXPENDITURES					
Current					
Public safety					
Personnel	31,468	-	67,616	-	99,084
Travel	-	-	3,235	-	3,235
Indirect costs	4,479	-	4,778	-	9,257
Other costs	968	-	2,467	4,719	8,154
Program costs	-	21,983	-	-	21,983
Equipment	-	-	-	9,716	9,716
Total expenditures	<u>36,915</u>	<u>21,983</u>	<u>78,096</u>	<u>14,435</u>	<u>151,429</u>
Excess (deficiency) of revenues over expenditures	24,983	(650)	3,315	-	27,648
OTHER FINANCING SOURCES (USES)					
Transfers in	-	650	-	-	650
Transfers out	(650)	-	-	-	(650)
Total other financing sources (uses)	<u>(650)</u>	<u>650</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	24,333	-	3,315	-	27,648
Fund balance, beginning of year	187,884	-	13,114	-	200,998
Fund balance, end of year	<u>\$ 212,217</u>	<u>\$ -</u>	<u>\$ 16,429</u>	<u>\$ -</u>	<u>\$ 228,646</u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

DEPARTMENT OF COMMERCE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

Economic Development -
Economic Planning Grants

REVENUES

Grants - federal	\$	53,539
Other revenue		<u>8,959</u>
Total revenues		<u>62,498</u>

EXPENDITURES

Current		
General government		
Personnel		62,745
Travel		192
Indirect costs		6,797
Other costs		<u>17,669</u>
Total expenditures		<u>87,403</u>

Excess (deficiency) of revenues over expenditures		(24,905)
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OTHER FINANCING SOURCES (USES)

Transfers in		<u>24,905</u>
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Change in fund balance		-
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Fund balance, beginning of year		<u>-</u>
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Fund balance, end of year	\$	<u><u>-</u></u>
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GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

TEXAS DEPARTMENT OF AGRICULTURE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

	<u>Community Development Block Grant</u>
REVENUES	
Grants - federal	\$ <u>7,402</u>
Total revenues	<u>7,402</u>
EXPENDITURES	
Current	
General government	
Personnel	3,457
Other costs	<u>103</u>
Total expenditures	<u>3,560</u>
Excess (deficiency) of revenues over expenditures	3,842
OTHER FINANCING SOURCES (USES)	<u>-</u>
Change in fund balance	3,842
Fund balance, beginning of year	<u>18,351</u>
Fund balance, end of year	<u>\$ <u>22,193</u></u>

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

TEXAS GENERAL LAND OFFICE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended August 31, 2023

	<u>Community Development Block Grant</u>
REVENUES	
Grants - federal	\$ 71,880
Total revenues	<u>71,880</u>
EXPENDITURES	
Current	
General government	
Personnel	33,831
Travel	269
Indirect costs	1,867
Other costs	<u>13,400</u>
Total expenditures	<u>49,367</u>
Excess (deficiency) of revenues over expenditures	22,513
OTHER FINANCING SOURCES (USES)	<u>-</u>
Change in fund balance	22,513
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u>\$ 22,513</u>

SINGLE AUDIT SECTION



CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA
DENNIS C. CIHAL, CPA
ERIC L. KUCERA, CPA
CLAYTON P. VAN PELT, CPA
ROBERT W. SCHAAR, CPA
MELISSA M. TERRY, CPA

VOICE: (361) 573-3255
FAX: (361) 573-9531

**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**

The Board of Directors
Golden Crescent Regional Planning Commission
Victoria, Texas

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Golden Crescent Regional Planning Commission (the "Commission") as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated May 21, 2024.

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 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 consolidated 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

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 other 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 Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

May 21, 2024



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

The Board of Directors
Golden Crescent Regional Planning Commission
Victoria, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Golden Crescent Regional Planning Commission's (the "Commission") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Texas Grant Management Standards* that could have a direct and material effect on each of the Commission's major federal and state programs for the year ended August 31, 2023. The Commission's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal and State 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), and the Texas Grant Management Standards (TxGMS) issued by the Texas Governor's Office of Budget and Planning. Our responsibilities under those standards, the Uniform Guidance, and TxGMS 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 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 opinion on compliance for each major federal and state 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 and state programs.

Auditor's Responsibility 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*, the Uniform Guidance, and TxGMS 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 and state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, 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.

The Board of Directors
Golden Crescent Regional Planning Commission

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

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



HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

May 21, 2024

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended August 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
FEDERAL EXPENDITURES		
U. S. Department of Commerce		
Economic Development Support for Planning Organizations	11.302	ED21AUS3020020
Total U.S. Department of Commerce		
U. S. Department of Housing and Urban Development		
<i>Passed Through Texas General Land Office</i>		
Community Development Block Grant	14.228	22-061-007-D163
Community Development Block Grant	14.228	18-497-007-B236
Total passed through Texas General Land Office		
<i>Passed Through Texas Department of Agriculture</i>		
Community Development Block Grant	14.228	CEDAF21-14
Total passed through Texas Department of Agriculture		
Total U.S. Department of Housing and Urban Development		
U. S. Department of Homeland Security		
<i>Passed Through Office of the Texas Governor</i>		
Homeland Security Grant Program	97.067	2963207
Homeland Security Grant Program	97.067	2963208
Homeland Security Grant Program	97.067	452601
Total passed through Office of the Texas Governor		
Total U.S. Department of Homeland Security		
U. S. Department of Justice		
<i>Passed Through Office of the Texas Governor</i>		
Coronavirus Emergency Supplemental Funding Program	16.034	4343501
Total U.S. Department of Justice		
U.S. Department of Agriculture		
<i>Passed Through Texas Health and Human Services Commission</i>		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HHS000979200020
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HHS000979200020
<i>Total for SNAP Cluster</i>		
Total U.S. Department of Agriculture		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ -	\$ 53,539	\$ 53,539	\$ -		
-	53,539	53,539	-		
39,976	-	39,976	-		
31,904	-	31,904	-		
71,880	-	71,880	-		
7,402	-	7,402	-		
7,402	-	7,402	-		
79,282	-	79,282	-		
15,025	-	15,025	-		
21,346	-	21,346	-		
27,540	-	27,540	-		
63,911	-	63,911	-		
63,911	-	63,911	-		
14,435	-	14,435	-		
14,435	-	14,435	-		
43,109	-	43,109	-	SNAP Cluster	
1,424	-	1,424	-	SNAP Cluster	
44,533	-	44,533	-		
44,533	-	44,533	-		

(continued)

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended August 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
FEDERAL EXPENDITURES - (Continued)		
U. S. Department of Transportation		
<i>Direct Programs</i>		
Federal Transit Formula Grants	20.507	TX-2023-003-00
Federal Transit Formula Grants	20.507	TX-2020-063-00
Federal Transit Formula Grants	20.507	TX-2023-040-01
Federal Transit Formula Grants	20.507	TX-2023-061-01
Federal Transit Formula Grants	20.507	TX-2023-061-01
Federal Transit Formula Grants	20.507	TX-2024-031-00
<i>Total for Federal Transit Cluster</i>		
Total Direct Programs		
<i>Passed Through Texas Department of Transportation</i>		
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPT 2301 (31) 051_21
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPT 2201 (31) 063_21
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPT 2201 (31) 063_21
Formula Grants for Rural Areas and Tribal Transit Program	20.509	CAF 2101 (31) 072_20
Formula Grants for Rural Areas and Tribal Transit Program	20.509	CAF 2101 (31) 072_20
Formula Grants for Rural Areas and Tribal Transit Program	20.509	ARP 2201 (31) 107_21
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	RPTCP-2023-GCRPC-00019
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED 2301 (31) 049_22
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED 2201 (31) 108_21
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED 2201 (31) 108_21
<i>Total for Transit Services Programs Cluster</i>		
Total passed through Texas Department of Transportation		
Total U.S. Department of Transportation		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ -	\$ 374,409	\$ 374,409	\$ -	Federal Transit Cluster	
-	72,508	72,508	-	Federal Transit Cluster	
-	184,478	184,478	-	Federal Transit Cluster	
-	774,525	774,525	-	Federal Transit Cluster	
-	28,272	28,272	28,272	Federal Transit Cluster	
-	279,913	279,913	-	Federal Transit Cluster	
-	<u>1,714,105</u>	<u>1,714,105</u>	<u>28,272</u>		
-	1,714,105	1,714,105	28,272		
533,048	-	533,048	237,716		
113,769	-	113,769	-		
21,993	-	21,993	20,840		
343,899	-	343,899	341,432		
40,394	-	40,394	40,394		
96,528	-	96,528	94,209		
<u>1,149,631</u>	-	<u>1,149,631</u>	<u>734,591</u>		
35,000	-	35,000	-		
<u>35,000</u>	-	<u>35,000</u>	-		
37,862	-	37,862	8,484	Transit Services Programs Cluster	
103,939	-	103,939	85,172	Transit Services Programs Cluster	
19,812	-	19,812	19,812	Transit Services Programs Cluster	
<u>161,613</u>	-	<u>161,613</u>	<u>113,468</u>		
<u>161,613</u>	-	<u>161,613</u>	<u>113,468</u>		
1,346,244	-	1,346,244	848,059		
<u>1,346,244</u>	<u>1,714,105</u>	<u>3,060,349</u>	<u>876,331</u>		

(continued)

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended August 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
FEDERAL EXPENDITURES - (Continued)		
U. S. Department of Health and Human Services		
<i>Passed Through Texas Health and Human Services Commission</i>		
Special Programs for the Aging-Title VII, Chapter 3- Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	HHS000874100012
Special Programs for the Aging-Title VII, Chapter 2- Long-Term Care Ombudsman Services for Older Individuals	93.042	HHS000874100012
COVID-19 Special Programs for the Aging-Title VII, Chapter 2- Long-Term Care Ombudsman Services for Older Individuals	93.042	HHS000874100012
Special Programs for the Aging-Title III, Part D- Disease Prevention and Health Promotion Services	93.043	HHS000874100012
COVID-19 Special Programs for the Aging-Title III, Part D- Disease Prevention and Health Promotion Services	93.043	HHS000874100012
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	HHS000874100012
COVID-19 Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	HHS000874100012
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers - CDC Vaccination	93.044	HHS000874100012
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers - Expanding the Public Health Workforce	93.044	HHS000874100012
Special Programs for the Aging-Title III, Part C- Nutrition Services	93.045	HHS000874100012
COVID-19 Special Programs for the Aging-Title III, Part C- Nutrition Services	93.045	HHS000874100012
Nutrition Services Incentive Program <i>Total for Aging Cluster</i>	93.053	HHS000874100012
National Family Caregiver Support, Title III, Part E	93.052	HHS000874100012
National Family Caregiver Support, Title III, Part E - Disaster Flex E	93.052	HHS000874100012
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	HHS000874100012
State Health Insurance Assistance Program	93.324	HHS000874100012
Medicare Enrollment Assistance Program	93.071	HHS000874100012
Medicare Enrollment Assistance Program	93.071	HHS000270200017
Money Follows the Person Rebalancing Demonstration	93.791	HHS000270200017
Money Follows the Person Rebalancing Demonstration	93.791	HHS000270200017

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 6,110	\$ -	\$ 6,110	\$ -		
29,301	-	29,301	-		
<u>5,628</u>	<u>-</u>	<u>5,628</u>	<u>-</u>		
<u>34,929</u>	<u>-</u>	<u>34,929</u>	<u>-</u>		
3,154	-	3,154	-		
<u>13,470</u>	<u>-</u>	<u>13,470</u>	<u>-</u>		
<u>16,624</u>	<u>-</u>	<u>16,624</u>	<u>-</u>		
194,522	-	194,522	-	Aging Cluster	
214,767	-	214,767	-	Aging Cluster	
8,965	-	8,965	-	Aging Cluster	
<u>31,355</u>	<u>-</u>	<u>31,355</u>	<u>-</u>	Aging Cluster	
<u>449,609</u>	<u>-</u>	<u>449,609</u>	<u>-</u>		
435,689	-	435,689	-	Aging Cluster	
<u>128,667</u>	<u>-</u>	<u>128,667</u>	<u>-</u>	Aging Cluster	
<u>564,356</u>	<u>-</u>	<u>564,356</u>	<u>-</u>		
<u>144,245</u>	<u>-</u>	<u>144,245</u>	<u>-</u>	Aging Cluster	
<u>1,158,210</u>	<u>-</u>	<u>1,158,210</u>	<u>-</u>		
50,527	-	50,527	-		
19,368	-	19,368	-		
<u>11,001</u>	<u>-</u>	<u>11,001</u>	<u>-</u>		
<u>80,896</u>	<u>-</u>	<u>80,896</u>	<u>-</u>		
<u>45,396</u>	<u>-</u>	<u>45,396</u>	<u>-</u>		
<u>26,397</u>	<u>-</u>	<u>26,397</u>	<u>-</u>		
<u>9,664</u>	<u>-</u>	<u>9,664</u>	<u>-</u>		
<u>36,061</u>	<u>-</u>	<u>36,061</u>	<u>-</u>		
35,503	-	35,503	-		
<u>1,660</u>	<u>-</u>	<u>1,660</u>	<u>-</u>		
<u>37,163</u>	<u>-</u>	<u>37,163</u>	<u>-</u>		

(continued)

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended August 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing No.	Other Award Number
FEDERAL EXPENDITURES - (Continued)		
U. S. Department of Health and Human Services - (Continued)		
<i>Passed Through Texas Health and Human Services Commission - (Continued)</i>		
Child Care and Development Block Grant	93.575	HHS000979200020
Temporary Assistance for Needy Families (TANF)	93.558	HHS000979200020
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558	HHS000979200020
<i>Total for 477 Cluster</i>		
Medical Assistance Program (Medicaid: Title XIX)	93.778	HHS000979200020
COVID-19 Medical Assistance Program (Medicaid: Title XIX)	93.778	HHS000979200020
<i>Total for Medicaid Cluster</i>		
Children's Health Insurance Program (CHIP)	93.767	HHS000979200020
COVID-19 Children's Health Insurance Program (CHIP)	93.767	HHS000979200020
Total passed through Texas Health and Human Services Commission		
Total U.S. Department of Health and Human Services		
TOTAL FEDERAL EXPENDITURES		
STATE EXPENDITURES		
Office of the Texas Governor		
Criminal Justice Division Administration	N/A	PO# 22-00526 CJD
Homeland Security Grant Program	N/A	PO# 22-00523 HSGD
Regional Law Enforcement Training	N/A	1417718
Total Office of the Texas Governor		
Texas Department of Aging and Disability Services		
Ombudsman Assisted Living Services	N/A	HHS000874100012
ADRC Operations - SGR	N/A	HHS000270200017
ADRC - Promoting Independence	N/A	HHS000270200017
ADRC - Respite	N/A	HHS000270200017
State Aging Services	N/A	HHS000874100012
State General Revenue ARPA	N/A	HHS000874100012
Housing Bond	N/A	HHS000874100012
211 Program	N/A	HHS000979200020
211 Program - COVID 19	N/A	HHS000979200020
Total Texas Department of Aging and Disability Services		
Texas Department of Transportation		
Small Urban Transportation Program	N/A	URB-2301
Public Transportation for Nonurbanized Areas	N/A	RUR-2301
Public Transportation for Nonurbanized Areas	N/A	RUR-2101
Total Texas Department of Transportation		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 3,315	\$ -	\$ 3,315	\$ -	477 Cluster	
1,206	-	1,206	-	477 Cluster	
40	-	40	-	477 Cluster	
1,246	-	1,246	-		
4,561	-	4,561	-		
44,908	-	44,908	-	Medicaid Cluster	
1,484	-	1,484	-	Medicaid Cluster	
46,392	-	46,392	-		
6,796	-	6,796	-		
225	-	225	-		
7,021	-	7,021	-		
1,473,363	-	1,473,363	-		
1,473,363	-	1,473,363	-		
3,021,768	1,767,644	4,789,412	876,331		
61,898	-	61,898	-		
17,500	-	17,500	-		
21,333	-	21,333	-		
100,731	-	100,731	-		
13,801	-	13,801	-		
93,277	-	93,277	-		
7,605	-	7,605	-		
8,887	-	8,887	-		
84,162	-	84,162	-		
59,380	-	59,380	-		
3,935	-	3,935	-		
95,759	-	95,759	-		
3,152	-	3,152	-		
369,958	-	369,958	-		
579,217	-	579,217	-		
702,256	-	702,256	267,121		
396,072	-	396,072	-		
1,677,545	-	1,677,545	267,121		

(continued)

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended August 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>Other Award Number</u>
STATE EXPENDITURES - (Continued)		
Texas Commission for Environmental Quality		
Regional Solid Waste Grant	N/A	582-22-30116
Total Texas Commission for Environmental Quality		
Commission on State Emergency Communications		
911 Strategic Plan 2021	N/A	FY2021
911 Strategic Plan 2022	N/A	FY2022
911 Strategic Plan 2023	N/A	FY2023
Total Commission on State Emergency Communications		
TOTAL STATE EXPENDITURES		
TOTAL FEDERAL AND STATE EXPENDITURES		

See accompanying notes to schedule of expenditures of federal and state awards.

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 189,286	\$ -	\$ 189,286	\$ -		
<u>189,286</u>	<u>-</u>	<u>189,286</u>	<u>-</u>		
7,199	-	7,199	-		
16,703	-	16,703	-		
<u>752,439</u>	<u>-</u>	<u>752,439</u>	<u>-</u>		
<u>776,341</u>	<u>-</u>	<u>776,341</u>	<u>-</u>		
<u>3,113,861</u>	<u>-</u>	<u>3,113,861</u>	<u>267,121</u>		
<u>\$ 6,135,629</u>	<u>\$ 1,767,644</u>	<u>\$ 7,903,273</u>	<u>\$ 1,143,452</u>		

(concluded)

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended August 31, 2023

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state award activity of the Commission, under programs of the federal government for the year ended August 31, 2023 in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *Texas Grant Management Standards*. Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable; except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally unused balances are returned to the grantor at the close of specified project periods.

NOTE 3: INDIRECT COST RATE

The Commission has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended August 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) and Texas Grant Management Standards?

yes no

Identification of major programs:

<i>Federal Assistance Listing Number(s)</i>	<i>Name of Major Programs or Cluster</i>
93.044, 93.045, 93.053	Aging Cluster
20.509	Formula Grants for Rural Areas and Tribal Transit Program
N/A	Regional Solid Waste Grant (STATE)
N/A	Public Transportation for Nonurbanized Areas (STATE)

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

Finding 2023-001: General Ledger Account Reconciliations

Type of Finding: Significant Deficiency

Condition: Various general ledger accounts were not completely reconciled on a regular basis.

Criteria: Controls should be in place to ensure the general ledger accurately reflects all of the transactions of the Commission at the proper amounts, in the proper funds and in the proper period. General ledger control accounts should also be reconciled on a regular basis to subsidiary records.

Cause: The Commission did not have proper procedures in place to ensure staff was properly monitored or trained to maintain the required accounting records that were accurate and complete.

Effect: Material adjustments were needed in multiple funds of the Commission to accurately reflect the activity for the year in compliance with GAAP.

Repeat Finding from Prior Year: No.

Recommendation: The Commission should place into effect procedures that will ensure general ledger accounts are properly reconciled on a regular basis. All differences should be researched, documented, and resolved in a timely manner.

Views of Responsible Officials: Refer to Corrective Action Plan.

Section III - Federal and State Award Findings and Questioned Costs

None noted.

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

CORRECTIVE ACTION PLAN

For the year ended August 31, 2023

Financial Statement Findings

2023-001

Corrective Action Plan: The Commission's Corrective Action Plan to address the condition is to establish clear responsibilities for reconciliation within the finance department, develop and document processes and procedures and implement a monthly reconciliation schedule for critical general ledger accounts. The reconciliations will be signed at the end of each month by the Finance Director. In addition, finance personnel will be provided with the proper education and training to ensure accurate accounting procedures are being followed.

The Finance Director, Lindsey Mikulenska, will be responsible for ensuring that the Corrective Action Plan is implemented. The anticipated completion date is August 31st, 2024.

GOLDEN CRESCENT REGIONAL PLANNING COMMISSION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the year ended August 31, 2023

Finding 2022-001 Cash Reconciliations

Condition: Cash reconciliations were not reconciled accurately and in a timely manner.

Recommendation: We recommended the Commission implement a reconciliation process to ensure the Commission's general ledger cash balances reconcile to the cash reconciliations on a monthly basis. All differences should be researched, documented, and resolved in a timely manner.

Current Status: Bank reconciliations were successfully completed prior to the initial audit visit in November 2023 through the efforts of Finance department personnel. Adequate training in the bank reconciliation module and specific staff roles/assignments shall ensure current and future reconciliations are conducted promptly and accurately in line with the Commission's expectations.

Finding 2022-002 Federal Audit Clearinghouse (FAC) Submission

Condition: The required Single Audit package to the FAC was not submitted in the required time period as a result of Finding 2022-001.

Recommendation: In future years all FAC submissions should be completed within the required time period.

Current Status: With the remediation of Finding 2022-001, the Commission anticipates the timely submission of its FY 2023 Single Audit package to the FAC by the appropriate deadline.