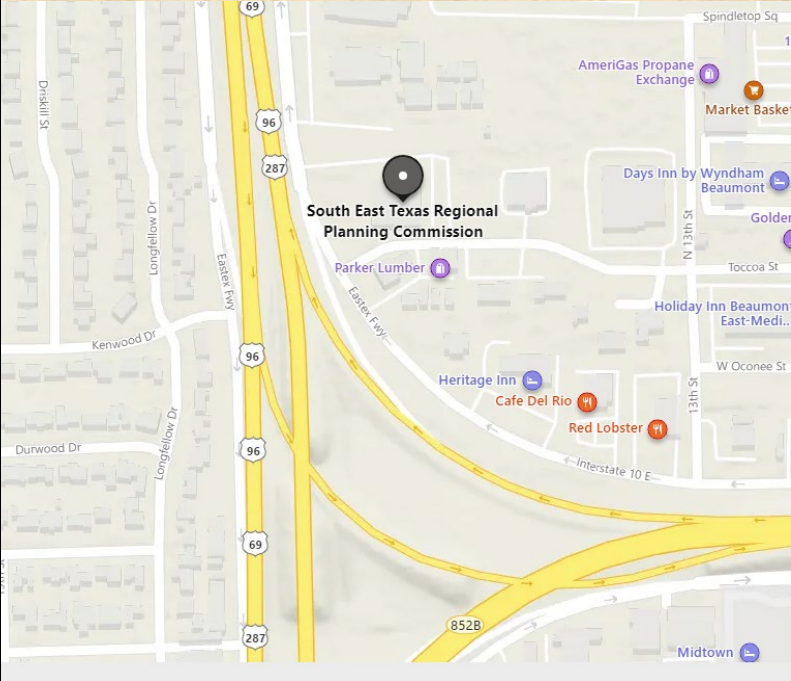


South East Texas Regional Planning Commission

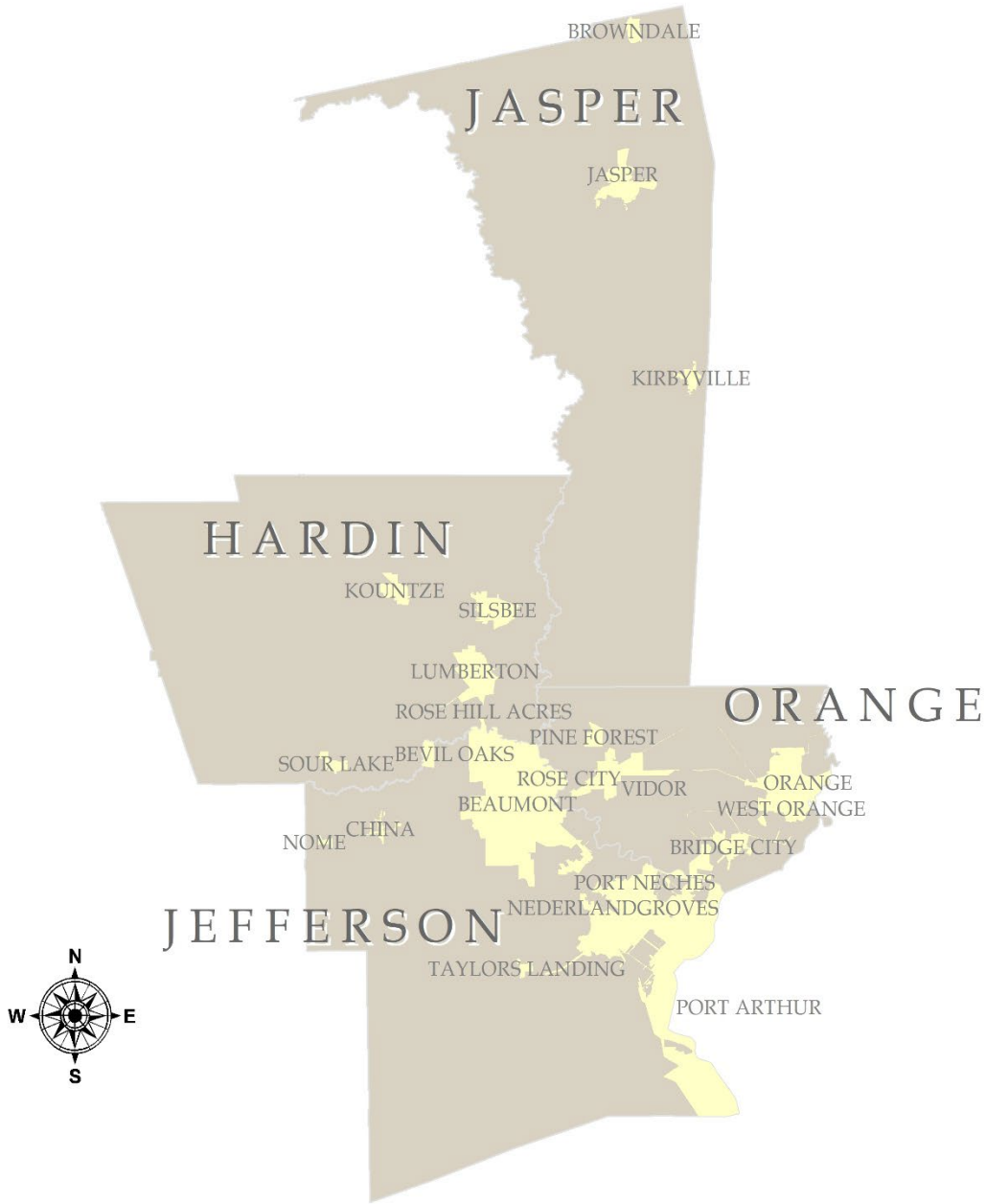


Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2024



2210 Eastex Freeway
Beaumont, Texas 77703
409.899.8444/409.347.0138 fax

ANNUAL COMPREHENSIVE FINANCIAL REPORT
of the
SOUTH EAST TEXAS REGIONAL PLANNING COMMISSION
Beaumont, Texas



For the Fiscal Year Ended
September 30, 2024

Prepared by:
Department of Finance and Administration

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**South East Texas Regional Planning Commission
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	2
Certificate of Achievement.....	5
South East Texas Region.....	6
2024 Executive Committee Officers.....	7
2024 Membership.....	8
Executive Staff.....	9
Organizational Chart.....	10

FINANCIAL SECTION

Independent Auditor's Report.....	12
Management's Discussion and Analysis.....	14

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position.....	22
Statement of Activities.....	23

Fund Financial Statements:

Balance Sheet - Governmental Funds	24
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds.....	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	26
Statement of Net Position - Proprietary and Internal Service Funds	27
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary and Internal Service Funds...	28
Statement of Cash Flows - Proprietary and Internal Service Funds.....	29
Fiduciary Funds - Statement of Fiduciary Net Position.....	30
Statement of Changes in Fiduciary Net Position	31

Notes to Financial Statements	32
-------------------------------------	----

Combining Balance Sheet - Non-Major Governmental Funds	48
--	----

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds	49
---	----

Supplementary Information:

Schedule of Indirect Costs.....	50
Schedule of Employee Benefits.....	51

TABLE OF CONTENTS (continued)

STATISTICAL SECTION

Net Position by Component.....55

Changes in Net Position.....56

Fund Balances of Governmental Funds57

Changes in Fund Balances, Governmental Funds58

Local Government Annual Membership Dues & Assessments60

Ratios of Outstanding Debt by Type.....62

Demographic and Economic Statistics63

Employment By Occupational Group64

Fulltime Equivalent Employees by Program/Department65

Program and Function Indicators66

SINGLE AUDIT SECTION

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 Standards68

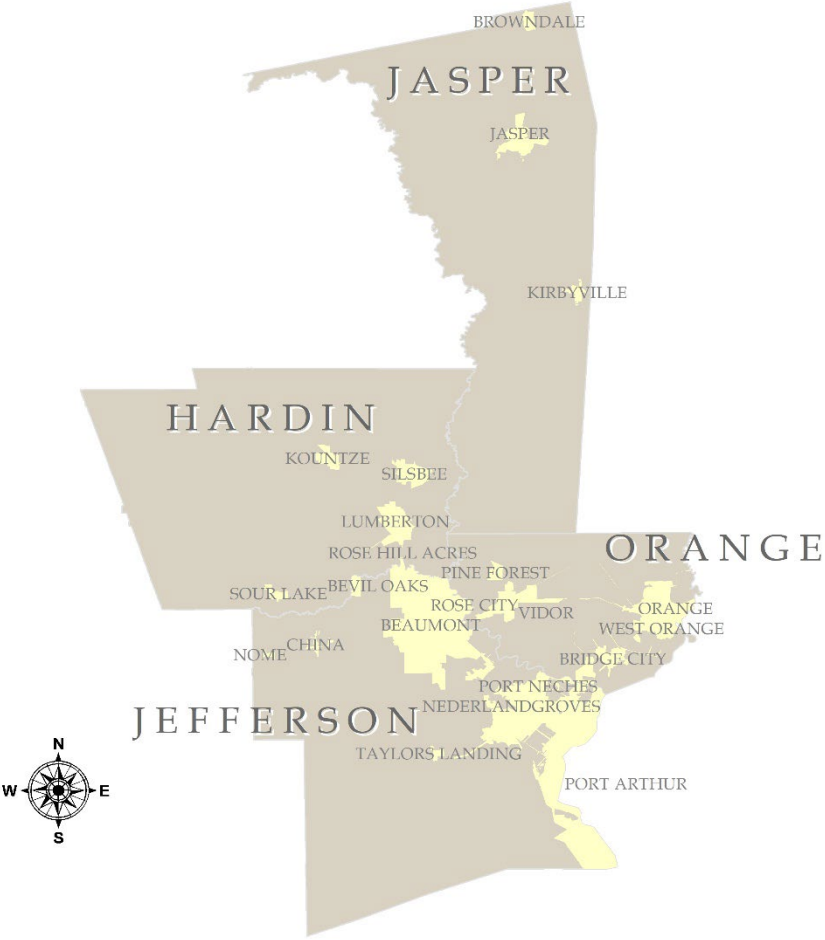
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB 2 CFR Part 200 and the State of Texas Single Audit Circular.....70

Schedule of Expenditures of Federal and State Financial Awards72

Notes to Expenditures of Federal and State Financial Awards Schedule.....75

Schedule of Findings and Questioned Costs.....76

Introductory Section





March 28, 2025

Members of the Executive Committee and Citizens of Southeast Texas

We are pleased to present the Annual Comprehensive Financial Report of the South East Texas Regional Planning Commission (SETRPC) for the year ended September 30, 2024. This report was prepared for the Agency by SETRPC's Department of Finance and Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with SETRPC's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of SETRPC as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain a maximum understanding of SETRPC's financial affairs have been included. These financial statements are presented annually in compliance with Office of Management and Budget's 2 CFR Part 200, the Single Audit Act of 1984, as amended, and the SETRPC's By-laws.

REPORT FORMAT

South East Texas Regional Planning Commission's financial statements have been audited by Mitchell T. Fontenote, CPA, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the SETRPC for the fiscal year ended September 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the SETRPC's financial statements for the fiscal year ended September 30, 2024, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the SETRPC was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only of the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The SETRPC's MD&A can be found immediately following the report of the independent auditors.

President – Wayne McDaniel, Hardin County | 1st VP– Johnny Trahan, Orange County –| 2nd VP Mark Allen, Jasper County
3rd VP– Glenn Johnson, Port Neches | 4th VP– Kimberly Cline, Lumberton –| 5th VP Amanda Gates, Kirbyville
Treasurer – Cathy Nagel, Pine Forest | Secretary – Cary Erickson, Jefferson County

Executive Director – Shanna Burke
2210 Eastex Freeway Beaumont, Texas 77703-4929
(409) 899-8444 | (409) 347-0138 fax
setrpc@setrpc.org | <http://www.setrpc.org>

ORGANIZATIONAL PROFILE

The South East Texas Regional Planning Commission was formed in June 1970, as a voluntary association of local governments pursuant to Texas law, Local Government Code, Chapter 391, Regional Planning Commissions (V.A.C.S. Article 1011m). As one of 24 planning councils in Texas, the South East Texas Regional Planning Commission works with its member governments to solve area wide problems by promoting intergovernmental cooperation and coordination by means of conducting comprehensive regional planning and by providing a forum for the discussion and study of area issues. SETRPC's mission is to compliment local government without infringing on local home rule, with the goal of making our local jurisdictions better able to respond to the needs of their citizens. The Region's population was represented on our Executive Committee by virtue of all four of the counties that make up Planning Region 15 (Hardin, Jasper, Jefferson and Orange) being members of the South East Texas Regional Planning Commission. Representatives of local school districts, water districts, ports, navigation districts and river authorities also serve on the Executive Committee. The governing body of the South East Texas Regional Planning Commission is the SETRPC Executive Committee. All individuals serving on the Executive Committee are elected officials from the various counties, cities and special districts that make up the Commission's membership. Likewise, the SETRPC officers consist of elected officials from each county, city or special district.

By focusing their efforts toward collective goals outlined in the SETRPC Mission Statement, Purpose and Core Values, the Executive Committee, officers and SETRPC staff ensure that the region is pursuing resources, which will provide a greater quality of life for all residents.

SETRPC's federally and State assisted area wide responsibilities include transportation planning and implementation, environmental protection, nutrition and social services for the elderly, criminal justice, solid waste, water quality, economic development, community services and community development. SETRPC is also charged with area wide administration of the Foster Grandparent and RSVP Programs, AARP Experience Corps program, planning and implementation of the region wide Enhanced 9-1-1 Emergency Network System, Homeland Security and coordination and facilitation of emergency management planning activities. SETRPC also administers a program of air quality monitoring funded by private industry.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the South East Texas Regional Planning Commission operates.

ECONOMIC OUTLOOK

The South East Texas Regional Planning Commission serves approximately 430,545 citizens. The SETRPC's planning region 15 encompasses 3,361 total square miles. Some of the major occupational employment groups serving the South East Texas region are Office and Administrative support, Food Preparation and Serving Related Occupations, Construction and Extraction, and Transportation and Material Moving. As of December 2024, the area's unemployment rate was at 5.4%. Despite challenges, the region has seen progress, with the expansion of OCI Beaumont's \$1 billion ammonia plant and the addition of Port Arthur LNG's \$13 billion project boosting the energy sector. As of March 2025, job postings are on the rise, signaling growth. We continue to seek funding to support residents and businesses in rebuilding a strong economy.

LONG-TERM FINANCIAL PLANNING

Accounting Systems and Budgetary Control. Management of SETRPC is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of SETRPC are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits and that the evaluation of costs and benefits requires management's estimates.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management. All internal control evaluations occur within the above framework. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of misuse, if any, have been detected. We believe that adequate precautions have been taken, within cost limitations, to safeguard assets and provide reasonable assurance of proper recording of financial transactions within the SETRPC.

As a recipient of federal, state, and local government financial assistance, SETRPC also is responsible for ensuring that an adequate control structure is in place to ensure compliance with applicable laws and regulations related to these programs.

The internal control structure is subject to periodic evaluation by management, federal and state agencies and independent auditors. The Executive Committee of SETRPC approves a plan for revenues and expenditures of all funds. The annual budget is reviewed and formally adopted by the Executive Committee prior to the beginning of the fiscal year. The objective of the annual budget is to act as a control device for the general fund while the individual grant budgets are used as the control device within the Special Revenue Funds.

Financial plans for the Special Revenue Funds are made on a project (grant) basis, often spanning more than one year. Appropriations for all projects in the Special Revenue Funds lapse at the end of a contract period, which may not coincide with the fiscal year-end of SETRPC. Financial plans for the Special Revenue Funds are established in accordance with grant awards received. In adopting the annual budget as a financial guide, the Executive Committee is aware that actual federal and state resources must be individually negotiated on a programmatic basis at which time they are presented for local approval.

The financial plan for the General Fund is prepared on the modified accrual basis, except that expenditures also include amounts for changes in the liability for accrued vacation leave. The financial plan for the Special Revenue Funds is also prepared on the same basis as the plan for the General Fund and includes amounts for depreciation on capital assets acquired. As stated in the Management's Discussion and Analysis, the financial plan for the SETRPC is not considered a legally adopted budget. Therefore, comparative budget and actual results are not presented.

Relevant Financial Policies. SETRPC has several financial policies and procedures that keep the financial records in compliance with 2 CFR Part 200 (formerly OMB A-87) and the Texas Grants Management Standards (formerly UGMS) and free from material misstatement. The Investment Policy ensures that SETRPC's funds are properly accounted for and invested to minimize credit and market risks, while maintaining a competitive yield and the money is adequately protected either through collateralization or FDIC insurance. The Risk Management Policy limits SETRPC's exposure to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Capitalization Policy ensures that the major tangible assets and software are properly controlled and accounted for. Finally, the Financial, Accounting and Information Technologies Manual establishes a set of policies and procedures to ensure that sufficient controls exist over the safeguarding of assets against waste, loss and misuse and also for providing relevant information to management, its Executive Committee and its federal, state and local granting agencies.

Awards and Acknowledgments. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South East Texas Regional Planning Commission for its annual comprehensive financial report for the fiscal year ended September 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report could not have been accomplished without the dedication and efficiency of the SETRPC's Financial, Administrative, and Program Management Staff. Special acknowledgement should also be given to SETRPC's independent auditors, Mitchell T. Fontenote, CPA, whose expertise greatly assisted in the completion of this report. Finally, we would like to thank the members of the Executive Committee for their interest and support in planning and conducting the SETRPC's financial operations in a responsible and progressive manner.

Respectfully Submitted,



Shanna Burke
Executive Director



Jeff King
Finance Director



Government Finance Officers Association

**Certificate of
Achievement for
Excellence in
Financial Reporting**

Presented to

**South East Texas
Regional Planning Commission**

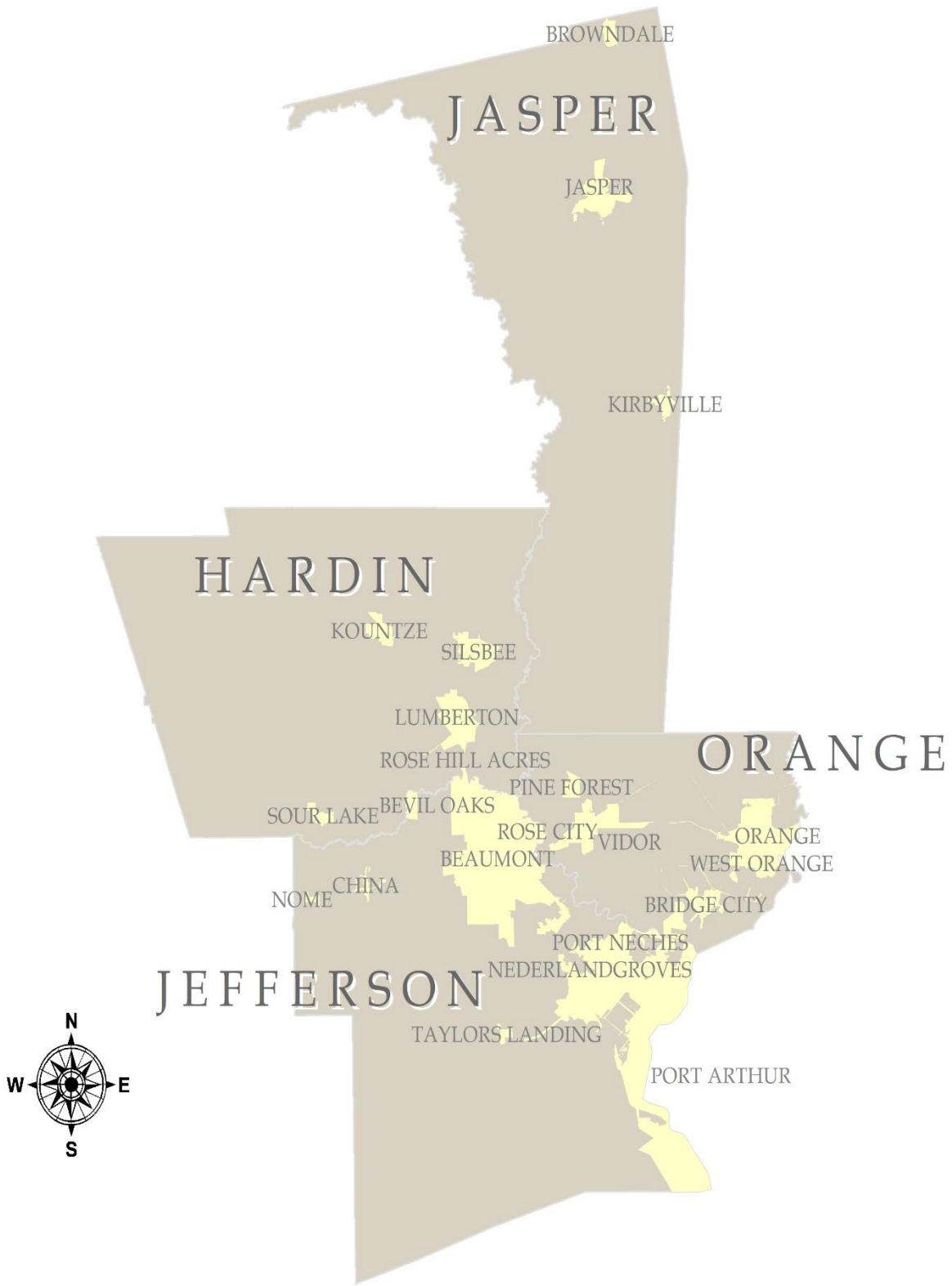
For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

SOUTH EAST TEXAS REGION



2024 EXECUTIVE COMMITTEE OFFICERS



Judge
Wayne McDaniel
Hardin County
President



Commissioner
Johnny Trahan
Orange County
1st Vice-President



Judge
Mark Allen
Jasper County
2nd Vice-President



Mayor
Glenn Johnson
Port Neches
3rd Vice-President



Councilmember
Kimberly Cline
Lumberton
4th Vice-President



Councilmember
Amanda Gates
Kirbyville
5th Vice-President



Mayor
Cathy Nagel
Pine Forest
Treasurer



Commissioner
Vernon Pierce
Jefferson County
Secretary
January – April 2024



Commissioner
Cary Erickson
Jefferson County
Secretary
May – December 2024

2024 MEMBERSHIP

COUNTIES (4)

HARDIN COUNTY	JEFFERSON COUNTY	ORANGE COUNTY	JASPER COUNTY
---------------	------------------	---------------	---------------

CITIES (23)

Kountze	Beaumont	Bridge City	Jasper
Lumberton	Bevil Oaks	Orange	Kirbyville
Rose Hill Acres	China	Pine Forest	
Silsbee	Groves	Pinehurst	
Sour Lake	Nederland	Rose City	
	Nome	Vidor	
	Port Arthur	West Orange	
	Port Neches		
	Taylor Landing		

SCHOOL DISTRICTS (5)

Beaumont ISD	Port Arthur ISD
Bridge City ISD	Port Neches-Groves ISD
Hamshire-Fannett ISD	

SPECIAL DISTRICTS (23)

Jefferson County Emergency Services District #1	Orange County Drainage District
Jefferson County Emergency Services District #3	Orange County Water Control & Improvement Dist. #1
Hardin County Emergency Services District #2	Orange County Water Control & Improvement Dist. #2
Orange County Emergency Services District #3	Orange County Navigation & Port District
Jefferson County Drainage District #3	Port of Beaumont
Jefferson County Drainage District #6	Port of Port Arthur
Jefferson County Drainage District #7	Sabine-Neches Navigation District
Jefferson County Water Control & Improvement Dist., #10	Sabine River Authority of Texas
Lower Neches Valley Authority	Jasper County Emergency Services District #1
Lumberton Municipal Utility District	Jasper County Emergency Services District #4
Mauriceville Municipal Utility District	Jasper Hospital District
	Southeast Texas Groundwater Conservation District

EXECUTIVE STAFF

Executive Director.....Shanna Burke

Executive Assistant.....Suzanne Carver

Director, Finance Jim Borel

Director, Community Services Division Sara Torres-Garcia

Director, Disaster Recovery Division/Human Resources Manager..... Glenda Lacy

Director, 9-1-1 Emergency Network Pete De La Cruz

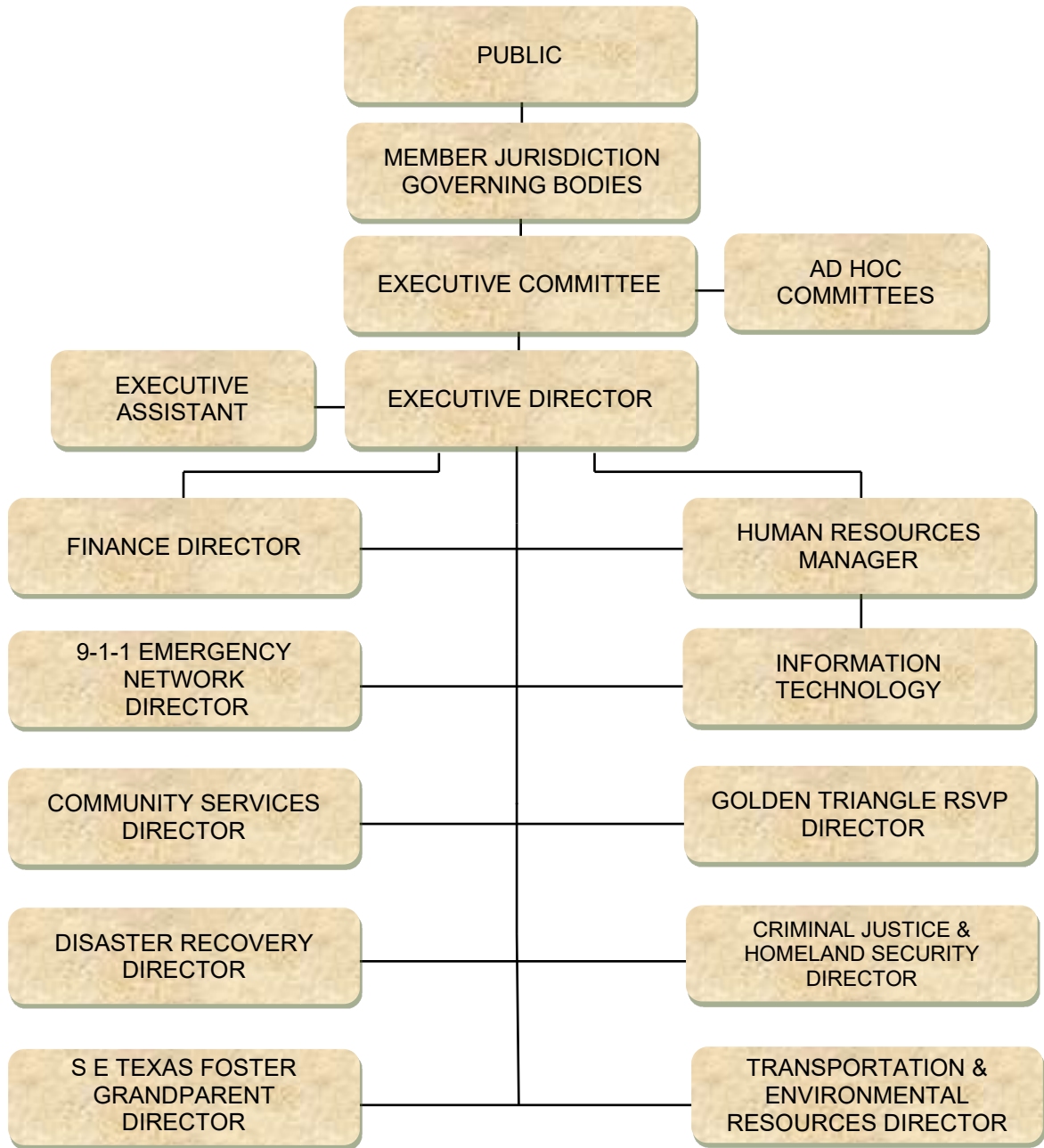
Director, Golden Triangle RSVP..... Hannah Klauss

Director, Southeast Texas Foster Grandparent ProgramTyronna McKenzie

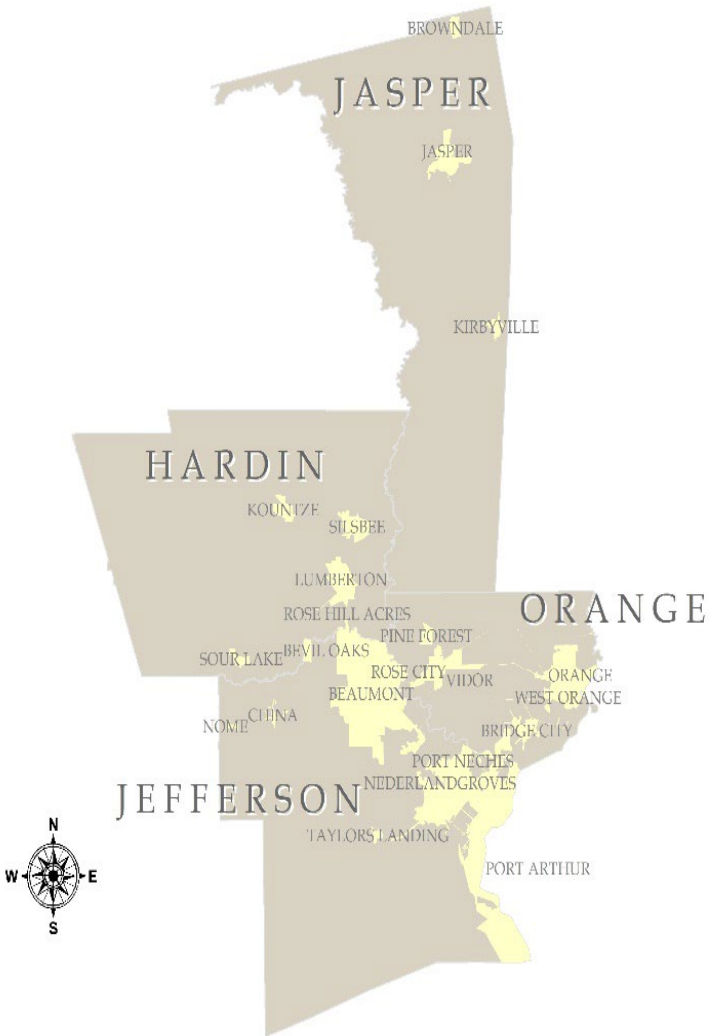
Director, Criminal Justice and Homeland Security Division Steve Curran

Director, Transportation & Environmental ResourcesBob Dickinson

ORGANIZATIONAL CHART



Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beaumont, 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 South East Texas Regional Planning Commission, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the South East Texas Regional Planning 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 South East Texas Regional Planning Commission, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 South East Texas Regional Planning Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 South East Texas Regional Planning 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 South East Texas Regional Planning 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 South East Texas Regional Planning 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 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 South East Texas Regional Planning 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 and state awards*, and the *Texas Grant Management Standards* 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 Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the South East Texas Regional Planning 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 South East Texas Regional Planning 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 South East Texas Regional Planning Commission's internal control over financial reporting and compliance.

Mitchell T Fontenote CPA, Inc.

Port Neches, Texas
March 28, 2025

Management's Discussion and Analysis

As management of the South East Texas Regional Planning Commission (the "SETRPC"), we offer readers of the SETRPC's financial statements this narrative overview and analysis of the financial activities of the SETRPC for the year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the SETRPC's financial statements, which follow this section.

The South East Texas Regional Planning Commission (SETRPC) is a voluntary association of 55 local governmental units in the four county (Hardin, Jasper, Jefferson and Orange) area of South East Texas. SETRPC was organized in June 1970 under authority provided by the Texas Legislature in 1965. The South East Texas Region lies at the northern tip of the Texas Gulf Coast. It encompasses an area of 3,361 total square miles with a 2020 population of 430,545. Since Jasper County joined the SETRPC in June 2021 based on a new directive from the Governor's Office, a total of 6 member governments from Jasper County have joined the SETRPC. As a result of the new directive, any Jasper County entity is eligible to join SETRPC at any time of their choosing upon passing a resolution. SETRPC, a political subdivision of the State of Texas and exempt from Federal Income Taxes and filing returns under I.R.C. 115, serves as a conduit for funds made available through various Federal and State programs to provide a variety of services developed or delivered through consultants or subcontractors.

Financial Highlights

- a. The assets of the SETRPC exceeded its liabilities at the close of 2024 by \$5,882,674. Of this amount \$1,882,009 is considered unrestricted and may be used to meet ongoing financial obligations. The balance of net position, \$4,000,665, is the net amount invested in capital assets.
- b. The SETRPC's total net position decreased by \$105,441 in 2024.
- c. As of the close of the current fiscal year, the SETRPC's governmental funds reported a combined ending fund balance of \$2,181,844 at September 30, 2024.
- d. At the end of the current fiscal year, unassigned fund balance for the general fund prior to application of non-spendable totals in the governmental funds was \$1,109,650 or 6.6% percent of total governmental fund expenditures (net of non-spendable amounts is \$451,557, see page 24 for details).

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the SETRPC's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all the SETRPC'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 SETRPC is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows.

Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present the functions of the SETRPC that are principally supported by federal and state grants (governmental activities). The SETRPC does not have any business-type activities. The government-wide financial statements can be found on pages 22 & 23 of this report.

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 SETRPC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. SETRPC has only one category of funds: 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 the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing 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 financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The SETRPC maintains fifteen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Air Quality Fund, Area Agency on Aging Fund, Community Development Fund, Community Services Fund, 9-1-1 Emergency Communications Fund, Transportation Planning Fund and Homeland Security, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 24 & 25 of this report.

Proprietary funds. The SETRPC reports one proprietary fund, which is the combined internal service funds reported in the basic financial statements. SETRPC reports no enterprise funds. The basic proprietary fund financial statements can be found on pages 27 - 29 of this report.

Fiduciary funds (custodial funds). The SETRPC reports one fiduciary fund that is used to account for assets held by SETRPC as a custodian. The fund is custodial in nature and involves the economic measurement of results of operations. The basic fiduciary fund (custodial fund) financial statement can be found on page 30-31 of this report.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 through 43 of this report.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the SETRPC's service programs. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the revenues reported for each function are membership fees and, in some cases, the resulting Net (Expense)/Revenue reflects an increase or decrease in that function's Net Position.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Notes to the Financial Statements and can be found on pages 48 - 49 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which can be found on pages 50 and 51 of this report.

South East Texas Regional Planning Commission
Net Position

	Governmental Activities 2024	Governmental Activities 2023	% Change
Current and other assets	\$ 7,540,295	\$ 5,957,849	26.6%
Capital assets, net	4,059,620	4,546,262	-10.7%
Total assets	<u>11,599,916</u>	<u>10,504,113</u>	<u>10.4%</u>
Long-term liabilities outstanding	130,808	151,305	-13.5%
Other liabilities	5,586,434	4,364,693	28.0%
Total liabilities	<u>5,717,241</u>	<u>4,515,998</u>	<u>26.6%</u>
Net position:			
Net investment in capital assets	4,000,665	4,375,278	-8.6%
Unrestricted	1,882,009	1,612,837	16.7%
	<u>\$ 5,882,674</u>	<u>\$ 5,988,115</u>	<u>-1.8%</u>

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. SETRPC’s net position decreased between fiscal years 2023 and 2024 by \$105,441 – a decrease of 1.8% from fiscal year 2023.

A large portion of the SETRPC’s net position (\$1,882,009) reflects its unrestricted assets which may be used to meet ongoing financial obligations. SETRPC’s unrestricted assets increased between fiscal years 2023 and 2024 by \$269,172 or 16.7%. The remainder of SETRPC’s net position decreased by \$374,613 or 8.6%. This amount represents SETRPC’s investment in capital assets (e.g. land, building, leasehold improvements, equipment, and furniture and fixtures). These assets are not available for future spending.

Significant components of the net position activity are as follows:

Governmental activities total expenses increased by \$900,965 (5.6%) in the current year. Following are details of the significant changes for the programs administered by the SETRPC.

- a. General government expenses decreased by \$32,249 of which \$26,068 relates to a long-term debt adjustment in the previous year for compensated absences. This fiscal year’s compensated absences adjustment was minimal.

- b. Community Services had an increase of \$368,746 (39.8%). This increase was the result of additional residential rehabilitation work performed to retrofit homes of low-income elderly and/or disabled citizens to make them more energy efficient. The rehabilitations are performed using industry funds received from local refineries assessed from air quality violations collected by the Texas Commission on Environmental Quality and forwarded to SETRPC. These fine monies are used in conjunction with additional funds voluntarily contributed from a local refinery to perform the rehabilitation services.
- c. The Homeland Security Program had an increase of \$401,379 (23%). This increase was the result of a significant project to construct a communications tower in our Jasper County that was completed in the fiscal year.
- d. The Community Development Program had an increase of \$239,610 (33%) in expenditures. This increase was primarily due to a new grant program to perform a Broadband Internet Study to determine where gaps exist in internet service in our region.
- e. The Solid Waste Management Planning Program had decreased expenditures of \$59,419 (43%) compared to the previous year. This program offers an annual Household Hazardous Waste and Scrap Tire Collection event that contributes to the largest expenditure for the program. The program had less citizen participation due to inclement weather and severe flooding on the day of the event. As a result of reduced participation, less waste was collected, and the removal fee was considerably less.

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**South East Texas Regional Planning Commission
Changes in Net Position**

	Governmental Activities 2024	Governmental Activities 2023	Difference	Percent Change from Prior Year
REVENUES:				
Program revenues:				
Operating Grants and contributions	\$ 16,738,279	\$ 14,984,597	\$ 1,753,683	11.7%
General revenues:				
Investment earnings	74,008	18,326	55,681	303.8%
	<u>16,812,287</u>	<u>15,002,923</u>	<u>\$ 1,809,364</u>	<u>12.1%</u>
EXPENSES:				
General government	36,750	68,999	(32,249)	-46.7%
Air Quality	850,319	947,871	(97,553)	-10.3%
9-1-1 Emergency Network	3,780,112	3,843,831	(63,719)	-1.7%
Substance Abuse	691	691	-	0.0%
Area Agency on Aging	3,438,251	3,411,179	27,072	0.8%
Community Development	966,373	726,763	239,610	33.0%
Community Services	1,295,831	927,085	368,746	39.8%
Public Safety	243,423	252,868	(9,445)	-3.7%
Foster Grandparent	484,483	485,836	(1,353)	-0.3%
RSVP	359,486	378,354	(18,868)	-5.0%
Solid Waste Management Planning	78,706	138,125	(59,419)	-43.0%
Transportation Planning	3,190,011	3,045,801	144,210	4.7%
Water Quality	21,482	12,697	8,785	100.0%
Homeless	28,077	34,197	(6,120)	-17.9%
Homeland Security	2,143,874	1,742,495	401,379	23.0%
Interest	(140)	(30)	(110)	372.3%
Total governmental activities	<u>16,917,727</u>	<u>16,016,762</u>	<u>900,965</u>	<u>5.6%</u>
Extraordinary Item	-	(34,798)		
Change in net position	(105,441)	(1,048,636)		
Net position, beginning	<u>\$ 5,988,115</u>	<u>\$ 7,036,752</u>		
Net position, ending	<u>\$ 5,882,674</u>	<u>\$ 5,988,115</u>		

The government's total net assets decreased by \$105,441 during the current fiscal year.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the SETRPC's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the SETRPC's financing requirements. Unassigned 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 September 30, 2024, the SETRPC's governmental fund reported ending fund balances of \$2,181,244, an increase of \$272,613 in comparison with the prior year. This was primarily due to a reduction in the number of air quality monitors capturing air samples, which reduced the program expenditures and helped increase the air quality

related fund balance. Also, the Community Development Fund had a net gain in their fund balance from meeting program objectives for a performance-based grant resulting in positive fund balance growth.

General Fund. The fund balance of the SETRPC's general fund increased by \$83,611. The fund balance is generally used to support programs and projects of region-wide significance. The fund balance is also used to support program disbursements prior to reimbursement by grantor agencies. The increase was primarily due to a higher interest rates resulting in greater interest earnings from higher operating funds on hand throughout the fiscal year, along with the elimination of an expenditure from the prior fiscal year associated with the extraordinary item recorded for our cybersecurity network intrusion in the amount of \$34,798.

Special Revenue Funds. The fund balance of SETRPC's special revenue funds increased by \$189,002 during fiscal year 2024. While some special revenue funds did have decreases, the following had positive fund balance increases:

The Air Quality fund balance increased \$241,107 from the prior year. This was primarily due to a decrease in the number of air quality monitors used to capture air samples. The reduced monitors decreased program related expenditures, and, coupled with an increase in the amount of air quality fine money assessed to local refineries and forwarded to SETRPC, increased program revenues to supplement air quality funds available for program related activities. Therefore, reduced program expenditures as well as increased funds were combined factors that resulted in positive fund balance growth for the program.

The Community Development fund balance increased \$7,572 from the prior year. This was the result of program efficiencies in a performance-based CDBG grant program, specifically, minimizing program expenditures in the utilization of program funds.

The Homeless program fund balance increased \$16,068 from the prior year. This increase was also the result of program efficiencies by minimizing program related expenditures in relation to program funds promoting positive fund balance growth during the fiscal year.

Budgetary Highlights. The SETRPC's annual budget, a requirement of agency bylaws, serves as a guide to estimate and coordinate anticipated revenues and expenditures. Because most of the SETRPC's revenues are received through contracts with various funding agencies, the budget is based upon estimated funds to be derived and obligations to be incurred through future negotiations with numerous Federal and State agencies. Although the financial plans are reviewed and approved by the SETRPC's Executive Committee, they are not considered legally adopted annual budgets or appropriations. Accordingly, comparative budget and actual results are not presented in this report.

Capital Asset and Debt Administration

Capital Assets. The SETRPC's investment in capital assets for governmental activities amounted to \$4,059,620 (net of accumulated depreciation/amortization) as of September 30, 2024. This investment in capital assets includes land, building, leasehold improvements, equipment, furniture and fixtures and right to use assets. Significant capital asset events occurring during the fiscal year included:

- a. The 9-1-1 Emergency Network Program replaced uninterrupted power sources at several of the regions public safety answering points totaling \$190,265.
- b. The Transportation division purchased additional buses to assist with services for the rural communities of Jefferson and Hardin counties. The net purchases totaled \$412,676.

**Capital Assets
Net of Depreciation**

	Governmental Activities	
	2024	2023
Land	\$ 136,130	\$ 136,130
Building	477,767	548,921
Furniture and equipment	3,390,413	3,707,502
Right To Use Leased Assets	55,310	74,689
Right To Use Subscriptions	0	79,020
	\$ 4,059,620	\$ 4,546,262

Additional information on the SETRPC's capital assets can be found in Note 1 (f) on page 36 and in Note 5 on page 41 of this report.

LONG-TERM DEBT

During the fiscal year, the SETRPC reports a long-term liability for unused vacation in the amount of \$91,177. Additional information on these compensated absences can also be found in Note 5 on page 42 of this report.

In addition to the compensated absences liability, SETRPC leases equipment to use (right to use leased assets) in the form of a postage machine, copier, and printers. Various lease agreements provide the framework to outline the terms of these leases which can be found on page 42. A long-term lease liability in the amount of \$39,633 has been recorded as of September 30, 2024.

Economic Factors and Next Year's Budgets

The South East Texas Regional Planning Commission is dependent on federal and state funding, which can vary widely from year to year. The federal economic condition and federal budget deficits can impact the reauthorization of funds available to local governments. At the time of this report, a newly formed temporary contracted organization named DOGE (Department of Government Efficiency) has been formed and is actively working to reduce Federal spending. There remains uncertainty how this will impact our Federal and State programs moving forward.

The South East Texas Regional Planning Commission is currently partnering with local industry in our Homeland Security Program for administrative services and our Air Quality Program to help monitor local air quality. Additionally, we formed a new partnership to expand home rehabilitation services in Beaumont to retrofit homes to be more energy efficient. We are looking forward to strengthening this local partnership with industry to enhance the programs in all of these areas.

The Transportation division is also implementing a pilot program to operate a curb-to-curb transit service in Jasper County to enhance the quality of life for the residents of that region. The South East Texas Regional Planning Commission expects a positive impact from the pilot project and hopes to see it evolve into permanent transit services in Jasper County during the next fiscal year.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the SETRPC's finances and to show accountability for the funding it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, South East Texas Regional Planning Commission, 2210 Eastex Freeway, Beaumont, Texas 77703.

Basic Financial Statements

**South East Texas Regional Planning Commission
Statement of Net Position
September 30, 2024**

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash	\$ 1,247,747
Investments	1,851,128
Accounts receivable	492,013
Due from grantor agencies	3,246,460
Prepaid items	702,947
Capital assets not being depreciated	136,130
Capital assets, net of accumulated depreciation/amortization	<u>3,923,490</u>
Total Assets	<u>\$ 11,599,916</u>
 LIABILITIES	
Accounts payable	\$ 3,982,950
Unearned revenue	1,406,723
Long-term liabilities	
Due within one year	196,761
Due in more than one year	<u>130,808</u>
Total Liabilities	<u>\$ 5,717,241</u>
 NET POSITION	
Net investment in capital assets	\$ 4,000,665
Unrestricted	<u>1,882,009</u>
Total net position	<u><u>\$ 5,882,674</u></u>

The accompanying notes are an integral part of this financial statement.

South East Texas Regional Planning Commission
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Indirect Cost Allocation	Expenses After Allocation of Indirect Costs	Program Revenues		Net (Expense) Revenue and Changes in Net Position
				Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
Government activities:						
General government	\$ 36,750	\$ -	\$ 36,750	\$ -	\$ 90,682	\$ 53,932
Air Quality	845,239	5,080	850,319	-	1,073,224	222,906
9-1-1 Emergency Network	3,520,807	259,305	3,780,112	-	3,422,960	(357,151)
Substance Abuse	691	-	691	-	-	(691)
Area Agency on Aging	3,120,601	317,650	3,438,251	-	3,414,805	(23,445)
Community Development	787,241	179,132	966,373	-	962,386	(3,987)
Community Services	1,175,991	119,840	1,295,831	-	1,289,189	(6,642)
Public Safety	222,243	21,180	243,423	-	213,647	(29,777)
Foster Grandparent	438,658	45,825	484,483	-	490,025	5,542
RSVP	292,768	66,717	359,486	-	325,555	(33,930)
Solid Waste Management Planning	78,209	497	78,706	-	78,807	100
Transportation Planning	2,993,916	196,095	3,190,011	-	3,191,378	1,367
Water Quality	16,104	5,378	21,482	-	21,320	(161)
Homeless	22,126	5,951	28,077	-	43,159	15,082
AARP Experience Corps	-	-	-	-	-	-
Homeland Security Planning	2,074,283	69,590	2,143,874	-	2,121,142	(22,732)
Indirect Costs	1,292,241	(1,292,241)	-	-	-	-
Interest	(140)	-	(140)	-	-	140
Total government activities	<u>16,917,727</u>	<u>0</u>	<u>16,917,727</u>	<u>-</u>	<u>16,738,279</u>	<u>(179,448)</u>
Total primary government	<u>\$ 16,917,727</u>	<u>\$ 0</u>	<u>\$ 16,917,727</u>	<u>\$ -</u>	<u>\$ 16,738,279</u>	<u>(179,448)</u>
General revenues:						
Investment earnings						<u>74,008</u>
Total general revenues, special items, and transfers						<u>74,008</u>
Change in net position						(105,440)
Net position, beginning						<u>\$ 5,988,115</u>
Net Position, ending						<u>\$ 5,882,674</u>

The accompanying notes are an integral part of this financial statement.

**South East Texas Regional Planning Commission
Balance Sheet
Governmental Funds
September 30, 2024**

	<u>General Fund</u>	<u>Air Quality</u>	<u>Area Agency on Aging</u>	<u>Community Development</u>	<u>Community Services</u>	<u>9-1-1 Emergency Network</u>	<u>Transportation Planning Program</u>	<u>Homeland Security Planning</u>	<u>Other Government Programs</u>	<u>Total Governmental Funds</u>
Assets										
Cash	\$ 1,244,151	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ 1,244,351
Investments	3,091	613,086	-	-	41,491	1,013,497	-	-	175,907	1,847,072
Accounts receivable	434,780	-	-	4,872	-	-	51,133	-	1,228	492,013
Due from grantor agencies	-	12,327	647,340	330,164	55,304	288,748	431,675	1,361,738	119,164	3,246,460
Due from other funds	848,546	-	-	-	64,434	-	-	407,369	367,571	1,687,920
Prepaid items	-	-	396	1,825	-	658,095	1,807	-	1,100	663,222
Total Assets	2,530,568	625,413	647,737	336,861	161,229	1,960,539	484,615	1,769,107	664,970	9,181,038
Liabilities										
Accounts payable	10,544	77,614	261,428	4,535	34,947	874,715	281,884	1,720,748	29,551	3,295,965
Unearned Revenue	517,479	16,175	-	29,372	125,145	1,065,892	51,133	48,359	158,723	2,012,279
Due to other funds	892,896	1,075	336,064	278,187	-	19,931	149,714	-	13,083	1,690,950
Total Liabilities	1,420,920	94,864	597,492	312,094	160,092	1,960,538	482,731	1,769,107	201,358	6,999,195
Fund balances										
Nonspendable	-	-	396	1,825	-	658,095	1,807	-	1,100	663,222
Assigned to:										
Air Quality	-	530,549	-	-	-	-	-	-	-	530,549
Area Agency on Aging	-	-	49,847	-	-	-	-	-	-	49,847
Public Safety	-	-	-	-	-	-	-	-	93,153	93,153
Foster Grandparent Program	-	-	-	-	-	-	-	-	171,081	171,081
RSVP	-	-	-	-	-	-	-	-	91,652	91,652
Solid Waste Management Planning	-	-	-	-	-	-	-	-	17,147	17,147
Water Quality	-	-	-	-	-	-	-	-	-	-
Transportation Planning	-	-	-	-	-	-	77	-	-	77
Homeless Coalition	-	-	-	-	-	-	-	-	27,038	27,038
AARP Experience Corps	-	-	-	-	-	-	-	-	62,442	62,442
Homeland Security Planning	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	22,942	-	-	-	-	-	22,942
Community Services	-	-	-	-	1,138	-	-	-	-	1,138
9-1-1 Emergency Network	-	-	-	-	-	-	-	-	-	-
Unassigned	1,109,650	-	-	-	-	(658,093)	-	-	-	451,557
Total Fund balances	1,109,650	530,549	50,243	24,767	1,138	2	1,883	-	463,612	2,181,844
Total Liabilities and Fund Equity	\$ 2,530,569	\$ 625,413	\$ 647,736	\$ 336,861	\$ 161,229	\$ 1,960,539	\$ 484,615	\$ 1,769,107	\$ 664,970	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Building	168,082
Furniture and Equipment	9,114,536
Right To Use Assets	20,354
Less: Accumulated Depreciation/Amortization	(5,864,084)

Internal Service Funds are used by management to charge cost of certain activities to individual funds, such as centralized common costs, to individual funds. The net affect of this activity is to decrease net position.

543,214

Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Leases Payable	(12,654)
Compensated Absences	(268,615)

Net position of governmental activities (page 23)

\$ 5,882,674

The accompanying notes are an integral part of this financial statement.

South East Texas Regional Planning Commission
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2024

	<u>General Fund</u>	<u>Area Agency on Aging</u>	<u>Air Quality</u>	<u>Community Services</u>	<u>Community Development</u>	<u>9-1-1 Emergency Network</u>	<u>Transportation Planning Program</u>	<u>Homeland Security Planning</u>	<u>Other Government Programs</u>	<u>Total Governmental Funds</u>
Revenues										
Intergovernmental	\$ -	\$ 3,097,832	\$ 263,517	\$ 519,942	\$ 710,029	\$ 3,422,960	\$ 3,191,378	\$ 2,082,530	\$ 973,879	\$ 14,262,067
Membership Dues & Assessments	90,682	132,499	-	-	-	-	-	-	131,762	354,943
Miscellaneous	-	184,475	809,708	769,247	252,357	-	-	38,612	66,872	2,121,270
Investment Income	41,722	146	17,776	755	-	10,080	-	-	3,529	74,008
Total Revenues	132,404	3,414,951	1,091,001	1,289,943	962,386	3,433,040	3,191,378	2,121,142	1,176,042	16,812,287
Expenditures										
Current:										
General Fund	37,113	-	-	-	-	-	-	-	-	37,113
Community Development	-	-	-	-	954,889	-	-	-	-	954,889
Community Services	-	-	-	1,289,344	-	-	-	-	-	1,289,344
9-1-1 Emergency Network	-	-	-	-	-	3,242,775	-	-	-	3,242,775
Air Quality	-	-	850,166	-	-	-	-	-	-	850,166
Area Agency on Aging	-	3,414,222	-	-	-	-	-	-	-	3,414,222
Public Safety	-	-	-	-	-	-	-	-	242,457	242,457
Foster Grandparent Program	-	-	-	-	-	-	-	-	481,913	481,913
RSVP	-	-	-	-	-	-	-	-	356,095	356,095
Solid Waste Management Planning	-	-	-	-	-	-	-	-	78,691	78,691
Water Quality	-	-	-	-	-	-	-	-	21,320	21,320
Transportation Planning	-	-	-	-	-	-	2,776,528	-	-	2,776,528
Homeless Coalition	-	-	-	-	-	-	-	-	27,091	27,091
AARP Experience Corps	-	-	-	-	-	-	-	-	-	-
Homeland Security Planning	-	-	-	-	-	-	-	2,061,833	-	2,061,833
Debt Service										
Principal	-	2,407	-	767	-	-	803	92,190	-	96,167
Interest	-	2,539	-	254	-	-	1,781	1,554	-	6,128
Capital Outlay	-	-	-	-	-	190,265	412,676	-	-	602,941
Total Expenditures	37,113	3,419,168	850,166	1,290,365	954,889	3,433,040	3,191,788	2,155,577	1,207,568	16,539,674
Excess (deficiency) of Revenues Over Expenditures	95,292	(4,217)	240,834	(422)	7,497	-	(410)	(34,435)	(31,526)	272,613
Other Financing Sources (Uses)										
Extraordinary Item	-	-	-	-	-	-	-	-	-	-
Transfers in	-	4,833	21,272	647	75	-	920,657	9,919	300	957,703
Transfers out	(11,681)	(4,365)	(21,000)	-	-	-	(920,657)	-	-	(957,703)
Total Other Financing Sources	(11,681)	468	272	647	75	-	-	9,919	300	0
Net change in fund balances	83,611	(3,749)	241,107	225	7,572	-	(410)	(24,516)	(31,226)	272,613
Fund Balances - Beginning	\$ 1,026,039	53,992	289,443	913	17,195	2	2,293	24,516	494,838	1,909,231
Fund Balances - Ending	\$ 1,109,650	\$ 50,243	\$ 530,549	\$ 1,138	\$ 24,767	\$ 2	\$ 1,883	\$ 0	\$ 463,612	\$ 2,181,844

The accompanying notes are an integral part of this financial statement.

**South East Texas Regional Planning Commission
 Reconciliation of the Statement of Revenues, Expenditures
 And Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended September 30, 2024**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (page 25) \$ 272,613

Governmental funds report capital outlays and right to use assets as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays/right to use assets exceeded depreciation/amortization in the current period. (297,679)

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the statement of activities reports only the gain or loss on the sale or disposal of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold or disposed. (10,247)

An Internal Service Fund is used by management to charge certain costs to individual funds. The change in net position of the Internal Service Fund are included in the governmental activities in the Statement of Net Position, however they are not reported on the governmental fund balance sheet. (70,490)

Some expenses (i.e. compensated absences) 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. 363

Change in net position of governmental activities (page 23) \$ (105,440)

The accompanying notes are an integral part of this financial statement.

**South East Texas Regional Planning Commission
Statement of Net Position
Proprietary Funds
September 30, 2024**

	<u>Internal Service Fund</u>
ASSETS	
Current Assets:	
Cash	\$ 7,453
Due From Other Funds	3,030
Prepaid items	<u>39,725</u>
Total current assets	<u>50,208</u>
Noncurrent Assets:	
Land	136,130
Buildings	2,071,788
Right to use leased assets	73,398
Less: accumulated depreciation	(1,632,808)
Less: accumulated amortization	<u>(27,775)</u>
Capital assets - net of depreciation/amortization	<u>620,733</u>
Total Assets	<u>670,942</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	81,427
Due within one year - financed assets	<u>14,595</u>
Total current liabilities	<u>96,023</u>
Noncurrent liabilities:	
Advances from other funds	-
Due in more than one year - financed assets	<u>31,706</u>
Total noncurrent liabilities	<u>31,706</u>
Total Liabilities	<u>127,728</u>
NET POSITION	
Net investment in capital assets	574,432
Unrestricted	<u>(31,219)</u>
Total net position	<u><u>\$ 543,213</u></u>

The accompanying notes are an integral part of this financial statement.

**South East Texas Regional Planning Commission
Statement of Revenues, Expenses
And Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2024**

	<u>Internal Service Fund</u>
Operating Revenues	
Regional Planning Commission Support Services	<u>\$ 1,582,573</u>
Total Operating Revenues	<u>1,582,573</u>
Operating Expenses	
Personnel	1,052,343
Supplies Expense	35,826
Printing & Publications Expense	764
Dues & Subscriptions	57,995
Subcontractor Services Expense	57,114
Telecommunications Expense	29,114
Postage Expense	2,230
Conferences & Seminars	29,932
Auto Allowances	8,820
Local Travel	249
Rent Expense	63,874
Utilities Expense	43,358
Audit & Other Professional Services	38,619
Equip - Lease/Rental Expense	-
Equipment - Maintenance Expense	8,503
Licenses Expense	-
Building Repairs & Maintenance	46,522
Depreciation and Amortization	105,604
Other Insurance Expense	46,387
Indirect Costs	30,080
Total Operating Expenses	<u>1,657,335</u>
Operating Income (Loss)	<u>(74,762)</u>
Nonoperating Revenues (expenses)	
Miscellaneous	5,268
Interest Expense	<u>(995)</u>
Change in net position	(70,490)
Net Position - October 1	<u>\$ 613,703</u>
Net Position - September 30	<u><u>\$ 543,213</u></u>

The accompanying notes are an intergral part of this financial statement.

**South East Texas Regional Planning Commission
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024**

	<u>Internal Service Fund</u>
Cash flows from operating activities	
Cash received from other funds for services	\$ 1,582,573
Cash payments to suppliers for goods and services	(428,996)
Cash payments to employees for services	(679,232)
Cash payments to other funds for services	(403,191)
Net cash provided (used) by operating activities	<u>71,154</u>
Cash flows from noncapital financing activities	
Received (due) from non-operating grants	5,268
Cash payments to/from other funds	(43,463)
Net cash provided (used) by noncapital and related financing activities	<u>(38,195)</u>
Cash flows from capital and related financing activities	
Acquisition of Capital Assets	(24,609)
Retirement of debt	(14,309)
Payment of interest	(995)
Net cash provided (used) by capital and related financing activities	<u>(39,913)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,955)
Cash and Cash Equivalents - Beginning of Year	<u>14,408</u>
Cash and Cash Equivalents - End of Year	<u><u>7,453</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income (loss)	<u>(74,762)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	105,604
Change in assets and liabilities:	
(Increase) decrease in prepaid items	(13,084)
Increase (decrease) in accounts payable	53,397
Total adjustments	<u>145,916</u>
Net cash provided by operating activities	<u><u>\$ 71,154</u></u>

The accompanying notes are an integral part of this financial statement.

South East Texas Regional Planning Commission
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2024

	<u>Custodial Fund</u> <u>Economic Development District</u>
ASSETS	
Accounts Receivable	<u>\$ 8,138</u>
Total Assets	<u>\$ 8,138</u>
 LIABILITIES	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>\$ -</u>
 NET POSITION RESTRICTED FOR	
Individuals, Organizations, or Other Governments	<u>\$ 8,138</u>

The accompanying notes are an integral part of this financial statement.

**South East Texas Regional Planning Commission
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2024**

	<u>Custodial Fund</u>
	<u>Economic Development District</u>
ADDITIONS	
Collections on behalf of contracting entity	<u>\$ 70,000</u>
Total Additions	<u><u>\$ 70,000</u></u>
DEDUCTIONS	
Payments on behalf of contracting entity	<u>63,320</u>
Total Decuctions	<u><u>\$ 63,320</u></u>
NET INCREASE (DECREASE) IN FICUCIARY NET POSITION	<u><u>\$ 6,680</u></u>
NET POSITION, BEGINNING	<u>1,458</u>
NET POSITION, ENDING	<u><u>\$ 8,138</u></u>

The accompanying notes are an integral part of this financial statement.

South East Texas Regional Planning Commission
Notes to Financial Statements
September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the South East Texas Regional Planning Commission (the “SETRPC”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of significant accounting policies consistently applied in the preparation of the accompanying statements follows.

Reporting Entity

The South East Texas Regional Planning Commission (SETRPC) is a voluntary association of 55 local governmental units in the four county (Hardin, Jasper, Jefferson and Orange) area of South East Texas. SETRPC was organized in June 1970 under authority provided by the Texas Legislature in 1965. The South East Texas Region lies at the northern tip of the Texas Gulf Coast. It encompasses an area of 3,361 square miles with a 2020 population of some 430,545. SETRPC, a political subdivision of the State of Texas and exempt from Federal Income Taxes and filing returns under I.R.C. 115, serves as a conduit for funds made available through various Federal and State programs to provide a variety of services developed or delivered through consultants or subcontractors.

The basic financial statements of SETRPC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As required by generally accepted accounting principles, these financial statements solely present the Planning Commission’s financial activities.

In the fiscal year ended September 30, 2003, SETRPC implemented GASB Statement No. 34, “Basic Financial Statements and Management Discussion and Analysis for State and Local Governments” (GASB 34) and GASB Statement No. 38, “certain Financial Statement Note Disclosures” (GASB 38), which in part addressed the need to reevaluate certain disclosure requirements in the contexts of the reporting model in GASB 34.

The basic financial statements are the core of the general-purpose external financial reporting for state and local governments. Basic financial statements have three components:

Government-wide financial statements. GAAP requires that SETRPC provide a government-wide statement of net position and a government-wide statement of activities that are to include all the Planning Commission’s governmental activities and business-type activities. These government-wide financial statements are to be presented using the economic resources measurement focus and the accrual basis of accounting, the same measurement focus and basis of accounting employed by private-sector business enterprises and not-for-profit organizations.

Fund Financial Statements. GAAP requires that the government-wide financial statements be accompanied by separate sets of financial statements for SETRPC’s governmental and proprietary funds. The financial statements for a proprietary fund use the same measurement focus and basis of accounting used for government-wide financial reporting. The financial statements for governmental funds, on the other hand, are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accordingly, the governmental fund financial statements must present a summary reconciliation to explain the differences between the data reported in the governmental funds and the data reported for the corresponding governmental activities in the government-wide and fund financial statements.

Notes to the Financial Statements. The data displayed on the face of the governmental-wide and fund financial statements must be accompanied by various disclosures to ensure that a complete picture is presented in the financial statements. This additional disclosure is presented in the form of a single set of notes placed immediately following the government-wide and fund financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the primary government. The government-wide financial statements do not report internal balances and transfers between funds that are incorporated into the same activities' column. Thus, interfund balances and transfers between two governmental funds are not reported in the government-wide financial statements. The government-wide financial statements report governmental activities, which are supported by federal and state grants and by regional appropriations. The commission does not have business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 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. Regional appropriations and other items not properly included among program revenue are reported instead as general revenues.

Separate financial statements are provided for the governmental funds, proprietary (internal service) funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. Regional appropriations are recognized as revenues in the year they are levied. Grant and similar items are recognized as revenues as soon as all eligibility requirements imposed 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 when susceptible to accrual (i.e. 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, SETRPC considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred. However, expenditures related to compensated absences and claims, and judgments are recorded when payment is due.

Governmental funds grant resources and supportive service fees are susceptible to accrual and recognized as revenues to the extent of qualifying expenditures recorded for the individual programs since SETRPC is only reimbursed for qualifying expenditures incurred for grant and contract purposes. All costs allocated by the internal service funds are also recognized in this manner. Membership dues become measurable and available when cash is received by the Planning Commission and are recognized as revenue at that time.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

SETRPC reports the following as major governmental funds:

- a. General Fund - The General Fund is the general operating fund of SETRPC. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Air Quality Fund - To account for contributions from local industry used to monitor the quality of air in the Region, to inform citizens about the immediate and long-range air quality concerns, to advise elected officials and citizens about the impact of federal clean air legislation, to identify air quality problems that affect economic growth, to develop solutions, recommendations and plans.
- c. Area Agency on Aging Fund – To account for grant monies provided in support of several regional operations which attempt to (1) secure and maintain maximum independence and dignity in a home environment for older individuals capable of self-care with appropriate support services, (2) remove individual and social barriers to economic and personal independence for older individuals and (3) provide a continuum of care for the vulnerable elderly.
- d. Community Development Fund - Used to account for grant monies designated for the community development and creation of new jobs within the region.
- e. Community Services Fund – To account for grant monies disbursed to subcontractors to aid low-income families in times of emergency and to aid the homeless.
- f. 9-1-1 Emergency Network - To account for public fees used to plan, implement and maintain the Regional 9-1-1 Emergency Communications System.
- g. Transportation Planning Fund - To account for grant monies used to carry out regional multi-modal transportation planning, to survey influencing transportation factors such as population, land usages, economic considerations, environmental considerations and travel pattern characteristics of the region, to analyze the existing transportation and transit systems, to provide consistent transportation services to the elderly, handicapped, low income residents and the general public in the rural areas of the region and to develop transportation planning documents.
- h. Homeland Security Fund – To account for grant monies used to enhance community security and emergency preparedness for local governments through the creation of regional plans, provide technical assistance to local jurisdictions, collaborate with local jurisdictions and the state and federal agencies to ensure robust interoperable communications, and to facilitate training that increases the knowledge base of regional first responders.

The government reports one proprietary fund type – an internal service fund, which is used to account for two different centralized common costs associated with SETRPC. One for indirect costs and a second for building occupancy costs. Indirect costs are defined as costs “(a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved.” The indirect costs are recovered through a negotiated indirect cost rate agreement approved with our cognizant agency. The building occupancy costs, utilized to maintain and operate the building, are recovered on a cost reimbursement basis and charged based on occupied square footage at the market rate per square foot. Interfund balances are eliminated during the process of incorporating fund data into the government-wide financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies, depreciation on capital assets and other common expenditures for the SETRPC. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following Fiduciary Fund (Custodial Fund), which is used to account for assets held by SETRPC. These funds are custodial in nature and use the economic measurement focus to measure results of operations.

- a. Economic Development District Fund – This fund is used to account for monies held by SETRPC on behalf of South East Texas Economic Development District (SETEDD), a legally separate, tax-exempt entity who maintains a separate governing board. SETEDD governing board makes independent determinations over how their funds are allocated and, therefore, are fiscally independent and do not meet the criteria for a component unit. In addition, SETRPC is not financially accountable for SETEDD. Further, SETEDD economic resources do not benefit SETRPC and are intended almost entirely for the direct benefit of the private sector. SETEDD provides services primarily to private sector businesses for EDA grant writing assistance and SBA loans, and works to attract businesses outside of our region into our region to establish new business and job growth for the benefit of our local economy. These services are provided through a separate contract with a local non-profit agency, the South East Texas Economic Development Foundation. SETEDD also contracts with SETRPC to provide administrative services to perform grant and tax reporting, along with economic development plan preparations. These administrative services do not meet the criteria in GASB 84 of administrative involvement, since SETRPC provides no monitoring or eligibility requirements of secondary recipients for compliance, nor any discretion over how funds are allocated.

Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

Cash and equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash and investments in the SETRPC's financial statements included amounts in demand deposits. Interest earned is based on the amount of funds invested.

State statutes authorize the SETRPC to invest in obligations of the United States, its agencies, certificates of deposits with banks and savings and local associations, bankers' acceptances, commercial paper, mutual funds, investment pools and repurchase agreements with underlying collateral of government securities. Investments for the SETRPC are reported at fair value.

b. Grants Receivables

Grants receivables represent amounts due from federal and state agencies for the various programs administered by the SETRPC. The receivable includes amounts due on programs closed-out and those in progress as of September 30, 2024.

c. Interfund Receivables and Payables

During operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those which are normally repaid within a 12-month period are classified as "due to and from other funds". For those interfund balances which will not be repaid within the 12-month period (noncurrent portion) are generally reported as "advances to and from other funds". Interfund receivables and payables between funds are generally eliminated in the Statement of Net Position.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. 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. Expense for these payments is recognized when actually used or during the period benefited by the prepayment.

e. Unearned Revenue

Deferred revenue represents amounts received from grantors in excess of expenditures for programs in progress as of September 30, 2024.

f. Capital Assets

Capital assets, which include buildings, furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the SETRPC as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. When preparing government-wide financial statements donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair market value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Furniture and equipment are amortized on a straight-line basis over its useful life of 5-7 years. The building is amortized on a straight-line basis over 25 years.

g. Leased Assets

Leased assets are assets used as outlined in agreements in which SETRPC conveys the right to control and right to use another entity's nonfinancial assets as specified in the contract for a period of time in an exchange like transaction. The leased asset is measured at the amount of the initial measurement of the lease liability, plus any payments made at the commencement of the lease term. Examples of the leased assets are for a postage machine, copiers, and printers.

h. Subscription-Based Information Technology Based Arrangements

In accordance with GASB 96 Subscription-Based Information Technology Arrangements are recognized as a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. At the commencement of a subscription arrangement, the liability is measured based on the net present value of future payments using the incremental borrowing rate (IBR). Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

i. Compensated Absences

It is SETRPC's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since SETRPC does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example as a result of employee resignations and retirements.

SETRPC's policies allow employees to earn annual leave at the rate of ten, fifteen, or twenty days a year depending upon length of service. Annual leave can be carried forward with the maximum accrual being twenty, thirty, or forty days depending upon the length of employment.

At December 31st any vacation balances exceeding two full years accumulated leave are reduced without compensation to the maximum allowable amount of accrual. Terminating employees are compensated for unused annual leave.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. A portion of this liability is associated with leased and subscription-based information technology arrangements which are measured and reported at the present value of the payments expected to be made over the term of the agreement. These liabilities reduce the assets reported in the government-wide net position.

k. Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the SETRPC is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use for the same purpose, restricted resources will be applied then unrestricted resources will be applied.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by SETRPC's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Executive Committee removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the SETRPC's intent to be used for a specific purpose but are neither restricted nor committed. Through the passage of a resolution the Executive Committee has authorized the Executive Director to assign funds for specific purposes.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

When committed, assigned, and unassigned resources are available for use for the same purpose, committed resources will be applied first then assigned resources will be applied and finally unassigned resources will be applied. The Executive Committee establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is established by SETRPC through preparation of the budget by the Executive Director and approval by the Executive Committee.

As a part of the proprietary fund balance, SETRPC established a working capital reserve included in the unrestricted balance to help operations from one billing cycle to the next. Charges by the internal service fund established a working capital reserve up to 60 calendar days to help meet operational needs and maintain adequate funds to address immediate needs between billing cycles.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

Effective for fiscal year 2024 reporting the SETRPC adopted the following new standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 100 Accounting Changes and Error Corrections (GASB 100), was issued in June 2022 and is intended to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in the absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements in addition to how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information.

3. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities.

The governmental fund statement of revenue, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – total governmental fund and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays and right to use asset outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.”

Capital outlay	\$	602,941
Depreciation expense		(914,622)
Lease Principal Payments		3,977
Amortization Expense		(4,700)
IT Based Subscriptions Payment		93,744
Amortization Expense		<u>(79,020)</u>
<i>Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities</i>	\$	<u>(297,679)</u>

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The SETRPC budgetary process is accomplished at two levels. The SETRPC annual budget serves as a policy and planning document, while programmatic budgets or awards serve as implementation guides.

a. Annual Budget

SETRPC's annual budget, a requirement of agency bylaws, serves as a guide to estimate and coordinate anticipated revenues and expenditures. Because most of SETRPC's revenues are received through contracts with various funding agencies, the budget is based upon estimated funds to be derived and obligations to be incurred through future negotiations with numerous Federal and State agencies. Thus, the budget, which does not restrict or appropriate monies, has not been included in the combined financial statements.

DETAILED NOTES ON ALL FUNDS (continued)

b. Programmatic Budget or Award

Programmatic budgets or awards are approved by the various funding agencies for their respective programs. The award for a program or activity sets the maximum amount to be provided by a funding agency for a particular purpose and generally specifies by cost category the permitted level of expenditure. The programmatic budget includes both the funding to be provided by the funding agency and the required matching funds to be provided by SETRPC or others.

5. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The carrying amounts of SETRPC's deposits as of September 30, 2024 were \$1,247,747 and the bank balances were \$1,392,913. All demand deposits as of the balance sheet date were entirely insured by federal depository coverage and pledged collateral.

Investments held by Stellar Bank as of September 30, 2024 were \$1,841,916. All investments were collateralized at 102 percent of the balances.

The Texas Local Governmental Investment Pool ("TexPool") was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Texpool was rated AAAM by Standard and Poor's Investors Service. The fair value of TexPool investments at September 30, 2024 was \$9,212 with a weighted average maturity of 28 days and the fair value of SETRPC's position in the pool is the same as the value of the pool shares. SETRPC's investments include investments with the Texas State Treasury – Texas Local Government Investment Pool (TexPool).

Stellar Bank issued a letter of credit in our favor through the Federal Home Loan Bank of Dallas as a collateral pledge. A Depository Pledge Agreement has been executed for both financial institutions. The custodian provides safekeeping receipts as new securities are pledged. Pledge Reports are provided whenever there is a change to the collateral at month end. Collateral is maintained at 102 percent of SETRPC's total deposits.

a. Interest Rate Risk

In accordance with its investment policy, the SETRPC manages its exposure to declines in fair values by limiting the maximum allowable stated maturity of any individual investment to one year, unless otherwise provided in a specific investment strategy that complies with current law.

b. Credit Risk

It is the SETRPC's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization.

c. Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the SETRPC's deposits may not be returned to it. The SETRPC's investment policy is to have all deposits placed in the SETRPC's depository bank under contract. The balance is covered by federal deposit insurance or collateralized with securities, in the SETRPC's name, held by the SETRPC's agent. Evidence of pledged collateral is maintained by the SETRPC and reviewed regularly to assure that the fair value of the pledged securities is adequate.

DETAILED NOTES ON ALL FUNDS (continued)

d. Custodial Investment Risk

For an investment, this is the risk that, in the event of the failure of counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The SETRPC limits this risk by contracting with a third-party custodian for securities. This bank holds the securities in the SETRPC's name which are evidenced by safekeeping receipts of the institution.

Receivables

Receivables as of September 30, 2024 for SETRPC's governmental funds were as follows:

Due from grantor agencies	\$ 3,246,460
Other receivables	<u>492,013</u>
Total receivables	<u>\$ 3,738,474</u>

Interfund Receivables and Payables

Interfund balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include the amount of working capital loans made from the general fund that are expected to be collected in the subsequent year. The following is a summary of amounts due to/from other funds as of September 30, 2024:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 848,546	\$ 892,896
Air Quality Program		1,075
Area Agency on Aging Program		336,064
Community Services Program	64,434	
Community / Economic Development Program		278,187
Criminal Justice Program	66,811	
9-1-1 Emergency Network		19,931
Foster Grandparent Program	132,746	
RSVP	78,528	
Solid Waste Management Planning Program		37
Substance Abuse Program		
Transportation Planning Program		149,714
Water Quality		13,047
Homeless Coalition	27,044	
AARP Experience Corps Program	62,442	
Homeland Security Program	407,369	
Internal Service Funds	<u>53,522</u>	<u>50,492</u>
	<u>\$ 1,741,442</u>	<u>\$ 1,741,442</u>

DETAILED NOTES ON ALL FUNDS (continued)

Capital Assets

Primary government capital asset activity for the year ended September 30, 2024 is as follows:

Governmental activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets not being depreciated:				
Land	\$ 136,130	\$ -	\$ -	\$ 136,130
Total	<u>136,130</u>	<u>-</u>	<u>-</u>	<u>136,130</u>
Capital Assets being depreciated:				
Buildings and improvements	2,215,261	24,609	-	2,239,869
Furniture and equipment	8,620,552	602,941	108,958	9,114,536
Right to use lease assets	93,752	0	-	93,752
Right to use subscriptions	92,190	0	92,190	-
Total	<u>11,021,755</u>	<u>627,550</u>	<u>201,148</u>	<u>11,448,157</u>
Less Accumulated Depreciation for:				
Buildings	1,666,339	95,763	-	1,762,103
Furniture and equipment	4,913,050	909,783	98,710	5,724,122
Right to use lease assets	19,063	19,379	-	38,443
Right to use subscriptions	13,170	79,020	92,190	-
Total	<u>6,611,622</u>	<u>1,103,946</u>	<u>190,900</u>	<u>7,524,668</u>
	<u>\$ 4,546,262</u>	<u>\$ (476,395)</u>	<u>\$ 10,247</u>	<u>\$ 4,059,620</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Area Agency on Aging	\$ 4,786
Substance Abuse	691
9-1-1 Emergency Network	523,594
Transportation & Environmental Resources	387,793
Air Quality	-
Community Services	\$585
Community/Economic Development	1,066
Homeland Security	79,020
Homeless	807
Internal Service Fund	<u>105,604</u>
 Total Depreciation Expense - Government Activities	 <u>\$ 1,103,946</u>

DETAILED NOTES ON ALL FUNDS (continued)

Long-term Liabilities

Long-term activity for the year ended September 30, 2024, 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					
Lease payable	\$ 77,241	\$ -	\$ 18,285	\$ 58,956	\$ 19,323
IT Based Subscriptions Payable	\$ 93,744	\$ -	\$ 93,744	\$ (0)	\$ -
Compensated absences	\$ 268,977	\$ 25,294	\$ 25,656	\$ 268,615	\$ 177,438
Governmental activity long-term liabilities	<u>\$ 439,962</u>	<u>\$ 25,294</u>	<u>\$ 137,685</u>	<u>\$ 327,570</u>	<u>\$ 196,761</u>

Compensated absences are generally liquidated by the General Fund.

Lease Payable

SETRPC leases assets that fall into the equipment asset class, specifically a postage machine, a copier and several printers as referenced below, being utilized by various individual programs. Each agreement for the leased asset contains different terms but under each lease agreement fixed payments are made according to the payment agreement.

Asset Class	Description	Start Date	End Date	Variable Payments	Renewal Option	Borrowing Rate	Asset Amt	Acc Amort	9/30/24 RTU Asset Value
Equipment	Postage Machine	6/30/2021	3/29/2026	No	Yes	1.5%	\$ 22,818	\$ 15,972	\$ 6,845
Equipment	Copier	8/1/2023	7/1/2028	No	Yes	2.2%	\$ 50,581	\$ 11,802	\$ 38,778
Equipment	Printers	9/20/2022	9/20/2027	No	Yes	29.8%	\$ 11,483	\$ 5,981	\$ 5,502
Equipment	Printers	3/1/2021	3/1/2025	No	Yes	30.7%	\$ 2,339	\$ 2,095	\$ 244
Equipment	Copier	9/20/2022	9/20/2027	Yes	Yes	32.0%	\$ 6,532	\$ 2,592	\$ 3,940
Total							<u>\$ 93,752</u>	<u>\$ 38,443</u>	<u>\$ 55,310</u>

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$19,323	\$4,077	\$23,400
2025	\$17,947	\$2,204	\$20,151
2026	\$12,449	\$830	\$13,279
2027	\$9,237	\$106	\$9,343
	<u>\$58,956</u>	<u>\$7,217</u>	<u>\$66,173</u>

DETAILED NOTES ON ALL FUNDS (continued)

Subscription-Based Information Technology Arrangements

Under GASB Statement No. 96, Subscription-Based Information Technology Arrangements, the primary objective of this statement is to enhance the relevance and consistency of information about government’s subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financing of the right-to-use an underlying asset. Under this Statement, an organization is required to recognize subscription liability and an intangible right-to-use subscription asset.

As of September 30, 2024, SETRPC did not have any qualifying Subscription-Based Information Technology Arrangements to report.

Transfers In/Out

The following is a summary of interfund transfers for the year ended September 30, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 11,681
Air Quality	21,272	21,000
Area Agency on Aging	4,833	4,365
Community Development	75	-
Community Services	647	-
Public Safety	300	
Homeland Security	9,919	-
Transportation Planning	<u>920,657</u>	<u>920,657</u>
	<u>\$ 957,703</u>	<u>\$ 957,703</u>

The balances recorded as transfers from the General Fund were to supplement grant funding. The transfers amounts noted for Air Quality, Transportation Planning and Area Agency on Aging were to cover both match and program-related expenditures. The remaining other governmental fund transfers were to fund other grant-related expenditures not provided for by state and federal awards.

DETAILED NOTES ON ALL FUNDS (continued)

6. OTHER INFORMATION

Contingent Liabilities

In the normal course of business, any amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the general fund. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although SETRPC expects such amounts, if any, to be immaterial.

Risk Management

The SETRPC is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The SETRPC maintains workers' compensation and other risks of loss coverage through commercial insurance carriers. The SETRPC management believes such coverage is sufficient to preclude any significant uninsured losses to the SETRPC. There were no significant reductions in insurance coverage from coverage in the prior year. There were no insurance settlements, which exceeded insurance coverage in any of the past three years.

Indirect Costs

Agency-wide central support service costs are recorded in the Internal Service Fund and charged as expenditures to the governmental and agency fund types based upon a provisional indirect cost rate. Indirect costs are defined by 2 Code of Federal Regulations Part 200, Appendix III, as costs "(a) incurred for a common or joint objective and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity." In-kind services and costs are not included in indirect costs. SETRPC's indirect cost rate is based upon prior cost experience, documented by a cost allocation plan, and is approved by a state coordinating agency. It is SETRPC's policy to negotiate with the state coordinating agency a provisional rate which is used for billing purposes during SETRPC's fiscal year. Upon completion of an independent audit at the end of each fiscal year, the indirect cost rate is finalized with the state coordinating agency.

Retirement Plan

SETRPC sponsors a defined contribution retirement program qualified under Section 401(a) of the Internal Revenue Code. The Plan, administered by MissionSquare, requires contributions by all full-time regular employees of 8% of their annual salaries. Retirement benefits depend solely on amounts contributed to the plan and any investment earnings thereon. SETRPC's Executive Committee is responsible and has authority to amend the Plan provisions and contribution requirements. The Commission matches the employee's contribution. A qualified employee becomes a participant at the date of employment and vests at a rate of 20% a year after the completion of the first year of participation. SETRPC's contribution net of forfeitures for the year ended September 30, 2024, was \$268,800. Forfeitures amounted to \$24,548. Covered annual salaries for the same period totaled \$3,666,863 with total payroll being \$3,809,737. There were no unfunded past service costs at September 30, 2024. Employees made contributions of \$293,349. The number of Plan Participants at September 30, 2024 was 51.

Subsequent Events

Events occurring subsequent to September 30, 2024 were evaluated by management and reviewed through March 28, 2025, the date the financial statements were available to be issued, with no significant items reported.

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Combining Statements

**South East Texas Regional Planning Commission
Non-major Governmental Funds
Fund Definitions**

Special Revenue Funds

Public Safety Fund

To account for grant monies provided in support of regional criminal justice planning and law enforcement training.

Foster Grandparent Program Fund

To account for grant monies provided in support of volunteer opportunities for limited income senior citizens who give support and love to children with special needs.

Retired Senior Volunteer Program Fund

To account for grant monies used to provide opportunities for retired persons aged 60 or older to participate more fully in the life of their community through significant volunteer service.

Solid Waste Management Planning Fund

To account for grant monies received to develop a regional solid waste management plan that recommends short-term and long-term action plans for the management of solid waste.

Water Quality

To account for grant monies to educate the public on critical water issues, including bacteria, pollutants, water conservation, and the impact of invasive species. Through outreach efforts such as public service announcements, educational materials, and community engagement, the program raises awareness of how water quality impacts our region. It also promotes conservation strategies to help ensure clean and sustainable water resources for the future.

Homeless Continuum of Care

To account for monies received from local jurisdictions to support the Homeless Coordinator position responsible for preparing the annual Regional Homeless Grant submission to the U.S. Department of Housing and Urban Development (HUD) from several homeless provider agencies.

AARP Experience Corps Southeast Texas

To account for grant monies provided in support of volunteer opportunities for adults 55 and over while providing one-on-one tutoring for pre-kindergarten through third grade students. The goal is to help students improve reading skills.

**South East Texas Regional Planning Commission
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2024**

	<u>Public Safety</u>	<u>Foster Grandparent</u>	<u>RSVP</u>	<u>Solid Waste Management Planning</u>	<u>Water Quality</u>	<u>Homeless</u>	<u>AARP Experience Corps</u>	<u>Total</u>
Assets								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	175,907	-	-	-	175,907
Accounts receivable	-	1,228	-	-	-	-	-	1,228
Due from grantor agencies	40,980	51,395	13,716	-	13,073	-	-	119,164
Due from other funds	66,811	132,746	78,528	-	-	27,044	62,442	367,571
Prepaid items	-	500	600	-	-	-	-	1,100
Total Assets	107,791	185,870	92,844	175,907	13,073	27,044	62,442	664,970
Liabilities								
Accounts payable	14,638	14,289	592	-	26	5	-	29,551
Deferred Revenue	-	-	-	158,723	-	-	-	158,723
Due to other funds	-	-	-	37	13,047	-	-	13,083
Total Liabilities	14,638	14,289	592	158,760	13,073	5	-	201,358
Fund balances:								
Nonspendable	-	500	600	-	-	-	-	1,100
Assigned to:								
Area Agency on Aging	-	-	-	-	-	-	-	-
Public Safety	93,153	-	-	-	-	-	-	93,153
Foster Grandparent	-	171,081	-	-	-	-	-	171,081
RSVP	-	-	91,652	-	-	-	-	91,652
Solid Waste Management Planning	-	-	-	17,147	-	-	-	17,147
Water Quality	-	-	-	-	-	-	-	-
Homeless	-	-	-	-	-	27,038	-	27,038
AARP Experience Corps	-	-	-	-	-	-	62,442	62,442
Homeland Security Planning	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
9-1-1 Emergency Network	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund balances	93,153	171,581	92,252	17,147	-	27,038	62,442	463,612
Total Liabilities and Fund Equity	\$ 107,791	\$ 185,870	\$ 92,844	\$ 175,907	\$ 13,073	\$ 27,044	\$ 62,442	\$ 664,970

South East Texas Regional Planning Commission
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Year Ended September 30, 2024

	<u>Public Safety</u>	<u>Foster Grandparent Program</u>	<u>RSVP</u>	<u>Solid Waste Management Planning</u>	<u>Water Quality</u>	<u>Homeless</u>	<u>Experience Corps</u>	<u>Total</u>
Revenues								
Intergovernmental	\$ 202,343	\$ 442,125	\$ 236,815	\$ 71,277	\$ 21,320	\$ -	\$ -	973,879
Member Dues & Assessments	11,304	34,967	42,432	-	-	43,059	-	131,762
Miscellaneous	-	12,933	46,309	7,530	-	100	-	66,872
Investment Income	-	-	-	3,529	-	-	-	3,529
Total Revenues	<u>213,647</u>	<u>490,025</u>	<u>325,555</u>	<u>82,336</u>	<u>21,320</u>	<u>43,159</u>	<u>-</u>	<u>1,176,042</u>
Expenses								
Current:								
Area Agency on Aging	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Public Safety	242,457	-	-	-	-	-	-	242,457
Foster Grandparent Program	-	481,913	-	-	-	-	-	481,913
RSVP	-	-	356,095	-	-	-	-	356,095
Solid Waste Mangement Planning	-	-	-	78,691	-	-	-	78,691
Transportation Planning	-	-	-	-	-	-	-	-
Water Quality	-	-	-	-	21,320	-	-	21,320
Homeless Coalition	-	-	-	-	-	27,091	-	27,091
AARP Experience Corps	-	-	-	-	-	-	-	-
Homeland Security Planning	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>242,457</u>	<u>481,913</u>	<u>356,095</u>	<u>78,691</u>	<u>21,320</u>	<u>27,091</u>	<u>-</u>	<u>1,207,568</u>
Excess (deficiency) of revenues Over expenditures	<u>(28,810)</u>	<u>8,111</u>	<u>(30,540)</u>	<u>3,644</u>	<u>-</u>	<u>16,068</u>	<u>-</u>	<u>(31,526)</u>
Other Financing Sources								
Transfers in	300	-	-	-	-	-	-	300
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
Net change in fund balances	<u>(28,510)</u>	<u>8,111</u>	<u>(30,540)</u>	<u>3,644</u>	<u>-</u>	<u>16,068</u>	<u>-</u>	<u>(31,226)</u>
Fund Balances - Beginning	<u>121,663</u>	<u>163,469</u>	<u>122,792</u>	<u>13,502</u>	<u>-</u>	<u>10,970</u>	<u>62,442</u>	<u>494,838</u>
Fund Balances - Ending	<u>\$ 93,153</u>	<u>\$ 171,581</u>	<u>\$ 92,252</u>	<u>\$ 17,147</u>	<u>\$ -</u>	<u>\$ 27,038</u>	<u>\$ 62,442</u>	<u>\$ 463,612</u>

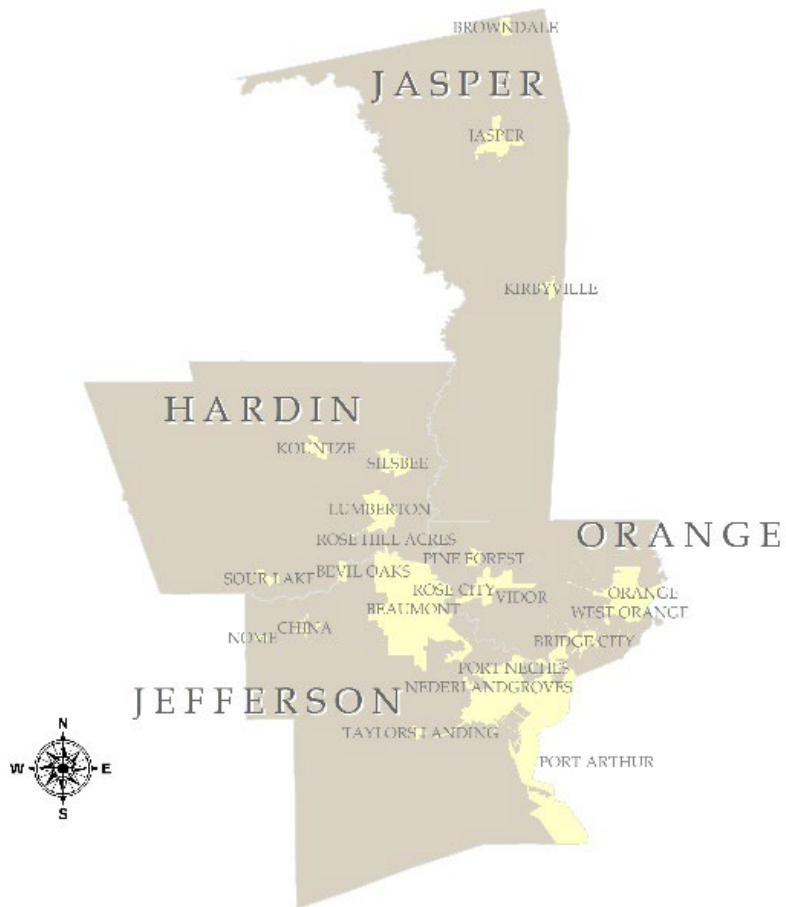
South East Texas Regional Planning Commission
Schedule of Final Indirect Cost Rate
For the Year Ended September 30, 2024

	Actual Indirect Costs Year Ended September 30, 2024	FY 2024 Approved Rate	FY 2025 Proposed Rate
Employee Salaries	\$ 620,834	\$ 614,515	\$ 615,601
Employee Benefits	<u>341,033</u>	<u>352,577</u>	<u>350,165</u>
 Total Personnel Cost	 961,867	 967,093	 965,766
Office Space	63,874	63,903	63,903
Equipment/Rent, Lease	-	16,935	-
Interest	1,135	-	849
Equipment/Maintenance	8,503	12,317	8,100
Subcontractor Services	28,407	18,400	22,000
Telecommunications	29,114	30,036	29,879
Postage	2,230	4,000	4,000
Consumable Supplies	28,544	31,275	31,275
Depreciation	14,680	-	14,680
Insurance	11,472	9,831	11,472
Travel and Allowances	39,001	57,713	57,713
Dues and Subscriptions	57,995	53,142	53,877
Printing and Publications	764	1,500	1,500
Audit/Professional Services	38,619	36,000	37,000
Charges to outside Agencies for Services	(2,626)		
	<u>1,283,578</u>	<u>1,302,145</u>	<u>1,302,014</u>
 Total Indirect Costs (A)	 <u>1,283,578</u>	 <u>1,302,145</u>	 <u>1,302,014</u>
 Basis for Allocation of Indirect Costs (Note 4 page 41):			
Direct Salary Cost	2,491,923	2,553,601	2,617,216
Direct Benefits Cost	<u>1,368,847</u>	<u>1,465,126</u>	<u>1,488,721</u>
 Total Direct Personnel Costs (B)	 <u>\$ 3,860,770</u>	 <u>\$ 4,018,727</u>	 <u>\$ 4,105,937</u>
 Indirect Cost Rate (A/B)	 <u>33.2%</u>	 <u>32.4%</u>	 <u>31.7%</u>

South East Texas Regional Planning Commission
 Schedule of Final Employee Benefit Rate
 For the Year Ended September 30, 2024

	Actual Employee Benefit Costs Year Ended Sept. 30, 2024	FY 2024 Approved Rate	FY 2025 Proposed Rate
<u>Released Time:</u>	\$ 696,980	\$ 681,357	\$ 695,272
 <u>Benefits Program:</u>			
Payroll Taxes	48,590	60,817	61,957
Retirement Plan	268,800	297,726	298,083
Insurance	690,559	772,853	778,574
Other Benefits	4,950	4,950	5,000
	<u>1,012,899</u>	<u>1,136,346</u>	<u>1,143,614</u>
 Total Employee Benefits (A)	 <u><u>1,709,879</u></u>	 <u><u>1,817,703</u></u>	 <u><u>1,838,886</u></u>
 Basis for Allocation of Employee Benefits:			
Gross Salaries	3,809,737	3,849,473	3,928,089
Less release time	<u>696,980</u>	<u>681,357</u>	<u>695,272</u>
	-	-	-
Chargeable Salaries (B)	<u><u>\$ 3,112,757</u></u>	<u><u>\$ 3,168,116</u></u>	<u><u>\$ 3,232,817</u></u>
 Employee Benefit Rate (A/B)	 <u><u>54.9%</u></u>	 <u><u>57.4%</u></u>	 <u><u>56.9%</u></u>

Statistical Section



**Statistical Section
(Unaudited)**

This part of the South East Texas Regional Planning Commission’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
<i>Financial Trends</i>	55
These schedules contain trend information to help the reader understand how the SETRPC’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	60
These schedules contain trend information to help the reader assess the SETRPC’s most significant local revenue resource.	
<i>Debt Capacity</i>	62
These schedules contain trend information to help the reader assess the SETRPC’s current levels of outstanding debt.	
<i>Demographic and Economic Information</i>	63
These schedules contain economic and demographic information to help the reader understand the environment within which the SETRPC’s financial activities take place.	
<i>Operating Information</i>	65
These schedules contain service data to help the reader understand how the information in the SETRPC’s financial report relates to services and activities performed by the SETRPC	

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**South East Texas Regional Planning Commission
Net Position by Component
Last Ten Fiscal Years**

Governmental Activities	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net investment in capital assets	\$ 4,000,665	\$ 4,375,278	\$ 5,170,870	6,211,469	\$ 5,594,036	\$ 5,036,035	\$ 5,438,054	\$ 5,375,405	\$ 2,431,015	\$ 997,028
Unrestricted	<u>\$ 1,882,009</u>	<u>\$ 1,612,837</u>	<u>\$ 1,865,881</u>	<u>\$ 2,330,607</u>	<u>\$ 2,442,978</u>	<u>\$ 2,768,727</u>	<u>\$ 3,035,132</u>	<u>\$ 3,226,653</u>	<u>3,426,454</u>	<u>3,212,979</u>
Total governmental activities net position	<u>\$ 5,882,674</u>	<u>\$ 5,988,115</u>	<u>\$ 7,036,751</u>	<u>\$ 8,542,075</u>	<u>\$ 8,037,014</u>	<u>\$ 7,804,762</u>	<u>\$ 8,473,186</u>	<u>\$ 8,602,058</u>	<u>\$ 5,857,469</u>	<u>\$ 4,210,007</u>

Source: Annual Comprehensive Financial Report

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**South East Texas Regional Planning Commission
Changes in Net Position
Last Ten Fiscal Years**

Expenses	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
General Government	36,750	68,999	22,307	17,781	91,761	49,517	\$ 39,828	\$ 60,739	\$ 13,783	\$ 41,967
Air Quality	850,319	947,871	1,089,084	1,073,430	948,124	1,034,572	1,006,560	1,169,673	1,270,638	1,371,388
9-1-1 Emergency Network	3,780,112	3,843,831	3,635,398	3,263,172	2,868,048	2,848,105	2,732,817	2,198,835	2,667,365	2,158,394
Substance Abuse	691	691	691	691	691	3,580	9,637	7,400	30,280	3,068,737
Area Agency on Aging	3,438,251	3,411,179	3,180,918	3,019,221	2,599,860	2,693,070	2,421,960	2,291,848	2,276,512	2,387,484
Community Development	966,373	726,763	1,056,361	766,052	744,536	8,316,375	11,947,359	10,155,136	39,433,163	73,163,611
Community Services	1,295,831	927,085	5,567,031	2,410,064	883,081	783,278	1,119,801	627,558	870,317	694,254
Public Safety	243,423	252,868	151,254	196,607	230,978	211,264	204,443	180,903	249,050	188,548
Foster Grandparents	484,483	485,836	414,486	496,401	475,101	451,435	467,506	469,838	477,427	494,575
RSVP	359,486	378,354	235,282	297,843	333,191	368,146	363,874	367,369	339,507	313,723
Solid Waste Management Planning	78,706	138,125	113,976	238,648	1,559	96,183	142,639	126,872	108,972	132,688
Transportation Planning	3,190,011	3,045,801	2,841,717	2,284,587	2,182,360	2,094,568	2,273,491	2,372,797	2,666,802	2,353,543
Water Quality	21,482	12,697	-	-	-	-	-	-	-	-
Homeless	28,077	34,197	52,562	37,931	34,204	42,251	54,300	57,210	51,135	89,798
AARP Experienced Corps	-	-	150,866	149,194	259,850	274,337	266,010	264,030	255,166	236,429
Homeland Security	2,143,874	1,742,495	1,159,840	664,875	732,293	548,741	525,165	387,685	514,726	489,900
Interest	(140)	(30)	303	4,823	9,717	14,375	18,819	23,139	27,451	31,381
Total Governmental Activities Expenses	<u>\$ 16,917,727</u>	<u>\$ 16,016,762</u>	<u>\$ 19,672,076</u>	<u>\$ 14,921,320</u>	<u>\$ 12,395,354</u>	<u>\$ 19,829,797</u>	<u>\$ 23,594,209</u>	<u>\$ 20,761,031</u>	<u>\$ 51,252,294</u>	<u>\$ 87,216,419</u>
Program Revenues										
Governmental Activities:										
Operating Grants & Contributions	<u>\$ 16,738,279</u>	<u>\$ 14,984,597</u>	<u>\$ 18,458,552</u>	<u>15,420,413</u>	<u>\$ 12,547,809</u>	<u>\$ 19,155,236</u>	<u>23,462,857</u>	<u>23,502,447</u>	<u>52,898,041</u>	<u>87,131,643</u>
Total Governmental Activities Program Revenues	<u>16,738,279</u>	<u>14,984,597</u>	<u>18,458,552</u>	<u>15,420,413</u>	<u>12,547,809</u>	<u>19,155,236</u>	<u>23,462,857</u>	<u>23,502,447</u>	<u>52,898,041</u>	<u>87,131,643</u>
Net (Expense) Revenues	<u>(179,448)</u>	<u>(1,032,165)</u>	<u>(1,213,524)</u>	<u>499,093</u>	<u>152,455</u>	<u>(674,562)</u>	<u>(131,352)</u>	<u>2,741,417</u>	<u>1,645,747</u>	<u>(84,776)</u>
General Revenues:										
Government Activities:										
Investment earnings	74,008	18,326	6,102	5970	4,635	6,139	2,482	3173	1714	2099
Transfers - net	-	-	-	-	-	-	-	-	-	-
Extraordinary Item	-	(34,798)	(297,902)	-	-	-	-	-	-	-
Total Governmental Activities General Revenues	<u>74,008</u>	<u>(16,471)</u>	<u>(291,800)</u>	<u>5,970</u>	<u>4,635</u>	<u>6,139</u>	<u>2,482</u>	<u>3,173</u>	<u>1,714</u>	<u>2,099</u>
Change in Fund Net Position										
Governmental Activities	<u>\$ (105,440)</u>	<u>\$ (1,048,636)</u>	<u>\$ (1,505,324)</u>	<u>\$ 505,063</u>	<u>\$ 157,090</u>	<u>\$ (668,423)</u>	<u>\$ (128,870)</u>	<u>\$ 2,744,590</u>	<u>\$ 1,647,462</u>	<u>\$ (82,677)</u>

Source: Annual Comprehensive Financial Report

**South East Texas Regional Planning Commission
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	707,013	574,895	747,294	1,053,350	170,935
Unassigned	<u>1,109,650</u>	<u>194,809</u>	<u>(143,897)</u>	<u>1,268,458</u>	<u>1,226,304</u>	<u>473,523</u>	<u>563,455</u>	<u>361,413</u>	<u>36,180</u>	<u>877,964</u>
Total General Fund	<u><u>1,109,650</u></u>	<u><u>194,809</u></u>	<u><u>(143,897)</u></u>	<u><u>1,268,458</u></u>	<u><u>1,226,304</u></u>	<u><u>1,180,536</u></u>	<u><u>1,138,350</u></u>	<u><u>1,108,707</u></u>	<u><u>1,089,530</u></u>	<u><u>1,048,899</u></u>
All other governmental funds										
Special Revenue Funds										
Reserved										
Unreserved										
Nonspendable	663,222	858,973	1,159,265	1,531,543	703,703	758,423	640,406	748,269	1,056,377	170,936
Assigned	<u>408,972</u>	<u>855,448</u>	<u>1,186,801</u>	<u>(168,289)</u>	<u>832,349</u>	<u>1,058,639</u>	<u>1,439,479</u>	<u>1,401,228</u>	<u>1,283,662</u>	<u>2,015,643</u>
Total all other governmental funds	<u>1,072,194</u>	<u>1,714,421</u>	<u>2,346,066</u>	<u>1,363,254</u>	<u>1,536,051</u>	<u>1,817,062</u>	<u>2,079,885</u>	<u>2,149,497</u>	<u>2,340,039</u>	<u>2,186,579</u>
Total Governmental Funds	<u><u>\$ 2,181,844</u></u>	<u><u>\$ 1,909,230</u></u>	<u><u>\$ 2,202,169</u></u>	<u><u>\$ 2,631,712</u></u>	<u><u>\$ 2,762,356</u></u>	<u><u>\$ 2,997,597</u></u>	<u><u>\$ 3,218,235</u></u>	<u><u>\$ 3,258,204</u></u>	<u><u>\$ 3,429,569</u></u>	<u><u>\$ 3,235,478</u></u>

Source: Annual Comprehensive Financial Report

Note: GASB Statement No. 54 established accounting and financial reporting standards for all governments that report governmental funds. It established criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. This requirement is effective for financial statements for periods beginning after June 15, 2010.

South East Texas Regional Planning Commission
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
Revenues					
Intergovernmental	\$ 14,262,067	\$ 13,367,014	\$ 16,427,032	13,808,232	\$ 10,851,523
Membership Dues & Assessments	\$ 354,943	\$ 352,627	\$ 352,327	277,348	276,274
Miscellaneous	\$ 2,121,270	\$ 1,264,956	\$ 1,679,193	1,334,832	1,420,011
Investment Income	\$ 74,008	\$ 18,326	\$ 6,102	5,970	5,594,036
Total Revenues	16,812,287	15,002,923	18,464,654	15,426,383	12,552,444
Expenditures					
Current:					
General Fund	37,113	77,729	330,902	36,054	19,091
Area Agency on Aging	3,414,222	3,396,707	3,179,115	3,028,841	2,609,796
Air Quality	850,166	947,752	1,089,038	1,073,428	948,124
9-1-1 Emergency Network	3,242,775	3,094,352	2,978,340	2,709,047	2,353,497
Substance Abuse Division	-	-	-	-	-
Community Development	954,889	722,275	1,056,200	774,378	755,169
Community Services	1,289,344	923,578	5,565,485	2,413,890	886,696
Public Safety	242,457	252,481	151,317	197,161	231,368
Foster Grandparent Program	481,913	484,882	414,392	497,920	476,632
RSVP	356,095	377,015	235,346	300,016	335,354
Solid Waste Management	78,691	138,053	113,965	238,647	1,559
Water Quality	21,320	12,631	-	-	-
Transportation Planning	2,776,528	2,653,777	2,418,345	1,905,596	1,853,975
Homeless Coalition	27,091	33,239	52,365	37,947	34,272
AARP Experience Corps	-	-	149,931	149,336	260,378
Homeland Security Planning	2,061,833	1,724,893	1,159,457	666,789	734,070
Debt Service					
Principal	96,167	2,945	-		
Interest	6,128	7,160	-		
Capital Outlays	602,941	446,392	-	1,527,975	1,287,705
Total Expenditures	16,539,674	15,295,861	18,894,199	15,557,026	12,787,685
Excess of Revenues Over (Under) Expenditures	272,613	(292,938)	(429,544)	(130,644)	(235,241)
Other Financing Sources and Uses					
Transfers in	957,703	791,049	197,001	108,159	318,130
Transfers out	(957,703)	(791,049)	(197,001)	(108,159)	(318,130)
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	\$ 272,613	\$ (292,938)	\$ (429,544)	(130,644)	\$ (235,241)

Source: Annual Comprehensive Financial Report

Fiscal Year				
2019	2018	2017	2016	2015
\$ 17,229,535	\$ 21,152,809	\$ 21,623,823	\$ 50,611,295	\$ 84,826,740
276,124	276,274	275,824	275,886	275,974
1,649,576	2,033,774	1,602,800	2,010,860	2,028,929
6,139	2,482	3,173	1,714	2,099
<u>19,161,374</u>	<u>23,465,339</u>	<u>23,505,620</u>	<u>52,899,756</u>	<u>87,133,742</u>
33,510	34,654	32,304	33,167	40,288
2,704,015	2,434,234	10,163,800	2,284,602	2,395,439
1,034,572	1,006,684	630,346	1,272,369	1,373,494
2,185,308	2,173,771	6,709	2,256,507	1,901,485
2,890	8,947	1,856,027	29,790	3,069,693
8,327,343	11,960,258	1,170,614	39,444,706	73,175,028
786,464	1,123,544	2,300,876	872,426	695,473
211,913	204,912	181,325	249,056	188,635
453,033	469,263	471,151	478,949	496,198
370,419	366,469	369,258	341,550	315,867
96,183	142,640	127,065	108,971	132,677
-	-	-	-	-
2,003,685	2,181,323	2,337,288	2,648,549	2,073,198
42,931	55,085	57,649	51,293	90,475
275,078	267,866	265,304	256,357	237,537
549,974	526,633	388,612	515,951	491,077
<u>304,694</u>	<u>549,024</u>	<u>3,318,657</u>	<u>1,861,421</u>	<u>212,105</u>
<u>19,382,011</u>	<u>23,505,307</u>	<u>23,676,985</u>	<u>52,705,665</u>	<u>86,888,667</u>
<u>(220,637)</u>	<u>(39,968)</u>	<u>(171,365)</u>	<u>194,091</u>	<u>245,075</u>
456,848	426,314	485,759	456,033	552,521
<u>(456,848)</u>	<u>(426,314)</u>	<u>(485,759)</u>	<u>(456,033)</u>	<u>(552,521)</u>
<u>-</u>	<u>(0)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (220,637)</u>	<u>\$ (39,968)</u>	<u>\$ (171,365)</u>	<u>\$ 194,091</u>	<u>\$ 245,074</u>

**South East Texas Regional Planning Commission
Local Government Annual Membership Dues & Assessments
Last Ten Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Hardin County	\$ 15,571	\$ 15,571	\$ 15,571	\$ 15,571	\$ 15,571	\$ 15,571	\$ 15,571	\$ 15,571	\$ 15,571	\$ 15,571
Jefferson County	115,302	115,302	115,302	115,302	115,302	115,302	115,302	115,302	115,302	115,302
Orange County	34,312	34,312	34,312	34,312	34,312	34,312	34,312	34,312	34,312	34,312
Jasper County	-	-	-	-	-	-	1,200	74,843	74,843	74,843
City of Beaumont	43,234	43,234	43,234	43,234	43,234	43,234	43,234	43,234	43,234	43,234
City of Bevil Oaks	386	386	386	386	386	386	386	386	386	386
City of Bridge City	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328
City of China	337	337	337	337	337	337	337	337	337	337
City of Groves	4,829	4,829	4,829	4,829	4,829	4,829	4,829	4,829	4,829	4,829
City of Jasper	-	-	-	-	-	-	-	934	934	934
City of Kirbyville	-	-	-	-	-	-	-	273	276	276
City of Kountze	610	610	610	610	610	610	610	610	610	610
City of Lumberton	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580
City of Nederland	4,901	4,901	4,901	4,901	4,901	4,901	4,901	4,901	4,901	4,901
City of Nome	148	148	148	148	148	148	148	148	148	148
City of Orange	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100
City of Pine Forest	181	181	181	181	181	181	181	181	181	181
City of Pinehurst	715	715	715	715	715	715	715	715	715	715
City of Port Arthur	29,284	29,284	29,284	29,284	29,284	29,284	29,284	29,284	29,284	29,284
City of Port Neches	3,805	3,805	3,805	3,805	3,805	3,805	3,805	3,805	3,805	3,805
City of Rose City	159	159	159	159	159	159	159	159	159	159
City of Rose Hill Acres	134	134	134	134	134	134	134	134	134	134
City of Silsbee	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893
City of Sour Lake	485	485	485	485	485	485	485	485	485	485
City of Taylor Landing	88	88	88	88	88	88	88	88	88	88
City of Vidor	3,158	3,158	3,158	3,158	3,158	3,158	3,158	3,158	3,158	3,158
City West Orange	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Port of Beaumont	150	150	150	150	150	150	150	150	150	150
Orange County Navigation District	150	150	150	150	150	150	150	150	150	150
Port of Port Arthur	150	150	150	150	150	150	150	150	150	150
Lower Neches Valley Authority	150	150	150	150	150	150	150	150	150	150
Sabine River Authority	150	150	150	150	150	150	150	150	150	150
Lower Sabine Neches Soil & Water Conservation District #446	-	-	-	-	-	-	-	-	-	-
Jefferson County Emergency Services District #1	150	150	150	150	150	150	150	150	150	150
Jefferson County Emergency Services District #3	-	150	150	150	150	150	150	150	150	150
Jefferson County Drainage District #3	150	150	150	150	150	150	150	150	150	150
Jefferson County Drainage District #6	150	150	150	150	150	150	150	150	150	150
Jefferson County Drainage District #7	150	150	150	150	150	150	150	150	150	150
Jasper County Emergency Services District #1	-	-	-	-	-	-	150	150	150	150
Jasper County Emergency Services District #4	-	-	-	-	-	-	-	150	150	150
Orange County Drainage District	150	150	150	150	150	150	150	150	150	150
Lumberton Municipal Utility District	150	150	150	150	150	150	150	150	150	150
Mauriceville Municipal Utility District	150	150	150	150	150	150	150	150	150	150
Sabine -Neches Navigation District	150	150	150	150	150	150	150	150	150	150
Jefferson County Water Control & Improvement District # 10	150	150	150	150	150	150	150	150	150	150
Orange County Water Control & Improvement District #1	150	150	150	150	150	150	150	150	150	150
Orange County Water Control & Improvement District #2	150	150	150	150	150	150	150	-	-	-
Orange County Emergency Services District #3	-	150	150	150	150	150	150	150	150	150
Hardin County ESD #2	150	150	150	150	150	150	150	150	150	150
Jasper Hospital District									150	150
South East Texas Groundwater Conservation District	-	-	-	-	-	-	-	150	150	150
Beaumont Independent School District	-	-	-	-	-	-	-	150	150	150
Port Arthur Independent School District	150	150	150	150	150	150	-	-	-	-
Port Neches-Groves Independent School District	150	150	150	150	150	150	150	150	150	150
Hamshire-Fannett Independent School District	150	150	150	150	150	150	150	150	150	150
Bridge City Independent School District	150	150	150	150	150	150	150	-	150	150
Vidor Independent School District	150	150	150	150	150	150	-	-	-	-
Total Member Dues & Assessments	<u>\$ 277,989</u>	<u>\$ 278,290</u>	<u>\$ 278,291</u>	<u>\$ 278,292</u>	<u>\$ 276,274</u>	<u>\$ 276,274</u>	<u>\$ 277,324</u>	<u>\$ 352,324</u>	<u>\$ 352,627</u>	<u>\$ 352,628</u>

Source: South East Texas Regional Planning Commission records.

**South East Texas Regional Planning Commission
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Note Payable</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2015	781,273	4.59%	1.98
2016	671,580	3.83%	1.69
2017	557,622	3.18%	1.40
2018	439,315	2.39%	1.10
2019	316,492	1.67%	0.79
2020	189,011	1.01%	0.48
2021	56,635	0.29%	0.14
2022	35,731	0.18%	0.08
2023	170,984	0.83%	0.40
2024	58,956	0.28%	0.14

Source: South East Texas Regional Planning Commission records.

**South East Texas Regional Planning Commission
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Year	Population	Personal		Personal		Total	Unemployment
		Personal	Income Per	Income Per	Capita		
		\$ 5,594,036					
2015	395,073 4.)	\$ 17,034,700 2.)	\$ 41,676 2.)	\$ 41,676 2.)	163,884 3.)	6.7% 3.)	
2016	396,362 4.)	\$ 17,520,300 2.)	\$ 41,695 2.)	\$ 41,695 2.)	163,453 3.)	6.8% 3.)	
2017	397,615 4.)	\$ 17,520,300 2.)	\$ 42,480 2.)	\$ 42,480 2.)	163,024 3.)	7.1% 3.)	
2018	398,895 4.)	\$ 18,403,769 5.)	\$ 42,972 5.)	\$ 42,972 5.)	165,553 3.)	6.1% 3.)	
2019	400,114 4.)	\$ 18,922,167 5.)	\$ 44,783 5.)	\$ 44,783 5.)	167,747 3.)	5.3% 3.)	
2020	392,563 4.)	\$ 18,670,469 5.)	\$ 47,560 2.)	\$ 47,560 2.)	151,594 3.)	12.3% 3.)	
2021	401,208 6.)	\$ 19,655,855 5.)	\$ 30,133 6.)	\$ 30,133 6.)	175,142 3.)	7.2% 3.)	
2022	425,809 4.)	\$ 20,184,143 5.)	\$ 49,006 2.)	\$ 49,006 2.)	156,753 3.)	5.5% 3.)	
2023	428,147 4.)	\$ 20,493,598 5.)	\$ 49,526 2.)	\$ 49,526 2.)	165,010 3.)	3.5% 3.)	
2024	431,028 4.)	\$ 20,908,778 5.)	\$ 50,131 2.)	\$ 50,131 2.)	145,725 3.)	3.8% 3.)	

- 1.) U. S. Census Bureau
- 2.) Bureau of Economic Analysis (Beaumont-Port Arthur, TX Metropolitan Statistical Area)
- 3.) U. S. Department of Labor - Bureau of Labor Statistics
- 4.) Texas Demographic Center
- 5.) Data unavailable, based on 9-year trend
- 6.) Texas HomeTown Locator

**South East Texas Regional Planning Commission
Employment by Occupational Group
Previous Year and Nine Years Prior**

Occupational Group	Employment	
	2024	2015
* Architecture and Engineering	3,497	4,190
* Arts, Design, Entertainment, Sports and Media	874	900
* Building and Grounds Cleaning and Maintenance	3,789	4,120
* Business and Financial	6,266	4,400
* Community and Social Service	1,749	1,510
* Computer and Mathematical	1,457	1,200
* Construction and Extraction	12,678	14,580
* Education, Training and Library	8,889	8,810
* Farming, Fishing, and Forestry	146	220
* Food Preparation and Serving Related Occupations	13,115	14,600
* Healthcare Practitioners and Technical Occupations	8,015	9,060
* Healthcare Support	5,975	3,180
* Installation, Maintenance, and Repair	8,306	9,020
* Legal	583	750
* Life, Physical and Social Science	1,749	1,360
* Management	10,638	5,970
* Office and Administrative Support	16,175	23,560
* Personal Care and Service	1,895	6,920
* Production Occupations	11,658	17,830
* Protective Service Occupations	4,226	4,670
* Sales and Related Occupations	11,950	17,280
* Transportaion and Material Moving	12,095	10,810

Sources and Notes

Listed in alphabetical order, not in order of size

* U.S. Department of Labor - Bureau of Labor Statistics - Occupational Employment Services

**South East Texas Regional Planning Commission
Fulltime Equivalent Employees
By Program/Department
Last Ten Fiscal Years**

<u>Program/Department</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Administration	9	7.5	7.5	7.5	7.5	8	8	8	8.5	9
Area Agency on Aging	17	16	15.5	16	15.5	15.5	16.5	14	13.5	14
Air Quality	1	1	1	1	1	1	1	-	0	0
9-1-1 Emergency Network	9	8	8	8	8	7	8	8	8	9
Substance Abuse Division	1	0	0	0	0	0	0	-	0	0
Community Development	15	10	9	10	6	6.5	6.5	6.5	7	7
Community Services	2	2	2	3	3	3	7.5	4	4.5	4
Public Safety	1	1	1	1.5	1.5	1	1	-	0	0
Foster Grandparent Program	2	2	2	2	2	2	2	2	2	2
RSVP	2	2	3	3	3	3	2.5	3	2	3
Solid Waste Management Planning	1	1	1	1	1	1	1	-	0	0
Transportation Planning	3	4	4	3	3.5	4	4	6	6	6
Homeless Coalition	1	1	1	1	1	1	1	-	0.5	0.5
AARP Experience Corps	2	2	1	1	2	1	1	0	0	0
Homeland Security Planning	1	1	1	1	1	1	1	2	2	2
Total	<u>67</u>	<u>58.5</u>	<u>57</u>	<u>59</u>	<u>56</u>	<u>55</u>	<u>61</u>	<u>54</u>	<u>54</u>	<u>57</u>

Source: South East Texas Regional Planning Commission records.

**South East Texas Regional Planning Commission
Program and Function Indicators
Last Ten Fiscal Years**

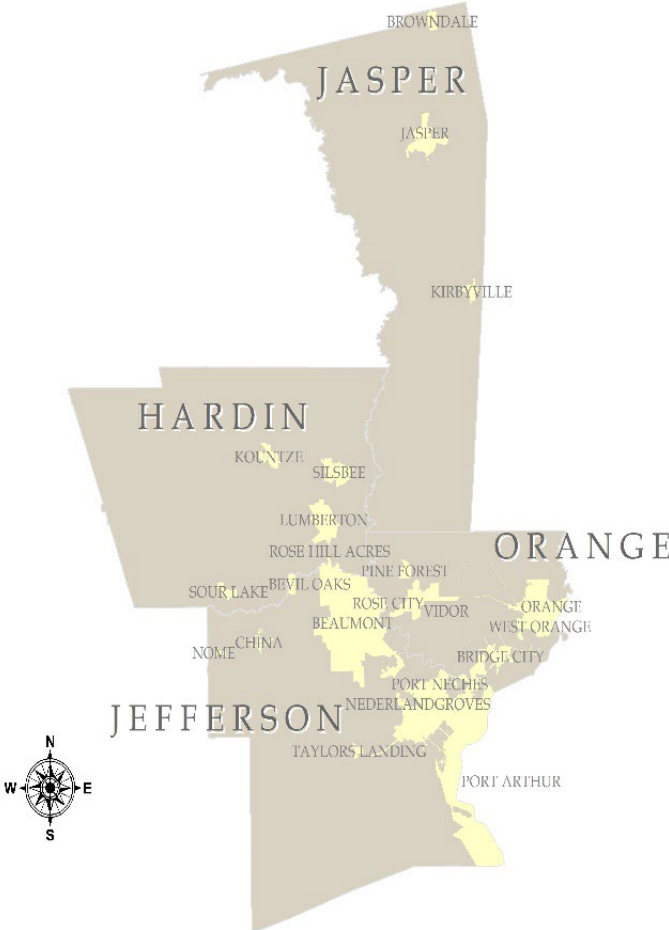
Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Criminal Justice										
Peace Officers Trained	4,063	3,055	2,583	2,613	4,040	3,580	2,873	2,130	2,519	2,712
Area Agency on Aging										
Congregate Meals	77,928	76,895	74,900	67,733	71,437	32,061 *	15,001 *	39,381	46,788	62,318
Home Delivered Meals	37,090	39,463	44,427	43,123	56,928	115,647	183,171 **	157,645	192,281	170,612
Disaster Recovery										
CDBG Rita Disaster - Families Served	25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDBG Ike Disaster - Families Served	294	99	45	26	N/A	N/A	N/A	N/A	N/A	N/A
Community Services										
Weatherization Program - Families Served	7	12	15	11	11	8 *	8 *	3 *	30	25
SSA HOPE Individuals Served	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Money Management Volunteers Trained	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Money Management Individuals Served	24	13	13	10	10	N/A	N/A	N/A	N/A	N/A
911										
Number of Calls	452,183	532,142	531,841	436,838	290,235	325,088	308,750	287,531	299,200	277,448
Transportation										
Number of Trips	64,164	59,751	56,557	51,149	53,436	27,948 *	32,684 *	46,935	47,581	55,918
Solid Waste										
Total Dollars for Annual Projects	108188	105154	208199	135617	186998	0 *	345172 **	152435.12	183853	76702
Substance Abuse										
Number of Individuals Served	1,157	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Foster Grandparents Program										
Number of Children Served	803	928	875	975	1,023	123 *	250 *	551 *	785	833
RSVP										
Number of Volunteer Hours	88,345	89,334	90,316	74,923	52,095	25,324 *	24,976 *	35,188 *	51,673	66,554
AARP Experience Corps Program										
Number of Students Tutored	430	434	391	304	319	172 *	83 *	N/A	N/A	N/A

* Numbers are low due to Covid related issues

** Numbers are high due to Covid related issues

Source: South East Texas Regional Planning Commission records.

Single Audit Section





MITCHELL T FONTENOTE CPA, INC.

Certified Public Accountants

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

To the Board of Directors
South East Texas Regional Planning Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South East Texas Regional Planning Commission, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise South East Texas Regional Planning Commission's basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered South East Texas Regional Planning Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South East Texas Regional Planning Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of South East Texas Regional Planning Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

2428 NALL STREET, PORT NECHES, TX 77651

TELEPHONE: 409-722-6300

Purpose of This Report

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

Mitchell T Fontenote CPA, Inc.

Port Neches, Texas
March 28, 2025



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

To the Board of Directors
South East Texas Regional Planning Commission

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited South East Texas Regional Planning Commission's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of South East Texas Regional Planning Commission's major federal and state programs for the year ended September 30, 2024. South East Texas Regional Planning 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, South East Texas Regional Planning 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 September 30, 2024.

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 *Texas Grant Management Standards* (TXGMS). Our responsibilities under those standards and 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 South East Texas Regional Planning Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of South East Texas Regional Planning 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 South East Texas Regional Planning Commission's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on South East Texas Regional Planning Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 South East Texas Regional Planning 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*, and 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 South East Texas Regional Planning 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 South East Texas Regional Planning 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 South East Texas Regional Planning 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Mitchell T Fontenote CPA, Inc.

Port Neches, Texas
March 28, 2025

South East Texas Regional Planning Commission
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2024

Agency/Program Grant Title	Catalog of Federal Domestic Assistance ID Number	Pass-through Grantor's Number	Expenditures	Passed through to Subrecipient Expenditures
<u>AmeriCorps</u>				
Direct Programs				
Retired and Senior Volunteer Program	94.002	23SRGTX008	\$ 95,014	\$ -
Retired and Senior Volunteer Program	94.002	23SRGTX008(2)	\$ 108,954	\$ -
Subtotal	94.002		<u>\$ 203,967</u>	<u>\$ -</u>
Foster Grandparent Program	94.011	23SFGTX001	\$ 325,392	\$ -
Foster Grandparent Program	94.011	23SFGTX001(2)	\$ 109,651	\$ -
Subtotal - Cluster Program	94.011		<u>435,042</u>	<u>\$ -</u>
Total AmeriCorps			<u>\$ 639,009</u>	<u>\$ -</u>
<u>Federal Emergency Management Agency</u>				
Direct Program				
Port Security Grant Program	97.056	EMW-2021-PU-00025	\$ 135,373	\$ -
Port Security Grant Program	97.056	EMW-2023-PU-APP-00016	\$ 26,273	\$ -
Subtotal Direct Program - Federal Emergency Management Agency	97.056		<u>\$ 161,646</u>	<u>\$ -</u>
Homeland Security Grant Program	97.067	2959609	\$ 125,410	\$ -
Homeland Security Grant Program	97.067	2959610	\$ 21,442	\$ -
Subtotal	97.067		<u>\$ 146,852</u>	<u>\$ -</u>
Total Federal Emergency Management Agency			<u>\$ 308,498</u>	<u>\$ -</u>
<u>Department of Housing and Urban Development</u>				
Passed Through Texas General Land Office				
Community Development Block Grants/State's Program	14.228	22-061-009-D165	\$ 576	\$ -
Community Development Block Grants/State's Program	14.228	24-050-000-E096	\$ 700,443	\$ -
Passed Through Texas Department of Agriculture				
Community Development Block Grants/State's Program	14.228	CEDAF 23-09	\$ 9,010	\$ -
Total Department of Housing and Urban Development	14.228		<u>\$ 710,029</u>	<u>\$ -</u>
<u>Department of Health and Human Services</u>				
Passed Through Texas Department of Housing and Community Affairs:				
Community Services Block Grant	93.569	61230003808	\$ 190,269	\$ 5,023
Community Services Block Grant	93.569	61240004146	\$ 303,370	\$ 7,222
Community Services Block Grant	93.569	61230004211	\$ 18,965	\$ -
Community Services Block Grant	93.569	61230004240	\$ 3,722	\$ -
Community Services Block Grant	93.569	61240004324	\$ 775	\$ -
Community Services Block Grant	93.569	61240004257	\$ 2,841	\$ -
Subtotal - Cluster Program	93.569		<u>\$ 519,942</u>	<u>\$ 12,245</u>
Passed Through Health and Human Services Commission				
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	HHS000874100023(FY24)	\$ 50,726	\$ -
Subtotal	93.042		<u>\$ 50,726</u>	<u>\$ -</u>
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion	93.043	HHS000874100023(FY24)	\$ 20,861	\$ -
Subtotal	93.043		<u>\$ 20,861</u>	<u>\$ -</u>
Special Programs for the Aging - Title III Part B - Grants for Supportive services for Older Individuals	93.044	HHS000874100023(FY24)	\$ 749,840	\$ 99,990
Special Programs for the Aging - Title III Part C - Nutrition Services	93.045	HHS000874100023(FY24)	\$ 541,552	\$ 373,408
Part C - Nutrition Services	93.045	HHS000874100023(FY24)	\$ 810,227	\$ 694,743
Nutrition Services Incentive Program	93.053	HHS000874100023(FY24)	\$ 94,540	\$ 94,540
Nutrition Services Incentive Program	93.053	HHS000874100023(FY24)	\$ 94,540	\$ 94,540
Temporary Assistance for Needy Families	93.558	HHS000979200015	\$ 625	\$ -
Temporary Assistance for Needy Families	93.558	HHS000979200015(FY25)	\$ 69	\$ -
Child Care and Development Block Grant	93.575	HHS000979200015	\$ 2,221	\$ -
Child Care and Development Block Grant	93.575	HHS000979200015(FY25)	\$ 121	\$ -
Medical Assistance Program	93.778	HHS000979200015	\$ 85,775	\$ -
Medical Assistance Program	93.778	HHS000979200015(FY25)	\$ 9,505	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HHS000979200015	\$ 52,919	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HHS000979200015(FY25)	\$ 5,863	\$ -
Subtotal - Aging Cluster			<u>\$ 2,353,257</u>	<u>\$ 1,262,681</u>

South East Texas Regional Planning Commission
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2024

Agency/Program Grant Title	Catalog of Federal Domestic Assistance ID Number	Pass-through Grantor's Number	Expenditures	Passed through to Subrecipient Expenditures
Special Programs for the Aging - Title III, Part E - National Family Caregiver Support Program	93.052	HHS000874100023(FY24)	\$ 255,725	\$ -
Subtotal	93.052		\$ 255,725	\$ -
Medical Enrollment Assistance Program Medicare Improvements for Patients and Providers	93.071	HHS000874100023(FY24)	\$ 30,090	\$ -
Subtotal	93.071		\$ 30,090	\$ -
State Health Insurance Program	93.324	HHS000874100023	\$ -	\$ -
State Health Insurance Program	93.324	HHS000874100023(FY24)	\$ 25,477	\$ -
Subtotal	93.324		\$ 25,477	\$ -
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	HHS000874100023(FY24)	\$ 4,505	\$ -
Children's Health Insurance Program	93.767	HHS000979200015	\$ 2,669	\$ -
Children's Health Insurance Program	93.767	HHS000979200015(FY25)	\$ 296	\$ -
Subtotal	93.767		\$ 2,965	\$ -
Total Department of Health and Human Services			<u>\$ 3,263,548</u>	<u>\$ 2,743,606</u>
<u>Department of Transportation</u>				
Passed Through Texas Department of Transportation:				
Public Transportation for Nonurbanized Areas	20.509	51018031223	\$ 186,959	\$ 113,533
Public Transportation for Nonurbanized Areas	20.509	51003F12023	\$ 412,676	\$ -
Public Transportation for Nonurbanized Areas	20.509	51018022024	\$ 494,543	\$ 381,049
Public Transportation for Nonurbanized Areas	20.509	51018032024	\$ 52,547	\$ -
Subtotal	20.509		\$ 1,146,725	\$ 494,582
Capital Assistance for Ederly Persons and Persons with Disabilities	20.513	51016012024	\$ 348,321	\$ 348,321
Capital Assistance for Ederly Persons and Persons with Disabilities	20.513	51016022025	\$ 37,515	\$ 37,515
Subtotal	20.513		\$ 385,836	\$ 385,836
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	51003012023	\$ 51,855	\$ -
Subtotal	20.526		<u>\$ 51,855</u>	<u>\$ -</u>
Subtotal - Cluster Programs			<u>\$ 437,691</u>	<u>\$ 385,836</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	51008012024	\$ 38,230	\$ -
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	5024XF0002	\$ 663,522	\$ -
Subtotal	20.505		\$ 701,753	\$ -
Total Department of Transportation			<u>\$ 2,286,168</u>	<u>\$ 880,418</u>
<u>Environmental Protection Agency</u>				
Passed Through Texas Commission on Environmental Quality:				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Related to the Clean Air Act	66.034	582-21-10033	\$ 21,000	\$ -
Water Quality Management Planning	66.454	582-23-42200	\$ 4,931	\$ -
Water Quality Management Planning	66.454	582-24-50308	\$ 16,389	\$ -
Total Environmental Protection Agency			<u>\$ 42,320</u>	<u>\$ -</u>
<u>United States Department of the Treasury</u>				
Passed through Commission on State Emergency Communications				
Coronavirus State and Fiscal Recovery Funds	21.027	9-1-1 SFY23	\$ 213,638	\$ -
Coronavirus State and Fiscal Recovery Funds	21.027	9-1-1 SFY24	\$ 160,748	\$ -
Passed through Jasper County, Texas Coronavirus State and Fiscal Recovery Funds	21.027	1505-0271	\$ 1,305,474	\$ -
Passed through Jefferson County, Texas Coronavirus State and Fiscal Recovery Funds	21.027	BroadBand Study	\$ 133,782	\$ -
Total United States Department of the Treasury			<u>\$ 1,813,642</u>	<u>\$ -</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 9,063,216</u>	<u>\$ 3,624,024</u>

South East Texas Regional Planning Commission
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2024

Agency/Program Grant Title	Catalog of Federal Domestic Assistance ID Number	Pass-through Grantor's Number	Expenditures	Passed through to Subrecipient Expenditures
STATE OF TEXAS ASSISTANCE				
<u>Office of the Governor</u>				
Criminal Justice Divison				
Regional Police Academy	--	1465519	\$ 107,490	\$ -
Regional Juvenile Alternatives	--	3554606	\$ 48,116	\$ -
Regional Juvenile Alternatives	--	3554607	\$ 3,336	\$ -
Criminal Justice Planning	--	PO#24-00117	\$ 39,783	\$ -
Criminal Justice Planning	--	PO#25-00031	\$ 3,617	\$ -
Homeland Security Division				
Homeland Security Grant Program	--	PO #24-00117	\$ 22,619	\$ -
Homeland Security Grant Program	--	PO #25-00031	\$ 2,056	\$ -
Homeland Security Grant Program	--	4479401	\$ 443,883	\$ -
Total Office of Governor			<u>\$ 670,900</u>	<u>\$ -</u>
<u>Texas Health and Human Services Commission</u>				
Implementation of 2-1-1	--	HHS000979200015	\$ 140,015	\$ -
Implementation of 2-1-1	--	HHS000979200015(FY25)	\$ 15,517	\$ -
Special Programs for the Aging - Title III				
Part B - Grants for Supportive services for Older Individuals	--	HHS000874100023(FY24)	\$ 177,194	\$ 19,095
Special Programs for the Aging - Title III				
Part E - National; Family Caregiver Support Program	--	HHS000874100023(FY24)	\$ 21,500	\$ -
Foster Grandparents Program	--	HHS001373500004	\$ 7,082	\$ -
Retired Senior Volunteer Program	--	HHS0013735000019	\$ 32,847	\$ -
Total Texas Health and Human Services			<u>\$ 394,156</u>	<u>\$ 19,095</u>
<u>Texas Commission on Environmental Quality</u>				
Regional Solid Waste Planning/Implementation	--	582-24-0097	\$ 71,277	\$ -
Rider 7 Local Air Quality Planning Grant	--	582-20-11976	\$ 242,517	\$ -
Total Texas Commission on Environmental Quality			<u>\$ 313,793</u>	<u>\$ -</u>
<u>Commission on State Emergency Communications</u>				
9-1-1 Communications - FY 2017	--	9-1-1 SFY17	\$ 22,030	\$ -
9-1-1 Communications - FY 2019	--	9-1-1 SFY19	\$ 210,757	\$ -
9-1-1 Communications - FY 2020	--	9-1-1 SFY20	\$ 5,399	\$ -
9-1-1 Communications - FY 2021	--	9-1-1 SFY21	\$ 125,055	\$ -
9-1-1 Communications - FY 2023	--	9-1-1 SFY23	\$ 880,391	\$ -
9-1-1 Communications - FY 2024	--	9-1-1 SFY24	\$ 1,672,496	\$ -
9-1-1 Communications - FY 2025	--	9-1-1 SFY25	\$ 132,446	\$ -
Total Commission on State Emergency Communications			<u>\$ 3,048,574</u>	<u>\$ -</u>
<u>Texas Department of Transportation</u>				
State/Local Public Transportation	--	51218032023	374,835	\$ 345,751
State/Local Public Transportation	--	51218012024	466,013	\$ 416,013
State/Local Public Transportation	--	51218012025	64,362	\$ 58,151
Total Texas Department of Transportation			<u>\$ 905,210</u>	<u>\$ 819,915</u>
TOTAL STATE OF TEXAS ASSISTANCE			<u>\$ 5,332,633</u>	<u>\$ 839,010</u>
TOTAL ASSISTANCE			<u>\$ 14,395,849</u>	<u>\$ 4,463,034</u>

South East Texas Regional Planning Commission
Notes to Expenditures of Federal and State Awards Schedule
For the Year Ended September 30, 2024

GENERAL

The accompanying Schedule of Expenditures of Federal and State Financial Awards presents the activity of all Federal and State financial assistance programs of the South East Texas Regional Planning Commission. All federal awards received directly from Federal agencies and Federal and State awards passed through state agencies are included on the Schedule.

BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal and State Financial Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements.

INDIRECT COSTS

The South East Texas Regional Planning Commission has elected not to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance.

South East Texas Regional Planning Commission
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2024

Summary of Auditor's Results

Financial Statements:

Type of auditors' report issued Unmodified

Internal Control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weaknesses? None Reported

Noncompliance material to financial statements noted? None

Federal and State Awards:

Internal control over major programs:

Material weakness(es) identified? None

Significant deficiency(ies) identified? None Reported

Type of auditors' report on compliance with major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 500.516(a)

None reported

Dollar threshold considered between Type A and Type B federal and state programs

Federal - \$750,000
 State - \$750,000

Auditee qualified as low risk auditee.

Yes

Major federal program

Public Transportation for Nonurbanized Areas 20.509

Metropolitan Transportation Planning and State Non-Metropolitan Planning and Research 20.505

Major State Program

9-1-1 Emergency Communications
 State/Local Public Transportation

South East Texas Regional Planning Commission
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Findings Relating to the Financial Statements Which Are required to be Reported in Accordance with Generally Accepted Government Auditing Standards	None Reported
Findings and Questioned Costs for Federal and State Awards	None Reported
Follow up on Prior Year Findings and Questioned Costs	None Reported

