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**CAPITAL REGION PLANNING COMMISSION,  
A COMPONENT UNIT OF THE CITY  
OF BATON ROUGE/PARISH OF EAST BATON ROUGE**

**COMPONENT UNIT FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS**

**AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-19-05

**T. A. HARRIS, INC.**  
**A PROFESSIONAL ACCOUNTING  
CORPORATION**

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# T.A. Harris Inc. Certified Public Accountant

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A Professional Accounting Corporation

## INDEPENDENT AUDITORS' REPORT

The Commissioners of the  
Capital Region Planning Commission  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major program fund, and the aggregate remaining fund information of the Capital Region Planning Commission (the Commission), Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended June 30, 2004, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with *accounting principles generally accepted in the United States of America*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2004, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain procedures, which consisted principally of inquires of management regarding the methods of measurements and presentation of the supplementary information. However, we did not audit the information and express not opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and Schedule of Indirect Cost Allocation Plan are presented for purposes of additional analysis, the first of which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Neither schedule is a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*T.A. Harris, Inc. APAC*

Baton Rouge, Louisiana  
December 30, 2004

## **CAPITAL REGION PLANNING COMMISSION MANAGEMENT DISCUSSION AND ANALYSIS**

The management's discussion and analysis of the Capital Region Planning Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts.

### **FINANCIAL HIGHLIGHTS**

- The Commission's assets exceeded its liabilities at the close of the fiscal year 2004 by \$526,651, compared with \$632,340 last fiscal year.
- The net assets decreased by \$105,689, as opposed to a \$52,593 increase last fiscal year;
- Operating grants increased by \$125,689 compared to the 2002 fiscal year;
- Total Commission expenses (net of indirect cost) increased \$276,466 or 33% compared to the June 30, 2003 fiscal year;
- Total Commission revenues (net of indirect cost) increased by \$136,901 or 16% in the relation to last fiscal year;
- The Commission's indirect (overhead) cost rate increased from 1.302% to 1.517%. This rate increase resulted in raising the amounts due from federal grants.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This management discussion and analysis is intended to serve as an introduction to the Capital Region Planning Commission's basic financial statements. The Commission's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Under the new reporting model, the basic financial statements of the Commission will be less complex and present financial information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The annual financial report includes the Statement of Net Assets; the Statement of Net Activities; Balance Sheet of Governmental type funds; Notes to the Financial Statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information concerning budget to actual comparisons, indirect cost allocation proposal, and Single Audit reports.

#### **Government-Wide Financial Statements**

The government-wide financial statements present information for the Capital Region Planning Commission as a whole, in a format designed to make the statements easier for the reader to understand. This broad overview of the Commission's finances is done in a manner similar to private-sector business. The statements of this section include the Statements of Net assets; the Statement of Activities.

**Statement of Net Assets** - presents information on all of the Commission's *assets* and *liabilities*, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Capital Region Planning Commission is improving or deteriorating.

**Statement of Activities** - presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

#### **Fund Financial Statements**

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

**CAPITAL REGION PLANNING COMMISSION  
MANAGEMENT DISCUSSION AND ANALYSIS**

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

Because the focus of the 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 Commission's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains six individual government funds. Information is presented separately in the government funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Transformation Planning, Transit Planning and the Economic Development Program, all of which are considered to be major funds. The other two governmental funds are combined into a single, aggregated presentation labeled "Nonmajor Programs".

The Commission adopts an annual appropriated budget for the entity as a whole. Budgetary comparison statements have been provided to demonstrate performance of actual results with budgeted amounts.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the Commission. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Commission's own programs. The Commission maintains one fiduciary fund (Agency fund) which constitutes an employee retirement account.

**FINANCIAL ANALYSIS OF THE COMMISSION**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Capital Region Planning Commission, assets exceed liabilities by \$540,587 at the close of the recent fiscal year which provides the Commission with a "healthy" net asset amount.

**The Capital Region Planning Commission's Net Assets**

Governmental Activities	<u>June 30, 2004</u>	<u>June 30, 2003</u>
<b>Assets:</b>		
Current and other assets	\$599,469	\$661,279
Capital assets	<u>56,420</u>	<u>57,580</u>
Total assets	<u>655,889</u>	<u>718,859</u>
<b>Liabilities:</b>		
Current Liabilities	82,275	51,889
Long-term Liabilities	<u>46,963</u>	<u>34,630</u>
Total Liabilities	<u>129,238</u>	<u>86,519</u>
Total net assets	<u><u>\$526,651</u></u>	<u><u>\$632,340</u></u>

The composite net assets amount of \$526,651 as of June 30, 2004 consists of investments in capital assets, and unrestricted net assets in the amounts of \$56,420 and \$470,231 respectively. As of June 30, 2003, the composite net assets of \$632,340 consisted of investment in capital assets of \$57,580 and unrestricted net assets of \$574,760.

**CAPITAL REGION PLANNING COMMISSION  
MANAGEMENT DISCUSSION AND ANALYSIS**

Unrestricted net assets are those that do not have any limitations for what these amounts may be used. As referred to previously, net assets of the Commission decreased by \$105,689 or nearly 17%, from June 30, 2003 to June 30, 2004.

**The Capital Region Planning Commission's Change in Net Assets**

Governmental Activities	<u>June 30, 2004</u>	<u>June 30, 2003</u>
<b>Revenues:</b>		
Program Revenue:		
Operating Grants	864,029	738,403
Indirect (grant overhead) revenue	382,861	424,772
General Revenue:		
Dues	94,121	94,011
Inkind	41,000	41,000
Investment and Other	<u>21,199</u>	<u>10,034</u>
Total revenues	<u>1,403,210</u>	<u>1,308,220</u>
<b>Expenses:</b>		
Program expense	560,238	407,175
Administration expense	565,800	423,680
Indirect (grant overhead) expense	<u>382,861</u>	<u>424,772</u>
Total Expenses	<u>1,508,899</u>	<u>1,255,627</u>
Increase (decrease) in Net Assets	(105,689)	52,593

**Revenues by Source - Governmental Activities**

The Commission's total revenues increased \$94,990 compared to the 2003 fiscal year. The total cost of all programs and services increased by \$253,272 compared with last year.

**Capital Assets**

At the end of the fiscal year 2004, the Commission had 56,420 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net decrease of just 1,160 over last year.

Governmental Activities	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Furniture and Equipment	\$313,560	\$302,488
Vehicles	69,992	54,894
Accumulated Depreciation	<u>(\$327,132)</u>	<u>(\$299,802)</u>
Totals	<u>\$56,420</u>	<u>\$57,580</u>

**BUDGET**

The annual budget is proposed by the executive director on an organizational-wide basis, and formally adopted by the Board of Commissioners. The budget may be amended during the year at the Commission's discretion.

**CAPITAL REGION PLANNING COMMISSION  
MANAGEMENT DISCUSSION AND ANALYSIS**

**ECONOMIC FACTORS FOR NEXT YEAR**

The Commission will be working on a Transportation Safety and Incident Management Program with the Highway Safety Commission. It is in the early stage of development at present. The program will probably involve the coordinating of safety projects for agencies, analyzing accident and incident data, security issues, and mapping. The Commission will be applying for Federal Highway Safety and Planning Funds.

**CONTACTING THE COMMISSION FINANCIAL MANAGEMENT**

This financial report is designed to provide granting agencies, citizens, and oversight bodies with a general overview of the Capital Region Planning Commission's finances.

If you have any questions about this report, contact the Executive Director, Capital Region Planning Commission, P.O. Box 33555, Baton Rouge, Louisiana 70821-3355.

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**STATEMENT OF NET ASSETS  
GOVERNMENTAL ACTIVITIES**

=====

**AS OF JUNE 30, 2004**

**ASSETS**

**CURRENT ASSETS:**

Cash and Cash Equivalents	\$163,682
Investments	330,918
Grant Funds Receivable	101,322
Other Receivables	3,547
	<u>          </u>
Total Current Assets	599,469

**NONCURRENT ASSETS:**

Capital Assets, net of Accumulated Depreciation	56,420
	<u>          </u>
Total Noncurrent Assets	56,420

<b>TOTAL ASSETS</b>	<u>655,889</u>
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**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts Payable	\$55,942
Deferred Revenue	23,442
Other Liabilities	2,891
	<u>          </u>
Total Current Liabilities	82,275

**NONCURRENT LIABILITIES:**

Accrued Compensated Absences Payable	46,963
	<u>          </u>
Total Noncurrent Liabilities	46,963

<b>TOTAL LIABILITIES</b>	<u>129,238</u>
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**NET ASSETS**

Invested in Capital Assets, net of Related Debt	56,420
Unrestricted	470,231
	<u>          </u>
Total Net Assets	\$526,651

*See accompanying notes to financial statements.*



CAPITAL REGION PLANNING COMMISSION, LOUISIANA

STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

	<i>Total</i>	<i>Administration</i>	<i>Project Studies and Planning</i>
<b>EXPENSES:</b>			
Auto Insurance	2,992	2,992	0
Consultant Fees	313,331	23,279	290,052
Deferred Compensation	52,108	52,108	0
Dues and Subscription	4,830	4,793	37
Depreciation	27,330	27,330	0
Equipment Facilities Maintenance	3,289	3,289	0
Equipment Rental	645	645	0
General Insurance	2,901	2,901	0
Group Insurance	60,300	60,300	0
Legal and Accounting	7,100	7,100	0
Miscellaneous	2,103	2,103	0
Office Supplies	7,246	4,953	2,293
Payroll Taxes	5,740	5,740	0
Postage	686	686	0
Professional Education	4,483	2,007	2,476
Publishing	4,322	4,097	225
Rent - Inkind	41,000	41,000	0
Salaries	562,802	301,005	261,797
Telephone	5,164	5,164	0
Travel and Auto Allowance	13,626	10,268	3,358
Vehicle Expense	4,040	4,040	0
<b>Total Expenses</b>	<b>1,126,038</b>	<b>565,800</b>	<b>560,238</b>
<b>INDIRECT EXPENSES ALLOCATION</b>	<b>0</b>	<b>(382,861)</b>	<b>382,861</b>
<b>Total Expenses net of Indirect Cost</b>	<b>1,126,038</b>	<b>182,939</b>	<b>943,099</b>
<b>PROGRAM REVENUES:</b>			
Operating Grants	864,029	0	864,029
<b>Net Program Expense (Revenue)</b>	<b>262,009</b>	<b>182,939</b>	<b>79,070</b>
<b>GENERAL REVENUES:</b>			
Dues Assessment	94,121		
Inkind Revenue	41,000		
Investment Income	3,718		
Other Revenue	17,481		
<b>Total General Revenues</b>	<b>156,320</b>		
<b>Change in Net Assets</b>	<b>(105,689)</b>		
<b>NET ASSETS - BEGINNING</b>	<b>632,340</b>		
<b>NET ASSETS - ENDING</b>	<b>\$526,651</b>		

See accompanying notes to financial statements.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2004

	<u>General Fund</u>	<u>Transport Planning</u>	<u>Transit Planning</u>	<u>Special Planning</u>	<u>Non-Major Programs</u>	<u>Total Gov Funds</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$163,682	\$0	\$0	\$0	\$0	\$163,682
Investments	330,918	0	0	0	0	330,918
Grant Funds Receivable	0	0	73,761	0	27,561	101,322
Interfund Receivables	101,322	23,442	0	0	0	124,764
Other Receivables	3,547	0	0	0	0	3,547
Total Assets	<u>\$599,469</u>	<u>\$23,442</u>	<u>\$73,761</u>	<u>\$0</u>	<u>\$27,561</u>	<u>\$724,233</u>
<b>LIABILITIES:</b>						
Accounts Payable	\$55,942	\$0	\$0	\$0	\$0	\$55,942
Interfund Payables	23,442	0	73,761	0	27,561	124,764
Deferred Revenues	0	23,442	0	0	0	23,442
Other Liabilities	2,891	0	0	0	0	2,891
Total Liabilities	82,275	23,442	73,761	0	27,561	207,039
<b>FUND BALANCES:</b>						
Unreserved, Undesignated Reported in:						
General Fund	517,194					517,194
Special Revenue Funds		0	0	0	0	0
Total Fund Balances	<u>517,194</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>517,194</u>
Total Liabilities and Fund Balances	<u>\$599,469</u>	<u>\$23,442</u>	<u>\$73,761</u>	<u>\$0</u>	<u>\$27,561</u>	<u>\$724,233</u>

See accompanying notes to financial statements.

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET ASSETS**

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**FOR THE YEAR ENDED JUNE 30, 2004**

Total fund balances - governmental funds \$517,194

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expense in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the Commission as a whole. The costs of those assets allocated over their estimated useful lives (as depreciation expense) is reported in the Statement of Activities. Because depreciation does not effect financial resources, it is not reported in governmental funds.

Cost of capital assets	383,552	
Accumulated depreciation	____ (327,132)	56,420

Elimination of interfund assets and liabilities

Interfund assets	124,764	
Interfund liabilities	____ (124,764)	0

Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Assets.

Accrued Compensated Absences	____ (46,963)
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Net assets - governmental activities	<u>\$526,651</u>
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***See accompanying notes to financial statements.***

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

	<i>General Fund</i>	<i>Transport Planning</i>	<i>Transit Planning</i>	<i>Special Planning</i>	<i>Non-major Programs</i>	<i>Total Gov. Funds</i>
<b>REVENUES:</b>						
Federal Funding	\$0	\$576,540	\$167,252	\$0	\$34,233	\$778,025
Local Funding:						
Dues Assessment	94,121	0	0	0	0	94,121
Outside Agency Local Match	9,646	0	0	0	0	9,646
Special Planning Projects	0	39,943	0	35,860	10,201	86,004
Insurance Proceeds	7,835	0	0	0	0	7,835
Inkind Revenue	41,000	0	0	0	0	41,000
Investment Income	3,718	0	0	0	0	3,718
Total Revenues	156,320	616,483	167,252	35,860	44,434	1,020,349
<b>EXPENDITURES:</b>						
<i>Current:</i>						
Auto Insurance	2,992	0	0	0	0	2,992
Consultant Fees	23,279	290,052	0	0	0	313,331
Deferred Compensation	52,108	0	0	0	0	52,108
Dues and Subscriptions	4,605	25	200	0	0	4,830
Equipment and Facilities Maintenance	3,289	0	0	0	0	3,289
Equipment Rental	645	0	0	0	0	645
General Insurance	2,901	0	0	0	0	2,901
Group Insurance	60,300	0	0	0	0	60,300
Legal and Accounting	7,100	0	0	0	0	7,100
Miscellaneous	2,103	0	0	0	0	2,103
Office Supplies	4,953	1,450	0	0	843	7,246
Payroll Taxes	5,740	0	0	0	0	5,740
Postage	649	37	0	0	0	686
Professional Education	2,007	1,792	684	0	0	4,483
Publishing	1,762	2,353	207	0	0	4,322
Rent - Inkind	41,000	0	0	0	0	41,000
Salaries	288,672	148,055	91,126	0	22,616	550,469
Telephone	5,164	0	0	0	0	5,164
Travel and Auto Allowance	10,268	2,460	898	0	0	13,626
Vehicle Expenses	4,040	0	0	0	0	4,040
Capital expenditure	26,170	0	0	0	0	26,170
Total Expenditures	549,747	446,224	93,115	0	23,459	1,112,545
Indirect Cost Allocations	(382,861)	224,451	138,147	0	20,263	0
Total Expenditures Net of Indirect Cost Allocations	166,886	670,675	231,262	0	43,722	1,112,545
Excess (Deficiency) of Revenues over Expenditures	(10,566)	(54,192)	(64,010)	35,860	712	(92,196)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In	104,755	54,192	64,010	0	0	222,957
Transfers (Out)	(118,202)	0	0	(104,043)	(712)	(222,957)
Net Other Financing Sources (Uses)	(13,447)	54,192	64,010	(104,043)	(712)	0
Net Change in Fund Balances	(24,013)	0	0	(68,183)	0	(92,196)
Fund Balances, Beginning	541,207	0	0	68,183	0	609,390
Fund Balances, Ending	\$517,194	\$0	\$0	\$0	\$0	\$517,194

See accompanying notes to financial statements.

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**

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**FOR THE YEAR ENDED JUNE 30, 2004**

Total Net Changes in Fund Balances - Governmental Funds (\$92,196)

Capital outlays are reported in governmental funds as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimates useful lives as depreciation expense. The amount by which capital outlays exceed depreciation is described as follows:

Capital outlays which were capitalized	26,170	
Depreciation expense	<u>(27,330)</u>	(1,160)

Elimination of interfund transactions:

Transfers in	222,957	
Transfers out	<u>(222,957)</u>	0

In the Statement of Activities, certain operating expenses-compensated absences and vacation- are measured by the amount earned during the year. In the governmental funds however, expenditures for these items are measured by the amount of the financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned exceeded the amounts used by the following amount .

(12,333)

Change in net assets of governmental activities (\$105,689)

***See accompanying notes to financial statements.***

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND**

=====

**AS OF JUNE 30, 2004**

**ASSETS**

Investments	\$611,684
Total Assets	<u>611,684</u>

**LIABILITIES**

Amounts Due Employees	611,684
Total Liabilities	<u>\$611,684</u>

*See accompanying notes to financial statements.*

# CAPITAL REGION PLANNING COMMISSION, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

This financial report had been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. The following is a summary of the Commission's significant policies:

#### A. REPORTING ENTITY

This report includes all funds and account groups that are within the oversight responsibility of the Commission or Board of Commissioners. Control by or dependence on the Commission was determined on the basis of budget adoption and other general oversight responsibility. The Commission is a component unit of the City of Baton Rouge\Parish of East Baton Rouge. The Commission does not act as an oversight unit for any component units.

#### B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Commission are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements as described as follows:

##### **Governmental Fund Types:**

Governmental funds are those through which most governmental functions of the Commission is financed. The acquisition, use, and balances of the Commission's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Commission's governmental fund types:

**General Fund** - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds account for the specific revenue sources that are legally restricted to expenditures for specific purposes. These are funds account for the revenues and expenditures related to federal, state, and local grant programs established for various objectives.

##### **Fiduciary Fund Types:**

Fiduciary Funds are used to account for assets held by the Commission in a trustee or agency capacity. The Commission maintains one fiduciary fund type, agency fund. The Agency Fund is used to account for assets held by the Commission in a custodial capacity (assets equal liabilities) and does not involve measurement of results of operations. Specifically, this fund accounts for assets held by the Commission which are due to employees under the Commission's deferred compensation plan.

**Agency Fund** - The Agency Fund is used to account for assets held by the Commission in a custodial capacity (assets equal liabilities), and does not involve measurement of results of operations. Specifically, this fund accounts for assets held by the Commission which are due to employees under the Commission's deferred compensation plan.

#### C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

##### **Government Wide Financial Statement (GWFS)**

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are no included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level. The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

## CAPITAL REGION PLANNING COMMISSION, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

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Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

#### **Fund Financial Statements (FFS)**

Fund financial statements report detailed information about the Commission. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated & presented in a single column.

#### **Governmental Funds**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues, and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The fiduciary fund type (agency fund) is accounted for on a flow of economic resources measurement focus. With its measurement focus, all assets and all liabilities associated with the operation of this fund type are included on the balance sheet.

The governmental fund types are reported in the financial statements on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when they become both measurable and available. Available means to pay current period liabilities. Revenues not considered available are recorded as deferred revenues. The following practices in recording revenues and expenditures have been used for the governmental funds.

**Revenues** - Federal and state entitlements are recorded when available and measurable. Federal and state grants as well as local match monies which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures have been made. Local member assessments are recorded in the year the assessments are due and payable. Such amounts are measurable and available to finance current operations. Investment income and in kind revenues are recorded when earned. Substantially all other revenues are recorded when received.

**Expenditures** - All expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Deferred Revenues**- Deferred revenues arise when resources are received before the Commission has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. Grant funds receivable arise when resources are expended on qualified grant expenditures and have not been reimbursed by the funding agency. In subsequent periods, when the Commission has a legal claim to the resources or receives the reimbursement, the liability for deferred revenue or receivable asset is removed and the revenue is recognized.

#### **D. BUDGET PRACTICES AND BUDGETARY ACCOUNTING**

The Commission budget, prepared in accordance with generally accepted accounting principles, is proposed by the executive director on an organization-wide basis, and formally approved and adopted by the Board of Commissioners. The budget may be amended during the year at the Commissioners' discretion. These appropriations lapse at year-end and any unexpended appropriations are rebudgeted in the subsequent year. Accordingly, encumbrances are not provided for in the financial statements.

#### **E. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits or investments with original maturity dates of less than 90 days old. It is the Commission's policy only to invest in insured or compensated governmental backed securities.

#### **F. ACCRUED COMPENSATED ABSENCES**

The Commission's full-time employees who work year-round are granted vacation in varying amounts up to a maximum of 21 days per year. The cumulative amount of leave which can be carried forward is the amount earned over the last two years of employment. The Commission's policy specifically prohibits the payment of any accumulated sick leave at separation and consequently no sick leave is accrued.



**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**H. INDIRECT COST ALLOCATIONS**

Allocable indirect costs are initially charged to the General Fund during the year. The Commission uses the prior year rate in estimating indirect costs to be charged the special revenue funds during the year for billing purposes. At the end of each year the actual indirect cost rate and charges to the special revenue funds are computed and appropriate adjustments are made. *Allocable indirect costs exclude equipment purchases and payroll benefit costs, but provide for depreciation of capital assets computed over estimated useful lives of three to ten years.* The indirect costs are then allocated to the special revenue funds based on direct salaries.

**I. CAPITAL ASSETS**

Capital assets are recorded at historical or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value of the asset or materially extend asset lives are not capitalized.

**J. ESTIMATES**

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At June 30, 2004, the Commission's carrying value of deposits are as follows:

Petty Cash	\$220
Demand deposits	157,005
Money Markets	<u>6,457</u>
Total	\$163,682

At June 30, 2004, the Commission has \$246,360 in deposits (collected bank balances) that were secured from risk completely through FDIC and SIPC insurance coverage.

**NOTE 3 - INVESTMENTS**

At June 30, 2004, investments of the Commission total \$330,918. In accordance with GASB codification Section 150.125, the various types of investments are listed and presented by category of credit risk assumed by the Commission. Category 1 represents those investments insured or registered in the Commission's name or securities held by the Commission or its agent in the Commission's name. Category 2 represents investments uninsured and unregistered with securities held by the counter party's trust department or agent in the Commission's name. Category 3 represents investments unsecured and unregistered with securities held by the counter party or by its trust department or agent but not in the Commission's name.

A summary of investments as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Securities			104,207	104,207	104,207
Time Deposits	<u>226,711</u>			<u>226,711</u>	<u>226,711</u>
Total	226,711	0	104,207	330,918	330,978

## CAPITAL REGION PLANNING COMMISSION, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets are as follows

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets:				
Furniture Fixtures, Office Equipment	302,488	11,072		313,560
Vehicles	54,894	15,098		69,992
Accumulated Depreciation	(299,802)	(27,330)		(327,132)
Capital Assets, net	57,580	(1,160)	0	56,420

Depreciation expense amounted to 27,330 for 2004.

#### NOTE 5 - DEFERRED COMPENSATION PLAN

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees meeting specific length of service criteria, permits them to defer a portion of their salary, for federal income tax purposes, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Commission funds the plan by making contributions to a plan administrator, on a monthly basis, at rates ranging from 7.5% to 12.5% of the employees' compensation. The contribution rate for employees is based on their employment longevity.

The plan administrator offers a variety of investment alternatives directly to the participant. Commission employees have collectively selected a fund which consists of investments in insurance companies -

- rated A or above as to claims paying ability by Moody's rating service,
- similarly rated by other major rating services, or;
- approved by the plan administrator's internal credit analysis function where no rating service is available.

No more than 35% of the portfolio is invested with any single insurance company. The rates of return since the fund's inception in 1984 range from 6.80% to 11.75% per annum.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Commission (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Commission's general creditors. Participants' rights under the plan are equal to those of general creditors of the Commission in an amount equal to the fair market value of the deferred account for each participant. Commission management believes that it is unlikely that it will use the assets to satisfy claims of general creditors in the future. Plan assets and the related liability to employees are reported in the agency fund at market value.

#### NOTE 6 - FEDERAL GRANTS

The Commission participates in a number of federally-assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2004, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amounts, if any to be immaterial.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

BUDGETARY COMPARISON SCHEDULE  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts</i>
<b>REVENUES:</b>			
Federal Funding	\$1,291,603	\$1,291,603	778,025
State Funding	9,200	9,200	9,250
Local Funding:			
Dues Assessment	93,901	93,901	94,121
Outside Agency Local Match	15,000	15,000	9,646
Special Planning Projects	10,000	10,000	76,754
Insurance Proceeds	0	0	7,835
Inkind Revenue	41,000	41,000	41,000
Investment Income	30,000	30,000	3,718
<b>Total Revenues</b>	<b>1,490,704</b>	<b>1,490,704</b>	<b>1,020,349</b>
<b>EXPENDITURES:</b>			
<i>Current:</i>			
Auto Insurance	7,000	7,000	2,992
Consultant Fees	366,604	366,604	313,331
Deferred Compensation	65,000	65,000	52,108
Dues and Subscriptions	6,000	6,000	4,830
Equipment and Facilities Maintenance	20,000	20,000	3,289
Equipment Rental	1,000	1,000	645
General Insurance	6,000	6,000	2,901
Group Insurance	70,000	70,000	60,300
Legal and Accounting	15,000	15,000	7,100
Miscellaneous	45,000	45,000	2,103
Office Supplies	12,000	12,000	7,246
Payroll Taxes	6,500	6,500	5,740
Postage	5,000	5,000	686
Professional Education	17,000	17,000	4,483
Publishing	20,000	20,000	4,322
Rent - Inkind	41,000	41,000	41,000
Salaries	649,277	649,277	550,469
Telephone	15,000	15,000	5,164
Travel and Auto Allowance	20,000	20,000	13,626
Vehicle Expenses	8,000	8,000	4,040
Capital expenditures	71,000	71,000	26,170
<b>Total Expenditures</b>	<b>1,466,381</b>	<b>1,466,381</b>	<b>1,112,545</b>
Indirect Cost Allocations	0	0	0
<b>Total Expenditures Net of Including Indirect Cost Allocations</b>	<b>1,466,381</b>	<b>1,466,381</b>	<b>1,112,545</b>
Excess (Deficiency) of Revenues over Expenditures	24,323	24,323	(92,196)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	0	0	222,957
Transfers (Out)	0	0	(222,957)
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>24,323</b>	<b>24,323</b>	<b>(92,196)</b>
Fund Balances, Beginning	609,390	609,390	609,390
Fund Balances, Ending	<b>\$633,713</b>	<b>\$633,713</b>	<b>\$517,194</b>

See independent auditors report.

**SUPPLEMENTARY SCHEDULE OF  
INDIRECT COST ALLOCATION PLAN**

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN

FOR THE YEAR ENDED JUNE 30, 2004

	<b>General Fund Expenditures</b>	<b>Adjustments to arrive at Allocable Cost</b>	<b>Allocable Administrative Cost</b>
<b>Expenses:</b>			
Auto Insurance	2,992		2,992
Consultant Fees	23,279	(23,279)	0
Dues and Subscriptions	4,605		4,605
Depreciation	0	27,330	27,330
Deferred Compensation	52,108	(52,108)	0
Equipment and Facilities Maintenance	3,289		3,289
Equipment Rental	645		645
General Insurance	2,901		2,901
Group Insurance	60,300	(60,300)	0
Legal and Accounting	7,100		7,100
Miscellaneous	2,103		2,103
Office Supplies	4,953		4,953
Payroll Taxes	5,740		5,740
Postage	649		649
Professional Education	2,007		2,007
Publishing	1,762		1,762
Rent - Inkind	41,000		41,000
Salaries	288,672	(172,559)	116,113
Telephone	5,164		5,164
Travel and auto allowance	10,268		10,268
Vehicle Expenses	4,040		4,040
Capital Expenses	26,170	(26,170)	0
<b>Total Expenditures</b>	<b>\$549,747</b>	<b>(\$307,086)</b>	<b>\$242,661</b>

**Reconciliation of  
Allocable General and Administrative  
Costs to General Fund Expenditures:**

Allocable General and Administrative Costs	\$242,661
Add:	
Equipment Purchases	26,170
Pay Add, Other Salaries, Consultant, DC	247,946
Group Insurance	60,300
Deduct:	
Depreciation	(27,330)
<b>General Fund Expenditures per Audit Report</b>	<b>\$549,747</b>

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN

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FOR THE YEAR ENDED JUNE 30, 2004

**Direct Salaries:**

FTA LA-90-X239	41,191
FTA LA-80-X011	35,231
FTA LA-90-X226	5,447
FTA LA-80-X012	9,257
PL 736-17-0335	148,055
Ridesharing 737-96-1600	13,366

Total Direct Salaries Federal Programs \$252,547

Payroll Benefit Cost:

Pay Add	\$80,004
Insurance	60,300

Total Payroll Benefit Cost \$140,304

Indirect Cost Allocation Computation:

Overhead Rate	0.961
Payroll Rate	0.556

Indirect Cost Rate 1.516

Overhead Rate Computation:

Adjusted Overhead Costs	242,661	=	0.961
Total Direct Salaries	252,547		

Payroll Benefit Rate Computation:

Total Payroll Benefit Costs	140,304	=	0.556
Total Direct Salaries	252,547		

Total Indirect Cost:

Direct Salaries (Federal Programs)	252,547
Indirect Cost Rate	1.516

Indirect Cost computed on Federal Programs 382,861

Indirect Cost agreed upon for non-Federal special projects 0

Total Indirect Cost \$382,861

**SUPPLEMENTARY SINGLE AUDIT REPORTS**

# T.A. Harris Inc. Certified Public Accountant

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A Professional Accounting Corporation

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Commissioners of  
Capital Region Planning Commission  
Baton Rouge, Louisiana

We have audited the financial statements of the Capital Region Planning Commission (the Commission), Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended June 30, 2004, and have issued our report thereon dated December 30, 2004. We conducted our audit in accordance with 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.

### **Compliance**

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

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Commission, the Commission's management and the federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*T. A. Harris, Inc. APAC*

December 30, 2004  
Baton Rouge, Louisiana



# T.A. Harris Inc. Certified Public Accountant

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A Professional Accounting Corporation

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Commissioners of  
Capital Region Planning Commission  
Baton Rouge, Louisiana

### **Compliance**

We have audited the compliance of the Capital Region Planning Commission (the Commission), Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

### **Internal Control Over Compliance**

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the Commission as of and for the year ended June 30, 2004, and have issued our report thereon December 30, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Commission, the Commission's management, and the federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*J. A. Harris, Inc. APAC*

Baton Rouge, Louisiana  
December 30, 2004

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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FOR THE YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/Pass-Through Agency/Program Identification</u>	<u>CFDA Number</u>	<u>Fed. Share of Program Expenditures</u>	<u>Total Program Expenditures</u>
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
Passed through Louisiana Department of Transportation and Development:			
Technical Studies Grant:			
LA-80-X012	20-505	\$18,632	\$23,290
LA-80-X239	20-505	84,321	105,401
LA-90-X011	20-507	33,238	41,548
Highway Research, Planning and Construction:			
State Project No.			
LA-737-17-0338	20-205	200,000	200,000
LA-736-17-0335	20-205	376,540	470,675
LA-737-96-0016 Ridesharing	20-205	34,233	34,233
Passed through City of Baton Rouge/ Parish of East Baton Rouge:			
Federal Transit Administration Technical Studies Grants:			
FTA LA-90-X226	20-507	31,061	38,826
Subtotal, U. S. Department of Transportation		778,025	890,683
<b>U. S. DEPARTMENT OF COMMERCE</b>			
Economic Development Administration Area Planning Assistance Program Award No. 08-83-03548			
Subtotal, U. S. Department of Commerce	11.302	0	0
		0	0
Total Expenditures		<u>\$778,025</u>	<u>\$890,683</u>

See notes to expenditure of federal awards.

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**FOR THE YEAR ENDED JUNE 30, 2004**

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana. The Commission's reporting entity is defined in note 1 of the Commission's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting which is described in note 1 of the Commission's basic financial statements. Revenues are recognized to the extent of expenditures.

**NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS**

Federal awards expenditures are reported in the Commission's basic financial statements as components of the Trans. Planning, Transit Planning, Special Planning, and Nonmajor Programs columns in the Statement of Revenues, Expenditures and Changes in Fund Balances on page 12.

**NOTE 4 - RELATIONSHIPS TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts in the related federal financial reports.

**NOTE 5 - MAJOR FEDERAL AWARDS**

The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS/CORRECTIVE ACTION PLANS**

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**FOR THE YEAR ENDED JUNE 30, 2004**

**(1) Summary of Auditors' Results**

- (a) The type of report issued on the financial statements:  
unqualified opinion
- (b) Reportable conditions on internal control were disclosed by the audit of the Financial Statements: no Material Weaknesses: no
- (c) Noncompliance which is material to the financial statements: no
- (d) Reportable conditions on internal control over major programs: no Material Weaknesses: no
- (e) The type of report issued on compliance for major programs:  
unqualified opinion
- (f) Any audit findings which are required to be reported under section .510 (a) of OMB Circular A-133: no
- (g) Major Programs:  
LA-736-17-0335 (CFDA Number 20-205)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
- (i) Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133: yes

**(2) Findings Relating to Financial Statements Reported in Accordance with Government Auditing Standards:**

None

**(3) Findings and Questioned Costs relating to Federal Awards:**

None