

**CAPITAL REGION PLANNING COMMISSION**

Audit of Financial Statements

June 30, 2019



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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Capital Region Planning Commission (the Commission), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission as of June 30, 2019, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 9, the budgetary comparison information on page 32, and the schedule of changes in net other post-employment benefit (OPEB) liability and related ratios on page 33, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 39, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 38, as required by Louisiana Revised Statute (LRS) 24:513 A, the schedule of indirect cost allocation, and the schedule of functional expenses are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, the schedule of indirect cost allocation, and the schedule of functional expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA  
November 22, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Management's Discussion and Analysis**

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The management's discussion and analysis of the Capital Region Planning Commission's (the Commission) financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts.

**FINANCIAL HIGHLIGHTS**

- The Commission's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2019 by approximately \$452,000 compared with \$584,000 last fiscal year.
- The net position decreased by approximately \$131,000 compared to an increase of approximately \$93,000 last fiscal year.
- Operating grants decreased by approximately \$32,000 compared to the 2018 fiscal year increase of approximately \$24,000.
- Total Commission expenses increased by approximately \$153,000 in relation to last fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts - management's discussion and analysis (this section), the financial statements, other required supplementary information, and other supplementary information. The other supplementary information presents schedules of indirect cost allocation, functional expenses, executive director's compensation, and expenditures of federal awards.

**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 statement of net position and the statement of activities.

Statement of Net Position - presents information on all of the Commission's assets, deferred outflows, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

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

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Management's Discussion and Analysis**

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**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.

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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains nine different governmental federal and state grants within the General Fund. The Commission adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate performance of actual results with budgeted amounts.

**FINANCIAL ANALYSIS OF THE COMMISSION**

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the Capital Region Planning Commission, assets and deferred outflows exceed liabilities and deferred inflow of resources by approximately \$452,000 at the close of the recent fiscal year.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Management's Discussion and Analysis**

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**Capital Region Planning Commission  
Summary Statements of Net Position  
June 30, 2019 and 2018**

	2019	2018
<b>Assets</b>		
Cash, Investments, Receivables and Other Assets	\$ 1,889,906	\$ 1,818,658
Capital Assets, Net	20,493	32,738
<b>Total Assets</b>	<b>1,910,399</b>	1,851,396
<b>Deferred Outflows of Resources</b>	<b>65,421</b>	11,289
<b>Liabilities</b>		
Accounts and Other Liabilities	371,395	222,335
Long-Term Liabilities	519,518	423,158
<b>Total Liabilities</b>	<b>890,913</b>	645,493
<b>Deferred Inflow of Resources</b>	<b>632,566</b>	633,421
<b>Total Net Position</b>	<b>\$ 452,341</b>	<b>\$ 572,482</b>

Cash, investments, receivables and other assets increased by \$71,248 over the prior year. Receipt of a grant designated for the planned purchase of a building recorded as deferred inflows of resources of \$599,823. The deferral will be recognized once the building is purchased with the requirements of the grant being completed.

The composite net position amount of approximately \$452,000 as of June 30, 2019 consists of net investment in capital assets and unrestricted net position in the amounts of approximately \$37, 000 and \$415,000, respectively.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Management's Discussion and Analysis**

**The Capital Region Planning Commission  
Summary Statements of Changes in Net Position  
For the Years Ended June 30, 2019 and 2018**

<b>Governmental Activities</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Program Revenues		
Dues	\$ 124,601	\$ 124,601
Operating Grants	2,226,203	2,257,816
General Revenues		
In-Kind	53,400	99,140
Outside Agency Local Match	107,646	66,825
Investment and Other	308	35,183
<b>Total Revenues</b>	<b>2,512,158</b>	<b>2,583,565</b>
<b>Expenses</b>		
Program Expenses	2,643,588	2,490,841
<b>Total Expenses</b>	<b>2,643,588</b>	<b>2,490,841</b>
<b>(Decrease) Increase in Net Position</b>	<b>\$ (131,430)</b>	<b>\$ 92,724</b>

The Commission's total revenues decreased \$71,407 or 3% from the prior fiscal year due to a decrease in in-kind rent. The total cost of all programs and services, including in-kind expenses, increased by \$152,747 as compared with last year.

**CAPITAL ASSETS**

At the end of the fiscal year 2019, the Commission had \$36,993 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net increase of \$4,255 over the prior fiscal year, as a result of depreciation of these assets recognized of \$17,494 during the current fiscal year offset by the acquisition of new capital assets totaling \$21,749.

<b>Governmental Activities</b>	<b>2019</b>	<b>2018</b>
Furniture, Fixtures and Office Equipment	\$ 421,806	\$ 416,557
Vehicles	24,489	24,489
Construction In Progress	16,500	-
Accumulated Depreciation	(425,802)	(408,308)
<b>Total</b>	<b>\$ 36,993</b>	<b>\$ 32,738</b>

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Management's Discussion and Analysis**

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**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.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Budgeted revenues for fiscal year 2020 are \$4,596,153, which represents a 54.5% increase over fiscal year 2019 actual revenues. The increase in budgeted revenues is primarily due to an anticipated increase in federal funding. Budgeted expenditures for fiscal year 2020 are \$4,358,100, which represents a 59.2% increase over fiscal year 2019 actual expenditures.

**CONTACTING THE COMMISSION'S 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 Jaime Setze, Executive Director, Capital Region Planning Commission, Post Office Box 3355, Baton Rouge, Louisiana 70821-3355.

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CAPITAL REGION PLANNING COMMISSION**  
**BATON ROUGE, LOUISIANA**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,034,664
Investments	121,412
Receivables, Net	668,173
Prepaid Expenses	40,163
Restricted Cash	8,994
Capital Assets, Net of Accumulated Depreciation	20,493
Construction In Progress	16,500
	<hr/>
<b>Total Assets</b>	<b>1,910,399</b>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows Related to Other Postemployment Benefits	65,421
	<hr/>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	351,771
Accrued Expenses	11,949
Flexible Spending Liability	7,675
<b>Long-Term Liabilities</b>	
Compensated Absences	90,896
Net Other Postemployment Benefits	428,622
	<hr/>
<b>Total Liabilities</b>	<b>890,913</b>
<b>Deferred Inflows of Resources</b>	
Deferred Inflows Related to Other Postemployment Benefits	16,243
Resources Received Before Timing Requirements Met	616,323
	<hr/>
<b>Total Deferred Inflows of Resources</b>	<b>632,566</b>
<b>Net Position</b>	
Net Investment in Capital Assets	36,993
Unrestricted	415,348
	<hr/>
<b>Total Net Position</b>	<b>\$ 452,341</b>
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The accompanying notes are an integral part of these financial statements.

**CAPITAL REGION PLANNING COMMISSION  
 BATON ROUGE, LOUISIANA  
 Statement of Activities  
 For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental Activities</b>				
General Government	\$ 2,643,588	\$ 124,601	\$ 2,226,203	\$ (292,784)
<b>General Revenues</b>				
In-Kind Revenue				53,400
Outside Agency Local Match				107,646
Investment Earnings				71
Other Revenues				237
<b>Total General Revenues</b>				<u>161,354</u>
<b>Change in Net Position</b>				(131,430)
<b>Net Position, Beginning of Year</b>				<u>583,771</u>
<b>Net Position, End of Year</b>				<u>\$ 452,341</u>

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUND**

**CAPITAL REGION PLANNING COMMISSION  
 BATON ROUGE, LOUISIANA  
 Balance Sheet  
 Governmental Fund  
 June 30, 2019**

	<b>General Fund</b>
<hr/>	
<b>Assets</b>	
Cash	\$ 1,034,664
Investments	121,412
Receivables, Net	668,173
Prepaid Expenses	40,163
Restricted Cash	<u>8,994</u>
<b>Total Assets</b>	<u><u>\$ 1,873,406</u></u>
<b>Liabilities</b>	
Accounts Payable	\$ 351,771
Accrued Expenses	11,949
Flexible Spending Liability	<u>7,675</u>
<b>Total Liabilities</b>	<u>371,395</u>
<b>Deferred Inflows of Resources</b>	
Resources Received Before Timing Requirements Met	<u>616,323</u>
<b>Total Deferred Inflows of Resources</b>	<u>616,323</u>
<b>Fund Balance</b>	
Unassigned	<u>885,688</u>
<b>Total Fund Balance</b>	<u>885,688</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u><u>\$ 1,873,406</u></u>

The accompanying notes are an integral part of these financial statements.

**CAPITAL REGION PLANNING COMMISSION  
 BATON ROUGE, LOUISIANA  
 Reconciliation of the Governmental Fund  
 Balance Sheet to the Statement of Net Position  
 June 30, 2019**

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**Reconciliation of the Governmental Fund Balance Sheet to the  
 Statement of Net Position**

Total Fund Balance		\$ 885,688
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of Capital Assets	\$ 446,295	
Construction In Progress	16,500	
Less: Accumulated Depreciation	<u>(425,802)</u>	36,993
Deferred Outflows/inflows related to other post-employment benefits are not due and payable in the current period and are not reported in the fund financial statements		
Deferred Outflows Related to Other Postemployment Benefits		65,421
Deferred Inflows Related to Other Postemployment Benefits		<u>(16,243)</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Net Other Postemployment Benefits		(428,622)
Compensated Absences		<u>(90,896)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 452,341</u></b>

The accompanying notes are an integral part of these financial statements.

**CAPITAL REGION PLANNING COMMISSION**  
**BATON ROUGE, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Federal Funding	\$ 2,170,556
Local Funding	
Dues Assessment	124,601
Outside Agency Local Match	107,646
State Grant Funding	55,647
In-Kind Revenue	53,400
Investment Income	71
Other Income	237
	<hr/>
<b>Total Revenues</b>	<b>2,512,158</b>
	<hr/>
<b>Expenditures</b>	
Advertising and Promotions	1,133
Auto Insurance	3,578
Bad Debt	9,760
Consultant Fees	110,047
Contractual	743,097
Deferred Compensation	114,859
Dues and Subscriptions	4,832
Equipment and Facilities Maintenance	13,584
Equipment Rental	4,266
General Insurance	12,786
Group Insurance	179,151
Legal and Accounting	128,371
Miscellaneous	13,684
Office Supplies	13,020
Payroll Taxes	20,914
Postage	138
Professional Education	10,402
Publishing	1,543
Rent (In-Kind)	53,400
Salaries	1,075,320
Telephone	5,840
Travel	21,295
Vehicle Expenses	1,868
Capital Outlay	63,582
	<hr/>
<b>Total Expenditures</b>	<b>2,606,470</b>
	<hr/>
<b>Net Change in Fund Balance</b>	<b>(94,312)</b>
<b>Fund Balance, Beginning of Year</b>	<b>980,000</b>
	<hr/>
<b>Fund Balance, End of Year</b>	<b>\$ 885,688</b>
	<hr/>

The accompanying notes are an integral part of these financial statements.

**CAPITAL REGION PLANNING COMMISSION  
 BATON ROUGE, LOUISIANA  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balance of the Governmental Fund  
 to the Statement of Activities  
 For the Year Ended June 30, 2019**

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<b>Net Change in Fund Balance - Total Governmental Fund</b>	<b>\$</b>	<b>(94,312)</b>
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlay Capitalized	\$ 21,749	
Depreciation Expense for the Year Ended June 30, 2019	<u>(17,494)</u>	4,255

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:

Change in Net OPEB Obligation		(31,273)
Compensated Absences Payable		<u>(10,100)</u>

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>(131,430)</u></b>
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The accompanying notes are an integral part of these financial statements.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

**Introduction**

The Capital Region Planning Commission (CRPC or the Commission) is a Council of Governments serving the eleven-parish Capital Region, which includes the following Parishes: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, Washington, West Baton Rouge, and West Feliciana. A Council of Governments is a voluntary association of independent local governments who, through planning and communication, fosters cooperation and coordination in resolving area-wide problems beyond any individual constituency's authority or competence. Individual governmental entities are represented by locally elected officials who must constitute a majority of representation on the Council. CRPC gets its authority, as do the other Regional Commissions in the State, under Louisiana Revised Statutes 33: 131 et seq, as amended. All parish and municipal governments in the Capital Region may join CRPC. At present there are 11 parish members and 32 municipal members.

CRPC is the Baton Rouge area's designated Metropolitan Planning Organization (MPO), which each metropolitan area must have in order to carry out regional transportation planning efforts and receive federal highway funds. As the regional MPO, the Capital Region Planning Commission focuses much of its resources on transportation planning issues and activities, which includes highway planning, the regional ridesharing program, and air quality issues. In addition, CRPC is one of eight sub-state planning and development districts which cover all 64 parishes in the State of Louisiana. Toward that end, CRPC provides technical assistance for economic development, comprehensive planning, and zoning to its members.

**Reporting Entity**

For financial reporting purposes, the Commission's basic financial statements include all funds that are controlled by the Commission. The Commission is a voluntary association of independent local governments throughout the Capital Region. As an independent Commission, the Commission is solely responsible for the operations of its office. Other than certain operating expenditures of the Commission that are paid or provided by the City of Baton Rouge, the Commission is financially independent. Accordingly, the Commission is a primary government for reporting purposes.

The criteria for including organizations as component units within the Commission's reporting entity, as set forth in Section 2100 of Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Commission appoints a voting majority of the organization's board, whether the Commission is able to impose its will on the organization, et cetera. The Commission has no component units as defined by the standards.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation**

The accompanying basic financial statements of the Commission have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 63 in June 2011.

The Commission's basic financial statements include both government-wide and fund financial statements. The Commission currently has only one fund, the General Fund, which is reported as a governmental activity.

**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the governmental activities using the full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations.

All programs of the Commission are considered to be governmental activities since all activities are supported by intergovernmental revenues, rather than fees for services.

The statement of activities demonstrates the degree to which the direct expenses of the Commission's primary function are offset by program revenues. Program revenues included in the statement of activities are derived from outside the Commission membership. As a whole, program revenues reduce the cost of the function to be financed from the members of the Commission

**Fund Financial Statements**

Emphasis on fund financial reporting is on major funds. The Commission has only one fund, the General Fund. The Commission uses fund accounting to report on its financial position and the results of operations. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, equity, revenues, and expenditures. 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 account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Commission include the General Fund - the general operating fund of the Commission and accounts for all financial resources.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fund Financial Statements**

The following is the Commission's one governmental fund type:

General Fund - The General Fund is the general operating fund of the Commission. It accounts for all financial resources except for those required to be accounted for in other funds.

**Measurement Focus / Basis of Accounting**

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider are met.

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. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

The amounts reflected in the governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues - 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 assessment is 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.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus/Basis of Accounting (Continued)**

***Governmental Funds (Continued)***

*Expenditures* - All expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Compensated absences are recognized as expenditures when leave is actually taken or when employees are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded as long-term debt.

**Budget Practices and Budgetary Accounting**

The Commission's budget 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 Board's discretion. These appropriations lapse at year-end and any unexpended appropriations are re-budgeted in the subsequent year. Accordingly, encumbrances are not provided for in the financial statements. The Commission amended its budget during the year ended June 30, 2019. These amendments are reflected in the budget comparison schedule of this report.

**Cash and 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 and those investments with original maturities of 90 days or less. Under state law, the Commission may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, and other investments as provided in the statute.

**Indirect Cost Allocations**

Allocable indirect costs are charged to the General Fund during the year. The Commission uses the prior year rate in estimating indirect costs to be charged to the grants during the year for billing purposes. At the end of each year, the actual indirect cost rate and charges to the grants are computed and appropriate adjustments are made. Allocable indirect costs exclude equipment purchases, 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 grants based on direct salary costs.

**Capital Assets**

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

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission's deferred outflows of resources consist of deferred outflows related to OPEB.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Commission has two items that qualify for reporting in this category. One related to federal grant funds received before the timing requirements were met in the amount of \$616,323. The Commission also has a deferred inflow relating to OPEB.

**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.

**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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets less accumulated depreciation, and less any debt that remains outstanding that was used to finance those assets.
2. *Restricted* - Consists of net position that is restricted by the Commission's creditors, by state enabling legislation, by grantors (both federal and state), and by other contributors.
3. *Unrestricted* - All other net position is reported in this category.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fund Balance Reporting**

In the governmental fund financial statements, fund balances are classified as follows:

1. *Nonspendable* - Amounts associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. *Restricted* - Amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. *Committed* - Amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners (the Commission's highest level of decision-making authority).
4. *Assigned Fund Balance* - Amounts that are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. *Unassigned Fund Balance* - Balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

Restricted amounts are considered to be spent prior to unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Commission reduces committed amounts first, followed by assigned amounts, and then unassigned amounts.

**New Accounting Pronouncements**

The GASB issued statement No. 87 (GASB 87), *Leases*, in June 2017. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This Statement will be effective for the Commission for the fiscal year ending December 31, 2020.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 2. Federal Grants**

The Commission participates in a number of federally-assisted grant programs. Although the major grant programs have been audited in accordance with Uniform Guidance through June 30, 2019, 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.

**Note 3. Cash and Cash Equivalents and Investments**

At June 30, 2019, the carrying amount of the Commission's Cash and Cash Equivalents totaled \$1,043,658 which included restricted cash of \$8,994. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be recovered. As of June 30, 2019, the Commission's had bank balances of deposits totaling \$1,064,601, of which \$564,601 were subject to custodial credit risk. However, these deposits were secured from risk by the pledge of securities owned by the fiscal agent bank.

**Investments**

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the Commission. At June 30, 2019, all of the Commission's investments were secured from risk completely through FDIC insurance coverage.

*Interest Rate Risk - Investments.* Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The Commission's investments consist of several certificates of deposits at a local financial institution. These certificates of deposit have maturities of less than twelve months and are valued at amortized cost which approximates fair value. As such, no additional disclosures are required with respect to fair value measurement.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 3. Cash and Cash Equivalents and Investments (Continued)**

*Credit Risk - Investments.* Under LRS 33:2955, as amended, the Commission may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, and other investments as provided in the statute. As of June 30, 2019, the Commission's investments were in certificates of deposits held at a local financial institution.

*Concentration of Credit Risk - Investments.* The concentration of credit risk is the risk of loss that may occur due to the amount of investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds or external investment pools).

The Commission does not have a formal investment policy as of June 30, 2019 and, therefore, there are no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana. Each individual certificate of deposit was greater than 5% of the total investment balance.

**Note 4. Receivables**

Receivables as of June 30, 2019, for the governmental fund consisted of the following:

	<b>Accounts Receivable</b>	<b>Allowance</b>	<b>Net Accounts Receivable</b>
Federal Grants	\$ 575,591	\$ -	\$ 575,591
State Grants	92,582	-	92,582
Membership Dues	61,420	(61,420)	-
<b>Total</b>	<b>\$ 729,593</b>	<b>\$ (61,420)</b>	<b>\$ 668,173</b>

An allowance for doubtful accounts of \$61,420 has been established as the collectability of some of these receivables is uncertain.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ -	\$ 16,500	\$ -	\$ 16,500
Capital Assets, Being Depreciated				
Capital Assets, Being Depreciated				
Furniture, Fixtures, Office Equipment	416,557	5,249	-	421,806
Vehicles	24,489	-	-	24,489
Total Capital Assets, Being Depreciated	441,046	5,249	-	446,295
Less: Accumulated Depreciation	(408,308)	(17,494)	-	(425,802)
<b>Total Capital Assets, Net</b>	<b>\$ 32,738</b>	<b>\$ 4,255</b>	<b>\$ -</b>	<b>\$ 36,993</b>

Depreciation expense amounted to \$17,494 for the year ended June 30, 2019 and is reported in the general government function of the statement of activities.

**Note 6. Deferred Compensation Plan**

The Commission requires its full-time employees to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the Plan are held in a trust for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. The plan permits the eligible employees to defer all or a portion of their salary up to federal income tax limits established each year by the Internal Revenue Service. 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 may select from various mutual funds which are available in the plan. For the years ended June 30, 2019 and 2018, the Commission contributed \$114,859 and \$117,427, respectively, to the plan.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 7. Postemployment Health Care and Life Insurance Benefits**

**General Information about the Other Postemployment Benefits (OPEB) Plan**

Plan Description

The Capital Region Planning Commission (the Commission) provides certain continuing health care and life insurance benefits for its retired employees. The Capital Region Planning Commission's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Commission. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the Commission. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52, *Postemployment Benefits Other Than Pensions - Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

Benefits Provided

Medical/dental/vision benefits are provided to employees upon actual retirement. The employer pays 75% of the medical coverage for the retiree and dependents. Employees are subject to retirement eligibility provisions as follows: age 55 and 10 years of service or, if earlier, twenty (20) years of service at any age.

**General Information about the OPEB Plan (Continued)**

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	2
Active Plan Members	<u>14</u>
	<u>16</u>

**Total OPEB Liability**

The Commission's total OPEB liability of \$428,622 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 7. Postemployment Health Care and Life Insurance Benefits (Continued)**

**Total OPEB Liability (Continued)**

Actuarial Assumptions and other inputs

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases, Average Including Inflation	3%, including inflation
Investment Rate of Return	3.87% annually (Beginning of Year to Determine ADC) 3.50% annually (As of End of Year Measurement Date)
Healthcare Cost Trend Rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

**Changes in the Total OPEB Liability**

Balances at 7/1/2018	\$ 342,362
Changes for the Year	
Service Cost	22,593
Interest Cost	13,687
Differences between expected and actual experience	30,477
Changes in Assumptions	27,098
Benefit Payments	<u>(7,595)</u>
Net Changes for the Year	<u>86,260</u>
Balance as of 6/30/2019	<u><u>\$ 428,622</u></u>

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

**Note 7. Postemployment Health Care and Life Insurance Benefits (Continued)**

**Changes in the Total OPEB Liability (Continued)**

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<b>1.0% Decrease</b>	<b>Discount Rate 3.50%</b>	<b>1.0% Increase</b>
Net OPEB Liability	\$ 532,327	\$ 428,622	\$ 349,286

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	<b>1.0% Decrease</b>	<b>Healthcare Cost Trend Rates 9% Decreasing to 5.50%</b>	<b>1.0% Increase</b>
Net OPEB Liability	\$ 343,806	\$ 428,622	\$ 541,712

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the Commission recognized OPEB expense of \$37,251. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 39,678	\$ -
Change in Assumptions	25,743	(16,243)
	<u>\$ 65,421</u>	<u>\$ (16,243)</u>

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Financial Statements**

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**Note 7. Postemployment Health Care and Life Insurance Benefits (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2020	\$	2,588
2021		2,588
2022		2,588
2023		2,588
2024		2,588
Thereafter		<u>36,238</u>
Total	\$	<u>49,178</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**CAPITAL REGION PLANNING COMMISSION**  
**BATON ROUGE, LOUISIANA**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual - General Fund**  
**For the Year Ended June 30, 2019**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Funding	\$ 2,637,375	\$ 2,190,500	\$ 2,170,556	\$ (19,944)
Local Funding	330,700	228,000	232,247	4,247
State Grant Funding	-	-	55,647	55,647
In-Kind Revenue	90,626	75,000	53,400	(21,600)
Investment Income	100	100	71	(29)
Other Income	500	-	237	237
<b>Total Revenues</b>	<b>3,059,301</b>	<b>2,493,600</b>	<b>2,512,158</b>	<b>18,558</b>
<b>Expenditures</b>				
Advertising and Promotions	3,400	2,900	1,133	1,767
Auto Insurance	4,500	5,000	3,578	1,422
Bad Debt	-	-	9,760	(9,760)
Consultant Fees	6,500	14,000	110,047	(96,047)
Contractual	1,012,075	672,600	743,097	(70,497)
Deferred Compensation	121,000	121,000	114,859	6,141
Dues and Subscriptions	6,100	3,500	4,832	(1,332)
Equipment and Facilities Maintenance	3,000	3,000	13,584	(10,584)
Equipment Rental	10,000	7,500	4,266	3,234
General Insurance	28,000	8,000	12,786	(4,786)
Group Insurance	187,400	186,850	179,151	7,699
Legal and Accounting	138,000	133,000	128,371	4,629
Miscellaneous	60,100	25,100	13,684	11,416
Office Supplies	15,000	15,000	13,020	1,980
Payroll Taxes	23,000	23,000	20,914	2,086
Postage	200	200	138	62
Professional Education	21,000	12,500	10,402	2,098
Publishing	6,000	3,000	1,543	1,457
Rent (In-Kind)	90,626	75,000	53,400	21,600
Salaries	1,153,000	1,065,000	1,075,320	(10,320)
Telephone	20,500	7,000	5,840	1,160
Travel	46,400	45,400	21,295	24,105
Vehicle Expenses	3,500	3,000	1,868	1,132
Capital Outlay	45,000	61,500	63,582	(2,082)
<b>Total Expenditures</b>	<b>3,004,301</b>	<b>2,493,050</b>	<b>2,606,470</b>	<b>(113,420)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 55,000</b>	<b>\$ 550</b>	<b>(94,312)</b>	<b>\$ (94,862)</b>
<b>Fund Balance, Beginning of Year</b>			<b>980,000</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 885,688</b>	

**CAPITAL REGION PLANNING COMMISSION  
 BATON ROUGE, LOUISIANA  
 Schedule of Changes in Net OPEB Liability and Related Ratios  
 For the Year Ended June 30, 2019**

	2019	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 22,593	\$ 25,249
Interest Cost	13,687	12,293
Differences between Expected and Actual Experience	30,477	11,853
Changes in Assumptions	27,098	(17,953)
Benefit Payments	<u>(7,595)</u>	<u>(7,199)</u>
<b>Net Change in OPEB Liability</b>	86,260	24,243
<b>Total OPEB Liability - Beginning</b>	<u>342,362</u>	<u>318,119</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 428,622</u>	<u>\$ 342,362</u>
Covered Employee Payroll	\$1,049,984	\$1,019,402
Net OPEB Liability as a Percentage of Covered Employee Payroll	40.82%	33.58%

Noted to Schedule:

*Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2019*

*Changes in Assumptions. The discount rate as of 6/30/2018 was 3.87% and it changed to 3.50%*

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**OTHER SUPPLEMENTARY INFORMATION**

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA  
Schedule of Indirect Cost Allocation  
For the Year Ended June 30, 2019**

	Administrative Expenses	Adjustments to Arrive at Allocable Cost	Allocable Administrative Cost
<b>Expenses</b>			
Advertising and Promotions	\$ 1,133	\$ -	\$ 1,133
Auto Insurance	3,578	-	3,578
Bad Debt	9,760	-	9,760
Capital Outlay	33,350	(33,350)	-
Consultant Fees	19,075	-	19,075
Contractual	37,882	-	37,882
Deferred Compensation	114,859	-	114,859
Depreciation	-	17,494	17,494
Dues and Subscriptions	4,332	-	4,332
Equipment and Facilities Maintenance	13,584	-	13,584
Equipment Rental	4,266	-	4,266
General Insurance	12,786	-	12,786
Group Insurance	179,151	-	179,151
Legal and Accounting	128,371	-	128,371
Miscellaneous	12,350	(12,350)	-
Office Supplies	12,627	-	12,627
Payroll Taxes	20,914	-	20,914
Postage	138	-	138
Professional Education	3,215	-	3,215
Publishing	370	-	370
Rent (In-Kind)	53,400	-	53,400
Salaries	295,292	-	295,292
Telephone	5,840	-	5,840
Travel	3,463	-	3,463
Vehicle Expenses	1,868	-	1,868
<b>Total Expenses</b>	<b>\$ 971,604</b>	<b>\$ (28,206)</b>	<b>\$ 943,398</b>

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

Allocable General and Administrative Costs	\$ 943,398
Add	
Capital Outlay	33,350
Miscellaneous	12,350
Deduct	
Depreciation	(17,494)
Management and General Expenses	<u>\$ 971,604</u>

See independent auditor's report.

**CAPITAL REGION PLANNING COMMISSION  
 BATON ROUGE, LOUISIANA  
 Schedule of Indirect Cost Allocation  
 For the Year Ended June 30, 2019**

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**Direct Salary Costs**

Regional Strategic Highway Safety Plan	\$ 77,890
CATS	82,878
DOTD - FTA	56,952
DRA	97
EDA	70,812
OCD - SCTC	3,952
DOTD - Planning	476,504
DOTD - TDM	<u>10,943</u>

<b>Total Direct Salary Costs for Programs</b>	<u><u>\$ 780,028</u></u>
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**Indirect Cost Allocation Computation**

Overhead Rate	1.209
Indirect Cost Rate	1.209

**Overhead Rate Computation**

Adjusted Overhead Costs	<u>\$ 943,398</u>		
Total Direct Salary Cost	<u>\$ 780,028</u>	=	1.209

See independent auditor's report.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA  
Schedule of Functional Expenses  
For the Year Ended June 30, 2019**

	<u>Administrative</u>				
	Transit Planning	Economic Development	Total Program Expenses	Management and General	Total
<b>Expenses</b>					
Advertising and Promotions	\$ -	\$ -	\$ -	\$ 1,133	\$ 1,133
Auto Insurance	-	-	-	3,578	3,578
Bad Debt	-	-	-	9,760	9,760
Consultant Fees	90,972	-	90,972	19,075	110,047
Contractual	705,215	-	705,215	37,882	743,097
Deferred Compensation	-	-	-	114,859	114,859
Dues and Subscriptions	-	500	500	4,332	4,832
Equipment and Facilities Maintenance	-	-	-	13,584	13,584
Equipment Rental	-	-	-	4,266	4,266
General Insurance	-	-	-	12,786	12,786
Group Insurance	-	-	-	179,151	179,151
Legal and Accounting	-	-	-	128,371	128,371
Miscellaneous	1,259	75	1,334	12,350	13,684
Office Supplies	393	-	393	12,627	13,020
Payroll Taxes	-	-	-	20,914	20,914
Postage	-	-	-	138	138
Professional Education	6,735	452	7,187	3,215	10,402
Publishing	1,173	-	1,173	370	1,543
Rent (In-Kind)	-	-	-	53,400	53,400
Salaries	709,216	70,812	780,028	295,292	1,075,320
Telephone	-	-	-	5,840	5,840
Travel	13,886	3,946	17,832	3,463	21,295
Vehicle Expenses	-	-	-	1,868	1,868
Capital Outlay	30,232	-	30,232	33,350	63,582
<b>Total Expenses</b>	1,559,081	75,785	1,634,866	971,604	2,606,470
Indirect Cost Allocations	926,565	45,039	971,604	(971,604)	-
<b>Total Expenses Plus Indirect Cost Allocations</b>	<u>\$ 2,485,646</u>	<u>\$ 120,824</u>	<u>\$ 2,606,470</u>	<u>\$ -</u>	<u>\$ 2,606,470</u>

See independent auditor's report.

**CAPITAL REGION PLANNING COMMISSION**  
**BATON ROUGE, LOUISIANA**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head**  
**For the Year Ended June 30, 2019**

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**Agency Head**  
 Jamie Setze, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$158,372
Benefits - Insurance	\$12,844
Benefits - Retirement	\$19,722
Benefits - Auto Insurance on CRPC Vehicle	\$3,578
Vehicle Provided by Government	\$1,892
Per Diem	\$0
Reimbursements	\$0
Travel	\$4,026
Dues and Subscription	\$250
Conference Travel	\$0
Continuing Professional Education Fees	\$595
Housing	\$0
Special Meals	\$0

See independent auditor's report.

**CAPITAL REGION PLANNING COMMISSION  
 BATON ROUGE, LOUISIANA  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2019**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>United States Department of Commerce</b>			
Direct Program			
Economic Development Administration Area			
Planning Assistance Program	11.302	2018-2019	<u>\$ 121,810</u>
<b>Total United States Department of Commerce</b>			<u>121,810</u>
<b>Delta Regional Authority</b>			
Direct Program			
Delta Local Development District Assistance	90.202	2018-2019	<u>34,250</u>
<b>Total Delta Regional Authority</b>			<u>34,250</u>
<b>United States Department of Transportation</b>			
(Passed through the Louisiana Department of Transportation and Development)			
Highway Planning and Construction Cluster	20.205		
Regional Strategic Highway Safety Plan	20.205	H.013502	170,160
Travel Demand Management	20.205	H.012730	447,331
Bike/Ped Plans	20.205	H.013630	7,311
Metropolitan Transportation Planning Program	20.205	LA-80-0026	<u>987,232</u>
Total Highway Planning and Construction Cluster			1,612,034
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	LA-95-X308	143,269
MPO Planning	20.505	PL 80-17-18	<u>108,555</u>
<b>Total United States Department of Transportation</b>			<u>1,863,858</u>
<b>United States Department of Housing and Urban Development</b>			
Passed through the Louisiana Office of Community Development			
CDBG Entitlement Grants	14.218	None	<u>150,638</u>
<b>Total United States Department of Housing and Urban Development</b>			<u>150,638</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,170,556</u>

See independent auditor's report.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA**

**Notes to Schedule of Expenditures of Federal Awards**

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**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 includes the federal award activity of Capital Region Planning Commission and is presented on the modified accrual basis of accounting.

**Note 3. Matching Revenues**

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**Note 4. De Minimus Cost Rate**

During the year ended June 30, 2019, the Commission did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

**Note 5. Amounts Passed through Sub-Recipients**

During the year ended June 30, 2019, the Commission did not pass through any federal funding to sub-recipients.

See independent auditor's report.

**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**

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Capital Region Planning Commission (the Commission) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 22, 2019.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Capital Region 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 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 or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA  
November 22, 2019

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

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

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

We have audited the Capital Region Planning Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2019. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

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

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA  
November 22, 2019

**CAPITAL REGION PLANNING COMMISSION  
 BATON ROUGE, LOUISIANA  
 Schedule of Prior Year Audit Findings  
 For the Year Ended June 30, 2018**

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**Part I - Summary of Auditor's Results**

Financial Statements

- |    |   |            |
|----|---|------------|
| 1. | Type of auditor's report issued:  | Unmodified |
| 2. | Internal control over financial reporting and compliance and other matters:               |            |
|    | a. Material weaknesses identified?  | No         |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses? | No         |
|    | c. Noncompliance material to the financial statements                                     | No         |
| 3. | Management letter comment provided?   | None       |

Federal Awards

- |    |  |            |
|----|--|------------|
| 4. | Internal control over major programs   |            |
|    | a. Material weaknesses identified?   | No         |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses?          | No         |
| 5. | Type of auditor's report issued on compliance for major programs                                   | Unmodified |
| 6. | Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | None       |
| 7. | Identification of major program:   |            |
|    | 20.205 - Highway Planning and Construction Cluster   |            |
| 8. | Dollar threshold used to distinguish between Type A and B programs                                 | \$750,000  |
| 9. | Auditee qualified as a low-risk auditee under Uniform Guidance                                     | No         |

**Part II. Findings - Financial Statement Audit**

None

**Part III Findings and Questioned Costs - Major Federal Award Program Audit**

None.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA  
Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2018**

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**2018-001 Inadequate Collateralization of Deposits**

This finding has been resolved.

## AGREED-UPON PROCEDURES REPORT

Capital Region Planning Commission

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

For the Period July 1, 2018 - June 30, 2019

To the Commissioners of the  
Capital Region Planning Commission and  
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Capital Region Planning Commission (the Commission) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Commission's management is responsible for those C/C areas identified in the SAUPs.

The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: The Disaster Recovery/Business Continuity policies did not address items k(1) - k(5). Item k(6) was properly addressed in the policies.

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

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

Results: We obtained the listing from management and obtained management's representation that listing was complete.

3. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were found as a result of this procedure.

4. Using the monthly statements or combined statements selected under #3 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of this procedure.

## ***Ethics***

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5. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees. Obtain ethics documentation from management, and:
  - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: We noted that ethics documentation was present for each of the employees tested. We noted two employees did not signature verify that they read the entity's ethics policy.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The report is intended solely for the use of management of the Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedure and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA  
November 19, 2019



James C. Setze  
Executive Director

# Capital Region Planning Commission

Ascension • East Baton Rouge • East Feliciana • Iberville • Livingston • Pointe Coupee • St. Helena  
Tangipahoa • Washington • West Baton Rouge • West Feliciana

November 25, 2019

Mr. Daryl Purpera  
Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Statewide Agreed-upon Procedures

Dear Mr. Purpera:

The management of the Capital Region Planning Commission (the Commission) wishes to provide the following responses relative to the results of the Year 3 Statewide agreed-upon procedures engagement:

- 1) In response to the results of the Written Policies and Procedures section, the Commission has adopted written policies procedures during the year ended June 30, 2019. The Commission will amend the respective policies to include all missing items noted in the AUP.
- 2) In response to the results of Ethics section, item 20b, management will institute procedures requiring employees to signature verify that they have read the policy.

The Commission is implementing policies immediately to address these two issues.

Sincerely,

A handwritten signature in blue ink that reads 'James C. Setze'.

James Setze,  
Executive Director