

**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, 2002**

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 1/15/03

T.A. HARRIS, INC.

**A PROFESSIONAL ACCOUNTING
CORPORATION**

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CAPITAL REGION PLANNING COMMISSION Management's 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, 2002. 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 2002 by \$586,989;
- The net assets increased by \$60,463;
- Local dues revenue was up \$10,918 or 14% compared to last year;
- The reapportionment project got underway this year, expending approximately \$99,000;
- Total Commission expenses (net of indirect cost) was down \$29,321 or nearly 4% compared to the June 30, 2001 fiscal year;
- Total Commission's revenues (net of indirect cost) increased by \$23,320 or nearly 3% in relation to last fiscal year;
- The Commission's indirect (overhead) cost rate increased from 1.351% to 1.441%. This rate increase results in additional reimbursements from federal grants in the June 30, 2003 fiscal year.

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. This report also contains other supplementary information in addition 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 Activities; Balance Sheet for Governmental type funds; the Statement of Revenues, Expenses, and Changes in Net Assets for Governmental type funds; and 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 Statement of Net Assets; the Statement of Activities.

The **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.

CAPITAL REGION PLANNING COMMISSION

Management's Discussion and Analysis

The **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. All of the funds of the Commission can be divided into two categories: governmental and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable 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 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 governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Transportation 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 comparative 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.

**CAPITAL REGION PLANNING COMMISSION
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE COMMISSION

Net Assets

As of June 30, 2002

Current	\$624,971
Capital Assets	53,174
Total assets	<u>678,145</u>
Current liabilities	62,950
Long-term liabilities	28,216
Total liabilities	<u>91,166</u>
Total net assets	586,979

The composite net asset amount of \$586,979 consists of investments in capital assets, and unrestricted net assets in the amounts of \$53,174 and \$533,805, respectively.

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 increased by \$60,463, or nearly 12%, from June 30, 2001 to June 30, 2002.

Change in Net Assets

For the Year Ended June 30, 2002

Program expense	\$354,123
Administration expense	408,637
Indirect (grant overhead) expense	451,965
Indirect (grant overhead) revenue	(451,965)
Operating grants	<u>(673,818)</u>
Net Program Expense	88,942
General revenues:	
Dues	(92,807)
Inkind	(41,000)
Investment and other	<u>(15,598)</u>
Increase in net assets	\$60,463

Revenues by Source – Governmental Activities

	Amount	Percent
Operating grants	\$673,818	82%
Dues assessment	92,807	11%
Inkind Revenue	41,000	5%
Investment and other earnings	15,598	2%
Total revenues	<u>\$823,223</u>	<u>100%</u>

From fiscal year 2001 to 2002, the Commission's total revenues, including program and general revenues, increased by nearly \$23,000 or 3%. Though federal grants decreased by more than \$65,000, the reapportionment special projects grant as well as dues assessments combined for an increase of over \$100,000 in revenues compared to last year.

**CAPITAL REGION PLANNING COMMISSION
Management's Discussion and Analysis**

Additionally, from fiscal year 2001 to 2002, the total cost of all programs and services, increased by more than \$29,000 or 4%. Combined with the greater increase in total revenues, current fiscal year net assets increased by 12% and holds at a healthy \$586,979.

CAPITAL ASSETS

At the end of 2002, the commission had \$53,174 invested in a broad range of capital assets, including the vehicles, furniture, fixtures and equipment.

Capital Assets at Year-end

Furniture, fixtures, and equipment	\$271,978
Vehicles	54,894
Accumulated depreciation	<u>(273,698)</u>
Capital assets, net	\$53,174

This years major additions and (retirements) were:

Furniture, fixtures, and equipment	16,075
Vehicles	22,932
Vehicles	<u>(14,627)</u>
Net additions	\$24,380

BUDGET

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

**CONTACTING THE CAPITAL REGION PLANNING
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 the Executive Director, Capital Region Planning Commission, P.O. Box 33555, Baton Rouge, Louisiana 70821-3355.

T.A. Harris Inc. Certified Public Accountant

A Professional Accounting Corporation INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic 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, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

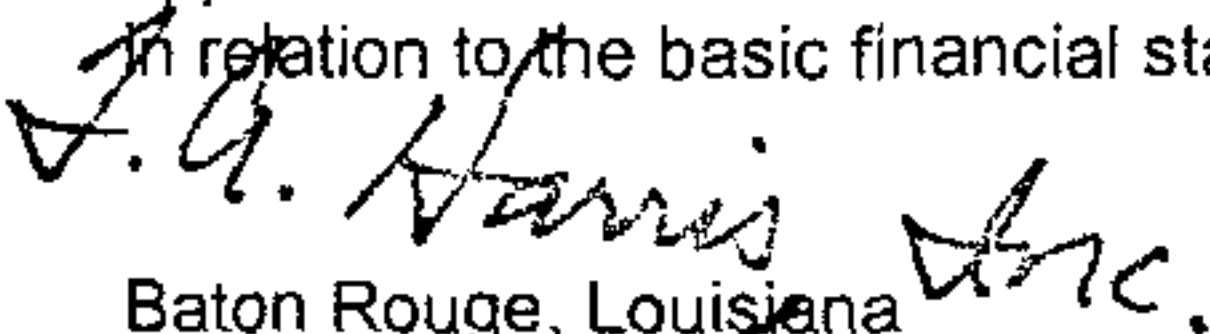
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Capital Region Planning Commission, Louisiana, as of June 30, 2002; and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the basic financial statements, the Commission adopted the provisions of the Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*, as of July 1, 2001.

Management's Discussion and Analysis and Budget Comparison Schedule listed as Required Supplementary Information in the table of contents 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 limited procedures, which consisted primarily of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2002, 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. That 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.

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, and Schedule of Indirect Cost Allocation Plan are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Commission. 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 basic financial statements taken as a whole.


Baton Rouge, Louisiana
November 12, 2002

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

**STATEMENT OF NET ASSETS
GOVERNMENTAL ACTIVITIES**

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AS OF JUNE 30, 2002

ASSETS

CURRENT ASSETS:

Cash	\$137,175
Investments	312,246
Grant Funds Receivable	159,216
Other Receivables	16,334
Total Current Assets	<u>624,971</u>

NONCURRENT ASSETS:

Property, plant, and equipment (net)	<u>53,174</u>
Total Noncurrent Assets	<u>53,174</u>

TOTAL ASSETS \$678,145

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	\$38,319
Deferred Revenue	17,133
Other Liabilities	2,594
Payroll Taxes Payable	4,904
Total Current Liabilities	<u>62,950</u>

NONCURRENT LIABILITIES:

Accrued Compensated Absences	<u>28,216</u>
Total Noncurrent Liabilities	<u>28,216</u>

TOTAL LIABILITIES 91,166

NET ASSETS

Investment in Capital Assets, net of related debt	53,174
Unrestricted	533,805
Total Net Assets	<u><u>\$586,979</u></u>

TOTAL LIABILITIES AND NET ASSETS \$678,145

See accompanying notes to basic financial statements.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2002

	<i>Total</i>	<i>Administration</i>	<i>Project Studies and Planning</i>
EXPENSES:			
Auto Insurance	\$3,688	\$3,688	\$0
Consultant Fees	64,174	7,114	57,060
Deferred Compensation	48,469	48,469	0
Dues and Subscriptions	3,686	3,083	603
Depreciation	32,200	32,200	0
Equipment Facilities Maintenance	3,349	3,349	0
Equipment Rental	671	671	0
General Insurance	4,055	4,055	0
Group Insurance	46,164	46,164	0
Legal and Accounting	7,200	7,200	0
Miscellaneous	7,110	7,110	0
Office Supplies	6,171	6,171	0
Payroll Taxes	6,212	6,212	0
Postage	1,466	1,422	44
Professional Education	4,382	285	4,097
Publishing	4,550	4,046	504
Rent - Inkind	41,000	41,000	0
Salaries	456,095	172,563	283,532
Telephone	7,222	7,222	0
Travel and Auto Allowance	9,251	1,429	7,822
Vehicle Expenses	5,645	5,184	461
Total Expenses	762,760	408,637	354,123
INDIRECT EXPENSES ALLOCATION	0	(451,965)	451,965
Total Expenses net of Indirect Cost	762,760	(43,328)	806,088
PROGRAM REVENUES:			
Operating Grants	673,818	0	673,818
Net Program Expense	88,942	408,637	(319,695)
GENERAL REVENUES:			
Dues Assessment	92,807		
Inkind Revenue	41,000		
Investment Earnings	13,129		
Other Revenue	2,469		
Total General Revenues	149,405		
Change in Net Assets	60,463		
NET ASSETS - BEGINNING	526,516		
NET ASSETS - ENDING	\$586,979		

See accompanying notes to basic financial statements.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2002

	<u>General Fund</u>	<u>Transport Planning</u>	<u>Transit Planning</u>	<u>Reapportmt Program</u>	<u>Non-major Programs</u>	<u>Total Gov Funds</u>
ASSETS:						
Cash	\$137,175	\$0	\$0	\$0	\$0	\$137,175
Investments	312,246	0	0	0	0	312,246
Grant Funds Receivable	0	72,660	47,203	35,871	3,482	159,216
Interfund Receivables	159,216	0	0	0	13,651	172,867
Other Receivables	16,334	0	0	0	0	16,334
Total Assets	<u>\$624,971</u>	<u>\$72,660</u>	<u>\$47,203</u>	<u>\$35,871</u>	<u>\$17,133</u>	<u>\$797,838</u>
LIABILITIES:						
Accounts Payable	\$38,319	\$0	\$0	\$0	\$0	\$38,319
Deferred Revenue	0	0	0	0	17,133	17,133
Interfund Payables	17,133	72,660	47,203	35,871	0	172,867
Other Liabilities	2,594	0	0	0	0	2,594
Payroll Taxes Payable	4,904	0	0	0	0	4,904
Total Liabilities	62,950	72,660	47,203	35,871	17,133	235,817
FUND BALANCES:						
Unreserved, reported in:						
General Fund	<u>562,021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>562,021</u>
Total Fund Balances	<u>562,021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>562,021</u>
Total Liabilities and Fund Balances	<u>\$624,971</u>	<u>\$72,660</u>	<u>\$47,203</u>	<u>\$35,871</u>	<u>\$17,133</u>	<u>\$797,838</u>

See accompanying notes to basic financial statements.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2002

Total Governmental Fund Balances at June 30, 2002 \$562,021

The cost of capital assets purchased is an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the Commission as a whole. The cost of those assets allocated over their estimated useful lives (as depreciation expense) is reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of Capital Assets	326,872	
Accumulated Depreciation	<u>(273,698)</u>	53,174

Elimination of interfund assets and liabilities.

Interfund Assets	172,867	
Interfund Liabilities	<u>(172,867)</u>	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.

Long Term Liabilities:		
Accrued Compensated Absences	<u>(28,216)</u>	

Net Assets at June 30, 2002 \$586,979

See accompanying notes to basic financial statements.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2002

	<u>General Fund</u>	<u>Transport Planning</u>	<u>Transit Planning</u>	<u>Reapportmt Program</u>	<u>Non-major Programs</u>	<u>Total Gov. Funds</u>
REVENUES:						
Federal Funding	\$0	\$305,297	\$165,229	\$0	\$98,459	\$568,985
State Funding	0	0	0	0	87	87
Local Funding:			0			0
Dues Assessment	92,807	0	0	0	0	92,807
Outside Agency Local Match	5,694	0	0	0	0	5,694
Special Planning Projects	200	0	0	98,852	0	99,052
Inkind Revenue	41,000	0	0	0	0	41,000
Investment Income	13,129	0	0	0	0	13,129
Total Revenues	152,830	305,297	165,229	98,852	98,546	820,754
EXPENDITURES:						
Current:						
Auto Insurance	3,688	0	0	0	0	3,688
Consultant Fees	7,114	53,958	0	3,102	0	64,174
Deferred Compensation	48,469	0	0	0	0	48,469
Dues and Subscriptions	3,083	198	0	0	405	3,686
Equipment Facilities Maintenance	3,349	0	0	0	0	3,349
Equipment Rental	671	0	0	0	0	671
General Insurance	4,055	0	0	0	0	4,055
Group Insurance	46,164	0	0	0	0	46,164
Legal and Accounting	7,200	0	0	0	0	7,200
Miscellaneous	7,110	0	0	0	0	7,110
Office Supplies	6,171	0	0	0	0	6,171
Payroll Taxes	6,212	0	0	0	0	6,212
Postage	1,422	0	44	0	0	1,466
Professional Education	285	320	395	0	3,382	4,382
Publishing	4,046	239	79	64	122	4,550
Rent - Inkind	41,000	0	0	0	0	41,000
Salaries	169,572	131,953	84,225	21,381	45,973	453,104
Telephone	7,221	0	0	0	0	7,221
Travel and Auto Allowance	1,429	4,800	394	0	2,628	9,251
Vehicle Expenses	5,184	0	31	99	331	5,645
Capital expenditures	39,007	0	0	0	0	39,007
Total Expenditures	412,452	191,468	85,168	24,646	52,841	766,575
Indirect Cost Allocations	(451,965)	190,144	121,368	74,206	66,247	0
Total Expenditures net of Indirect Cost Allocations	(39,513)	381,612	206,536	98,852	119,088	766,575
Excess (Deficiency) of Revenues over Expenditures	192,343	(76,315)	(41,307)	0	(20,542)	54,179
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	0	76,315	41,307	0	20,542	138,164
Operating Transfers (Out)	(138,164)	0	0	0	0	(138,164)
Proceeds from Sale of Fixed Assets	2,469	0	0	0	0	2,469
Net Other Financing Sources (Uses)	(135,695)	76,315	41,307	0	20,542	2,469
Net Change in Fund Balances	56,648	0	0	0	0	56,648
Fund Balances, Beginning (restated)	505,373	0	0	0	0	505,373
Fund Balances, Ending	\$562,021	\$0	\$0	\$0	\$0	\$562,021

See accompanying notes to basic 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**

FOR THE YEAR ENDED JUNE 30, 2002

Total Net Change in Fund Balances - Governmental Funds \$56,648

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays for this period:

Capital Outlay Additions	39,007	
Depreciation Expense	<u>(32,200)</u>	6,807

In the Statement of Activities, certain operating expenses - compensated absences and vacation are measured by amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This year, vacation and sick time earned exceeded the amounts used by \$2,992. (2,992)

Change in Net Assets of governmental activities \$60,463

See accompanying notes to basic financial statements.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUND

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AS OF JUNE 30, 2002

ASSETS

Investments	<u>\$552,957</u>
Total Assets	<u>552,957</u>

LIABILITIES

Amounts Due Employees	<u>552,957</u>
Total Liabilities	<u>\$552,957</u>

See accompanying notes to basic financial statements.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Capital Region Planning Commission, Louisiana, a component unit of the City of Baton Rouge-Parish of East Baton Rouge is a private non-profit government agency that administers federal funding from the U.S. Department of Transportation. A majority of the commissioners are appointed by the City of Baton Rouge-Parish of East Baton Rouge. The accounting and reporting policies of the conform to accounting principles generally accepted in the United States of America applicable to governmental units. The following is a summary of the more significant policies:

A. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the City of Baton Rouge-Parish of East Baton Rouge. The Commission is considered a component unit of the City-Parish because the City-Parish exercises general oversight responsibility through appointment of commissioners and required approval of grant budgets and pass-through funding to the Commission. This report includes all funds that are the responsibility of the Commission or Board of Commissioners. The Commission does not act as an oversight unit for any component units.

B. BASIS OF PRESENTATION

Government-wide and Fund Financial Statements

During the current year, the Commission adopted the provisions of GASB Statement No. 34, *Basic Financial Statement-Management's Discussion and Analysis-for State and Local Governments*. See Note 2 for additional information. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Commission. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function but are reported separately on this Statement. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Dues and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds

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 several governmental funds. 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 are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Fund

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.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

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C. CAPITAL ASSETS

Capital assets are recorded at historical cost 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 Commission's threshold for capitalizing capital assets is \$1.00. Capital assets are reported in the GWFS, but not reported in the FFS.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated on all furniture, machinery and equipment, and vehicles based on 3 to 10 years.

D. BASIS OF ACCOUNTING - MEASUREMENT FOCUS

Government-Wide Financial Statements (GWFS)

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 and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, which was adopted in the current fiscal year.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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.

Fund financial statements report detailed information about the Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. As mentioned before, the Fiduciary Fund includes only the agency fund representing a deferred compensation retirement plan.

Governmental and agency funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both measurable and available 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 grants as well as local match monies are recorded as revenue when the reimbursable expenditures have been incurred. 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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if it is expected to be paid within the next twelve months.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

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Other Financing Sources (Uses)

Increases (or decreases) in net current assets arising from sources other than revenues (or expenditures) are accounted for as other financing sources (uses). Such transactions may include interfund transfers and sales of fixed assets. These other financing sources (uses) are recognized at the time the underlying events occur.

Interfund Receivables and Payables

The General Fund provides funds to the special revenue funds to eliminate operating deficits after the allocation of indirect costs. As a result, if any grant funds earned at the end of the year have not been collected, grant funds receivable are recorded in the accounts of the special revenue funds with a corresponding entry reflecting amounts due to the General Fund.

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits and money market accounts. Investments include time deposits and investments in government securities. It is the Commission's policy to record time deposits with an original maturity date of greater than 90 days as investments. It is the Commission's policy only to invest in insured or government backed securities. During the June 30, 2002 all investments and cash deposits fit this criteria.

F. BUDGETS 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 fund financial statements.

G. 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 annual 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.

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 to 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 general fixed 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. DEFERRED REVENUES AND GRANT FUNDS RECEIVABLE

Deferred revenues arise when resources are received before the Commission has a legal claim to them, such as when grant Moines 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 or reversed. The Commission has contracted with various federal, state, and local agencies to be reimbursed a specific percentage of the qualified costs incurred on approved projects. All receivables are expected to be collected within the next twelve months. All grant funds receivable and deferred revenues reflected on the financial statements relate to special revenue programs.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

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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 of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses, and other financing sources and uses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2002, the Commission implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The Commission has elected to early implement, GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Disclosures*; and Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. At June 30, 2001, there was no effect on fund balance as a result of implementation of GASB Statement No. 33 and GASB Interpretation No. 6. GASB Statements No. 37 and 38 resulted in additional disclosures.

GASB Statement No. 34 creates new basic financial statements for reporting on the Commission’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for major funds rather than by fund type which had been the mode of presentation in previously issued financial statements. Nonmajor funds are presented in total in one column in the fund financial statements. The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2001 to be restated in terms of “net assets” as follows:

Total Fund Balances – Governmental Funds – at June 30, 2001		\$480,149
Add: Cost of capital assets at June 30, 2001	302,492	
Less: accumulated depreciation at June 30, 2001	<u>(256,125)</u>	
		<u>46,367</u>
Net assets at June 30, 2001		\$526,516

NOTE 3 – RESTATEMENT OF BEGINNING FUND BALANCE (NET ASSETS)

Beginning fund balance (before GASB 34 above adjustments) was restated by (\$39,209). Accrued interest of \$35,595 was incorrectly accrued. Additionally a consulting fee paid in the June 30, 2002 fiscal year should have been accrued and expended in the 2001 fiscal year and a receivable from a prior year was incorrectly accrued. Below is a detail:

Fund balance reported June 30, 2001	\$519,358
Removal of incorrectly accrued interest receivable	(30,595)
Accrual of consulting expenditure	(6,292)
Removal of incorrectly accrued grant fund receivable	<u>(2,322)</u>
Restated fund balance at June 30, 2001	\$480,149

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4 – CASH

At June 30, 2002, the Commission has cash (book balances) totaling \$137,175. A summary of the Commission's cash is as follows:

Petty cash	\$220
Demand deposits	47,417
Money markets	89,538
Total	\$137,175

At June 30, 2002, the Commission has \$154,032 in deposits (collected bank balances) that were secured from risk completely through FDIC and SIPC insurance coverage.

NOTE 5 – INVESTMENTS

At June 30, 2002, investments of the Commission total \$312,246. 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 follows:

	Category 1	Category 2	Category 3	Reported Amount	Fair Value
Gov securities	\$14,416			\$14,416	\$14,416
Time deposits	297,830			297,830	297,830
Total	\$312,246			\$312,246	\$312,246

Investments are stated at fair value as required by GASB Statement 31. The Commission used quoted market values to determine fair value of the investments.

NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets is as follows with depreciation expense for the year \$32,200:

	Beginning	Additions	Deletions	Ending Balance
Capital Assets:				
Furniture fixtures	\$255,903	\$16,075		\$271,978
Vehicles	46,589	22,932	(14,627)	54,894
Accumulated Depreciation	(256,125)	(32,200)	14,627	(273,698)
Capital Assets, net	\$46,367	\$6,807	0	\$53,174

NOTE 7 - 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 -

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

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- rated Aa 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 8 - FEDERAL FINANCIAL ASSISTANCE

The Commission participates in a number of federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. As of April 2002 there were no questioned or disallowed costs.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
REVENUES:			
Federal Funding	\$1,228,617	\$1,228,617	\$568,985
State Funding	9,200	9,200	87
Local Funding:			
Dues Assessment	92,917	92,917	92,807
Outside Agency Local Match	32,500	32,500	5,694
Special Planning Projects	94,000	94,000	99,052
Inkind Revenue	41,000	41,000	41,000
Miscellaneous and Interest Revenue	20,000	20,000	13,129
Total Revenues	1,518,234	1,518,234	820,754
EXPENDITURES:			
Current:			
Auto Insurance	5,500	5,500	3,688
Consultant Fees	446,000	446,000	64,174
Deferred Compensation	61,000	61,000	48,469
Dues and Subscriptions	5,000	5,000	3,686
Equipment Facilities Maintenance	20,000	20,000	3,349
Equipment Rental	1,000	1,000	671
General Insurance	5,200	5,200	4,055
Group Insurance	60,000	60,000	46,164
Legal and Accounting	10,000	10,000	7,200
Miscellaneous	20,000	20,000	7,110
Office Supplies	12,000	12,000	6,171
Payroll Taxes	6,500	6,500	6,212
Postage	5,000	5,000	1,466
Professional Education	17,000	17,000	4,382
Publishing	20,000	20,000	4,550
Rent - Inkind	41,000	41,000	41,000
Salaries	629,871	629,871	453,104
Telephone	15,000	15,000	7,221
Travel and Auto Allowance	20,000	20,000	9,251
Vehicle Expenses	8,000	8,000	5,645
Capital Outlay	86,000	86,000	39,007
Total Expenditures	1,494,071	1,494,071	766,575
Net Indirect Cost Allocations	0	0	0
Total Expenditures net of Indirect Cost Allocations	1,494,071	1,494,071	766,575
Excess (Deficiency) of Revenues over Expenditures	24,163	24,163	54,179
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	0	0	138,164
Operating Transfers (Out)	0	0	(138,164)
Proceeds from Sale of Fixed Assets	0	0	2,469
Net Other Financing Sources (Uses)	0	0	2,469
Net Change in Fund Balances	24,163	24,163	56,648
Fund Balances, Beginning (restated)	505,373	505,373	505,373
Fund Balances, Ending	<u>\$529,536</u>	<u>\$529,536</u>	<u>\$562,021</u>

See accompanying independent auditors' report

**SUPPLEMENTARY SCHEDULE OF
INDIRECT COST ALLOCATION PLAN**

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN

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FOR THE YEAR ENDED JUNE 30, 2002

	<i>Stmt of Activities Administrative Expenses</i>	<i>Adjustments to arrive at Allocable Cost</i>	<i>Allocable Administrative Cost</i>
Expenses:			
Auto Insurance	\$3,688		\$3,688
Consultant Fees	7,114		7,114
Dues and Subscriptions	3,083		3,083
Depreciation	32,200		32,200
Equipment and Facilities Maintenance	3,349		3,349
Equipment Rental	671		671
General Insurance	4,055		4,055
Group Insurance	46,164	(46,164)	0
Legal and Accounting	7,200		7,200
Miscellaneous	7,110		7,110
Office Supplies	6,171		6,171
Payroll Taxes	6,212		6,212
Postage	1,422		1,422
Professional Education	285		285
Publishing	4,046		4,046
Rent - Inkind	41,000		41,000
Salaries and Deferred Compensation	221,032	(89,070)	131,962
Telephone	7,222		7,222
Travel and Auto Allowance	1,429		1,429
Vehicle Expense	5,184		5,184
Total Expenditures	\$408,637	(\$135,234)	\$273,403

**Reconciliation of
Allocable Administrative Cost to
Statement of Activities Total Administrative Expenses**

Allocable General and Administrative Costs	\$273,403
Add:	
Pay Add	89,070
Group Insurance	46,164
Statement of Activities Total Administrative Expenses	\$408,637

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN

FOR THE YEAR ENDED JUNE 30, 2002

Direct Salaries:

FTA LA-90-X226	16,165
FTA LA-90-X217	37,963
FTA LA-90-X208	258
FTA LA-80-X010	19,224
FTA LA-80-X009	10,615
PL 736-17-0328	131,953
EDA 08-83-03548	30,941
Ridesharing 737-96-0016	15,032
Reapportionment Program	21,381

Total Direct Salaries \$283,532

Payroll Benefit Cost:

Pay Add	\$89,070
Insurance	46,164

Total Payroll Benefit Cost \$135,234

Indirect Cost Allocation Computation:

Overhead Rate	0.9643
Payroll Rate	0.4770

Indirect Cost Rate 1.441

Overhead Rate Computation:

Adjusted Overhead Costs	273,403	=	<u>0.964</u>
Total Direct salaries	283,532		

Payroll Benefit Rate Computation:

Total Payroll Benefit Costs	135,234	=	<u>0.477</u>
Total Direct Salaries	283,532		

Total Indirect Cost:

Direct Salaries (net of Reapportionment Salary)	262,151
Indirect Cost Rate	<u>1.441</u>

Indirect Cost computed on Federal Programs 377,760

Indirect Cost agreed upon for non-Federal special projects 74,205

Total Indirect Cost \$451,965

SUPPLEMENTARY SINGLE AUDIT REPORTS

T.A. Harris Inc. Certified Public Accountant

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, 2002, and have issued our report thereon dated November 12, 2002 which includes an explanatory paragraph regarding the adoption of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments*. 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.

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.

November 12, 2002
Baton Rouge, Louisiana

T.A. Harris Inc. Certified Public Accountant

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, 2002. The Commission's major federal program is identified in the summary of auditors' 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, 2002.

Internal Control Over Compliance

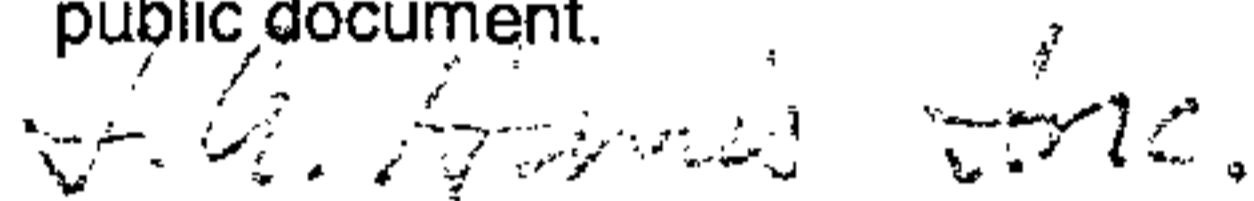
The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control 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 basic financial statements of the Commission as of and for the year ended June 30, 2002, and have issued our report thereon dated November 12, 2002 which includes an explanatory paragraph regarding the adoption of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments*. 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 for the year ended June 30, 2002 as required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for the purpose of additional analysis and is not 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 basic 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.



Baton Rouge, Louisiana
November 12, 2002

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2002

<i>Federal Grantor/Pass-Through Agency/Program Identification</i>	<i>CFDA Number</i>	<i>Fed. Share of Program Expenditures</i>	<i>Total Program Expenditures</i>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Department of Transportation and Development:			
Technical Studies Grant:			
LA-80-X009	20-505	\$20,729	\$25,911
LA-80-X010	20-505	37,632	47,040
Highway Research, Planning and Construction:			
State Project No.			
LA-736-17-0328	20-205	305,296	381,621
LA-737-17-0016 Ridesharing	20-205	36,859	36,859
Passed through City of Baton Rouge/ Parish of East Baton Rouge:			
Federal Transit Administration Technical Studies Grants:			
FTA LA-90-X208	20-507	504	630
FTA LA-90-X217	20-507	74,584	93,230
FTA LA-90-X226	20-507	31,781	39,726
Subtotal, U. S. Department of Transportation		507,385	625,017
U. S. DEPARTMENT OF COMMERCE			
Economic Development Administration Area Planning Assistance Program Award No. 08-83-03548			
Subtotal, U. S. Department of Commerce	11.302	61,600	82,133
Total Expenditures		\$568,985	\$707,150

See accompanying independent auditors' report.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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FOR THE YEAR ENDED JUNE 30, 2002

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 basic 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 BASIC FINANCIAL STATEMENTS

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

Expenditures:

Consultant Fees	\$53,958
Dues and Subscriptions	604
Postage	44
Professional Education	4,097
Publishing	520
Salaries	262,151
Travel and Auto Allowance	7,822
Vehicle Expense	362
Indirect Cost Allocation*	<u>239,417</u>
Total	<u>\$568,985</u>

- only 75% - 80% of actual indirect cost is reimbursable by the grantor on certain programs, resulting in a difference from the above amount compared to that reported in the financial statement.

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, 2001

- (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-736-17-0328 (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: no

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

None

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

None