CAPITAL REGION PLANNING COMMISSION

FINANCIAL STATEMENTS

JUNE 30, 2017

P&N
Postlethwaite & Netterville
A Professional Accounting Corporation
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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

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), Baton Rouge, Louisiana, as of and for the year ended June 30, 2017, 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.

Auditors' 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, 2017, 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and the schedule of funding progress and employer contributions on pages 3 through 6, page 27 and page 28, respectively, 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 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 schedule of indirect cost allocation, schedule of functional expenses, and the schedule of compensation, benefits and other payments to agency head or chief executive officer on pages 29 through 32 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and the related notes on pages 33 through 34 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of indirect cost allocation, schedule of functional expenses, schedule of compensation, benefits and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards 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 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 schedule of indirect cost allocation, schedule of functional expenses, schedule of compensation, benefits and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2017, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION

PART I

CAPITAL REGION PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts.

FINANCIAL HIGHLIGHTS

- The Commission's assets exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2017 by approximately $416,000 compared with $292,000 last fiscal year;
- The net position increased by approximately $124,000 compared to a decrease of approximately $153,000 last fiscal year;
- Operating grants increased by approximately $319,000 compared to the 2016 fiscal year due an increase in federal grant funding;
- Total Commission expenses increased by approximately $5,000 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 supplemental information. The other supplementary information presents schedules of indirect cost allocation, executive director's compensation, and compliance audit reports.

Government-Wide Financial Statements:

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

Statement of Net Position - presents information on all of the Commission's assets, liabilities, and deferred inflows of resources with the difference between the three 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 Capital Region Planning 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.

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 Commissions 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 general fund is the major fund. Information is presented as other supplementary information in the Schedule of Functional Expenses, which categorizes the grants into four functional areas - Administrative, Transportation Planning, Transit Planning, and the Economic Development Program.

The Commission adopts an annual appropriated budget for the General Fund. Budgetary comparison statements have 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 exceed liabilities and deferred inflow of resources by approximately $416,000 at the close of the recent fiscal year.

Capital Region Planning Commission's Net Position

Governmental Activities	June 30, 2017	June 30, 2016
Assets:		
Cash, Investments, Receivables and other assets	$ 1,766,488	$ 949,337
Capital assets, net	51,897	87,673
Total assets	1,818,385	1,037,010
Liabilities:		
Accounts and other liabilities	298,844	253,167
Long-term liabilities	487,200	491,673
Total liabilities	786,044	744,840
Deferred Inflow of Resources	616,323	-
Total net position	$ 416,018	$ 292,170

- Cash increased by $817,151 over the prior year due to a decrease in expenses and the receipt of a grant designated for the planned purchase of a building that is recorded as deferred inflows of resources of $616,323. 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 $418,000 as of June 30, 2017 consists of net investment in capital assets and unrestricted net position in the amounts of approximately $52,000 and $364,000, respectively. However, as of June 30, 2016, the composite net position of approximately $292,000 consisted of net investment in capital assets of approximately $88,000 and unrestricted net position of $204,000.

As of June 30, 2017, the Commission's net position increased by approximately $124,000 as a result of increased federal grant funding.

The Capital Region Planning Commission's Change in Net Position

Governmental Activities	For the Year Ended June 30, 2017	For the Year Ended June 30, 2016
Revenues:		
Program Revenues:		
Dues	$ 124,771	$ 139,561
Operating Grants	2,233,598	1,914,988
General Revenues:		
In-kind	171,046	170,423
Outside agency local match	91,963	109,038
Investment and other	10,896	16,740
Total Revenues	2,632,274	2,350,750
Expenses:		
Program expenses	2,508,426	2,503,420
Total Expenses	2,508,426	2,503,420
Increase (decrease) in Net Position	$ 123,848	$ (152,670)

The Commission's total revenues increased $318,610 or 13.6% from the prior fiscal year due to an increase in federal grant funding. The total cost of all programs and services, including in-kind expenses, increased by $5,006 as compared with last year.

CAPITAL ASSETS

At the end of the fiscal year 2017 the Commission had $51,897 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net decrease of $34,776 over the prior fiscal year, as a result of depreciation of these assets recognized of $64,927 during the current fiscal year offset by the acquisition of new capital assets totaling $29,151.

Governmental Activities	June 30, 2017	June 30, 2016
Furniture and equipment	$ 405,896	$ 376,745
Vehicles	24,489	24,489
Accumulated depreciation	(378,488)	(313,561)
Totals	$ 51,897	$ 87,673

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 2018 are $3,598,000, which represents a 36.7% increase over fiscal year 2017 actual revenues. The increase in budgeted revenues is primarily due to an anticipated increase in federal funding and proceeds from issuance of debt. Budgeted expenditures for fiscal year 2018 are $4,022,000, which represents a 62.3% increase over fiscal year 2017 actual expenditures. Capital outlay of $1,350,000 is included in budgeted expenditures for the acquisition and renovation an office building.

CONTACTING THE COMMISSION FINANCIAL MANAGEMENT

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

If you have any questions about this report, contact Jaime Setze, Executive Director, Capital Region Planning Commission, Post Office Box 3355, Baton Rouge, Louisiana 70821-3355.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CAPITAL REGION PLANNING COMMISSION
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

ASSETS		
Cash and cash equivalents	$	823,401
Investments		121,240
Receivables, net		804,501
Prepaid expenses		5,475
Cash - restricted		11,871
Capital assets, net of accumulated depreciation		51,897
TOTAL ASSETS		1,818,385
LIABILITIES		
Accounts payable and payroll liabilities		197,033
Accrued expenses		59,394
Flexible spending liability		10,871
Due to grantor		31,546
Long-term liabilities:		
Compensated absences		94,052
Other post employment benefit liability		393,148
TOTAL LIABILITIES		786,044
DEFERRED INFLOWS OF RESOURCES		
Resources received before timing requirements met		616,323
TOTAL DEFERRED INFLOWS OF RESOURCES		616,323
NET POSITION		
Net investment in capital assets		51,897
Unrestricted		364,121
TOTAL NET POSITION	$	416,018

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

CAPITAL REGION PLANNING COMMISSION
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs				
General Government	$ 2,508,426	$ 124,771	$ 2,233,598	$ (150,057)
General Revenues:				
In-kind revenue				171,046
Outside agency local match				91,963
Investment earnings				146
Other revenues				10,750
Total general revenues				273,905
Change in Net Position				123,848
Net Position - July 1, 2016				292,170
Net Position - June 30, 2017				$ 416,018

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

FUND FINANCIAL STATEMENTS

CAPITAL REGION PLANNING COMMISSION
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
JUNE 30, 2017

ASSETS		
Cash	$	823,401
Investments		121,240
Receivables, net		804,501
Prepaid expenses		5,475
Cash - restricted		11,871
Total assets	$	1,766,488
LIABILITIES		
Accounts payable and payroll liabilities		197,033
Accrued expenses		59,394
Flexible spending liability		10,871
Due to grantor		31,546
Total liabilities		298,844
DEFERRED INFLOWS OF RESOURCES		
Resources received before timing requirements met		616,323
Total deferred inflows of resources		616,323
FUND BALANCE		
Unassigned		851,321
Total fund balance		851,321
Total liabilities, deferred inflows of resources, and fund balance	$	1,766,488

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

CAPITAL REGION PLANNING COMMISSION
RECONCILIATION OF GOVERNMENTAL FUND - GENERAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balance at June 30, 2017 - Governmental Fund		$ 851,321
Amounts reported for governmental activities in the statement of net position is different due to the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund:		
Cost of capital assets at June 30, 2017	430,385	
Less: accumulated depreciation as of June 30, 2017	(378,488)	51,897
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.		
Other post employment benefits		(393,148)
Compensated absences		(94,052)
Total net position at June 30, 2017 - Governmental Activities		$ 416,018

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

CAPITAL REGION PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED JUNE 30, 2017

REVENUES	
Federal funding	$ 2,181,107
Local funding:	
Dues assessment	124,771
Outside agency local match	91,963
State grant funding	52,491
In-kind revenue	171,046
Investment income	146
Other income	10,750
Total revenues	2,632,274
EXPENDITURES	
Current:	
Advertising and promotions	14,603
Auto insurance	2,826
Consultant fees	3,450
Contractual	423,128
Deferred compensation	114,522
Dues and subscriptions	6,464
Equipment and facilities maintenance	4,569
Equipment rental	5,133
General insurance	8,261
Group insurance	141,212
Legal and accounting	150,286
Miscellaneous	9,254
Office supplies	13,496
Payroll taxes	31,765
Postage	408
Professional education	17,026
Publishing	1,218
Rent (in-kind)	171,046
Salaries	1,263,494
Telephone	5,813
Travel	27,478
Vehicle expenses	1,240
Capital outlay	60,431
Total expenditures	2,477,123
Net change in fund balance	155,151
Fund Balance, Beginning of Year	696,170
Fund Balance, End of Year	$ 851,321

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

CAPITAL REGION PLANNING COMMISSION
RECONCILIATION OF THE GOVERNEMTNAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balance - Governmental Fund		$ 155,151
Amounts reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay capitalized	29,151	
Depreciation expense for the year ended June 30, 2017	(64,927)	(35,776)
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.		
Net other post employment benefit obligation		1,426
Change in compensated absences liability		3,047
Change in net position - Governmental activities		$ 123,848

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies

Introduction

The Capital Region Planning Commission (CRPC) 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, foster 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.

Basis of Presentation

The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The Commission's Basic Financial Statements consist of the government-wide statements a fund financial statement, and the related notes.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Financial 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 GASB's 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, etcetera. The Commission has no component units as defined by the standards.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary type activities. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity over the long-term and the change in the aggregate economic position resulting from the activities of the fiscal period.

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

Governmental Fund Types

Governmental funds 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.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

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 Statement (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The GWFS were prepared 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. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by Governmental Funds. 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 assessments are due and payable. Such amounts are measurable and available to finance current operations. Investment income and in kind revenues are recorded when earned. Substantially all other revenues are recorded when received.

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

NOTE 1 - Summary of Significant Accounting Policies (continued)

Budget Practices and Budgetary Accounting

The Commission's 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 re-budgeted in the subsequent year. Accordingly, encumbrances are not provided for in the financial statements.

Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits or investments with original maturity dates of less than 90 days. 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.

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.

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

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 has no items that qualify for reporting in this category at June 30, 2017.

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 one item that qualifies for reporting in this category related to federal grant funds received before the timing requirements were met in the amount of $616,323.

Estimates

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

Government-wide Net Position

Government-wide assets are divided into three components:

1. Net investment in capital assets - consist 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 net position - 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.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Fund Balance Reporting

In the governmental fund financial statements, fund balance amounts are classified within one of the fund balance categories below:

1. Non-spendable – represents 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 – represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

3. Committed – represents amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the Commission's highest level of decision making authority),

4. Assigned – represents 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, and

5. Unassigned – represents 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 both restricted and unrestricted fund balance is available. 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.

NOTE 2 – Current Accounting Standards Scheduled to Be Implemented

The Governmental Accounting Standards Board recently issued GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which supersedes accounting standards that currently exist regarding for these retiree benefits. Under the new standard, governments will recognize a liability that is actuarially determined using prescribed methods and based on plan assumptions. This liability should be reported net of the assets that are accumulated into an irrevocable trust meeting certain criteria; however, the Commission does not currently have a trust to offset this liability. The standard is effective for annual reporting periods beginning after June 15, 2017. The Commission expects that this new standard will have a material negative effect on its net position and a material increase to the post-employment benefit liability for the year ended June 30, 2018. However, the amount of the effect is unknown at this time.

NOTE 3 - Federal Grants

The Commission participates in a number of federally-assisted grant programs. Although the grant programs have been audited in accordance with Uniform Guidance through June 30, 2017, 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 4 - Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

At June 30, 2017, the carrying amount of the Commission's Cash and Cash Equivalents totaled $835,272. 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. In the case of deposits, this is the risk in the event of a bank failure, the Commission's deposits may not be returned to it. As of June 30, 2017, the Commission's bank balance was fully collateralized or FDIC insured and therefore not exposed to custodial credit risk.

Investments

Custodial Credit Risk - 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, 2017, 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.

NOTE 4 - Cash, Cash Equivalents, and Investments (continued)

Investments (continued)

Credit Risk - Investments. Under Louisiana R.S. 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, 2017, 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, 2017, 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 5 - Receivables

Receivables as of June 30, 2017, for the governmental fund consisted of the following:

	General Fund		
	A/R	Allowance	Net A/R
Federal Grants	$ 807,483	$ (39,492)	$ 767,991
Membership Dues	45,180	(8,670)	36,510
Total	$ 852,663	$ (48,162)	$ 804,501

An allowance for doubtful accounts of $48,162 has been established as the collectability of some of these receivables is uncertain.

NOTE 6 - Capital Assets

A summary of changes in capital assets are as follows:

	June 30, 2016	Additions	Deletions	June 30, 2017
Capital Assets:				
Furniture, Fixtures, Office Equipment	$ 376,745	$ 29,151	$ -	$ 405,896
Vehicles	24,489	-	-	24,489
Accumulated Depreciation	(313,561)	(64,927)	-	(378,488)
Capital Assets, net	$ 87,673	$ (35,776)	$ -	$ 51,897

Depreciation expense amounted to $64,927 for the year ended June 30, 2017 and is reported in the general government function of the statement of activities.

NOTE 7 - 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 ending June 30, 2017 and 2016, the Commission contributed $114,522 and $114,167, respectively, to the plan.

NOTE 8 – Post-Employment Benefits Other Than Pensions

Plan Description – The Capital Region Planning Commission's medical/dental benefits are provided to employees upon actual retirement.

The employer pays 100% 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.

Contribution Rates – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2007, the Capital Region Planning Commission recognized the cost of providing post-employment medical benefits (the Capital Region Planning Commission's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Capital Region Planning Commission's portion of health care funding cost for retired employees totaled $32,854 and $30,420, respectively.

Effective July 1, 2007, the Capital Region Planning Commission implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Capital Region Planning Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2017	2016
Normal cost	$ 15,725	$ 15,120
30-year UAL amortization amount	22,738	21,863
Annual required contribution (ARC)	$ 38,462	$ 36,983

NOTE 8 - Post Employment Benefits Other Than Pensions (continued)

Net Post-Employment Benefit Obligation (Asset) – The table below shows the Capital Region Planning Commission's Net Other Post-Employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	2017	2016
Beginning Net OPEB Obligation	$ 394,574	$ 395,055
Annual required contribution	38,462	36,983
Interest on Net OPEB Obligation	15,783	15,802
ARC Adjustment	(22,817)	(22,846)
OPEB Cost	31,428	29,939
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(32,854)	(30,420)
Change in Net OPEB Obligation	(1,426)	(481)
Ending Net OPEB Obligation	$ 393,148	$ 394,574

The following table shows the Capital Region Planning Commission's annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post-employment benefits (OPEB) liability:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2017	$ 31,428	104.54%	$ 393,148
June 30, 2016	$ 29,939	101.61%	$ 394,574

Funded Status and Funding Progress – In 2017 and 2016, the Capital Region Planning Commission made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was $408,921 which is defined as that portion, as determined by a particular actuarial cost method (the Capital Region Planning Commission uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

NOTE 8 – Post-Employment Benefits Other Than Pensions (continued)

		2017		2016
Actuarial Accrued Liability (AAL)	$	408,921	$	393,193
Actuarial Value of Plan Assets (AVP)		-		-
Unfunded Act. Accrued Liability (UAAL)	$	408,921	$	393,193
Funded Ratio (AVP/AAL)		0.00%		0.00%
Covered Payroll (active plan members)	$	1,150,400	$	1,171,005
UAAL as a percentage of covered payroll		35.55%		33.58%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Capital Region Planning Commission and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Capital Region Planning Commission and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Capital Region Planning Commission and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

NOTE 8 - Post Employment Benefits Other Than Pensions (continued)

Post employment Benefit Plan Eligibility Requirements – Based on prior historical experience, we have assumed that employees retire at thirty (30) years of service or, if earlier at the later of age 65 and completion of 10 years of service. Medical benefits are provided to employees upon actual retirement. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical and dental benefits for the retiree only (not dependents). The medical rates provided are "unblended" rates for active and retired as required by GASB Codification Section P50 for valuation purposes.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

NOTE 8 - Post Employment Benefits Other Than Pensions (continued)

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

OPEB Costs and Contributions

	FY 2015	FY 2016	FY 2017
OPEB Cost	$ 46,027	$ 29,939	$ 31,428
Contribution	-	-	-
Retiree premium	22,685	30,420	32,854
Total contribution and premium	22,685	30,420	32,854
Change in net OPEB obligation	$ 23,342	$ (481)	$ (1,426)
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	49.29%	101.61%	104.54%

REQUIRED SUPPLEMENTARY INFORMATION

PART II

CAPITAL REGION PLANNING COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal funding	$ 3,712,937	$ 2,839,112	$ 2,181,107	$ (658,005)
Local funding:				
Dues assessment	125,000	125,000	124,771	(229)
Outside agency local match	141,647	135,416	91,963	(43,453)
In-kind revenue	181,251	181,251	171,046	(10,205)
State grant funding	-	-	52,491	52,491
Investment income	135	135	146	11
Proceeds from line of credit	300,000	-	-	-
Other income	500	8,000	10,750	2,750
Total revenues	4,461,470	3,288,914	2,632,274	(656,640)
EXPENDITURES				
Advertising and promotions	5,700	5,700	14,603	(8,903)
Auto insurance	4,000	4,500	2,826	1,674
Consultant fees	4,100	4,100	3,450	650
Contractual	794,200	284,200	423,128	(138,928)
Deferred compensation	125,275	132,775	114,522	18,253
Dues and subscriptions	5,100	5,100	6,464	(1,364)
Equipment and facilities maintenance	9,500	10,500	4,569	5,931
Equipment rental	5,200	5,400	5,133	267
General insurance	15,000	15,000	8,261	6,739
Group insurance	147,500	156,500	141,212	15,288
Legal and accounting	181,251	169,000	150,286	18,714
Miscellaneous	184,000	20,500	9,254	11,246
Office supplies	20,500	22,700	13,496	9,204
Payroll taxes	22,700	33,410	31,765	1,645
Postage	33,410	500	408	92
Professional education	500	15,900	17,026	(1,126)
Publishing	18,500	1,200	1,218	(18)
In-kind expenses	1,200	181,251	171,046	10,205
Salaries	1,252,752	1,252,752	1,263,494	(10,742)
Telephone	11,000	11,000	5,813	5,187
Travel	20,000	20,000	27,478	(7,478)
Vehicle expenses	3,000	3,000	1,240	1,760
Capital outlay	1,538,300	191,180	60,431	130,749
Total expenditures	4,402,688	2,546,168	2,477,123	69,045
Net change in fund balance	58,782	742,746	155,151	(587,595)
Fund Balance, Beginning of year	784,771	696,170	696,170	-
Fund Balance, End of year	$ 843,553	$ 1,438,916	$ 851,321	$ (587,595)

CAPITAL REGION PLANNING COMMISSION

SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFIT PLAN
YEAR ENDED JUNE 30, 2017

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
7/1/2014	$ -	$ 616,377	$ 616,377	0%	$ 1,000,027	61.64%
7/1/2015	$ -	$ 393,193	$ 393,193	0%	$ 1,171,005	33.58%
7/1/2015	$ -	$ 408,921	$ 408,921	0%	$ 1,150,400	35.55%

Fiscal Year Ending	Annual OPEB Cost	Annual Required Contributions	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
6/30/2015	$ 46,027	$ 22,685	49.29%	$ 23,342	$ 395,055
6/30/2016	$ 29,939	$ 30,420	101.61%	$ (481)	$ 394,574
6/30/2017	$ 31,428	$ 32,854	104.54%	$ (1,426)	$ 393,148

OTHER SUPPLEMENTARY INFORMATION

CAPITAL REGION PLANNING COMMISSION
SCHEDULE OF INDIRECT COST ALLOCATION
FOR THE YEAR ENDED JUNE 30, 2017

	Administrative Expenses	Adjustments to arrive at Allocable Cost	Allocable Administrative Cost
EXPENSES			
Advertising and promotions	$ 13,915	$ -	$ 13,915
Auto insurance	2,826	-	2,826
Capital Outlay	43,327	(43,327)	-
Consultant fees	3,450	(3,450)	-
Contractual	17,213	-	17,213
Deferred compensation	114,522	-	114,522
Depreciation	-	64,927	64,927
Dues and subscriptions	3,614	-	3,614
Equipment and facilities maintenance	4,569	-	4,569
Equipment rental	5,133	-	5,133
General insurance	8,261	-	8,261
Group insurance	141,212	-	141,212
Legal and accounting	150,286	-	150,286
Miscellaneous	4,336	(4,336)	-
Office supplies	12,973	-	12,973
Payroll taxes	31,765	-	31,765
Postage	408	-	408
Professional education	4,283	-	4,283
Rent-inkind	171,046	-	171,046
Salaries	316,249	-	316,249
Telephone	5,813	-	5,813
Travel	6,728	-	6,728
Vehicle expenses	1,240	-	1,240
Total expenses	$ 1,063,169	$ 13,814	$ 1,076,983

	Reconciliation of Allocable General and Administrative Costs to General Fund Expenditures:
Allocable General and Administrative Costs	$ 1,076,983
Add	
Capital Outlay	43,327
Consultant fees	3,450
Miscellaneous	4,336
Deduct	
Depreciation	(64,927)
Management and general expenses per schedule of functional expenses	$ 1,063,169

CAPITAL REGION PLANNING COMMISSION
SCHEDULE OF INDIRECT COST ALLOCATION
FOR THE YEAR ENDED JUNE 30, 2017

Direct Salary Costs:	
Bike & Pedestrian Safety	$ 436
Regional Strategic Highway Safety Plan	57,059
CATS	90,827
DOTD - FTA	83,220
MTP	151,787
EDA	26,837
DOTD - Planning	523,312
DOTD - TDM	12,382
Delta Regional Authority	1,386
Total direct salary costs for programs	$ 947,246

Indirect Cost Allocation Computation	
Overhead Rate	1.137
Indirect cost rate	1.137

Overhead rate computation			
Adjusted overhead costs	$ 1,076,983		
Total direct salary costs	$ 947,246	=	1.137

CAPITAL REGION PLANNING COMMISSION
SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Program Expenses				Administrative	
	Transport Planning	Transit Planning	Economic Development	Total Program Expenses	Management and General	Total
Expenses						
Advertising and promotions	$ -	$ 20	$ 668	$ 688	$ 13,915	$ 14,603
Auto insurance	-	-	-	-	2,826	2,826
Consultant fees	-	-	-	-	3,450	3,450
Contractual	21,204	222,366	162,345	405,915	17,213	423,128
Deferred compensation	-	-	-	-	114,522	114,522
Dues and subscriptions	-	-	2,850	2,850	3,614	6,464
Equipment and facilities maintenance	-	-	-	-	4,569	4,569
Equipment rental	-	-	-	-	5,133	5,133
General insurance	-	-	-	-	8,261	8,261
Group insurance	-	-	-	-	141,212	141,212
Legal and accounting	-	-	-	-	150,286	150,286
Miscellaneous	-	1,763	3,155	4,918	4,336	9,254
Office supplies	165	52	306	523	12,973	13,496
Payroll taxes	-	-	-	-	31,765	31,765
Postage	-	-	-	-	408	408
Professional education	500	350	11,893	12,743	4,283	17,026
Publishing	-	-	1,218	1,218	-	1,218
Rent-inkind	-	-	-	-	171,046	171,046
Salaries	57,495	325,834	563,916	947,245	316,249	1,263,494
Telephone	-	-	-	-	5,813	5,813
Travel	1,802	3,176	15,772	20,750	6,728	27,478
Vehicle expenses	-	-	-	-	1,240	1,240
Capital outlay	-	79	17,025	17,104	43,327	60,431
Total Expenses	$ 81,166	$ 553,640	$ 779,148	$ 1,413,954	$ 1,063,169	$ 2,477,123
Indirect cost allocations	$ 64,531	$ 365,710	$ 632,928	$ 1,063,169	$ (1,063,169)	$ -
Expenses plus indirect cost allocations	$ 145,697	$ 919,350	$ 1,412,076	$ 2,477,123	$ -	$ 2,477,123

CAPITAL REGION PLANNING COMMISSION

SCHEDULE OF COMPENSATION, BENEFITS & OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER YEAR ENDED JUNE 30, 2017

Agency Head Name/Title: Jamie Setze, Executive Director

Purpose	Amount
Salary	$ 156,213
Benefits - insurance	14,365
Deferred compensation	19,527
Vehicle provided by government (from W-2)	3,588
Travel	1,494
Registration fees	924
Per diem	352
Dues	3,340
	$ 199,803

CAPITAL REGION PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenses
UNITED STATES DEPARTMENT OF COMMERCE			
Direct Program			
Economic Development Administration Area Planning Assistance Program	11.302	2016-2017	$ 64,722
Total United States Department of Commerce			**64,722**
DELTA REGIONAL AUTHORITY			
Direct Program			
Delta Local Development District Assistance	90.202	2016-2017	33,744
Total Delta Regional Authority			**33,744**
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Pass-Through Louisiana Department of Transportation and Development:			
Federal Aid Highway Program	20.205	H.972216.1	$ 1,057,246
Regional Strategic Highway Safety Plan	20.205	H.972128	148,495
Travel Demand Management	20.205	H.011003	29,813
Travel Demand Management	20.205	H.012730	15,162
Bike Rack Project	20.205	H.011483	3,611
Baton Rouge MPO Transportation Plan Update	20.205	H.972200	514,474
Total Higway Planning and Construction Cluster			1,768,801
Metroploitan Transportation Planning Program	20.505	LA-80-0026	157,174
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507 (1)	LA-95-X308	141,666
Formula Grants for Other Than Urbanized Area	20.509	LA-18-X032	10,000
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513 (2)	LA-16-X010	5,000
Total United States Department of Transportation			**2,082,641**
Total Expenditures of Federal Awards			$ 2,181,107

(1) Federal Transit Cluster
(2) Transit Services Programs Cluster

See accompanying notes to schedule of expenditures of federal awards.

CAPITAL REGION PLANNING COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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 (the Commission), Baton Rouge, Louisiana 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, 2017, 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, 2017, the Commission did not pass through any federal funding to sub-recipients.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Capital Region Planning Commission (the Commission) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 30, 2017.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be significant deficiency.

Postlethwaite & Netterville

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Capital Region Planning Commission's Response to Findings

Capital Region Planning Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Capital Region Planning Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 30, 2017

P&N
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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

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 direct and material effect on each of Commission's major federal programs for the year ended June 30, 2017. 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 the requirements of federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 Capital Region Planning Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal program is not modified with respect to this matter.

The Commission's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-002 that we consider to be a significant deficiency.

The Commission's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 30, 2017

CAPITAL REGION PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(s) identified that are not considered to be material weaknesses? __X__ Yes _____ None reported

Noncompliance material to financial statements noted? ______ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(s) identified that are not considered to be material weaknesses? __X__ Yes _____ None reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? __X__ Yes _____ No

Identification of major program:

CFDA Number	Name of Federal Program
20.205	Highway Planning and Construction Cluster

- The threshold for distinguishing types A & B programs was program expenditures exceeding $750,000.

- The Commission was determined not to be a low-risk auditee.

CAPITAL REGION PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2017-001 Internal Control over Bank Reconciliations

Criteria:	Internal control over financial reporting should include policies and procedures that ensure that cash accounts are reconciled on a regular basis and be reviewed by management.
Condition:	During our audit, we noted accounting personnel perform the bank reconciliation function. However, no review of the bank reconciliations is being performed.
Cause:	The Commission currently has no procedure in place to review bank reconciliations after they are prepared.
Effect:	Without timely review and approval by management of the completed bank reconciliation, error could occur and go unnoticed. Inaccurate bank reconciliations could affect the accuracy of internal financial reports, which could impact management's ability to manage and monitor the financial position of the Commission.
Recommendation:	We recommend that a member of management review the bank reconciliations for any unusual items, investigate and fully resolve any such items and document the review and approval by initialing the form.
Repeat Finding:	No.

View of Responsible Official:

The Commission reviews financial information regularly to maintain an understanding of financial position and performance, including cash position. Cash position reports are reviewed on a frequent basis over the course of each week of the year. Although management doesn't physically initial review of bank reconciliations, cash position and transactions impacting cash are reviewed regularly. Furthermore, bank reconciliations are outsourced to an external CPA firm that results in clear and accurate reporting. On the other hand, management will physically initial bank reconciliations moving forward to document this control process.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2017-002 Submission of Reporting Package and Data Collection Form to the Federal Audit Clearinghouse

Questioned Costs: None.

Criteria: The Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 2 CFR 200.512 requires auditees to submit a completed Form SF-SAC, along with one complete reporting package, to the Federal Audit Clearinghouse.

Universe/ Population Size: Not applicable.

Sample Size: Not applicable.

Condition(s): The data collection form and reporting package shall be electronically transmitted within the earlier of 30 days after receipt of the auditors' report, or nine months after the end of the audit period.

Cause: The financial statements for the year ended June 30, 2016 were issued on December 30, 2016. The Submission to the Federal Audit Clearinghouse was not completed within the timeframe for timely submission. The Commission lacks internal controls over tracking the timely submission of the reporting package within the required timeframe for submission as required by Uniform Guidance.

Effect: Noncompliance with the reporting deadline could result in a reduction in funding or denied future applications for grant awards.

Recommendation: The Commission should develop and implement policies and procedures over all reporting requirements, specifically submission to the federal audit clearinghouse, to ensure that all reports required by the grant terms are submitted timely in accordance with Uniform Guidance.

Repeat Finding: No.

***View of Responsible Official*:**

The Commission considers this matter an isolated incident as previous audit reports have historically been submitted timely to oversight authorities. This matter will be resolved in January 2018 and maintained current moving forward.

CAPITAL REGION PLANNING COMMISSION

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None

B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None