

**CAPITAL REGION PLANNING COMMISSION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**



A Professional Accounting Corporation

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## **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, 2016, 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 each major fund of the Commission, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress 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.

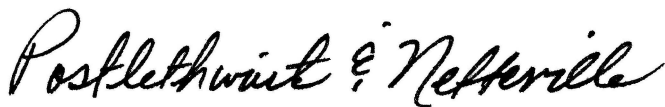
### ***Other Information***

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 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 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, 2016, 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.



Baton Rouge, Louisiana  
December 30, 2016



## 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, 2016. 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 2016 by approximately \$292,000 compared with \$445,000 last fiscal year;
- The net position decreased by approximately \$153,000 compared to an increase of approximately \$67,500 last fiscal year;
- Operating grants decreased by approximately \$252,000 compared to the 2015 fiscal year as continued budget cuts at the federal level have decreased funding from pass-through grantor agencies ;
- Total Commission expenses decreased by approximately \$65,000 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 supplemental information presents schedules concerning the indirect cost allocation proposal, executive director's compensation, and single audit reports.

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

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

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

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

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains six different governmental grants within the General Fund. The general fund is the major fund. Information is presented separately 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 by approximately \$292,000 at the close of the recent fiscal year.

**Capital Region Planning Commission's Net Position**

Governmental Activities	June 30, 2016	June 30, 2015*
<b>Assets:</b>		
Current and other assets	\$ 949,337	\$ 1,014,897
Capital assets, net	87,673	145,665
Total assets	1,037,010	1,160,562
<b>Liabilities:</b>		
Current liabilities	253,167	231,066
Long-term liabilities	491,673	484,656
Total liabilities	744,840	715,722
Total net position	\$ 292,170	\$ 444,840

\*An adjustment of \$31,546 was made to the June 30, 2015 balances to increase current assets and increase current liabilities for amounts due to a federal granting agency as a result of an overpayment error by the awarding agency for which the Commission is awaiting instruction from the agency on how to appropriately handle the repayment of these funds.

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

The composite net position amount of approximately \$292,000 as of June 30, 2016 consists of net investment in capital assets and unrestricted net position in the amounts of approximately \$88,000 and \$204,000, respectively. However, as of June 30, 2015, the composite net position of approximately \$445,000 consisted of net investment in capital assets of approximately \$146,000 and unrestricted net position of \$299,000.

As of June 30, 2016, the Commission's net position decreased by \$152,670 as a result of reduced federal grant funding.

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

Governmental Activities	For the Year Ended June 30, 2016	For the Year Ended June 30, 2015
<b>Revenues:</b>		
Program Revenues:		
Operating Grants	\$ 1,914,988	\$ 2,166,853
General Revenues:		
Dues	139,561	140,801
In-kind	170,423	181,251
Outside agency local match	109,038	138,750
Investment and other	16,740	8,230
Total Revenues	<u>2,350,750</u>	<u>2,635,885</u>
<b>Expenses:</b>		
Program expenses	<u>2,503,420</u>	<u>2,568,381</u>
Total Expenses	<u>2,503,420</u>	<u>2,568,381</u>
Increase (decrease) in Net Position	<u>\$ (152,670)</u>	<u>\$ 67,504</u>

The Commission's total revenues decreased \$285,135 from the prior fiscal year due to a reduction of federal grant funding and outside matching funds associated with these revenue sources. As a result the total cost of all programs and services, including in-kind expenses, decreased by \$64,961 as compared with last year.

**CAPITAL ASSETS**

At the end of the fiscal year 2016 the Commission had \$87,673 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net decrease of \$57,992 over the prior fiscal year mainly as a result of depreciation of these assets recognized of \$70,423 during the current fiscal year.

Governmental Activities	June 30, 2016	June 30, 2015
Furniture and equipment	\$ 376,745	\$ 379,412
Vehicles	24,489	32,668
Accumulated depreciation	<u>(313,561)</u>	<u>(266,415)</u>
Totals	<u>\$ 87,673</u>	<u>\$ 145,665</u>

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

**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**

On September 21, 2015, the Commission was awarded a matching grant totaling \$1,150,000 by the Department of Commerce's Economic Development Administration for the development of the Capital Region Operations and Resiliency Center. The award requires \$450,200 in matching funds which will be made available through an in-kind appraised valuation of a building being donated by the City of Baton Rouge.

**CONTACTING THE COMMISSION FINANCIAL MANAGEMENT**

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

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

**CAPITAL REGION PLANNING COMMISSION**  
**STATEMENT OF NET POSITION**  
**GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2016**

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 155,807
Investments	121,094
Receivables, net	651,887
Prepaid expenses	12,556
Cash - restricted	7,993
Total current assets	<u>949,337</u>

Non-current assets:	
Capital assets, net of accumulated depreciation	<u>87,673</u>

<b>TOTAL ASSETS</b>	<u>1,037,010</u>
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<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	<u>-</u>
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**LIABILITIES**

Current liabilities:	
Accounts payable and payroll liabilities	160,315
Accrued expenses	53,313
Flexible spending liability	7,993
Due to grantor	31,546
Total current liabilities	<u>253,167</u>

Non-current liabilities:	
Compensated absences	97,099
Other post employment benefit liability	394,574
Total non-current liabilities	<u>491,673</u>

<b>TOTAL LIABILITIES</b>	<u>744,840</u>
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<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	<u>-</u>
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**NET POSITION**

Net investment in capital assets	87,673
Unrestricted	<u>204,497</u>

<b>TOTAL NET POSITION</b>	<u>\$ 292,170</u>
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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, 2016**

<u>Functions/Programs</u>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Governmental Activities	
General Government	\$ 2,503,420	\$ 139,561	\$ 1,914,988	\$ (448,871)
General Revenues:				
In-kind revenue				170,423
Outside agency local match				109,038
Investment earnings				134
Other revenues				16,606
		Total general revenues		296,201
				Change in Net Position (152,670)
				Net Position - July 1, 2015 444,840
				Net Position - June 30, 2016 \$ 292,170

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

**CAPITAL REGION PLANNING COMMISSION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND - GENERAL FUND**  
**JUNE 30, 2016**

**ASSETS**

Cash	\$ 155,807
Investments	121,094
Receivables, net	651,887
Prepaid expenses	12,556
Cash - restricted	7,993
<b>Total assets</b>	<b><u><u>\$ 949,337</u></u></b>

**LIABILITIES**

Accounts payable and payroll liabilities	160,315
Accrued expenses	53,313
Flexible spending liability	7,993
Due to grantor	31,546
<b>Total liabilities</b>	<b><u><u>253,167</u></u></b>

**FUND BALANCE**

Unassigned	696,170
<b>Total fund balance</b>	<b><u><u>696,170</u></u></b>

<b>Total liabilities and fund balance</b>	<b><u><u>\$ 949,337</u></u></b>
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The accompanying notes are an integral part of this financial statement.

**CAPITAL REGION PLANNING COMMISSION**  
**RECONCILIATION OF GOVERNMENTAL - GENERAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

Total fund balance at June 30, 2016 - Governmental Fund \$ 696,170

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, 2016	401,234	
Less: accumulated depreciation as of June 30, 2016	<u>(313,561)</u>	87,673

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	(394,574)	
Compensated absences	<u>(97,099)</u>	

Total net position at June 30, 2016 - Governmental Activities \$ 292,170

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



**CAPITAL REGION PLANNING COMMISSION**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2016**

**REVENUES**

Federal funding	\$ 1,803,697
Local funding:	
Dues assessment	139,561
Outside agency local match	109,038
State grant funding	111,291
In-kind revenue	170,423
Investment income	134
Other income	16,606
Total revenues	<u>2,350,750</u>

**EXPENDITURES**

Current:

Advertising and promotions	5,193
Auto insurance	3,334
Consultant fees	5,330
Contractual	426,801
Dues and subscriptions	4,580
Equipment and facilities maintenance	15,199
Equipment rental	5,141
General insurance	14,817
Group insurance	126,247
Legal and accounting	178,978
Miscellaneous	64,762
Office supplies	25,882
Payroll taxes	23,563
Postage	743
Professional education	11,646
Publishing	1,071
Rent (in-kind)	170,423
Salaries and deferred compensation	1,288,177
Telephone	10,394
Travel	20,379
Unemployment Claims	2,717
Vehicle expenses	2,613
Capital outlay	30,421
Total expenditures	<u>2,438,411</u>

**Net change in fund balance** (87,661)

<b>Fund Balance, Beginning of Year</b>	<u>783,831</u>
<b>Fund Balance, End of Year</b>	<u>\$ 696,170</u>

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

**CAPITAL REGION PLANNING COMMISSION**  
**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Net change in fund balance - Governmental Fund \$ (87,661)

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	12,431	
Depreciation expense for the year ended June 30, 2016	<u>(70,423)</u>	(57,992)

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		481
Change in compensated absences liability		<u>(7,498)</u>

Change in net position - Governmental activities \$ (152,670)

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

## CAPITAL REGION PLANNING COMMISSION

### 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 a great deal 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 and a fund financial statement.

## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 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, except those required to be accounted for in other funds.

## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### 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.

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Commission has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### NOTE 1 - Summary of Significant Accounting Policies (continued)

##### Governmental Funds (continued)

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

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

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

##### 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.

**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (continued)**

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.

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.

## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### NOTE 1 - Summary of Significant Accounting Policies (continued)

##### 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.

##### 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, prepaids, 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.



## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### NOTE 2 - 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, 2016, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

#### NOTE 3 - Cash, Cash Equivalents, and Investments

##### Cash and Cash Equivalents

At June 30, 2016, the carrying amount of the Commission's Cash and Cash Equivalents totaled \$163,800. 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, 2016, none of the Commission's bank balance was 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, 2016, 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.

**CAPITAL REGION PLANNING COMMISSION**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 3 - Cash, Cash Equivalents, and Investments (continued)**

Investments (continued)

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.

*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, 2016, 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, 2016 and therefore there are no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana. Each individual certificate of deposit was greater than 5% of the total investment balance.

**NOTE 4 - Receivables**

Receivables as of June 30, 2016 for the governmental fund consisted of the following:

	General Fund		
	A/R	Allowance	Net A/R
Federal Grants	\$ 665,729	\$ (39,492)	\$ 626,237
Membership Dues	34,320	(8,670)	25,650
Total	<u>\$ 700,049</u>	<u>\$ (48,162)</u>	<u>\$ 651,887</u>

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

**CAPITAL REGION PLANNING COMMISSION**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 - Capital Assets**

A summary of changes in capital assets are as follows:

	June 30, 2015	Additions	Deletions	June 30, 2016
<b>Capital Assets:</b>				
Furniture, Fixtures, Office Equipment	\$ 379,412	\$ 12,431	\$ (15,098)	\$ 376,745
Vehicles	32,668	-	(8,179)	24,489
Accumulated Depreciation	(266,415)	(70,423)	23,277	(313,561)
Capital Assets, net	<u>\$ 145,665</u>	<u>\$ (57,992)</u>	<u>\$ -</u>	<u>\$ 87,673</u>

Depreciation expense amounted to \$70,423 for the year ended June 30, 2016 and is reported in the general government function of the statement of activities.

**NOTE 6 - Deferred Compensation Plan**

The Commission offers its employees 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, available to all full-time employees meeting specific length of service criteria, permits them 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, 2016 and 2015, the Commission contributed \$114,167 and \$102,467, respectively, to the plan.

**CAPITAL REGION PLANNING COMMISSION**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - 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 75% of the medical coverage for the retiree and dependents. Employees are covered by a retirement system whose retirement eligibility provisions are 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 2016 and 2015, the Capital Region Planning Commission’s portion of health care funding cost for retired employees totaled \$30,420 and \$22,685, respectively.

**Annual Required Contribution** – The Capital Region Planning Commission’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. 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 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2016</u>	<u>2015</u>
Normal cost	\$ 15,120	\$ 17,010
30-year UAL amortization amount	21,863	35,644
Annual required contribution (ARC)	<u>\$ 36,983</u>	<u>\$ 52,654</u>

**CAPITAL REGION PLANNING COMMISSION**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - 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:

	<b>2016</b>	<b>2015</b>
Beginning Net OPEB Obligation	\$ 395,055	\$ 371,713
Annual required contribution	36,983	52,654
Interest on Net OPEB Obligation	15,802	14,869
ARC Adjustment	(22,846)	(21,496)
OPEB Cost	29,939	46,027
Contribution	-	-
Current year retiree premium	(30,420)	(22,685)
Change in Net OPEB Obligation	(481)	23,342
Ending Net OPEB Obligation	\$ 394,574	\$ 395,055

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:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual Cost Contributed</b>	<b>Net OPEB Liability (Asset)</b>
June 30, 2016	\$ 29,939	101.61%	\$ 394,574
June 30, 2015	\$ 46,027	49.29%	\$ 395,055
June 30, 2014	\$ 46,609	29.86%	\$ 371,713

**Funded Status and Funding Progress** – In 2016 and 2015, 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, 2016 was \$393,193 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.

**CAPITAL REGION PLANNING COMMISSION**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - Post Employment Benefits Other Than Pensions (continued)**

	<b>2016</b>	<b>2015</b>
Actuarial Accrued Liability (AAL)	\$ 393,193	\$ 616,377
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 393,193	\$ 616,377
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 1,171,005	\$ 1,000,027
UAAL as a percentage of covered payroll	33.58%	61.64%

**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.

## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### NOTE 7 - Post Employment Benefits Other Than Pensions (continued)

**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 Statement 45.

**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%.

**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 continues through Medicare to death.

**Investment Return Assumption (Discount Rate)** – GASB Statement 45 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 75% 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.

**CAPITAL REGION PLANNING COMMISSION**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - Post Employment Benefits Other Than Pensions (continued)**

**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.

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

OPEB Costs and Contributions

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
OPEB Cost	\$ 46,609	\$ 46,027	\$ 29,939
Contribution	-	-	-
Retiree premium	(13,918)	(22,685)	(30,420)
Total contribution and premium	<u>(13,918)</u>	<u>(22,685)</u>	<u>(30,420)</u>
Change in net OPEB obligation	\$ <u>32,691</u>	\$ <u>23,342</u>	\$ <u>(481)</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	29.86%	49.29%	101.61%

**NOTE 8 – Contingencies**

The Commission participates in a number of Federal Awards Programs. Although the grant programs have been audited in accordance with the Single Audit Act of 1984 and the 1996 amendments as well as Uniform Guidance through June 30, 2016, these programs are still subject to financial and compliance audits and resolution of any previously identified questioned costs. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amount, if any, to be immaterial.

There was no pending or threatened litigation against the Commission as of June 30, 2016.

**NOTE 9 – Commitments/Subsequent Events**

On September 21, 2015, the Commission was awarded a matching grant totaling \$1,150,000 by the Department of Commerce’s Economic Development Administration for the development of the Capital Region Operations and Resiliency Center. The award requires \$450,200 in matching funds which will be made available through an in-kind appraised valuation of a building donated by the City of Baton Rouge.



**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**CAPITAL REGION PLANNING COMMISSION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Federal funding	\$ 2,344,422	\$ 1,977,169	\$ 1,803,697	\$ 173,472
Local funding:				
Dues assessment	142,000	139,561	139,561	-
Outside agency local match	260,943	116,574	109,038	7,536
In-kind revenue	181,251	181,251	170,423	10,828
State grant funding	-	-	111,291	(111,291)
Investment income	200	134	134	-
Other income	6,700	500	16,606	(16,106)
Total revenues	<u>2,935,516</u>	<u>2,415,189</u>	<u>2,350,750</u>	<u>64,439</u>
<b>EXPENDITURES</b>				
Advertising and promotions	150	5,658	5,193	465
Auto insurance	5,000	3,667	3,334	333
Consultant fees	65,200	8,110	5,330	2,780
Contractual	741,587	413,773	426,801	(13,028)
Dues and subscriptions	6,600	5,026	4,580	446
Equipment and facilities maintenance	31,000	5,217	15,199	(9,982)
Equipment rental	5,000	5,167	5,141	26
General insurance	8,500	20,603	14,817	5,786
Group insurance	132,120	134,998	126,247	8,751
Legal and accounting	130,000	167,822	178,978	(11,156)
Miscellaneous	13,300	15,347	64,762	(49,415)
Office supplies	17,700	22,232	25,882	(3,650)
Payroll taxes	24,500	22,934	23,563	(629)
Postage	600	414	743	(329)
Professional education	21,000	12,809	11,646	1,163
Publishing	2,500	1,178	1,071	107
In-kind expenses	181,251	181,251	170,423	10,828
Salaries	1,337,769	1,285,243	1,288,177	(2,934)
Telephone	13,500	10,348	10,394	(46)
Travel	26,500	19,778	20,379	(601)
Unemployment	-	2,445	2,717	(272)
Vehicle expenses	5,200	2,667	2,613	54
Capital outlay	62,900	67,562	30,421	37,141
Total expenditures	<u>2,831,877</u>	<u>2,414,249</u>	<u>2,438,411</u>	<u>(24,162)</u>
Net change in fund balance	103,639	940	(87,661)	(88,601)
<b>Fund Balance, Beginning of year</b>	<u>783,831</u>	<u>783,831</u>	<u>783,831</u>	<u>-</u>
<b>Fund Balance, End of year</b>	<u>\$ 887,470</u>	<u>\$ 784,771</u>	<u>\$ 696,170</u>	<u>\$ (88,601)</u>

**CAPITAL REGION PLANNING COMMISSION**

**SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS**  
**OTHER POST EMPLOYMENT BENEFIT PLAN**  
**YEAR ENDED JUNE 30, 2016**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>((b-a)/c) UAAL as a Percentage of Covered Payroll</u>
7/1/2013	\$ -	\$ 616,377	\$ 616,377	0%	\$ 722,037	85.37%
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%
<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Annual Required Contributions</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Increase (Decrease) to Net OPEB Obligation</u>	<u>Net OPEB Obligation</u>	
6/30/2014	\$ 46,609	\$ 13,918	29.86%	\$ 32,691	\$ 371,713	
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	

**OTHER SUPPLEMENTARY INFORMATION**

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF INDIRECT COST ALLOCATION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Administrative Expenses	Adjustments to arrive at Allocable Cost	Allocable Administrative Cost
<b>EXPENSES</b>			
Advertising and promotions	\$ 1,423	\$ -	\$ 1,423
Auto insurance	3,334	-	3,334
Capital Outlay	17,897	(17,897)	-
Consultant fees	1,700	(1,700)	-
Contractual	11,276	-	11,276
Depreciation	-	70,423	70,423
Dues and subscriptions	2,010	-	2,010
Equipment and facilities maintenance	15,199	-	15,199
Equipment rental	4,991	-	4,991
General insurance	14,817	-	14,817
Group insurance	126,247	(126,247)	-
Legal and accounting	178,978	-	178,978
Miscellaneous	61,293	(61,293)	-
Office supplies	25,245	-	25,245
Payroll taxes	23,563	-	23,563
Postage	743	-	743
Professional education	3,703	-	3,703
Publishing	-	-	-
Rent-in-kind	170,423	-	170,423
Salaries and deferred compensation	405,670	(114,167)	291,503
Telephone	10,394	-	10,394
Travel	4,598	-	4,598
Unemployment	2,717	-	2,717
Vehicle expenses	2,613	-	2,613
Total expenses	<u>\$ 1,088,834</u>	<u>\$ (250,881)</u>	<u>\$ 837,953</u>

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

Allocable General and Administrative Costs	\$ 837,953
Add	
Capital Outlay	17,897
Consultant fees	1,700
Contractual	-
Miscellaneous	61,293
Group insurance	126,247
Deferred compensation	114,167
Deduct	
Depreciation	(70,423)
Management and general expenses per schedule of functional expenses	<u>\$ 1,088,834</u>

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF INDIRECT COST ALLOCATION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Direct Salary Costs:**

Bike & Pedestrian Safety	\$ 17,905	
Regional Strategic Highway Safety Plan	45,688	
CATS	101,483	
DOTD - FTA	95,789	
MTP	9,962	
EDA	41,863	
DOTD - Planning	552,838	
DOTD - TDM	16,979	
Delta Regional Authority	-	
Total direct salary costs for programs	<u>\$ 882,507</u>	

**Payroll Benefit Costs:**

Deferred compensation	114,167	
Insurance	126,247	
	<u>\$ 240,414</u>	

**Indirect Cost Allocation Computation**

Overhead Rate	0.950	
Payroll Rate	0.272	
Indirect cost rate	<u>1.222</u>	

**Overhead rate computation**

Adjusted overhead costs	\$ 837,953		
Total direct salary costs	\$ 882,507	=	\$ 0.950

**Payroll benefit rate computation**

Total payroll benefit costs	\$ 240,414		
Total direct salary costs	\$ 882,507	=	\$ 0.272

**Total indirect costs**

Direct salary costs	\$ 882,507	
Indirect cost rate	<u>1.222</u>	

Indirect cost computed on programs \$ 1,078,424

Less Indirect costs exceeding max on programs -

Total Indirect cost \$ 1,078,424

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2016**

	Program Expenses			Total Program Expenses	Administrative	Total
	Transport Planning	Transit Planning	Economic Development		Management and General	
<b>Expenses</b>						
Advertising and promotions	\$ 2,821	\$ 260	\$ 689	\$ 3,770	\$ 1,423	\$ 5,193
Auto insurance	-	-	-	-	3,334	3,334
Consultant fees	-	-	3,630	3,630	1,700	5,330
Contractual	119,857	75,958	219,710	415,525	11,276	426,801
Dues and subscriptions	-	-	2,570	2,570	2,010	4,580
Equipment and facilities maintenance	-	-	-	-	15,199	15,199
Equipment rental	-	-	150	150	4,991	5,141
General insurance	-	-	-	-	14,817	14,817
Group insurance	-	-	-	-	126,247	126,247
Legal and accounting	-	-	-	-	178,978	178,978
Miscellaneous	-	300	3,169	3,469	61,293	64,762
Office supplies	49	38	550	637	25,245	25,882
Payroll taxes	-	-	-	-	23,563	23,563
Postage	-	-	-	-	743	743
Professional education	-	2,346	5,597	7,943	3,703	11,646
Publishing	-	-	1,071	1,071	-	1,071
Rent-inkind	-	-	-	-	170,423	170,423
Salaries and deferred compensation	63,593	207,234	611,680	882,507	405,670	1,288,177
Telephone	-	-	-	-	10,394	10,394
Travel	938	3,110	11,733	15,781	4,598	20,379
Unemployment	-	-	-	-	2,717	2,717
Vehicle expenses	-	-	-	-	2,613	2,613
Capital outlay	-	12,524	-	12,524	17,897	30,421
<b>Total Expenses</b>	<b>187,258</b>	<b>301,770</b>	<b>860,549</b>	<b>1,349,577</b>	<b>1,088,834</b>	<b>2,438,411</b>
Indirect cost allocations	77,711	253,240	747,473	1,078,424	(1,078,424)	-
<b>Expenses plus indirect cost allocations</b>	<b>\$ 264,969</b>	<b>\$ 555,010</b>	<b>\$ 1,608,022</b>	<b>\$ 2,428,001</b>	<b>\$ 10,410</b>	<b>\$ 2,438,411</b>

**CAPITAL REGION PLANNING COMMISSION**

**SCHEDULE OF COMPENSATION, BENEFITS & OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**YEAR ENDED JUNE 30, 2016**

Agency Head Name/Title: Jamie Setze, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 156,214
Benefits - insurance	14,724
Deferred compensation	18,888
Vehicle provided by government (from W-2)	3,588
Travel	1,000
Registration fees	1,840
Conference travel	3,074
Per diem	305
Dues	2,960
	<u>\$ 202,593</u>



**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/ Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenses
<b><u>UNITED STATES DEPARTMENT OF COMMERCE</u></b>			
Direct Program			
Economic Development Administration Area Planning Assistance Program	11.302	2015-2016	\$ 68,729
<b>Total United States Department of Commerce</b>			<b><u>68,729</u></b>
<b><u>DELTA REGIONAL AUTHORITY</u></b>			
Direct Program			
Delta Local Development District Assistance	90.202	2015-2016	23,875
<b>Total Delta Regional Authority</b>			<b><u>23,875</u></b>
<b><u>UNITED STATES DEPARTMENT OF TRANSPORTATION</u></b>			
Pass-Through Louisiana Department of Transportation and Development:			
Federal Aid Highway Program	20.205	H.972163.1	1,113,247
Regional Strategic Highway Safety Plan	20.205	H.972128.1	107,832
Travel Demand Management	20.205	H.011003	48,975
Bike and Pedestrian Safety	20.205	2000056616	109,466
Bike Rack Project	20.205	H.011483	38,716
Baton Rouge MPO Transportation Plan Update	20.205	H.972200	65,703
<i>Total Highway Planning and Construction Cluster</i>			<u>1,483,939</u>
Metropolitan Transportation Planning Program	20.505	LA-80-0025	155,714
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	LA-95-X308	170,905
Formula Grants for Other Than Urbanized Area	20.509	LA-18-X032	5,000
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	LA-16-X010	5,000
<b>Total United States Department of Transportation</b>			<b><u>1,820,558</u></b>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 1,913,162</u></u>

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, 2016, 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, 2016, the Commission did not pass through any federal funding to sub-recipients.

**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, 2016, 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, 2016.

**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. However, material weaknesses or significant deficiencies may exist that were not identified.

## 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*.

## 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.

*Postlethwait & Nefferville*

Baton Rouge, Louisiana  
December 30, 2016

**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, 2016. 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 statutes, 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, 2016.

### **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 preceding paragraph 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 were not identified. However, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

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

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
December 30, 2016

**CAPITAL REGION PLANNING COMMISSION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**I. 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? \_\_\_\_\_ Yes  X  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? \_\_\_\_\_ Yes  X  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 2 CFR §200.516(a)? \_\_\_\_\_ Yes  X  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 qualified as a low-risk auditee.

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**II. FINDINGS – Internal Control Over Financial Reporting**

None

**III. FINDINGS – Compliance and Other Matters**

None

**IV. FINDINGS – Federal Awards**

None



**CAPITAL REGION PLANNING COMMISSION**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016**

**I. FINDINGS – Internal Control Over Financial Reporting**

None

**II. FINDINGS – Compliance and Other Matters**

None