

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

Audit of Financial Statements

June 30, 2024



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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Capital Region Planning Commission (the Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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, 2024, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit performed in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism through the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

The schedule of indirect cost allocation, the schedule of functional expenses, the schedule of compensation, benefits, and other payments to agency head, 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
November 19, 2024

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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, 2024. This document focuses on the current year's activities, resulting changes, and currently known facts.

FINANCIAL HIGHLIGHTS

- The Commission's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by approximately \$837,000 compared with \$844,000 last fiscal year.
- The net position decreased by approximately \$7,000 compared to an decrease of approximately \$60,000 last fiscal year.
- Operating grants increased by approximately \$84,000 compared to the 2023 fiscal year decrease of approximately \$1,419,000.
- Total Commission expenses increased by approximately \$122,000 in relation to last fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements present information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. This broad overview of the Commission's finances is done in a manner similar to private-sector business. The statements of this section include the statement of net position and the statement of activities.

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

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

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

Management's Discussion and Analysis

Fund Financial Statements

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

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

FINANCIAL ANALYSIS OF THE COMMISSION

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the Commission, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$844,000 at the close of the recent fiscal year.

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

Management's Discussion and Analysis

**Capital Region Planning Commission
Summary Statements of Net Position
June 30, 2024 and 2023**

	2024	2023
Assets		
Cash, Investments, Receivables, and Other Assets	\$ 745,125	\$ 611,676
Capital Assets, Net	1,410,886	1,466,070
Total Assets	2,156,011	2,077,746
Deferred Outflows of Resources	228,864	208,848
Liabilities		
Accounts and Other Liabilities	273,607	109,430
Long-Term Liabilities	735,431	846,238
Total Liabilities	1,009,038	955,668
Deferred Inflow of Resources	539,024	486,915
Total Net Position	\$ 836,813	\$ 844,011

Cash, investments, receivables, and other assets increased by \$133,449 over the prior year.

The composite net position amount of approximately \$837,000 as of June 30, 2024 consists of net investment in capital assets, restricted, and unrestricted net position in the amounts of approximately \$1,110,000, \$117,000, and \$(390,000), respectively.

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

Management's Discussion and Analysis

**Capital Region Planning Commission
Summary Statements of Activities
For the Years Ended June 30, 2024 and 2023**

Governmental Activities	2024	2023
Revenues		
Program Revenues		
Dues	\$ 176,541	\$ 168,010
Operating Grants	2,293,049	2,209,232
General Revenues		
In-Kind	37,033	-
Outside Agency Local Match	57,867	13,645
Investment and Other	42,488	50,107
Rental Income	66,500	56,800
Total Revenues	2,673,478	2,497,794
Expenses		
Program Expenses	2,680,676	2,558,154
Total Expenses	2,680,676	2,558,154
Decrease in Net Position	\$ (7,198)	\$ (60,360)

The Commission's total revenues increased \$175,684, or 7%, from the prior fiscal year due to an increase in operating grants. The total cost of all programs and services increased by \$122,522 as compared with last year.

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

Management's Discussion and Analysis

CAPITAL ASSETS

At the end of the fiscal year 2024, the Commission had \$1,410,886 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net decrease of \$55,184 over the prior fiscal year, as a result of depreciation of these assets.

Governmental Activities	2024	2023
Land	\$ 213,224	\$ 213,224
Building	1,374,537	1,374,537
Furniture, Fixtures, and Office Equipment	237,993	237,993
Vehicles	24,489	24,489
Accumulated Depreciation	(439,357)	(384,173)
Total	\$ 1,410,886	\$ 1,466,070

DEBT ADMINISTRATION

During the year ended June 30, 2024, the Commission retired \$42,597 of its revenue bonds payable. The Commission did not issue any new revenue bonds payable during the year ended June 30, 2024.

BUDGET

The annual budget is proposed by the executive director on an organizational-wide basis, and formally adopted by the Board. 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 2025 are \$4,139,100, which represents a 64.7% increase over fiscal year 2024 actual revenues. The increase in budgeted revenues is primarily due to an anticipated increase in federal funding. Budgeted expenditures for fiscal year 2025 are \$3,883,000, which represents a 61.3% increase over fiscal year 2024 actual expenditures.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

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

If you have any questions about this report, contact Jaime Setze, Executive Director, Capital Region Planning Commission, 14734 S. Harrell's Ferry Road, Suite B, Baton Rouge, Louisiana 70816.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 189,210
Restricted Cash	117,355
Receivables, Net	438,398
Other Assets	162
Capital Assets Not Being Depreciated	213,224
Capital Assets, Net of Depreciation	<u>1,197,662</u>
Total Assets	<u>2,156,011</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Other Postemployment Benefits	<u>228,864</u>
Liabilities	
Current Liabilities	
Accounts Payable	242,847
Accrued Expenses	30,760
Long-Term Liabilities	
Bonds Payable	
Due within One Year	43,812
Due in More than One Year	257,830
Compensated Absences	115,294
Net Other Postemployment Benefits	<u>318,495</u>
Total Liabilities	<u>1,009,038</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Other Postemployment Benefits	445,916
Resources Received Before Timing Requirements Met	<u>93,108</u>
Total Deferred Inflows of Resources	<u>539,024</u>
Net Position	
Net Investment in Capital Assets	1,109,244
Restricted	117,355
Unrestricted	<u>(389,786)</u>
Total Net Position	<u><u>\$ 836,813</u></u>

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

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General Government	\$ 2,680,676	\$ 176,541	\$ 2,293,049	\$ (211,086)
General Revenues				
In-Kind Revenue				37,033
Outside Agency Local Match				57,867
Rental Income				66,500
Other Revenues				42,488
Total General Revenues				203,888
Change in Net Position				(7,198)
Net Position, Beginning of Year				844,011
Net Position, End of Year				\$ 836,813

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

**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUND**

**CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Balance Sheet
Governmental Fund
June 30, 2024**

	General Fund
Assets	
Cash and Cash Equivalents	\$ 189,210
Restricted Cash	117,355
Receivables, Net	438,398
Prepaid Expenses	<u>162</u>
Total Assets	<u>\$ 745,125</u>
Liabilities	
Accounts Payable	\$ 242,847
Accrued Expenses	<u>30,760</u>
Total Liabilities	<u>273,607</u>
Deferred Inflows of Resources	
Resources Received Before Timing Requirements Met	<u>93,108</u>
Total Deferred Inflows of Resources	<u>93,108</u>
Fund Balance	
Restricted	117,355
Unassigned	<u>261,055</u>
Total Fund Balance	<u>378,410</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 745,125</u>

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

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2024

Fund Balance - Total Governmental Fund		\$	378,410
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Cost of Capital Assets	\$	1,850,243	
Less: Accumulated Depreciation		<u>(439,357)</u>	1,410,886
Deferred outflows/inflows related to other post-employment benefits are not due and payable in the current period and are not reported in the fund financial statements:			
Deferred Outflows Related to Other Postemployment Benefits			228,864
Deferred Inflows Related to Other Postemployment Benefits			<u>(445,916)</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Bonds Payable			(301,642)
Compensated Absences			(115,294)
Net Other Postemployment Benefits			<u>(318,495)</u>
Net Position of Governmental Activities		\$	<u>836,813</u>

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

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2024

	General Fund
<hr/>	
Revenues	
Federal Funding	\$ 2,226,942
Local Funding	
Dues Assessment	176,541
Outside Agency Local Match	57,867
State Grant Funding	66,107
In-Kind Revenue	37,033
Rental Income	66,500
Other Income	42,488
	<hr/>
Total Revenues	2,673,478
	<hr/>
Expenditures	
Advertising and Promotions	26,944
Auto Insurance	2,788
Bad Debt	106,439
Computer and Software Support	5,649
Computer Hardware and Software	32,032
Consultant Fees	114,621
Contractual	310,918
Debt Service	
Principal	42,597
Interest	9,066
Deferred Compensation	123,168
Dues and Subscriptions	12,168
General Insurance	27,639
Group Insurance	212,419
Legal and Accounting	144,301
Meeting Expense	7,360

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

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund (Continued)
For the Year Ended June 30, 2024

	General Fund
Expenditures (Continued)	
Office Supplies	20,398
Payroll Taxes	32,296
Postage	182
Professional Education	19,795
Publishing	2,911
Rent (In-Kind)	37,033
Repairs and Maintenance	31,124
Salaries	1,270,984
Telephone	11,152
Travel	30,233
Utilities	17,335
Vehicle Expenses	7,829
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Total Expenditures	2,659,381
	<hr/>
Net Change in Fund Balance	14,097
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Fund Balance, Beginning of Year	364,313
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Fund Balance, End of Year	\$ 378,410
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The accompanying notes are an integral part of these financial statements.

**CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2024**

Net Change in Fund Balance - Total Governmental Fund	\$ 14,097
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlay Capitalized	\$ -	
Depreciation Expense for the Year Ended June 30, 2024	<u>(55,184)</u>	(55,184)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	42,597
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:

Change in Net Other Postemployment Benefit Obligation	12,584
Compensated Absences Payable	<u>(21,292)</u>

Change in Net Position of Governmental Activities	<u>\$ (7,198)</u>
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The accompanying notes are an integral part of these financial statements.

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Introduction

The Capital Region Planning Commission (CRPC or the Commission) is a Council of Governments serving the 11 parish Capital Region, which includes the following Parishes: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, Washington, West Baton Rouge, and West Feliciana. A Council of Governments is a voluntary association of independent local governments who, through planning and communication, fosters cooperation and coordination in resolving area-wide problems beyond any individual constituency's authority or competence. Individual governmental entities are represented by locally elected officials who must constitute a majority of representation on the Commission. CRPC gets its authority, as do the other Regional Commissions in the State, under Louisiana Revised Statutes (R.S) 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 38 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 include highway planning, the regional ridesharing program, and air quality issues. In addition, CRPC is one of eight sub-state planning and development districts which cover all 64 parishes in the State of Louisiana. Toward that end, CRPC provides technical assistance for economic development, comprehensive planning, and zoning to its members.

Reporting Entity

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

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

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

Emphasis on fund financial reporting is on major funds. The Commission has only one fund, the General Fund. The Commission uses fund accounting to report on its financial position and the results of operations. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The fund presented in the financial statements is 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.

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

Notes to 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 Statements (GWFS)

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

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

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

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

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus / Basis of Accounting (Continued)

Governmental Funds (Continued)

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

Budget Practices and Budgetary Accounting

The Commission's budget is proposed by the executive director on an organization-wide basis, and formally approved and adopted by the Board. The budget may be amended during the year at the Board's discretion. These appropriations lapse at year-end and any unexpended appropriations are re-budgeted in the subsequent year. Accordingly, encumbrances are not provided for in the financial statements. The Commission amended its budget during the year ended June 30, 2024. These amendments are reflected in the budgetary comparison schedule of this report.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, and other investments as provided in the statute.

Indirect Cost Allocations

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

Capital Assets

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

Vendor Concentration

Payments to three vendors represented 45% of total expenses paid for the year ended June 30, 2024. Accounts payable to two vendors represented 31% of accounts payable at June 30, 2024.

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

Notes to Financial Statements

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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission's deferred outflows of resources consist of deferred outflows related to other postemployment benefit (OPEB).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Commission has two items that qualifies for reporting in this category which include deferred inflows of resources related to OPEB and unused grant proceeds.

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.

Long-Term Debt

Long-term obligations, such as bonded debt, are recognized as liabilities of a governmental fund only when due.

Estimates

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

Net Position

Government-wide net position is divided into three components:

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

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

New Accounting Pronouncements - Adopted

During the year ended June 30, 2024, the Commission adopted GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The adoption of the Statement had no effect on the Commission's financial statements.

New Accounting Pronouncements - Upcoming

The GASB issued Statement No. 101, *Compensated Absences*. The Statement updates the recognition and measurement guidance for compensated absences. The Statement is effective for fiscal years beginning after December 15, 2023.

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

Notes to Financial Statements

Note 2. Federal Grants

The Commission participates in a number of federally-assisted grant programs. Although the major grant programs have been audited in accordance with Uniform Guidance through June 30, 2024, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

Note 3. Cash and Cash Equivalents

At June 30, 2024, the carrying amount of the Commission's cash and cash equivalents totaled \$306,565 which included restricted cash of \$117,355. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be recovered. As of June 30, 2024, the Commission had bank balances totaling \$356,589, of which \$156,589 was subject to custodial credit risk. This amount was entirely collateralized pledged securities at June 30, 2024.

Note 4. Receivables

Receivables as of June 30, 2024, for the governmental fund, consisted of the following:

	Accounts Receivable	Allowance	Net Accounts Receivable
Federal Grants	\$ 385,084	\$ -	\$ 385,084
State Grants	147,676	(147,676)	-
Membership Dues	12,000	(12,000)	-
Other Receivables	53,314	-	53,314
Total	\$ 598,074	\$ (159,676)	\$ 438,398

An allowance for doubtful accounts of \$159,676 has been established, as the collectability of some of these receivables is uncertain.

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

Notes to Financial Statements

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 213,224	\$ -	\$ -	\$ 213,224
Total Capital Assets, Being Depreciated	213,224	-	-	213,224
Capital Assets, Being Depreciated				
Building	1,374,537	-	-	1,374,537
Furniture, Fixtures, and Office Equipment	237,993	-	-	237,993
Vehicles	24,489	-	-	24,489
Total Capital Assets, Being Depreciated	1,637,019	-	-	1,637,019
Less: Accumulated Depreciation	(384,173)	(55,184)	-	(439,357)
Total Capital Assets, Net	\$ 1,466,070	\$ (55,184)	\$ -	\$ 1,410,886

Depreciation expense amounted to \$55,424 for the year ended June 30, 2024 and is reported in the general government function of the statement of activities.

Note 6. Deferred Compensation Plan

The Commission requires its full-time employees to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the plan are held in a trust for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. The plan permits the eligible employees to defer all or a portion of their salary up to federal income tax limits established each year by the Internal Revenue Service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Commission funds the plan by making contributions to a Plan Administrator, on a monthly basis, at rates ranging from 7.5% to 12.5% of the employees' compensation. The contribution rate for employees is based on their employment longevity. The Plan Administrator offers a variety of investment alternatives directly to the participant. Commission employees may select from various mutual funds which are available in the plan. For the years ended June 30, 2024 and 2023, the Commission contributed \$123,168 and \$117,937, respectively, to the plan.

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

Notes to Financial Statements

Note 7. Postemployment Health Care and Life Insurance Benefits

General Information about the Other Postemployment Benefits (OPEB) Plan

Plan Description

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

Benefits Provided

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

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	2
Active Plan Members	13
	<hr/>
Total	15
	<hr/>

Total OPEB Liability

The Commission's total OPEB liability of \$318,495 was measured as of June 30, 2024, the end of the fiscal year.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases, Average Including Inflation	3%, including inflation
Investment Rate of Return	3.65% annually (Beginning of Year to Determine ADC)
	3.93% annually (As of End of Year Measurement Date)
Healthcare Cost Trend Rates	Gretzen model, with an initial trend of 6%
Mortality	SOA RP-2014 Table

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

Notes to Financial Statements

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

Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2024, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2024.

Changes in the Total OPEB Liability

Balance at July 1, 2023	\$ 407,997
Changes for the Year	
Service Cost	37,231
Interest Cost	15,931
Differences Between Expected and Actual Experience	(164,085)
Changes in Assumptions	39,091
Benefit Payments	<u>(17,670)</u>
Net Changes for the Year	<u>(89,502)</u>
Balance as of June 30, 2024	<u>\$ 318,495</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1.0% Decrease	3.93% Discount Rate	1.0% Increase
Total OPEB Liability	<u>\$ 354,849</u>	<u>\$ 318,495</u>	<u>\$ 288,184</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current healthcare trend rates:

	1.0% Decrease	6% Healthcare Cost Trend Rate	1.0% Increase
Total OPEB Liability	<u>\$ 289,358</u>	<u>\$ 318,495</u>	<u>\$ 352,783</u>

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

Notes to Financial Statements

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

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

For the year ended June 30, 2024, the Commission recognized OPEB expense of \$5,085. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 81,598	\$ (318,048)
Change in Assumptions	147,266	(127,868)
Total	\$ 228,864	\$ (445,916)

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

Year Ending June 30,	Amount
2025	\$ 48,077
2026	48,076
2027	6,412
2028	6,412
2029	6,412
Thereafter	101,663
Total	\$ 217,052

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

Notes to Financial Statements

Note 8. Long-Term Liabilities

The following is a summary of long-term debt activity of the Commission for the year ended June 30, 2024:

	Revenue Bonds
Balance at July 1, 2023	\$ 344,239
Retirements	(42,597)
Balance at June 30, 2024	\$ 301,642

Long-term debt was composed of the following at June 30, 2024:

Revenue Bonds

\$300,000 Louisiana Local Government Environmental Facilities and Community Development Revenue Bonds payable with monthly interest payments at 3.0% per annum through May 15, 2030, secured by the revenues of the Commission.	\$ 188,161
\$150,000 Revenue bond payable with monthly interest payments at 2.44% per annum through October 15, 2031, secured by the revenues of the Commission.	113,481
Total	\$ 301,642

The future debt service requirements of the bonds are as follows

Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2025	\$ 43,812	\$ 7,852
2026	45,063	6,947
2027	46,349	5,314
2028	44,993	3,990
2029	49,035	2,628
Thereafter	72,390	1,567
Total	\$ 301,642	\$ 28,298

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

**CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Year Ended June 30, 2024**

	Budget			Variance with Final Budget (Unfavorable) Favorable
	Original	Final	Actual	
Revenues				
Federal Funding	\$ 3,422,267	\$ 2,293,467	\$ 2,226,942	\$ (66,525)
Local Funding	676,241	382,941	234,408	(148,533)
State Grant Funding	-	-	66,107	66,107
In-kind Revenue	-	-	37,033	37,033
Rental Income	-	-	66,500	66,500
Other Income	-	-	42,488	42,488
Total Revenues	4,098,508	2,676,408	2,673,478	(2,930)
Expenditures				
Advertising and Promotions	7,500	25,000	26,944	(1,944)
Auto Insurance	5,000	3,000	2,788	212
Bad Debt	-	-	106,439	(106,439)
Capital Outlay	10,000	-	-	-
Computer and Software Support	5,000	6,000	5,649	351
Computer Hardware and Software	177,000	31,000	32,032	(1,032)
Consultant Fees	1,058,500	455,000	114,621	340,379
Contractual	-	6,800	310,918	(304,118)
Debt Service - Principal	59,000	59,000	42,597	16,403
Debt Service - Interest	9,000	9,000	9,066	(66)
Deferred Compensation	146,777	128,777	123,168	5,609
Dues and Subscriptions	7,000	11,000	12,168	(1,168)
General Insurance	58,000	20,000	27,639	(7,639)
Group Insurance	250,000	200,000	212,419	(12,419)
Legal and Accounting	125,000	132,500	144,301	(11,801)
Meeting Expense	-	-	7,360	(7,360)
Miscellaneous	18,500	17,200	-	17,200
Office Supplies	16,000	19,000	20,398	(1,398)
Payroll Taxes	36,000	31,000	32,296	(1,296)
Postage	200	200	182	18
Professional Education	62,000	21,000	19,795	1,205
Publishing	2,500	4,000	2,911	1,089
Rent (In-Kind)	-	38,000	37,033	967
Repairs and Maintenance	41,000	30,000	31,124	(1,124)
Salaries	1,570,308	1,250,308	1,270,984	(20,676)
Telephone	15,000	15,000	11,152	3,848
Travel	39,500	32,000	30,233	1,767
Utilities	20,000	18,000	17,335	665
Vehicle Expenses	5,000	8,000	7,829	171
Total Expenditures	3,743,785	2,570,785	2,659,381	(88,596)
Net Change in Fund Balance	\$ 354,723	\$ 105,623	14,097	\$ (91,526)
Fund Balance, Beginning of Year			364,313	
Fund Balance, End of Year			\$ 378,410	

See independent auditor's report.

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 37,231	\$ 31,790	\$ 50,678	\$ 49,202	\$ 35,458	\$ 22,593	\$ 25,249
Interest Cost	15,931	12,895	10,954	9,223	15,622	13,687	12,293
Differences between Expected and Actual Experience	(164,085)	30,447	(57,921)	34,593	(209,245)	30,477	11,853
Changes in Assumptions	39,091	(7,375)	(129,411)	4,041	129,890	27,098	(17,953)
Benefit Payments	(17,670)	(8,129)	(7,705)	(8,025)	(7,607)	(7,595)	(7,199)
Net Change in OPEB Liability	(89,502)	59,628	(133,405)	89,034	(35,882)	86,260	24,243
Total OPEB Liability - Beginning	407,997	348,369	481,774	392,740	428,622	342,362	318,119
Total OPEB Liability - Ending	\$ 318,495	\$ 407,997	\$ 348,369	\$ 481,774	\$ 392,740	\$ 428,622	\$ 342,362
Covered Employee Payroll	\$ 1,033,266	\$ 1,135,030	\$ 1,101,971	\$ 1,173,665	\$ 1,139,481	\$ 1,049,984	\$ 1,019,402
Net OPEB Liability as a Percentage of Covered Employee Payroll	30.82%	35.95%	31.61%	41.05%	34.47%	40.82%	33.58%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2024.

Changes in Assumptions. The discount rate as of June 30, 2024 was 3.65% and it changed to 3.93%.

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

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Indirect Cost Allocation
For the Year Ended June 30, 2024**

	Administrative Expenses	Adjustments to Arrive at Allocable Cost	Allocable Administrative Cost
Expenses			
Advertising and Promotions	\$ 1,510	\$ -	\$ 1,510
Auto Insurance	2,788	-	2,788
Bad Debt	106,439	(106,439)	-
Computer and Software Support	5,649	-	5,649
Computer Hardware and Software	21,053	-	21,053
Consultant Fees	1,500	-	1,500
Contractual	6,783	-	6,783
Debt Service	51,663	(51,663)	-
Deferred Compensation	123,168	-	123,168
Depreciation	-	55,184	55,184
Dues and Subscriptions	6,833	-	6,833
General Insurance	27,639	-	27,639
Group Insurance	212,419	-	212,419
In-Kind Expenses	37,033	-	37,033
Legal and Accounting	144,301	-	144,301
Meeting Expense	6,420	-	6,420
Office Supplies	19,928	-	19,928
Payroll Taxes	32,296	-	32,296
Postage	182	-	182
Professional Education	8,594	-	8,594
Repairs and Maintenance	31,124	-	31,124
Salaries	258,710	-	258,710
Telephone	11,152	-	11,152
Travel	279	-	279
Utilities	17,335	-	17,335
Vehicle Expenses	7,829	-	7,829
Total Expenses	\$ 1,142,627	\$ (102,918)	\$ 1,039,709

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

Allocable General and Administrative Costs	\$ 1,039,709
Add:	
Debt Service	51,663
Bad Debt	106,439
Deduct:	
Depreciation	(55,184)
Management and General Expenses	\$ 1,142,627

See independent auditor's report.

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Indirect Cost Allocation (Continued)
For the Year Ended June 30, 2024

Direct Salary Costs

DOTD Metropolitan Planning Grant (PLANNING)	\$ 434,796
DOTD Regional Strategic Highway Safety Plan (RSHSP)	97,667
DOTD Travel Demand Management Program (TDM)	188,690
OCD Regional Capacity Building Grant (LWI)	88,394
LAPDD Broadband Initiative Targeting Strategies (BITS)	661
DOTD Federal Transit Administration Grant (FTA)	27,145
EDA Planning Grant (EDA)	58,353
Capital Area Transit System (CATS)	10,064
LSU Gulf Research Program (GRP)	5,055
Delta Regional Authority (DRA)	16,824
FHA Safe Streets For All (SS4A)	41,793
EPA Climate Pollution Reduction Grant (CPRG)	42,832

Total Direct Salary Costs for Programs	<u>\$ 1,012,274</u>
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Indirect Cost Allocation Computation

Overhead Rate	1.027
Indirect Cost Rate	1.027

Overhead Rate Computation

Adjusted Overhead Costs	<u>\$ 1,039,709</u>
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Total Direct Salary Cost	<u>\$ 1,012,274</u>
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See independent auditor's report.

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Functional Expenses
For the Year Ended June 30, 2024

	Transit Planning	Economic Development	Total Program Expenses	Administrative Management and General	Total
Expenses					
Advertising and Promotions	\$ 24,001	\$ 1,433	\$ 25,434	\$ 1,510	\$ 26,944
Auto Insurance	-	-	-	2,788	2,788
Bad Debt	-	-	-	106,439	106,439
Computer and Software Support	-	-	-	5,649	5,649
Computer Hardware and Software	10,979	-	10,979	21,053	32,032
Consultant Fees	113,121	-	113,121	1,500	114,621
Contractual	298,135	6,000	304,135	6,783	310,918
Debt Service	-	-	-	51,663	51,663
Deferred Compensation	-	-	-	123,168	123,168
Dues and Subscriptions	-	5,335	5,335	6,833	12,168
General Insurance	-	-	-	27,639	27,639
Group Insurance	-	-	-	212,419	212,419
In-Kind Expenses	-	-	-	37,033	37,033
Legal and Accounting	-	-	-	144,301	144,301
Meeting Expense	940	-	940	6,420	7,360
Office Supplies	470	-	470	19,928	20,398
Payroll Taxes	-	-	-	32,296	32,296
Postage	-	-	-	182	182
Professional Education	6,418	4,783	11,201	8,594	19,795
Publishing	691	2,220	2,911	-	2,911
Repairs and Maintenance	-	-	-	31,124	31,124
Salaries	842,987	169,287	1,012,274	258,710	1,270,984
Telephone	-	-	-	11,152	11,152
Travel	19,165	10,789	29,954	279	30,233
Utilities	-	-	-	17,335	17,335
Vehicle Expenses	-	-	-	7,829	7,829
Total Expenses	1,316,907	199,847	1,516,754	1,142,627	2,659,381
Indirect Cost Allocations	992,075	150,552	1,142,627	(1,142,627)	-
Total Expenses Plus Indirect Cost Allocations	\$ 2,308,982	\$ 350,399	\$ 2,659,381	\$ -	\$ 2,659,381

See independent auditor's report.

CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2024

Agency Head
 Jamie Setze, Executive Director

Purpose	Amount
Salary	\$165,736
Benefits - Insurance	\$17,260
Benefits - Retirement	\$20,626
Benefits - Auto Insurance on CRPC Vehicle	\$2,587
Car Allowance	\$0
Personal Use Auto (from W-2)	\$723
Per Diem	\$0
Reimbursements	\$0
Travel (CRPC Vehicle Costs and Other Travel)	\$7,829
Dues and Subscriptions	\$3,250
Conference travel	\$3,049
Continuing Professional Education Fees	\$1,240
Housing	\$0
Unvouchered Expenses*	\$0
Office Expenses	\$0

See independent auditor's report.

**CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
United States Department of Commerce			
Direct Program			
Economic Development Administration Area			
Economic Development Support for Planning Organizations	11.302	2019-2024	\$ 118,469
Total United States Department of Commerce			<u>118,469</u>
Delta Regional Authority			
Direct Program			
Delta Local Development District Assistance	90.202	None	<u>22,000</u>
Total Delta Regional Authority			<u>22,000</u>
United States Environmental Protection Agency			
Direct Program			
Climate Pollution Reduction Grant	66.046	* None	<u>209,610</u>
Total United States Environmental Protection Agency			<u>209,610</u>
United States Department of Transportation			
(Passed through the Louisiana Department of Transportation and Development)			
Highway Planning and Construction Cluster			
Regional Strategic Highway Safety Plan	20.205	* H.013502	224,151
Travel Demand Management	20.205	* H.012730	464,053
Metropolitan Transportation Planning Program	20.205	* H.972422.1	828,880
Total Highway Planning and Construction Cluster			<u>1,517,084</u>
Safe Streets for all	20.939	None	<u>174,575</u>
Federal Transit - Formula Grants (Urbanized Area Formula Program)			
MPO Planning	20.505	LA-2019-018	38,984
Rural Areas and Tribal Transit Program	20.509	LA-2019-011	7,066
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	LA-2018-006	<u>5,000</u>
Total United States Department of Transportation			<u>1,742,709</u>
United States Department of Housing and Urban Development			
Passed through the Louisiana Office of Community Development			
CDBG Entitlement Grants			
Regional Capacity Building Grant	14.228	None	<u>134,153</u>
Total United States Department of Housing and Urban Development			<u>134,153</u>
Total Expenditures of Federal Awards			<u>\$ 2,226,941</u>

See independent auditor's report and notes to schedule of expenditures of federal awards.

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

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 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, 2024, 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, 2024, the Commission did not pass through any federal funding to sub-recipients.

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Capital Region Planning Commission (the Commission) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 19, 2024.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Capital Region Planning Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as finding 2024-001.

Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

Purpose of this Report

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



A Professional Accounting Corporation

Baton Rouge, LA
November 19, 2024

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited the Capital Region Planning Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2024. 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.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct or material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirement of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in cursive script, appearing to read "LaPorte".

A Professional Accounting Corporation

Baton Rouge, LA
November 19, 2024

**CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Part I. Summary of Auditor's Results

Financial Statements

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

Federal Awards

- | | | |
|----|--|---------------|
| 4. | Internal control over major programs | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 5. | Type of auditor's report issued on compliance for major programs | Unmodified |
| 6. | Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | None |
| 7. | Identification of major program: | |
| | 20.205 - Highway Planning and Construction Cluster | |
| | 66.046 - Climate Pollution Reduction Grant | |
| 8. | Dollar threshold used to distinguish between Type A and B programs | \$750,000 |
| 9. | Auditee qualified as a low-risk auditee under Uniform Guidance | Yes |

**CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024**

Part II. Financial Statement Audit

2024-01 – Cyber Incident and Loss of Funds

Condition:

In accordance with Louisiana Revised Statutes 24:523 and 42:1102 (2) (a) and (3), management of the Commission self-reported to us and to the Louisiana Legislative Auditor an incident involving the misappropriation of funds within the Commission. This misappropriation occurred as a result of a cyber incident in which unauthorized individuals gained access to the financial systems and requested payments posing as legitimate vendors of the Commission, leading to the transfer of funds to an unauthorized account. The Commission has also filed reports with the FBI IC3 Compliant website and the Louisiana State Police Cyber Crime Unit related to this misappropriation.

Criteria:

The established Louisiana Revised Statutes require that significant misappropriation of public funds be reported to the auditor and to the Louisiana Legislative Auditor.

Cause:

The misappropriation of funds occurred due to a breach in the Commission's cybersecurity and information technology environment, including e-mail systems.

Effect:

Two payments were made to a fraudulent account in the amounts of \$78,182 and \$9,891. The Commission is in the process of recovering funds from its insurance carrier and its financial institution.

Recommendation:

In response to this finding, we recommend that the Commission undertake the following measures: 1. Strengthen cybersecurity measures: Enhance the Commission's cybersecurity and information systems environment to prevent future unauthorized access and mitigate the risk of cyber threats. 2. Review internal controls: Conduct a comprehensive review of internal controls related to financial transactions, with a focus on segregation of duties, vendor management, and authorization rights and protocols. 3. Employee training and awareness: Implement training programs to enhance staff awareness of cybersecurity risks, including phishing attempts and social engineering tactics. 4. Incident response plan: Develop and regularly update an incident response plan to ensure a swift and effective response to future cybersecurity incidents.

Management Response:

The Commission is reviewing this matter with legal counsel and has notified both state, local and federal authorities concerning this crime. We are currently waiting on a Louisiana State Police cyber report to take further action. The Commission has also obtained a cyber insurance policy to address this type of claim in the event it would occur in the future. Finally, the Commission has initiated an annual cyber training protocol for all active employees.

Part III. Major Federal Award Program Audit

None.

**CAPITAL REGION PLANNING COMMISSION
BATON ROUGE, LOUISIANA
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024**

2023-001 Failure to Amend Budget (R.S. 39:1310)
This finding has been resolved.