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**CAPITAL REGION PLANNING COMMISSION,  
A COMPONENT UNIT OF THE CITY  
OF BATON ROUGE/PARISH OF EAST BATON ROUGE  
COMPONENT UNIT FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 16 1998

**HENDER & COMPANY  
A PROFESSIONAL ACCOUNTING  
CORPORATION**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general-purpose financial statements of the Capital Region Planning Commission (the Commission), Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Capital Region Planning Commission, Louisiana, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 1998, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Commission taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and Schedule of Indirect Cost Allocation Plan are presented for purposes of additional analysis, the first of which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Neither schedule is a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Hender & Co.*

Baton Rouge, Louisiana  
August 28, 1998

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

AS OF JUNE 30, 1998

	Governmental Fund Types		Fiduciary Fund Type	Account Group	Total "Memorandum Only"
	General	Special Revenue	Agency	General Fixed Assets	
<b>ASSETS AND OTHER DEBITS:</b>					
Cash	\$83,940	\$0	\$0	\$0	\$83,940
Investments	252,794	0	714,296	0	967,090
Grant Funds Receivable	7,771	155,109	0	0	162,880
Accrued Interest Receivable	14,687	0	0	0	14,687
Due From Special Revenue Funds	155,109	0	0	0	155,109
Fixed Assets	0	0	0	292,587	292,587
Total Assets and Other Debits	\$514,301	\$155,109	\$714,296	\$292,587	\$1,676,293
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS:</b>					
Liabilities:					
Accounts Payable	\$30,358	\$0	\$0	\$0	\$30,358
Due To General Fund	0	155,109	0	0	155,109
Deferred Compensation Due To Employees	0	0	714,296	0	714,296
Other Liabilities	915	0	0	0	915
Compensated Absences Payable	35,280	0	0	0	35,280
Total Liabilities	66,553	155,109	714,296	0	935,958
Fund Equity:					
Investment in General Fixed Assets	0	0	0	292,587	292,587
Fund Balances	447,748	0	0	0	447,748
Total Fund Equity and Other Credits	447,748	0	0	292,587	740,335
Total Liabilities, Fund Equity and Other Credits	\$514,301	\$155,109	\$714,296	\$292,587	\$1,676,293

The accompanying notes to financial statements form an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

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FOR THE YEAR ENDED JUNE 30, 1998

	General Fund	Special Revenue Funds	Combined Actual Total "Memorandum Only"	Budget	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Federal Funding	\$0	\$696,549	\$696,549	\$1,191,400	(\$494,851)
State Funding	0	9,250	9,250	11,500	(2,250)
Local Funding:					
Dues Assessment	83,735	0	83,735	84,113	(378)
Outside Agency Local Match	0	36,155	36,155	68,900	(32,745)
Special Planning Projects	0	7,665	7,665	12,000	(4,335)
Inkind Revenue	41,000	0	41,000	41,000	0
Miscellaneous and Interest Revenue	10,639	0	10,639	11,500	(861)
<b>Total Revenues</b>	<b>135,374</b>	<b>749,619</b>	<b>884,993</b>	<b>1,420,413</b>	<b>(535,420)</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Auto Insurance	3,786	0	3,786	5,500	1,714
Computer Hardware and Software	19,975	0	19,975	40,000	20,025
Consultant Fees	0	168,121	168,121	300,730	132,609
Deferred Compensation	46,414	0	46,414	54,000	7,586
Dues and Subscriptions	3,178	225	3,403	5,000	1,597
Equipment Purchases	16,289	0	16,289	16,000	(289)
Equipment and Facilities Maintenance	12,485	0	12,485	15,000	2,515
Equipment Rental	822	0	822	1,000	178
General Insurance	4,783	0	4,783	5,000	217
Group Insurance	45,848	0	45,848	60,000	14,152
Legal and Accounting	9,002	0	9,002	9,500	498
Miscellaneous	7,604	5,308	12,912	20,000	7,088
Office Supplies	5,572	90	5,662	12,000	6,338
Payroll Taxes	5,666	0	5,666	5,000	(666)
Postage	2,092	104	2,196	5,000	2,804
Professional Education	0	6,348	6,348	20,000	13,652
Publishing	2,729	4,700	7,429	20,000	12,571
Rent - Inkind	41,000	0	41,000	41,000	0
Salaries	141,452	289,956	431,408	533,500	102,092
Telephone	6,912	0	6,912	8,000	1,088
Travel and Auto Allowance	0	9,539	9,539	15,000	5,461
Vehicle Expenses	2,508	1,063	3,571	8,000	4,429
<b>Total Expenditures</b>	<b>378,117</b>	<b>485,454</b>	<b>863,571</b>	<b>1,199,230</b>	<b>335,659</b>
Indirect Cost Allocations	(384,685)	384,685	0	0	0
<b>Total Expenditures Net of Including Indirect Cost Allocations</b>	<b>(6,568)</b>	<b>870,139</b>	<b>863,571</b>	<b>1,199,230</b>	<b>335,659</b>
Excess (Deficiency) of Revenues over Expenditures	141,942	(120,520)	21,422	221,183	(199,761)
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In	0	120,520	120,520	0	(120,520)
Operating Transfers (Out)	(120,520)	0	(120,520)	0	120,520
Proceeds from Sale of Fixed Assets	1,161	0	1,161	0	1,161
<b>Net Other Financing Sources (Uses)</b>	<b>(119,359)</b>	<b>120,520</b>	<b>1,161</b>	<b>0</b>	<b>1,161</b>
Excess of Revenues and Other Sources over Expenditures and Other Uses	22,583	0	22,583	221,183	(198,600)
Fund Balances, Beginning of Period	425,165	0	425,165	425,165	0
Fund Balances, End of Period	\$447,748	\$0	\$447,748	\$646,348	(\$198,600)

The accompanying notes to financial statements form an integral part of this statement.



**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**GENERAL**

The accounting and reporting policies of the Capital Region Planning Commission, Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, conform to generally accepted accounting principles as applicable to governments. Below is a summary of the significant general accounting policies:

**FINANCIAL REPORTING ENTITY**

This report includes all funds and account groups that are within the oversight responsibility of the Commission or Board of Commissioners. Control by or dependence on the Commission was determined on the basis of budget adoption and other general oversight responsibility. The Commission is a component unit of the City of Baton Rouge\Parish of East Baton Rouge. The Commission does not act as an oversight unit for any component units.

**BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the Capital Region Planning Commission, Louisiana, are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

**GOVERNMENTAL FUND TYPES**

Governmental funds are those through which most governmental functions of the Commission is financed. The acquisition, use, and balances of the Commission's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Commission's governmental fund types:

**General Fund** - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**FIDUCIARY FUND TYPES**

Fiduciary Funds are used to account for assets held by the Commission in a trustee or agency capacity. The Commission maintains one fiduciary fund type, agency fund.

**Agency Fund** - The Agency Fund is used to account for assets held by the Commission in a custodial capacity (assets equal liabilities), and does not involve measurement of results of operations. Specifically, this fund accounts for assets held by the Commission which are due to employees under the Commission's deferred compensation plan.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

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**ACCOUNT GROUPS**

Account groups are used to establish accounting control and accountability for the Commission's general fixed assets. The account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

**General Fixed Assets Account Group** - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations, rather than in the governmental fund types.

**BASIS OF ACCOUNTING - MEASUREMENT FOCUS**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources ) and decreases (i.e., expenditures and other financing uses) in net current assets.

The governmental and fiduciary fund types are reported in the financial statements on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when they become both measurable and available. Available means expected to be collected within the next twelve months for other revenues. Revenues not considered available are recorded as deferred revenues. The following practices in recording revenues and expenditures have been used for the governmental funds:

**Revenues** - Federal and state grants 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. Interest income on time deposits and in kind revenues are recorded when earned. Substantially all other revenues are recorded when received.

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

**Deferred Revenues/Grant Funds Receivable** - 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 or reversed.

**BUDGETS AND BUDGETARY ACCOUNTING**

The Commission budget, prepared in accordance with generally accepted accounting principles, is proposed by the executive director on an organization-wide basis, and formally approved and adopted by the Board of Commissioners. The budget may be amended during the year at the Commissioners' discretion. These appropriations lapse at year-end and any unexpended appropriations are rebudgeted in the subsequent year. Accordingly, encumbrances are not provided for in the general-purpose financial statements.

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

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**GENERAL FIXED ASSETS**

All fixed assets acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and capitalized in the General Fixed Assets Account Group at historical cost. Donated fixed assets are reported at estimated fair market value on the date received.

No depreciation is provided on general fixed assets except for the computation of indirect cost allocations.

**ACCRUED COMPENSATION FOR FUTURE ABSENCES**

The Commission's full-time employees who work year-round are granted vacation in varying amounts up to a maximum of 21 days per year. The cumulative amount of annual leave which can be carried forward is the amount earned over the last two years of employment. The Commission's policy specifically prohibits the payment of any accumulated sick leave at separation and consequently no sick leave is accrued. Based on the compensated absences reductions over the past few years, the entire balance is considered current which is reflected as a liability of the general fund.

**INDIRECT COST ALLOCATIONS**

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

**TOTAL COLUMNS ON STATEMENTS - OVERVIEW**

Total columns on the statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - CASH, INVESTMENTS AND ACCRUED INTEREST RECEIVABLE**

At June 30, 1998, the Commission had seven certificates of deposit bearing interest ranging from 4.5% to 6.35% per annum. The certificates were maintained at two separate financial institutions and balances were fully insured against loss. Certificates of deposit totaling approximately \$93,000 mature in the Commission's next fiscal year while \$60,000, \$25,000 and \$75,000 mature during the years ending June 30, 2000, 2001, and 2003 respectively. These certificates of deposit are reported as investments not as cash or cash

**(continued)**



**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

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equivalents since the original maturity date is in excess of three months. It is the Commission's policy to reflect investments with original maturity dates of three months or less as cash equivalents, and those with original maturity dates in excess of three months as investments.

Accrued interest receivable represents interest earned yet not received on unmatured certificates of deposit. At June 30, 1998, the carrying value of these certificates did not materially differ from their fair value.

The Commission maintains three checking accounts, one savings account, and one money market account with balances per institution of \$54,589, \$3,897, \$98,550, and \$4,472. Each institution insures up to \$100,000 through Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 1998 all balances were fully insured against loss. Consequently, all cash and investments are fully insured and are considered category 1 per GASB Statement 3 criteria.

**NOTE 3 - GRANT FUNDS RECEIVABLE**

Capital Region Planning Commission, Louisiana, has contracted with various federal, state, and local agencies to be reimbursed a specific percentage of the qualified costs incurred on approved projects. All receivables are expected to be collected within the next twelve months.

**NOTE 4 - DUE FROM SPECIAL REVENUE FUNDS/DUE TO GENERAL FUND**

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

**NOTE 5 - DEFERRED COMPENSATION PLAN**

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees meeting specific length of service criteria, permits them to defer a portion of their salary, for federal income tax purposes, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Commission funds the plan by making contributions to a plan administrator, on a monthly basis, at rates ranging from 7.5% to 12.5% of the employees' compensation. The contribution rate for employees is based on their employment longevity.

The plan administrator offers a variety of investment alternatives directly to the participant. Commission employees have collectively selected a fund which consists of investments in insurance companies -

- rated Aa or above as to claims paying ability by Moody's rating service;
- similarly rated by other major rating services, or;
- approved by the plan administrator's internal credit analysis function where no rating service is available.

No more than 35% of the portfolio is invested with any single insurance company. The rates of return since the fund's inception in 1984 range from 6.80% to 11.75% per annum.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts,  
**(continued)**

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

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and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Commission (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Commission's general creditors. Participants' rights under the plan are equal to those of general creditors of the Commission in an amount equal to the fair market value of the deferred account for each participant. Commission management believes that it is unlikely that it will use the assets to satisfy claims of general creditors in the future. Plan assets and the related liability to employees are reported in the agency fund at market value.

**NOTE 6 - GENERAL FIXED ASSETS**

Depreciation is not provided for in the financial statements, however, depreciation is used in computing the indirect cost allocation rate. Estimated useful lives of fixed assets are 3 - 10 years, depending on the type of equipment. General fixed assets and their related changes for the year ended June 30, 1998 are as follows:

	<u><i>Furniture and Equipment</i></u>	<u><i>Vehicles</i></u>	<u><i>Total</i></u>
General fixed assets, July 1, 1997	\$194,689	\$57,634	\$252,323
Additions	40,264	0	\$40,264
Retirements	<u>0</u>	<u>0</u>	<u>\$0</u>
General fixed assets, June 30, 1998	<u><u>\$234,953</u></u>	<u><u>\$57,634</u></u>	<u><u>\$292,587</u></u>

**NOTE 7 - FEDERAL FINANCIAL ASSISTANCE**

The Commission participates in a number of federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. As of December 23, 1995 there were no questioned or disallowed costs as a result of any governmental grant audits. The next compliance audit is scheduled for late December, 1998.

**SUPPLEMENTARY SCHEDULE OF  
INDIRECT COST ALLOCATION PLAN**

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN

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FOR THE YEAR ENDED JUNE 30, 1998

	<i>General and Administrative Expenditures</i>	<i>Adjustments to arrive at Allocable Cost</i>	<i>Allocable General and Administrative Cost</i>
<i>Expenditures:</i>			
Depreciation	\$0	\$42,832	\$42,832
Auto Insurance	3,786		3,786
Computer Hardware and Software	19,975	(19,975)	0
Dues and Subscriptions	3,178		3,178
Equipment Purchases	16,289	(16,289)	0
Equipment and Facilities Maintenance	12,485		12,485
Equipment Rental	822		822
General Insurance	4,783		4,783
Group Insurance	45,848	(45,848)	0
Legal and Accounting	9,002		9,002
Miscellaneous	7,604		7,604
Office Supplies	5,572		5,572
Payroll Taxes	5,666		5,666
Postage	2,092		2,092
Publishing	2,729		2,729
Rent - Inkind	41,000		41,000
Salaries and Deferred Comp	187,866	(77,361)	110,505
Telephone	6,912		6,912
Vehicle Expenses	2,508		2,508
	<u>\$378,117</u>	<u>(\$116,641)</u>	<u>\$261,476</u>

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

Allocable General and Administrative Costs	\$261,476
Add:	
Computer Hardware and Software	19,975
Equipment Purchases	16,289
Pay Add	77,361
Group Insurance	45,848
Deduct:	
Depreciation	(42,832)
General Fund Expenditures per Audit Report	<u>\$378,117</u>



CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN

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FOR THE YEAR ENDED JUNE 30, 1998

<b>Direct Salaries:</b>			
PL 736-17-0318		\$141,396	
PL 736-17-0315		\$6,273	
FTA LA-80-X005		2,909	
FTA LA-80-X006		20,230	
FTA LA-90-X139		17,928	
FTA LA-90-X176		27,354	
FTA LA-90-X183		20,410	
EDA 08-05-11036-96		28,827	
Ridesharing 737-96-0016		21,537	
<b>Total Direct Salaries</b>		<b>\$286,864</b>	
<b>Payroll Benefit Cost:</b>			
Pay Add		\$77,361	
Insurance		45,848	
<b>Total Payroll Benefit Cost</b>		<b>\$123,209</b>	
<b>Indirect Cost Allocation Computation:</b>			
Overhead Rate		0.9115	
Payroll Rate		0.4295	
<b>Indirect Cost Rate</b>		<b>1.3410</b>	
<b>Overhead Rate Computation:</b>			
Adjusted Overhead Costs		261,476	= 0.9115
Total Direct salaries		286,864	
<b>Payroll Benefit Rate Computation:</b>			
Total Payroll Benefit Costs		123,209	= 0.4295
Total Direct Salaries		286,864	
<b>Total Indirect Cost:</b>			
Direct Salaries		\$286,864	
Indirect Cost Rate		1.3410	
<b>Indirect Cost</b>		<b>\$384,685</b>	

**SUPPLEMENTARY SINGLE AUDIT REPORTS**



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

The Commissioners of  
Capital Region Planning Commission  
Baton Rouge, Louisiana

We have audited the financial statements of the Capital Region Planning Commission (the Commission), Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge Parish, Louisiana, as of and for the year ended June 30, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Hender & Co.*

August 28, 1998  
Baton Rouge, Louisiana



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*A Professional Accounting Corporation*

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Commissioners of  
Capital Region Planning Commission  
Baton Rouge, Louisiana

### Compliance

We have audited the compliance of the Capital Region Planning Commission (the Commission), Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, Louisiana, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1998. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

### Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be



material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Hendrix & Co.*

Baton Rouge, Louisiana

August 28, 1998

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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FOR THE YEAR ENDED JUNE 30, 1998

<i>Federal Grantor/Pass-Through Agency/Program Identification</i>	<i>CFDA Number</i>	<i>Fed. Share of Program Expenditures</i>	<i>Total Program Expenditures</i>
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
Passed through Louisiana Department of Transportation and Development:			
Technical Studies Grant:			
LA-80-X005	20-505	\$5,094	\$6,810
LA-80-X006	20-505	40,500	53,173
Highway Research, Planning and Construction:			
State Project No.			
LA-736-17-0318	20-205	289,127	361,410
LA-737-96-0016 Ridesharing	20-205	54,798	54,798
LA-736-17-0315	20-205	130,546	163,181
Passed through City of Baton Rouge/ Parish of East Baton Rouge:			
Federal Transit Administration Technical Studies Grants:			
FTA LA-90-X139	20-507	34,161	43,340
FTA LA-90-X176	20-507	51,918	65,861
FTA LA-90-X183	20-507	38,405	48,007
Subtotal, U. S. Department of Transportation		644,549	796,580
<b>U. S. DEPARTMENT OF COMMERCE</b>			
Economic Development Administration Area Planning Assistance Program Award No. 08-05-11036.97			
	11.302	52,000	68,922
Subtotal, U. S. Department of Commerce		52,000	68,922
Total Expenditures		\$696,549	\$865,502

See independent auditors' report and accompanying notes to schedule of expenditures of federal awards.

**CAPITAL REGION PLANNING COMMISSION, LOUISIANA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**FOR THE YEAR ENDED JUNE 30, 1998**

**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 general-purpose financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting which is described in note 1 of the Commission's general-purpose financial statements.

**NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS**

Federal awards expenditures are reported in the Commission's general-purpose financial statements as components of Special Revenue Fund expenditures. The following details the expenditure categories reflecting only the federal awards portion of expenditures:

<u>Expenditures:</u>	<u>Special Revenue</u>
Consultant Fees	\$134,497
Dues and Subscriptions	180
Miscellaneous	4,246
Office Supplies	72
Postage	83
Professional Education	5,078
Publishing	3,760
Salaries	232,404
Travel and Auto Allowance	7,631
Vehicle Expense	850
Indirect Cost Allocation	<u>307,748</u>
Total	<u><u>\$696,549</u></u>

**NOTE 4 - RELATIONSHIPS TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**NOTE 5 - MAJOR FEDERAL AWARDS**

The dollar threshold of \$59,148 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

CAPITAL REGION PLANNING COMMISSION, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS/CORRECTIVE ACTION PLANS

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FOR THE YEAR ENDED JUNE 30, 1998

(1) **Summary of Auditor's Results**

- (a) The type of report issued on the financial statements:  
unqualified opinion
- (b) Reportable conditions on internal control were disclosed by the audit of the Financial Statements: no Material Weaknesses: no
- (c) Noncompliance which is material to the financial statements: no
- (d) Reportable conditions on internal control over major programs: no Material Weaknesses: no
- (e) The type of report issued on compliance for major programs:  
unqualified opinion
- (f) Any audit findings which are required to be reported under section .510 (a) of OMB Circular A-133: no
- (g) Major Programs:  
LA-736-17-0318 (CFDA Number 20-205)  
LA-736-17-0315 (CFDA Number 20-205)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$59,148
- (i) Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133: no

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

None

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

None





**g. AUDITEE CERTIFICATION STATEMENT** - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official

*Don W. Neisler*

Date  
Month Day Year

8 29 98

Name/Title of certifying official

*DON W. NEISLER  
EXECUTIVE DIRECTOR*

**g. AUDITOR STATEMENT** - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

*Henderco, E' Co.*

Signature of auditor

Year

*6/30/98*

Date  
Month Day

8 28 98

GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (x) one box)

1  Cognizant agency      2  Oversight agency

9. Name of Federal cognizant or oversight agency for audit (Mark (x) one box)

01	African Development Foundation	83	Federal Emergency Management Agency	16	Justice	08	Peace Corps
02	Agency for International Development	34	Federal Mediation and Conciliation Service	17	Labor	59	Small Business Administration
10	Agriculture	39	General Services Administration	43	National Aeronautics and Space Administration	96	Social Security Administration
11	Commerce	93	Health and Human Services	89	National Archives and Records Administration	19	State
94	Corporation for National and Community Service	14	Housing and Urban Development	05	National Endowment for the Arts	20	Transportation
12	Defense	03	Institute for Museum Services	06	National Endowment for the Humanities	21	Treasury
84	Education	04	Inter-American Foundation	47	National Science Foundation	82	United States Information Agency
81	Energy	15	Interior	07	Office of National Drug Control Policy	64	Veterans Affairs
66	Environmental Protection Agency						Other - Specify

**PART II** FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (x) by one)

1  Unqualified opinion      2  Qualified opinion      3  Adverse opinion      4  Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report?	1	Yes	2	<input checked="" type="checkbox"/>	No
3. Is a reportable condition disclosed?	1	Yes	2	<input checked="" type="checkbox"/>	No      If "NO," SKIP to Item 5
4. Is any reportable condition reported as a material weakness	1	Yes	2	<input type="checkbox"/>	No
5. Is a material noncompliance disclosed?	1	Yes	2	<input checked="" type="checkbox"/>	No

**PART III** FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance

1  Unqualified opinion      2  Qualified opinion      3  Adverse opinion      4  Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs §\_\_\_.520(b)?

\$300,000

3. Did the auditee qualify as a low-risk auditee (§\_\_\_.530)?

1  Yes      2  No

4. Are there any audit findings required to be reported under §\_\_\_.510(a)?





**PART III** FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		7. AUDIT FINDINGS AND QUESTIONED COSTS									
CFDA number <sup>1</sup> (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)		Type of compliance requirement <sup>2</sup> (b)	Amount of questioned costs (c)	Internal control findings <sup>3</sup> (d)			Audit finding reference number(s) (e)	
			1	2			1	2	3		1
20-505	LA-80-X005	\$ 5,094*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
20-505	LA-80-X006	\$ 40,500*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
20-205	LA-736-17-0318	\$ 289,127*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
20-205	LA-737-96-0016 Ridesharing	\$ 54,798*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
20-205	LA-736-17-0315	\$ 130,546*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
20-507	FTA LA-90-X139	\$ 34,161*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
20-507	FTA LA-90-X176	\$ 51,918*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
20-507	FTA LA-90-X183	\$ 38,405*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
11.302	08-05-11036.97	\$ 52,000*		Yes	None	SN/A	1	A	3	C	N/A
			x	No			2	B			
		\$		Yes		S	1	A	3	C	
				No			2	B			
<b>TOTAL FEDERAL AWARDS EXPENDED</b>		\$ 696,549									

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE

<p><sup>1</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.</p> <p><sup>2</sup> Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)</p> <p>A. Activities allowed or unallowed  B. Allowable costs/cost principles  C. Cash management  D. Davis - Bacon Act  E. Eligibility  F. Equipment and real property management</p> <p><sup>3</sup> Type of internal control findings (Mark (X) all that apply)</p> <p>A. Material weaknesses  B. Reportable conditions  C. None reported</p>	<p>L. Reporting  M. Subrecipient monitoring  N. Special tests and provisions  O. None</p>
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\*Represents only federal portion