

March 22, 2023

Louisiana Legislative Auditor  
c/o Gayle Fransen, CPA  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Email: [GFransen@LLA.La.gov](mailto:GFransen@LLA.La.gov)  
[ereports@lla.la.gov](mailto:ereports@lla.la.gov)

RE: Capital Region Planning Commission  
Entity ID# 1462 CPA Firm ID# 660 CPA Contact ID # 1353

Dear Ms. Fransen:

We are resubmitting the audit report for the above client for the year ended June 30, 2022 for the following reason:

There was an edit to an Assistance Listing Number on the SEFA schedule (page 41).

This document was previously issued by the LLA on March 1, 2023, under engagement ID/control number 72221640.

Please let us know if you have any questions or need additional information.

Sincerely,



John Murray, CPA  
Director, Audit and Assurance Services

Attachment

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE**

Audit of Financial Statements

June 30, 2022



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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, 2022, 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 Capital Region Planning Commission as of June 30, 2022, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

### **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.

## **LOUISIANA • TEXAS**

### **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 judgment, 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 34, and the schedule of changes in net other postemployment benefit (OPEB) liability and related ratios on page 35, 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 41, 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 40, 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 December 21, 2022, 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  
December 21, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



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

**Management's Discussion and Analysis**

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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, 2022. 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 2022 by approximately \$904,000 compared with \$879,000 last fiscal year.
- The net position increased by approximately \$25,000 compared to a decrease of approximately \$271,000 last fiscal year.
- Operating grants increased by approximately \$579,000 compared to the 2021 fiscal year increase of approximately \$366,000.
- Total Commission expenses increased by approximately \$512,000 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 Capital Region Planning Commission as a whole, in a format designed to make the statements easier for the reader to understand. This broad overview of the Commission's finances is done in a manner similar to private-sector business. The statements of this section include the statement of net 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**

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**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 ten 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 Capital Region Planning Commission, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$904,000 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, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash, Investments, Receivables, and Other Assets	<b>\$ 939,654</b>	\$ 1,052,050
Capital Assets, Net	<b>1,439,101</b>	1,189,492
<b>Total Assets</b>	<b>2,378,755</b>	2,241,542
<b>Deferred Outflows of Resources</b>	<b>201,380</b>	212,849
<b>Liabilities</b>		
Accounts and Other Liabilities	<b>455,946</b>	299,347
Long-Term Liabilities	<b>848,821</b>	884,047
<b>Total Liabilities</b>	<b>1,304,767</b>	1,183,394
<b>Deferred Inflow of Resources</b>	<b>370,997</b>	391,978
<b>Total Net Position</b>	<b>\$ 904,371</b>	\$ 879,019

Cash, investments, receivables, and other assets decreased by \$112,396 over the prior year. During the year ended June 30, 2022, the Commission improved its building in the amount of approximately \$300,000.

The composite net position amount of approximately \$904,000 as of June 30, 2022 consists of net investment in capital assets and unrestricted net position in the amounts of approximately \$1,053,000 and \$(149,000), respectively.

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

**Management's Discussion and Analysis**

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**Capital Region Planning Commission  
Summary Statements of Activities  
For the Years Ended June 30, 2022 and 2021**

<b>Governmental Activities</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Program Revenues		
Dues	\$ 167,780	\$ 165,440
Operating Grants	3,628,726	3,050,093
Capital Grants	-	-
General Revenues		
In-Kind	29,000	29,000
Outside Agency Local Match	291,500	45,223
Investment and Other	34,140	52,537
Rental Income	48,602	48,600
<b>Total Revenues</b>	<b>4,199,748</b>	<b>3,390,893</b>
<b>Expenses</b>		
Program Expenses	4,174,396	3,662,130
<b>Total Expenses</b>	<b>4,174,396</b>	<b>3,662,130</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 25,352</b>	<b>\$ (271,237)</b>

The Commission's total revenues increased \$808,855, or 24%, from the prior fiscal year due to an increase in operating grants. The total cost of all programs and services, including in-kind expenses, increased by \$512,266 as compared with last year.

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

**Management's Discussion and Analysis**

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**CAPITAL ASSETS**

At the end of the fiscal year 2022, the Commission had \$1,439,101 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net increase of \$249,609 over the prior fiscal year, as a result of depreciation of these assets in the amount of \$51,059 during the current fiscal year, offset by the acquisition of new capital assets totaling \$300,668.

<b>Governmental Activities</b>	<b>2022</b>	<b>2021</b>
Land	\$ 213,224	\$ 213,224
Building	1,289,338	992,211
Furniture, Fixtures, and Office Equipment	448,629	445,088
Vehicles	24,489	24,489
Accumulated Depreciation	(536,579)	(485,520)
<b>Total</b>	<b>\$ 1,439,101</b>	<b>\$ 1,189,492</b>

**DEBT ADMINISTRATION**

During the year ended June 30, 2022, the Commission retired \$35,901 of its revenue bonds payable and issued \$150,000 in new revenue bonds payable.

**BUDGET**

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Budgeted revenues for fiscal year 2023 are \$3,622,600, which represents a 14.0% increase over fiscal year 2022 actual revenues. The increase in budgeted revenues is primarily due to an anticipated decrease in federal funding. Budgeted expenditures for fiscal year 2023 are \$3,289,806, which represents a 26% decrease over fiscal year 2022 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, Ste 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, 2022**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 174,130
Investments	72,495
Receivables, Net	647,055
Prepaid Expenses	19,711
Restricted Cash	26,263
Capital Assets Not Being Depreciated	213,224
Capital Assets, Net of Depreciation	<u>1,225,877</u>
<b>Total Assets</b>	<u>2,378,755</u>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows Related to Other Postemployment Benefits	<u>201,380</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	417,379
Accrued Expenses	32,224
Flexible Spending Liability	6,343
<b>Long-Term Liabilities</b>	
Bonds Payable	
Due within One Year	41,416
Due in More than One Year	344,239
Compensated Absences	114,797
Net Other Postemployment Benefits	<u>348,369</u>
<b>Total Liabilities</b>	<u>1,304,767</u>
<b>Deferred Inflows of Resources</b>	
Deferred Inflows Related to Other Postemployment Benefits	<u>370,997</u>
<b>Total Deferred Inflows of Resources</b>	<u>370,997</u>
<b>Net Position</b>	
Net Investment in Capital Assets	1,053,446
Unrestricted	<u>(149,075)</u>
<b>Total Net Position</b>	<u><u>\$ 904,371</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, 2022**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>				
General Government	\$ 4,174,396	\$ 167,780	\$ 3,628,726	\$ (377,890)
<b>General Revenues</b>				
In-Kind Revenue				29,000
Outside Agency Local Match				291,500
Investment Earnings				449
Rental Income				48,602
Other Revenues				33,691
<b>Total General Revenues</b>				403,242
<b>Change in Net Position</b>				25,352
<b>Net Position, Beginning of Year</b>				879,019
<b>Net Position, End of Year</b>				\$ 904,371

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, 2022**

	<b>General Fund</b>
<hr/>	
<b>Assets</b>	
Cash and Cash Equivalents	\$ 174,130
Investments	72,495
Receivables, Net	647,055
Prepaid Expenses	19,711
Restricted Cash	<u>26,263</u>
 <b>Total Assets</b>	 <u><u>\$ 939,654</u></u>
<b>Liabilities</b>	
Accounts Payable	\$ 417,379
Accrued Expenses	32,224
Flexible Spending Liability	<u>6,343</u>
 <b>Total Liabilities</b>	 <u>455,946</u>
<b>Fund Balance</b>	
Nonspendable	19,711
Unassigned	<u>463,997</u>
 <b>Total Fund Balance</b>	 <u>483,708</u>
 <b>Total Liabilities, Deferred Inflows of Resources,         and Fund Balance</b>	 <u><u>\$ 939,654</u></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, 2022**

<b>Fund Balance - Total Governmental Fund</b>		<b>\$ 483,708</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost of Capital Assets	\$ 1,975,680	
Less: Accumulated Depreciation	<u>(536,579)</u>	1,439,101
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		201,380
Deferred Inflows Related to Other Postemployment Benefits		<u>(370,997)</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds Payable		(385,655)
Net Other Postemployment Benefits		(348,369)
Compensated Absences		<u>(114,797)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 904,371</u></b>

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, 2022**

	<b>General Fund</b>
<hr/>	
<b>Revenues</b>	
Federal Funding	\$ 3,600,734
Local Funding	
Dues Assessment	167,780
Outside Agency Local Match	291,500
State Grant Funding	27,992
In-Kind Revenue	29,000
Rental Income	48,602
Investment Income	449
Other Income	33,691
	<hr/>
<b>Total Revenues</b>	<b>4,199,748</b>
	<hr/>
<b>Expenditures</b>	
Advertising and Promotions	8,935
Auto Insurance	2,288
Bad Debt	24,550
Computer and Software Support	4,530
Computer Hardware and Software	36,858
Consultant Fees	2,600
Contractual	2,148,368
Deferred Compensation	123,212
Dues and Subscriptions	10,643
Equipment Rental	1,247
General Insurance	30,727
Group Insurance	209,392
Legal and Accounting	131,730
Miscellaneous	13,446

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, 2022**

	<b>Fund</b>
<b>Expenditures (Continued)</b>	
Office Supplies	12,280
Payroll Taxes	22,263
Postage	221
Professional Education	8,921
Publishing	2,888
Rent (In-Kind)	29,000
Repairs and Maintenance	42,010
Salaries	1,181,524
Telephone	15,514
Travel	7,142
Utilities	8,971
Vehicle Expenses	4,663
Capital Outlay	300,668
Debt Service	
Principal	35,901
Interest	10,124
	<hr/>
<b>Total Expenditures</b>	<b>4,430,616</b>
	<hr/>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(230,868)</b>
<b>Other Financing Sources (Uses)</b>	
Bond Proceeds	150,000
	<hr/>
<b>Net Change in Fund Balance</b>	<b>(80,868)</b>
<b>Fund Balance, Beginning of Year</b>	<b>564,576</b>
	<hr/>
<b>Fund Balance, End of Year</b>	<b>\$ 483,708</b>
	<hr/> <hr/>

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, 2022**

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<b>Net Change in Fund Balance - Total Governmental Fund</b>	<b>\$ (80,868)</b>
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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	\$ 300,668	
Depreciation Expense for the Year Ended June 30, 2022	<u>(51,059)</u>	249,609

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.	35,901
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities on the statement of net position.	(150,000)
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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 OPEB Obligation	(45,210)
Compensated Absences Payable	<u>15,920</u>

<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 25,352</u></b>
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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**

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**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 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**

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**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 governmental accounting principles generally accepted in the United States of America. 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**

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**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**

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**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 of Commissioners (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, 2022. 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.

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Vendor Concentration**

Payments to three vendors represented 55% of total expenses paid for the year ended June 30, 2022. Accounts payable to this vendor represented 42% of accounts payable at June 30, 2022.

**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 one item that qualifies for reporting in this category which is related to OPEB.

**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.

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**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.

**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**

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The adoption of the Statement did not have any effect on the Commission's financial statements.

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**New Accounting Pronouncements (Continued)**

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Statement is effective for fiscal years beginning after June 15, 2023.

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.

**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, 2022, 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 and Investments**

At June 30, 2022, the carrying amount of the Commission's cash and cash equivalents totaled \$200,393 which included restricted cash of \$26,263. 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.

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

**Notes to Financial Statements**

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**Note 3. Cash and Cash Equivalents and Investments (Continued)**

*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, 2022, the Commission had bank balances totaling \$281,240, of which \$-0- was subject to custodial credit risk.

**Investments**

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the Commission. At June 30, 2022, all of the Commission's investments were secured from risk completely through Federal Deposit Insurance Corporation (FDIC) insurance coverage.

*Interest Rate Risk - Investments.* Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The Commission's investments consist of several certificates of deposits at a local financial institution. These certificates of deposit have maturities of less than twelve months and are valued at amortized cost which approximates fair value. As such, no additional disclosures are required with respect to fair value measurement.

*Credit Risk - Investments.* Under Louisiana Revised Statute (R.S.) 33:2955, as amended, the Commission may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, and other investments as provided in the statute. As of June 30, 2022, the Commission's investments were in certificates of deposits held at a local financial institution.

*Concentration of Credit Risk - Investments.* The concentration of credit risk is the risk of loss that may occur due to the amount of investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools).

The Commission does not have a formal investment policy as of June 30, 2022, and therefore, there are no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana. Each individual certificate of deposit was greater than 5% of the total investment balance.

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

**Notes to Financial Statements**

**Note 4. Receivables**

Receivables as of June 30, 2022, for the governmental fund, consisted of the following:

	<b>Accounts Receivable</b>	<b>Allowance</b>	<b>Net Accounts Receivable</b>
Federal Grants	\$ 521,488	\$ -	\$ 521,488
State Grants	104,690	-	104,690
Membership Dues	127,900	(115,900)	12,000
Other Receivables	8,877	-	8,877
<b>Total</b>	<b>\$ 762,955</b>	<b>\$ (115,900)</b>	<b>\$ 647,055</b>

An allowance for doubtful accounts of \$115,900 has been established, as the collectability of some of these receivables is uncertain.

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2022 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital Assets, Not Being Depreciated				
Land	\$ 213,224	\$ -	\$ -	\$ 213,224
Total Capital Assets, Being Depreciated	213,224	-	-	213,224
Capital Assets, Being Depreciated				
Building	992,211	297,127	-	1,289,338
Furniture, Fixtures, and Office Equipment	445,088	3,541	-	448,629
Vehicles	24,489	-	-	24,489
Total Capital Assets, Being Depreciated	1,461,788	300,668	-	1,762,456
Less: Accumulated Depreciation	(485,520)	(51,059)	-	(536,579)
<b>Total Capital Assets, Net</b>	<b>\$ 1,189,492</b>	<b>\$ 249,609</b>	<b>\$ -</b>	<b>\$ 1,439,101</b>

Depreciation expense amounted to \$51,059 for the year ended June 30, 2022 and is reported in the general government function of the statement of activities.

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

**Notes to Financial Statements**

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**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, 2022 and 2021, the Commission contributed \$123,212 and \$139,317, respectively, to the plan.

**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.



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

**Notes to Financial Statements**

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

**General Information about the Other Postemployment Benefits (OPEB) Plan (Continued)**  
**Employees Covered by Benefit Terms**

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	2
Active Plan Members	<u>15</u>
<b>Total</b>	<u><u>17</u></u>

**Total OPEB Liability**

The Commission's total OPEB liability of \$348,369 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and other inputs**

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary Increases, Average Including Inflation	3%, including inflation
Investment Rate of Return	2.16% annually (Beginning of Year to Determine ADC) 3.54% annually (As of End of Year Measurement Date)
Healthcare Cost Trend Rates	Flat 5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2022, the end of the applicable measurement period.

Mortality rates were based on the SOA RP-2014 Combined Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2022.

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

**Notes to Financial Statements**

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

**Changes in the Total OPEB Liability**

Balance at July 1, 2021	\$ 481,774
Changes for the Year	
Service Cost	50,678
Interest Cost	10,954
Differences between Expected and Actual Experience	(57,921)
Changes in Assumptions	(129,411)
Benefit Payments	<u>(7,705)</u>
Net Changes for the Year	<u>(133,405)</u>
<b>Balance as of June 30, 2022</b>	<b><u>\$ 348,369</u></b>

*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 one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	<b>1.0% Decrease</b>	<b>3.54% Discount Rate</b>	<b>1.0% Increase</b>
Total OPEB Liability	<u>\$ 425,784</u>	<u>\$ 348,369</u>	<u>\$ 288,174</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 one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current healthcare cost trend rates:

	<b>1.0% Decrease</b>	<b>5.50% Healthcare Cost Trend Rate</b>	<b>1.0% Increase</b>
Total OPEB Liability	<u>\$ 281,353</u>	<u>\$ 348,369</u>	<u>\$ 438,234</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, 2022, the Commission recognized OPEB expense of \$52,914. At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 64,712	\$ (234,378)
Change in Assumptions	136,668	(136,619)
<b>Total</b>	<b>\$ 201,380</b>	<b>\$ (370,997)</b>

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

<b>Year Ending June 30,</b>	<b>Amount</b>
2023	\$ (8,717)
2024	(8,717)
2025	(8,717)
2026	(8,717)
2027	(8,717)
Thereafter	(126,032)
<b>Total</b>	<b>\$ (169,617)</b>

**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, 2022:

	<b>Revenue Bonds</b>
Balance at July 1, 2021	\$ 271,556
Proceeds	150,000
Retirements	<u>(35,901)</u>
<b>Balance at June 30, 2022</b>	<b><u>\$ 385,655</u></b>

Long-term debt was composed of the following at June 30, 2022:

**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.	\$ 244,586
\$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.	<u>141,069</u>
<b>Total</b>	<b><u>\$ 385,655</u></b>

The future debt service requirements of the bonds are as follows

Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2023	\$ 41,416	\$ 10,248
2024	42,597	9,066
2025	43,812	7,851
2026	42,526	6,921
2027	46,349	4,993
2028 - 2030	<u>168,955</u>	<u>8,532</u>
<b>Total</b>	<b><u>\$ 385,655</u></b>	<b><u>\$ 47,611</u></b>

## **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, 2022**

	<b>Budget</b>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal Funding	\$ 3,894,000	\$ 3,894,000	\$ 3,600,734	\$ (293,266)
Local Funding	525,000	518,000	459,280	(58,720)
State Grant Funding	-	-	27,992	27,992
In-Kind Revenue	22,500	22,500	29,000	6,500
Rental Income	-	-	48,602	48,602
Investment Income	350	350	449	99
Other Income	61,500	55,500	33,691	(21,809)
<b>Total Revenues</b>	<b>4,503,350</b>	<b>4,490,350</b>	<b>4,199,748</b>	<b>(290,602)</b>
<b>Expenditures</b>				
Advertising and Promotions	2,500	2,500	8,935	(6,435)
Auto Insurance	4,500	4,500	2,288	2,212
Bad Debt	-	-	24,550	(24,550)
Computer Hardware and Software	50,000	50,000	36,858	13,142
Consultant Fees	10,000	5,000	2,600	2,400
Contractual	1,977,900	2,157,900	2,148,368	9,532
Deferred Compensation	140,000	130,000	123,212	6,788
Dues and Subscriptions	3,500	5,500	10,643	(5,143)
Computers and Software Support	20,000	20,000	4,530	15,470
Equipment Rental	3,500	3,500	1,247	2,253
General Insurance	28,000	28,000	30,727	(2,727)
Group Insurance	220,000	220,000	209,392	10,608
Legal and Accounting	143,000	146,000	131,730	14,270
Miscellaneous	61,850	99,850	13,446	86,404
Office Supplies	1,500	1,500	12,280	(10,780)
Payroll Taxes	24,000	24,000	22,263	1,737
Postage	200	200	221	(21)
Professional Education	20,000	10,000	8,921	1,079
Publishing	3,000	2,500	2,888	(388)
Rent (In-Kind)	-	-	29,000	(29,000)
Repairs and Maintenance	-	-	42,010	(42,010)
Salaries	1,463,000	1,313,000	1,181,524	131,476
Telephone	15,000	15,000	15,514	(514)
Travel	25,500	13,500	7,142	6,358
Utilities	18,000	18,000	8,971	9,029
Vehicle Expenses	2,000	1,500	4,663	(3,163)
Capital Outlay	6,000	6,000	300,668	(294,668)
Debt Service - Principal	30,074	30,074	35,901	(5,827)
Debt Service - Interest	8,482	8,482	10,124	(1,642)
<b>Total Expenditures</b>	<b>4,281,506</b>	<b>4,316,506</b>	<b>4,430,616</b>	<b>(114,110)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>221,844</b>	<b>173,844</b>	<b>(230,868)</b>	<b>(174,917)</b>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	\$ -	\$ -	150,000	\$ (150,000)
<b>Net Change in Fund Balance</b>			<b>(80,868)</b>	
<b>Fund Balance, Beginning of Year</b>			<b>564,576</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 483,708</b>	

**CAPITAL REGION PLANNING COMMISSION**  
**BATON ROUGE, LOUISIANA**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2022**

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 50,678	\$ 49,202	\$ 35,458	\$ 22,593	\$ 25,249
Interest Cost	10,954	9,223	15,622	13,687	12,293
Differences between Expected and Actual Experience	(57,921)	34,593	(209,245)	30,477	11,853
Changes in Assumptions	(129,411)	4,041	129,890	27,098	(17,953)
Benefit Payments	(7,705)	(8,025)	(7,607)	(7,595)	(7,199)
<b>Net Change in OPEB Liability</b>	(133,405)	89,034	(35,882)	86,260	24,243
<b>Total OPEB Liability - Beginning</b>	481,774	392,740	428,622	342,362	318,119
<b>Total OPEB Liability - Ending</b>	\$ 348,369	\$ 481,774	\$ 392,740	\$ 428,622	\$ 342,362
Covered Employee Payroll	\$ 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	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, 2022.*

*Changes in Assumptions. The discount rate as of June 30, 2021 was 2.16% and it changed to 3.54%.*

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

## **OTHER SUPPLEMENTARY INFORMATION**



**CAPITAL REGION PLANNING COMMISSION**  
**BATON ROUGE, LOUISIANA**  
**Schedule of Indirect Cost Allocation**  
**For the Year Ended June 30, 2022**

	<b>Administrative Expenses</b>	<b>Adjustments to Arrive at Allocable Cost</b>	<b>Allocable Administrative Cost</b>
<b>Expenses</b>			
Advertising and Promotions	\$ 8,935	\$ -	\$ 8,935
Auto Insurance	2,288	-	2,288
Bad Debt	24,550	(24,550)	-
Capital Outlay	300,668	(300,668)	-
Computers and Software Support	4,530	-	4,530
Computer Hardware and Software	30,263	-	30,263
Consultant Fees	2,600	-	2,600
Debt Service	46,025	(46,025)	-
Deferred Compensation	123,212	-	123,212
Depreciation	-	51,059	51,059
Dues and Subscriptions	6,584	-	6,584
Equipment Rental	1,247	-	1,247
General Insurance	30,727	-	30,727
Group Insurance	209,392	-	209,392
Legal and Accounting	131,730	-	131,730
Miscellaneous	8,889	-	8,889
Office Supplies	11,670	-	11,670
Payroll Taxes	22,263	-	22,263
Postage	221	-	221
Rent (In-Kind)	29,000	-	29,000
Repairs and Maintenance	42,010	-	42,010
Salaries	323,558	-	323,558
Telephone	15,514	-	15,514
Travel	2,621	-	2,621
Utilities	8,971	-	8,971
Vehicle Expenses	4,663	-	4,663
<b>Total Expenses</b>	<b>\$ 1,392,131</b>	<b>\$ (320,184)</b>	<b>\$ 1,071,947</b>

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

Allocable General and Administrative Costs	\$ 1,071,947
Add:	
Capital Outlay	300,668
Bad Debt	24,550
Debt Service	46,025
Deduct:	
Depreciation	(51,059)
<b>Management and General Expenses</b>	<b>\$ 1,392,131</b>

See independent auditor's report.

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA  
Schedule of Indirect Cost Allocation (Continued)  
For the Year Ended June 30, 2022**

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**Direct Salary Costs**

DOTD - Planning	\$ 449,650
EDA	148,957
RCBG	91,823
Regional Strategic Highway Safety Plan	69,885
DOTD - FTA	32,754
OCD - SCTC	4,562
MTP	27,551
CATS	10,830
DOTD - TDM	6,701
LSU	3,210
NOAA	10,077
VC STIC	1,966

<b>Total Direct Salary Costs for Programs</b>	<b><u>\$ 857,966</u></b>
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**Indirect Cost Allocation Computation**

Overhead Rate	1.249
Indirect Cost Rate	1.249

**Overhead Rate Computation**

Adjusted Overhead Costs	<u>\$ 1,071,947</u>
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<b>Total Direct Salary Cost</b>	<b><u>\$ 857,966</u></b>
---------------------------------	--------------------------

See independent auditor's report.

**CAPITAL REGION PLANNING COMMISSION**  
**BATON ROUGE, LOUISIANA**  
**Schedule of Functional Expenses**  
**For the Year Ended June 30, 2022**

	Transit Planning	Economic Development	Total Program Expenses	Administrative Management and General	Total
<b>Expenses</b>					
Advertising and Promotions	\$ -	\$ -	\$ -	\$ 8,935	\$ 8,935
Auto Insurance	-	-	-	2,288	2,288
Bad Debt	-	-	-	24,550	24,550
Computers and Software Support	-	-	-	4,530	4,530
Computer Hardware and Software	6,595	-	6,595	30,263	36,858
Consultant Fees	-	-	-	2,600	2,600
Contractual	2,142,110	6,258	2,148,368	-	2,148,368
Deferred Compensation	-	-	-	123,212	123,212
Dues and Subscriptions	109	3,950	4,059	6,584	10,643
Equipment Rental	-	-	-	1,247	1,247
General Insurance	-	-	-	30,727	30,727
Group Insurance	-	-	-	209,392	209,392
Legal and Accounting	-	-	-	131,730	131,730
Miscellaneous	200	4,357	4,557	8,889	13,446
Office Supplies	-	610	610	11,670	12,280
Payroll Taxes	-	-	-	22,263	22,263
Postage	-	-	-	221	221
Professional Education	2,694	6,227	8,921	-	8,921
Publishing	2,888	-	2,888	-	2,888
Rent (In-Kind)	-	-	-	29,000	29,000
Repairs and Maintenance	-	-	-	42,010	42,010
Salaries	617,229	240,737	857,966	323,558	1,181,524
Telephone	-	-	-	15,514	15,514
Travel	1,473	3,048	4,521	2,621	7,142
Utilities	-	-	-	8,971	8,971
Vehicle Expenses	-	-	-	4,663	4,663
Capital Outlay	-	-	-	300,668	300,668
Debt Service	-	-	-	46,025	46,025
<b>Total Expenses</b>	<b>2,773,298</b>	<b>265,187</b>	<b>3,038,485</b>	<b>1,392,131</b>	<b>4,430,616</b>
Indirect Cost Allocations	1,270,631	121,500	1,392,131	(1,392,131)	-
<b>Total Expenses Plus Indirect Cost Allocations</b>	<b>\$ 4,043,929</b>	<b>\$ 386,687</b>	<b>\$ 4,430,616</b>	<b>\$ -</b>	<b>\$ 4,430,616</b>

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, 2022**

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**Agency Head**  
 Jamie Setze, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$157,775
Benefits - Insurance	\$13,628
Benefits - Retirement	\$19,722
Benefits - Auto Insurance on CRPC Vehicle	\$2,288
Car Allowance	\$0
Vehicle Provided by Government	\$1,591
Per Diem	\$0
Reimbursements	\$0
Travel	\$4,852
Dues and Subscription	\$3,250
Conference Travel	\$1,276
Continuing Professional Education Fees	\$204
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, 2022**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>United States Department of Commerce</b>			
Direct Program			
Economic Development Administration Area			
Economic Development Support for Planning Organizations	11.302	* 2019-2024	\$ 70,599
Covid-19: Economic Development Support for Planning Organizations	11.302	* 2019-2024	262,203
Economic Adjustment Assistance - Capital Grant	11.307	2017-2020	<u>150,000</u>
<b>Total United States Department of Commerce</b>			<u>482,802</u>
<b>Delta Regional Authority</b>			
Direct Program			
Delta Local Development District Assistance	90.202	None	<u>31,717</u>
<b>Total Delta Regional Authority</b>			<u>31,717</u>
<b>United States Department of Transportation</b>			
(Passed through the Louisiana Department of Transportation and Development)			
Highway Planning and Construction Cluster			
Regional Strategic Highway Safety Plan	20.205	* H.013502	136,247
Travel Demand Management	20.205	* H.012730	437,192
Regional Bicycle Path	20.205	* H.014418	130,604
Move 2046	20.205	* H.972386	403,045
Value Capture for Local Public Agencies	20.200	* H.014043	22,950
Metropolitan Transportation Planning Program	20.205	* H.972422.1	856,695
Pavement Asset and Data Collection	20.205	* H.014626	<u>725,240</u>
Total Highway Planning and Construction Cluster			2,711,973
Federal Transit - Formula Grants (Urbanized Area Formula Program)			
Formula Grants for Rural Areas	20.509	LA-2019-011	13,970
MPO Planning	20.505	LA-2019-018	112,268
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	LA-2018-006	<u>5,000</u>
<b>Total United States Department of Transportation</b>			<u>2,843,211</u>
<b>United States Department of Housing and Urban Development</b>			
Passed through the Louisiana Office of Community Development			
CDBG Entitlement Grants	14.228	None	167,970
Supply Chain Transportation	14.228	None	<u>6,661</u>
Rural Revitalization Pilot Program			
<b>Total United States Department of Housing and Urban Development</b>			<u>174,631</u>
<b>National Oceanic and Atmospheric Administration</b>			
Direct			
Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology	11.451	None	<u>68,373</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 3,600,734</u>

\* Indicates major program.

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**

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**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, 2022, 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, 2022, 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, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 21, 2022.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 handwritten signature in cursive script, appearing to read "LaPorte".

A Professional Accounting Corporation

Baton Rouge, LA  
December 21, 2022



**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, 2022. 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, 2022.

**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  
December 21, 2022

**CAPITAL REGION PLANNING COMMISSION  
BATON ROUGE, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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**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                                     | No            |
| 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:   |               |
|    | 11.302 - Economic Development Support for Planning Organizations                                   |               |
|    | 11.302 - Covid 19: Economic Support for Planning Organizations                                     |               |
|    | 20.205 - Highway Planning and Construction Cluster   |               |
| 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           |

**Part II. Financial Statement Audit**

None.

**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, 2022**

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None.

## **AGREED-UPON PROCEDURES REPORT**

Capital Region Planning Commission

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2021 - June 30, 2022**

To the Members of the  
Capital Region Planning Commission  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the Capital Region Planning Commission's (the Commission) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2021 through June 30, 2022. Capital Region Planning Commission's management is responsible for those C/C areas identified in the SAUPs.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 1, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

#### **LOUISIANA • TEXAS**

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- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** No exceptions were noted on policies and procedures for all categories except k). We noted that for k), the periodic testing/verification of backups is not addressed.

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### **Board or Finance Committee**

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** We noted no exceptions in the performance of these procedures.

### ***Bank Reconciliations***

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- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** We noted no exceptions in the performance of procedures 3a) and 3c). We noted that the bank reconciliations are not reviewed or signed by someone other than the preparer, who does not handle cash, post ledgers, or issue checks.

### ***Collections (excluding electronic funds transfers )***

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- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** We obtained management's representation that the listing provided is complete.



5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results:** We noted no exceptions in the performance of these procedures.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

**Results:** We noted no exceptions in the performance of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** We noted no exceptions in the performance of these procedures.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Results:** We noted no exceptions in the performance of this procedure.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties) and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** We noted no exceptions in the performance of these procedures.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** We noted no exceptions in the performance of these procedures.

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Results:** We obtained management's representation that the listing provided is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

[Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** We noted no exceptions in the performance of these procedures.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results:** We noted that the support for 2 credit charges that were for meals did not identify who was in attendance. We noted no exceptions in the performance of the remainder of the procedures.

#### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/ public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** We noted no exceptions in the performance of these procedures.

### **Contracts**

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** We noted no exceptions in the performance of these procedures.

### **Payroll and Personnel**

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Results:** We noted no exceptions in the performance of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

- c) Observe whether any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe whether the rate paid to the employees or officials agree to the authorized salary/ pay rate found within the personnel file.

**Results:** We noted no exceptions in the performance of these procedures.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

**Results:** We noted no exceptions in the performance of this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results:** We noted no exceptions in the performance of this procedure.

## **Ethics**

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** We noted no exceptions in the performance of these procedures.

## **Debt Service**

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

**Results:** We noted no exceptions in the performance of this procedure.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** We noted no exceptions in the performance of this procedure.

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results:** We noted no exceptions in the performance of this procedure.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** We noted that notice was posted on website but not on the premises.

### ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, verbally discuss the results with management, and report: "We performed the procedure and discussed the results with management."
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results:** We performed the procedure and discussed the results with management.

## ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**Results:** We noted no exceptions in the performance of this procedure.

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

**Results:** We noted that the sexual harassment policy was not posted on the premises or on the Commission’s website.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1<sup>st</sup>, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

**Results:** We noted no exceptions in the performance of these procedures.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. 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 "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA  
December 22, 2022





# CAPITAL REGION PLANNING COMMISSION

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December 28, 2022

Mr. Michael J. Waguespack  
Louisiana Legislative Auditor  
1600 N 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: SAUP Agreed-Upon Procedures

The management of Capital Region Planning Commission wishes to provide the following responses relative to the results of the 2022 statewide agreed-upon procedures engagement:

- 1) In response to the results of the Written Policies and Procedures section, the Commission will amend its written policies and procedures for Information Technology to include testing/verification of backups.
- 2) In response to the results of the Bank Reconciliations, management will evaluation its policies and procedures on approval of bank statements and reconciliations and will consider having a board member sign them on a monthly basis.
- 3) In response to the results of the Credit Cards procedures, management will document those in attendance for future credit card charges for meals.
- 4) In response to the Fraud Notice procedures, management will post the notice on its premises.

Sincerely,

*James C. Setze*

James C. Setze  
Executive Director