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**CAPITAL REGION PLANNING COMMISSION,
A COMPONENT UNIT OF THE CITY
OF BATON ROUGE/PARISH OF EAST BATON ROUGE**

**COMPONENT UNIT FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

JUNE 30, 2011

BATON ROUGE, LOUISIANA

CONTENTS

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December 29, 2011

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the major fund (General Fund), and the fiduciary fund of the Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund (General Fund), and the fiduciary fund of the Commission, as of June 30, 2011, and the respective changes in the financial position and the budgetary comparison of the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Capital Region Planning Commission adopted the provisions of GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2011, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's financial statements as a whole. The accompanying Combining Balance Sheet - General Fund, the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund, and the Schedule of Indirect Cost Allocation Plan are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A -133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the financial statements. The Combining Balance Sheet – General Fund, the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund, the Schedule of Indirect Cost Allocation Plan, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Respectfully submitted,

Hannis T. Bourgeois, LLP

CAPITAL REGION PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis of the Capital Region Planning Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently know facts.

FINANCIAL HIGHLIGHTS

- The Commission's assets exceeded its liabilities at the close of the fiscal year 2011 by approximately $303,000 compared with $299,000 last fiscal year;
- The net assets increased by approximately $4,000 compared to a decrease of approximately $152,000 last fiscal year;
- Operating grants increased by approximately $373,000 compared to the 2010 fiscal year;
- Total Commission expenses increased by approximately $258,000 in the relation to last fiscal year;
- Total Commission revenues increased by approximately $414,000 or 38% in the relation to last fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is intended to serve as an introduction to the Capital Region Planning Commission's basic financial statements. The Commission's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Under the new reporting model, the basic financial statements of the Commission will be less complex and present financial information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The annual financial report includes the Statement of Net Assets; the Statement of Net Activities; Balance Sheet of Governmental type funds; Notes to the Financial Statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information concerning indirect cost allocation proposal, and Single Audit reports.

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

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

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

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

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

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

The Commission maintains four individual governmental grants within the General Fund. The general fund is the major fund. Information is presented separately in the Combining Balance Sheet and in the Combining Statement of Revenues, Expenditures and Changes in Fund Balances for the Administrative, Transportation Planning, Transit Planning, Air Quality, and the Economic Development Program.

The Commission adopts an annual appropriated budget for the entity as a whole. Budgetary comparison statements have been provided to demonstrate performance of actual results with budgeted amounts.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Commission. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Commission's own programs. The Commission maintains one fiduciary fund which constitutes an employee retirement account.

FINANCIAL ANALYSIS OF THE COMMISSION

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Capital Region Planning Commission, assets exceed liabilities by approximately $303,000 at the close of the recent fiscal year.

The Capital Region Planning Commission's Net Assets

Governmental Activities	June 30, 2011	June 30, 2010
Assets:		
Current and Other Assets	$ 792,865	$ 868,490
Capital Assets	16,658	20,444
Total Assets	809,523	888,934
Liabilities:		
Current Liabilities	174,874	295,632
Long-Term Liabilities	331,871	294,731
Total Liabilities	506,745	590,363
Total Net Assets	$ 302,778	$ 298,571

The composite net assets amount of approximately $303,000 as of June 30, 2011 consists of investments in capital assets and unrestricted net assets in the amounts of approximately $17,000 and $286,000, respectively. As of June 30, 2010, the composite net assets of $299,000 consisted of investment in capital assets of approximately $20,000 and unrestricted net assets of $279,000.

Unrestricted net assets are those that do not have any limitations for what these amounts may be used. As referred to previously, net assets of the Commission increased by $4,000 from June 30, 2010 to June 30, 2011.

The Capital Region Planning Commission's Change in Net Assets

Governmental Activities	June 30, 2011	June 30, 2010
Revenues:		
Program Revenue:		
Operating Grants	$ 1,250,596	$ 878,064
General Revenue:		
Dues	99,380	99,380
In Kind	100,019	59,000
Investment and Other	66,955	66,685
Total Revenues	1,516,950	1,103,129

(CONTINUED)

Expenses:		
Program Expense	814,515	590,677
Administration Expense	698,228	664,485
Total Expenses	1,512,743	1,255,162
Increase (Decrease) in Net Assets	$ 4,207	$ (152,033)

Revenues by Source - Governmental Activities

The Commission's total revenues increased $413,821 compared to the 2010 fiscal year. The total cost of all programs and services increased by $257,581, including in-kind expenses as compared with last year.

Capital Assets

At the end of the fiscal year 2011 the Commission had $16,658 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net decrease of $3,786 over last year.

Governmental Activities	June 30, 2011	June 30, 2010
Furniture and Equipment	$ 217,737	$ 207,434
Vehicles	32,110	32,110
Accumulated Depreciation	(233,189)	(219,100)
Totals	$ 16,658	$ 20,444

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.

CONTACTING THE COMMISSION FINANCIAL MANAGEMENT

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF NET ASSETS -
GOVERNMENTAL ACTIVITIES

AS OF JUNE 30, 2011

ASSETS

Current Assets:	
Cash and Cash Equivalents	$ 84,391
Investments	281,222
Grant Funds Receivable	360,365
Due From Other Governments	33,464
Other Receivables	33,423
Total Current Assets	792,865
Non-Current Assets:	
Capital Assets, Net of Accumulated Depreciation	16,658
Total Non-Current Assets	16,658
Total Assets	809,523

LIABILITIES

Current Liabilities:	
Accounts Payable	148,114
Due to Grantors	26,760
Total Current Liabilities	174,874
Non-Current Liabilities:	
Accrued Compensated Absences Payable	56,983
Accrued OPEB Expense	274,888
Total Non-Current Liabilities	331,871
Total Liabilities	506,745

NET ASSETS

Invested in Capital Assets, Net of Related Debt	16,658
Unrestricted	286,120
Total Net Assets	$ 302,778

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Total	Administration	Project Studies and Planning
Expenses:			
Advertising and Promotions	$ 138,705	$ 969	$ 137,736
Auto Insurance	3,678	3,678	-
Consultant Fees	99,513	5,201	94,312
Dues and Subscription	9,255	7,454	1,801
Depreciation	14,089	14,089	-
Equipment and Facilities Maintenance	14,551	14,551	-
Equipment Rental	2,882	2,882	-
General Insurance	6,490	6,490	-
Group Insurance	100,980	100,980	-
Legal and Accounting	50,988	50,988	-
Miscellaneous	6,875	5,980	895
OPEB Expense	49,817	49,817	-
Office Supplies	15,171	15,101	70
Payroll Taxes	9,534	9,534	-
Postage	3,294	3,294	-
Professional Education	27,079	18,974	8,105
Publishing	412	82	330
Rent - Inkind	100,019	100,019	-
Salaries and Deferred Compensation	809,160	257,552	551,608
Telephone	11,396	11,396	-
Travel and Auto Allowance	20,104	645	19,459
Unemployment Claims	11,723	11,723	-
Vehicle Expense	7,028	6,829	199
Total Expenses	1,512,743	698,228	814,515
Indirect Expenses Allocation	-	(643,539)	643,539
Total Expenses net of Indirect Cost	1,512,743	54,689	1,458,054
Program Revenues:			
Operating Grants	1,250,596	-	1,250,596
Net Program Expense (Revenue)	262,147	$ 54,689	$ 207,458
General Revenues:			
Dues Assessment	99,380		
Inkind Revenue	100,019		
Investment Income	23,215		
Fee for Service	30,000		
Other Revenue	13,740		
Total General Revenues	266,354		
Change in Net Assets	4,207		
Net Assets - Beginning of Year	298,571		
Net Assets - End of Year	$ 302,778		

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CAPITAL REGION PLANNING COMMISSION

BALANCE SHEET - GENERAL FUND

AS OF JUNE 30, 2011

Assets:		
Cash and Cash Equivalents	$	84,391
Investments		281,222
Grant Funds Receivable		360,365
Due From Other Governments		33,464
Other Receivables		33,423
Total Assets	$	792,865
Liabilities:		
Accounts Payable	$	148,114
Due to Grantors		26,760
Total Liabilities		174,874
Fund Balance:		
Unassigned		617,991
Total Fund Balance		617,991
Total Liabilities and Fund Balances	$	792,865

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

RECONCILIATION OF GENERAL FUND BALANCE
SHEET TO THE STATEMENT OF NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2011

Total Fund Balance - Governmental Fund		$ 617,991
The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expense in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the Commission as a whole. The costs of those assets allocated over their estimated useful lives (as depreciation expense) is reported in the Statement of Activities. Because depreciation does not effect financial resources, it is not reported in governmental funds.		
Cost of Capital Assets	249,847	
Accumulated Depreciation	(233,189)	
		16,658
Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term are reported as fund liabilities. All liabilities both current and long-term are reported in the Statement of Net Assets.		
Accrued Compensated Absences	(56,983)	
Accrued OPEB Expense	(274,888)	
		(331,871)
Net Assets - Governmental Activities		$ 302,778

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2011

Revenues:	
Federal Funding	$ 1,096,989
Fee for Service	30,000
Local Funding:	
Bicycle and Pedestrian Safety Grant	153,607
Dues Assessment	99,380
Outside Agency Local Match	13,740
Inkind Revenue	100,019
Investment Income	23,215
Total Revenues	1,516,950
Expenditures:	
Current:	
Advertising and Promotions	138,705
Auto Insurance	3,678
Consultant Fees	99,513
Dues and Subscriptions	9,255
Equipment and Facilities Maintenance	14,551
Equipment Rental	2,882
General Insurance	6,490
Group Insurance	100,980
Legal and Accounting	50,988
Miscellaneous	6,875
OPEB Expense	15,111
Office Supplies	15,171
Payroll Taxes	9,534
Postage	3,294
Professional Education	27,079
Publishing	412
Rent - Inkind	100,019
Salaries and Deferred Compensation	806,726
Telephone	11,396

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Travel and Auto Allowance	20,104
Unemployment Claims	11,723
Vehicle Expenses	7,028
Capital Outlay	10,303
Total Expenditures	1,471,817
Net Change in Fund Balance	45,133
Fund Balance, Beginning of Year	572,858
Fund Balance, End of Year	$ 617,991

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

RECONCILIATION OF THE GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

Total Net Changes in Fund Balance - General Fund		$ 45,133
Capital outlays are reported in governmental funds as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimates useful lives as depreciation expense. The amount by which capital outlays exceed depreciation is described as follows:		
Capital outlays which were capitalized	10,303	
Depreciation expense	(14,089)	
		(3,786)
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 funds:		
Increase in Compensated Absenses	(2,434)	
Increase in OPEB Expense	(34,706)	
		(37,140)
Change in Net Assets of Governmental Activities		$ 4,207

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budget	Actual Amounts	Variance
Revenues:			
Program Funding	$ 1,473,889	$1,250,596	$ (223,293)
Fee For Service	22,000	30,000	8,000
Local Funding:			
Dues Assessment	99,600	99,380	(220)
Outside Agency Local Match	29,500	13,740	(15,760)
Special Planning Projects	38,600	-	(38,600)
Inkind Revenue	53,000	100,019	47,019
Investment Income	20,000	23,215	3,215
Total Revenues	1,736,589	1,516,950	(219,639)
Expenditures:			
Advertising and Promotions	-	138,705	(138,705)
Auto Insurance	5,000	3,678	1,322
Consultant Fees	244,000	99,513	144,487
Contingency	20,000	-	20,000
Dues and Subscriptions	7,000	9,255	(2,255)
Equipment and Facilities Maintenance	10,000	14,551	(4,551)
Equipment Rental	4,000	2,882	1,118
General Insurance	10,000	6,490	3,510
Group Insurance	175,000	100,980	74,020
Legal and Accounting	45,000	50,988	(5,988)
Miscellaneous	30,000	6,875	23,125
OPEB Expense	-	15,111	(15,111)
Office Supplies	15,000	15,171	(171)
Payroll Taxes	10,000	9,534	466
Postage	3,500	3,294	206
Professional Education	10,000	27,079	(17,079)
Publishing	5,000	412	4,588
Rent - Inkind	53,000	100,019	(47,019)
Salaries	998,240	806,726	191,514
Telephone	15,000	11,396	3,604

(CONTINUED)

	Original and Final Budget	Actual Amounts	Variance
Travel and Auto Allowance	30,000	20,104	9,896
Unemployment Claims	-	11,723	(11,723)
Vehicle Expenses	8,000	7,028	972
Capital Outlay	35,000	10,303	24,697
Total Expenditures	1,732,740	1,471,817	260,923
Net Change in Fund Balance	3,849	45,133	41,284
Fund Balance, Beginning of Year	572,858	572,858	-
Fund Balance, End of Year	$ 576,707	$ 617,991	$ 41,284

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUND

AS OF JUNE 30, 2011

ASSETS

Investments	$ 758,005
Total Assets	$ 758,005

LIABILITIES

Total Liabilities	$ -
Net Assets Held in Trust for Deferred Compensation	$ 758,005

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUND

AS OF JUNE 30, 2011

Additions:		
Contributions:		
Employer	$	70,232
Plan Members		3,741
Total Contributions		73,973
Investment Income (Loss) (Net of Expenses)		78,853
Total Additions		152,826
Deductions:		
Benefits/Rollovers		72,430
Total Deductions		72,430
Change in Net Assets		80,396
Net Assets Held in Trust for Deferred Compensation:		
Beginning of Year		677,609
End of Year	$	758,005

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies -

Introduction

The Capital Region Planning Commission (CRPC) is a Council of Governments serving the eleven-parish Capital Region, which includes the following Parishes: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, Washington, West Baton Rouge, and West Feliciana. A Council of Governments is a voluntary association of independent local governments who, through planning and communication, foster cooperation and coordination in resolving area-wide problems beyond any individual constituency's authority or competence. Individual governmental entities are represented by locally elected officials who must constitute a majority of representation on the Council. CRPC gets its authority, as do the other Regional Commissions in the state, under Louisiana Revised Statutes 33:131 et seq, as amended. All parish and municipal governments in the Capital Region may join CRPC. At present there are 11 parish members and 32 municipal members.

CRPC is the Baton Rouge area's designated Metropolitan Planning Organization (MPO), which each metropolitan area must have in order to carry out regional transportation planning efforts and receive federal highway funds. As the regional MPO, the Capital Region Planning Commission focuses a great deal of its resources on transportation planning issues and activities, which includes highway planning, the regional ridesharing program, and air quality issues. In addition, CRPC is one of eight sub-state planning and development districts which cover all 64 parishes in the state of Louisiana. Toward that end, CRPC provides technical assistance for economic development, comprehensive planning, and zoning to its members.

Basis of Presentation

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

The financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government (board), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Governmental Accounting Standards Board (GASB) issued Statement No.39, determining whether certain organizations are component units, amends GASB 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit.

Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Based on the application of the above criteria, it was determined the Capital Region Planning Commission has no potential component units. As a result, this report includes all funds and account groups which are controlled by or dependent on the Commission or Board of Commissioners. Control by or dependence on the Commission was determined on the basis of budget adoption, and other general oversight responsibility.

The Commission is a component unit of the City of Baton Rouge\Parish of East Baton Rouge. The Commission does not act as an oversight unit for any component units.

Fund Accounting

The Commission uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements as described as follows:

Governmental Fund Types

Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Commission include the General Fund - the general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in other funds.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the Commission in a trustee capacity. The Commission maintains one fiduciary fund type, pension trust fund. The Trust Fund is used to report fiduciary resources held in trust and the receipt, investment and distribution of retirement contributions.

Measurement Focus/Basis of Accounting

Basic Financial Statements - Government-Wide Financial Statement (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.*

Basic Financial Statements - Fund Financial Statements (FFS)

Fund financial statements report detailed information about the Commission. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Governmental Funds

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

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

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

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

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

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

Budget Practices and Budgetary Accounting

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

Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits or investments with original maturity dates of less than 90 days. It is the Commission's policy only to invest in insured or compensated governmental backed securities.

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. The Commission's policy specifically prohibits the payment of any accumulated sick leave at separation and consequently no sick leave is accrued.

Indirect Cost Allocations

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

Capital Assets

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

Estimates

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

Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories below

1. Nonspendable, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

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

4 Assigned fund balance classification are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed, and

5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Restricted amounts are considered to be spent prior to unrestricted amounts when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, and if unrestricted fund balance amounts are used then committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 2 - Cash, Cash Equivalents, and Investments -

Cash and Cash Equivalents

At June 30, 2011, the carrying amount of the Commission's Cash and Cash Equivalents totaled $84,391, and the confirmed bank balances totaled $92,996. 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. The following is a summary of cash and cash equivalents at June 30, 2011.

	Deposits in Bank Accounts		
	Cash	Other (Money Market Accounts)	Total
Deposits in Bank Accounts per Balance Sheet	$ 80,630	$ 3,761	$ 84,391
Bank Balances (Category 3 Only):			
a. Uninsured and Uncollateralized	$ -	$ -	$ -
b Uninsured and Collateralized with Securities Held by the Pledging Institution	-	-	-
c. Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent, but not in the Entities Name	-	-	-
Total Category 3 Bank Balances	$ -	$ -	$ -
Total Bank Balances (Regardless of Category)	$ 89,235	$ 3,761	$ 92,996

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. As of June 30, 2011, none of the Commission's bank balance of $92,996 was exposed to custodial credit risk.

Investments

Custodial Credit Risk - Investments. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of investment or collateral securities that are in the possession of an outside party Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the Commission. At June 30, 2011, all of the Commission's investments were secured from risk completely through either FDIC or SIPC 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

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity:

Investment Type	12mths or less	13 to 24 mths	25 to 60 mths	Total
Time Deposits	$ -	$ 79,422	$ 201,800	$ 281,222

Credit Risk - Investments. The credit risk of investments is the risk that the issuer or counterparty will not meet its obligations As of June 30, 2011, the Commission's investments were in FDIC fully insured time deposits.

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 investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana. Investments in any one issuer (other than U S Treasury securities and mutual funds) that represent 5% or more of total Commission investments are as follows:

Issuer	Investment Type	Reported Amount
State Bank of India	Time Deposits	79,422
Discover Bank	Time Deposits	31,785
GE Money Bank	Time Deposits	102,939
Goldman Sachs Bank	Time Deposits	26,652
American Express Bank	Time Deposits	40,424
Total		$ 281,222

Note 3 - Capital Assets -

A summary of changes in capital assets are as follows:

	July 1, 2010	Additions	Deletions	June 30, 2011
Capital Assets:				
Furniture, Fixtures, Office Equipment	$ 207,434	$ 10,303	$ -	$ 217,737
Vehicles	32,110	-	-	32,110
Accumulated Depreciation	(219,100)	(14,089)	-	(233,189)
Capital Assets, net	$ 20,444	$ (3,786)	$ -	$ 16,658

Depreciation expense amounted to $14,089 for 2011.

Note 4 - Deferred Compensation Plan -

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters The plan, available to all full-time employees meeting specific length of service criteria, permits them to defer a portion of their salary, for federal income tax purposes, until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Commission funds the plan by making contributions to a plan administrator, on a monthly basis, at rates ranging from 7 5% to 12 5% of the employees' compensation. The contribution rate for employees is based on their employment longevity. The plan administrator offers a variety of investment alternatives directly to the participant. Commission employees have collectively selected a fund which consists of investments in insurance companies as follows:

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

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

Note 5 - Federal Grants -

The Commission participates in a number of federally-assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2011, 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 6 - Post Employment Benefits Other Than Pensions -

Plan Description - The Commission participates in a single employer healthcare plan administered by a private insurance company. The Plan provides lifetime healthcare and dental insurance for eligible retirees through the Commission's group healthcare insurance plan, which cover both active and retired members. Benefits provisions are established through negotiations between the Commission and the private insurance company

Funding Policy - The Commission contributes 75% of the cost of current year premiums for eligible retired plan members. For fiscal year June 30, 2011, the Commission contributed $15,111.

Annual OPEB Cost and Net OPEB Obligation - The Commission's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contributions of the employer (ARC). The Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than 100 total plan members The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Commission's net OPEB obligations.

Normal Cost	$ 13,047
30 year UAL Amortization Amount	39,224
Annual Required Contributions	52,271
Interest on Net OPEB Obligation	13,210
Adjustment to Annual Required Contribution	(15,664)
Annual OPEB Cost	49,817
Current Year Retiree Premium Paid	(15,111)
Increase in Net OPEB Obligations	34,706
Net OPEB Obligation - Beginning of Year	240,182
Net OPEB Obligation - End of Year	$ 274,888

The following table shows the Commission's annual post employment benefit (PEB) costs, percentage of cost contributed, and the net post employment benefits (PEB) liability (asset)·

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net PEB Liability (Asset)
June 30, 2007	$ 64,322	6.90%	$ 59,865
June 30, 2008	63,711	7.70%	118,676
June 30, 2009	63,109	7.90%	176,823
June 30, 2010	68,312	7.25%	240,182
June 30, 2011	49,817	30 33%	274,888

Funded Status and Funding Progress - In the fiscal year ending June 30, 2011, the Commission made no contributions to its post employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. As of July 1, 2010, the most recent valuation, the Actuarial Accrued Liability (AAL) was $570,080, which is defined as that portion, as determined by the alternative measurement method, of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost Since the plan has not been funded, the entire actuarial accrued liability of $570,080 was unfunded. The ratio of UAAL of $570,080 to the covered payroll amount of $736,489 was 77.4%

The following simplifying assumptions were made

Retirement Age for Active Employees - Active plan members were assumed to retire at age 65.

Marital Status - Marital status of members at the calculation date was assumed single as benefits are not paid for dependents upon retirement

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2005 United States Life tables for males and for females were used.

Turnover - Non-group-specific age based turnover data from GASB 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on projection of the office of the actuary at the Centers for Medical and Medicaid Services A rate of 5 8 percent initially, increased to an ultimate rate of 6.7 percent after 10 years, was used.

Health Insurance Premiums - The fiscal year June 30, 2011 health insurance premiums for retirees were used as the basis for calculation at the present value of total benefits to be paid.

Note 7 - Lease Commitments -

The Commission entered into a non-cancelable operating lease for equipment in May 2010. The lease requires monthly payments of $320 and expires in May 2014. Upon the execution of this lease, the Commission's previously leased equipment was traded-in.

Total operating lease expenditures for the year ended June 30, 2011 amounted to $3,843.

Note 8 - Commitments and Contingencies -

The Commission is involved in several legal actions, which arose during the ordinary course of business. Management believes that the Commission has adequate legal defenses or insurance coverage with respect to each of these actions. However, the ultimate outcome of the litigation is unknown at the present time. Accordingly, no provision for any liability that might result has been made in the accompanying financial statements. In the opinion of management, the existing litigation will not materially affect the Commission's results of operations or financial position.

OTHER SUPPLEMENTARY INFORMATION

CAPITAL REGION PLANNING COMMISSION

COMBINING BALANCE SHEET - GENERAL FUND

AS OF JUNE 30, 2011

	Administrative	Transport Planning	Transit Planning	Air Quality
Assets:				
Cash and Cash Equivalents	$ 84,391	$ -	$ -	$ -
Investments	281,222	-	-	-
Grant Funds Receivable	-	249,159	38,968	834
Interfund Receivables	360,365	-	-	-
Due From Other Governments	33,464	-	-	-
Other Receivables	33,423	-	-	-
Total Assets	$ 792,865	$ 249,159	$ 38,968	$ 834
Liabilities:				
Accounts Payable	148,114	$ -	$ -	$ -
Due to Grantors	-	-	-	-
Interfund Payables	26,760	249,159	38,968	834
Total Liabilities	174,874	249,159	38,968	834
Fund Balances:				
Unassigned	617,991	-	-	-
Total Fund Balances	617,991	-	-	-
Total Liabilities and Fund Balances	$ 792,865	$ 249,159	$ 38,968	$ 834

See Auditor's report

Economic Development	Elimination	Total General Fund
$ -	$ -	$ 84,391
-	-	281,222
71,404	-	360,365
26,760	(387,125)	-
-	-	33,464
-	-	33,423
$ 98,164	$ (387,125)	$ 792,865
$ -	$ -	$ 148,114
26,760	-	26,760
71,404	(387,125)	-
98,164	(387,125)	174,874
-	-	617,991
-	-	617,991
$ 98,164	$ (387,125)	$ 792,865

CAPITAL REGION PLANNING COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2011

	Administrative	Transport Planning	Transit Planning
Revenues:			
Federal Funding	$ -	$ 776,181	$ 210,393
Fee for Service	30,000	-	-
Local Funding:			
Bicycle and Pedestrian Safety Grant	-	153,607	-
Dues Assessment	99,380	-	-
Outside Agency Local Match	13,740	-	-
Inkind Revenue	100,019	-	-
Investment Income	23,215	-	-
Total Revenues	266,354	929,788	210,393
Expenditures:			
Current			
Advertising and Promotions	969	137,736	-
Auto Insurance	3,678	-	-
Consultant Fees	5,201	94,312	-
Dues and Subscriptions	7,454	1,801	-
Equipment and Facilities Maintenance	14,551	-	-
Equipment Rental	2,882	-	-
General Insurance	6,490	-	-
Group Insurance	100,980	-	-
Legal and Accounting	50,988	-	-
Miscellaneous	5,980	847	48
OPEB Expense	15,111	-	-
Office Supplies	15,101	70	-
Payroll Taxes	9,534	-	-
Postage	3,294	-	-
Professional Education	18,974	7,205	900
Publishing	82	330	-
Rent - Inkind	100,019	-	-
Salaries and Deferred Compensation	255,118	405,450	121,061
Telephone	11,396	-	-
Travel and Auto Allowance	645	6,348	2,132
Unemployment Claims	11,723	-	-
Vehicle Expenses	6,829	199	-
Capital Outlay	10,303	-	-
Total Expenditures	657,302	654,298	124,141

(CONTINUED)

Air Quality	Economic Development	Elimination	Total General Fund
4,575	$ 105,840	$ -	$ 1,096,989
-	-	-	30,000
-	-	-	153,607
-	-	-	99,380
-	-	-	13,740
-	-	-	100,019
-	-	-	23,215
4,575	105,840	-	1,516,950
-	-	-	138,705
-	-	-	3,678
-	-	-	99,513
-	-	-	9,255
-	-	-	14,551
-	-	-	2,882
-	-	-	6,490
-	-	-	100,980
-	-	-	50,988
-	-	-	6,875
-	-	-	15,111
-	-	-	15,171
-	-	-	9,534
-	-	-	3,294
-	-	-	27,079
-	-	-	412
-	-	-	100,019
2,099	22,998	-	806,726
-	-	-	11,396
-	10,979	-	20,104
-	-	-	11,723
-	-	-	7,028
-	-	-	10,303
2,099	33,977	-	1,471,817

	Administrative	Transport Planning	Transit Planning
Indirect Cost Allocations	(643,539)	477,620	136,354
Total Expenditures Net of Indirect Cost Allocations	13,763	1,131,918	260,495
Excess (Deficiency) of Revenues over Expenditures	252,591	(202,130)	(50,102)
Other Financing Sources (Uses):			
Transfers In	-	202,130	50,102
Transfers (Out)	(207,458)	-	-
Net Other Financing Sources (Uses)	(207,458)	202,130	50,102
Net Change in Fund Balances	45,133	-	-
Fund Balances, Beginning of Year	572,858	-	-
Fund Balances, End of Year	$ 617,991	$ -	$ -

See Auditor's report

Air Quality	Economic Development	Elimination	Total General Fund
2,473	27,092	-	-
4,572	61,069	-	1,471,817
3	44,771	-	45,133
-	-	(252,232)	-
(3)	(44,771)	252,232	-
(3)	(44,771)	-	-
-	-	-	45,133
-	-	-	572,858
$ -	$ -	$ -	$ 617,991

CAPITAL REGION PLANNING COMMISSION

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN

FOR THE YEAR ENDED JUNE 30, 2011

	Administrative Expenditures	Adjustments to arrive at Allocable Cost	Allocable Administrative Cost
Expenses:			
Advertising and Promotions	$ 969	$ -	$ 969
Auto Insurance	3,678	-	3,678
Consultant Fees	5,201	(5,201)	-
Dues and Subscriptions	7,454	-	7,454
Depreciation	-	14,089	14,089
Equipment and Facilities Maintenance	14,551	-	14,551
Equipment Rental	2,882	-	2,882
General Insurance	6,490	-	6,490
Group Insurance	100,980	(100,980)	-
Legal and Accounting	50,988	-	50,988
Miscellaneous	5,980	(5,980)	-
OPEB Expense	15,111	(15,111)	-
Office Supplies	15,101	-	15,101
Payroll Taxes	9,534	-	9,534
Postage	3,294	-	3,294
Professional Education	18,974	-	18,974
Publishing	82	-	82
Rent - Inkind	100,019	-	100,019
Salaries and Deferred Compensation	255,118	(124,814)	130,304
Telephone	11,396	-	11,396
Travel and Auto Allowance	645	-	645
Unemployment Claims	11,723	-	11,723
Vehicle Expenses	6,829	-	6,829
Capital Outlay	10,303	(10,303)	-
Total Expenditures	$ 657,302	$ (248,300)	$ 409,002

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

Allocable General and Administrative Costs	$ 409,002
Add	
Capital Outlay	10,303
Consultant Fees and Miscellaneous	11,181
Group Insurance	100,980
OPEB Expense	15,111
Pay Add	124,814
Deduct	
Depreciation	(14,089)
General Fund Expenditures per Audit Report	$ 657,302

(CONTINUED)

CAPITAL REGION PLANNING COMMISSION

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

Direct Salary Costs:			
FTA LA-90-X308	$ 44,913		
FTA LA-80-X019	76,148		
PL 736-17-0355	394,451		
EDA 08-83-04142 01	6,000		
EDA 08-83-04539	16,998		
Ridesharing 737-96-1600	2,099		
B&P 737-99-1072	10,999		
Total Direct Salary Costs for Programs	$ 551,608		
Payroll Benefit Cost:			
Pay Add	$ 124,814		
Insurance	116,091		
Total Payroll Benefit Cost	$ 240,905		
Indirect Cost Allocation Computation·			
Overhead Rate	0.741		
Payroll Rate	0 437		
Indirect Cost Rate	1 178		
Overhead Rate Computation			
Adjusted Overhead Costs	$ 409,002		
Total Direct Salary Costs	$ 551,608	=	$ 0 741
Payroll Benefit Rate Computation·			
Total Payroll Benefit Costs	$ 240,905		
Total Direct Salary Costs	$ 551,608	=	$ 0 437
Total Indirect Cost·			
Direct Salary Costs	$ 551,608		
Indirect Cost Rate	1 178		
Indirect Cost computed on Programs			$ 649,794
Less Indirect Costs exceeding max on Programs			(6,255)
Total Indirect Cost			$ 643,539

See auditor's report.

CAPITAL REGION PLANNING COMMISSION

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Agency/Program Identification	CFDA Number	Federal Share of Program Expenditures	Total Program Expenditures
U. S. DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Department of Transportation and Development.			
Technical Studies Grant·			
LA-90-X308	20 505	$ 78,294	$ 97,868
LA-80-X019	20.505	132,099	162,624
Highway Research, Planning and Construction			
State Project No.			
LA-736-17-0355 - ARRA	20.205	776,181	970,226
LA-737-96-0016 Ridesharing - ARRA	20 205	4,575	4,575
Total U S. Department of Transportation		991,149	1,235,293
U. S. DEPARTMENT OF COMMERCE			
Economic Development Administration			
Area Planning Assistance Program			
Award No. 08-83-04142 01	11.302	9,761	13,944
Award No 08-83-04539	11.302	96,079	99,228
Total U.S. Department of Commerce		105,840	113,172
Total Expenditures		$ 1,096,989	$ 1,348,465

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

CAPITAL REGION PLANNING COMMISSION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2011

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 is presented using the modified accrual basis of accounting which is described in note 1 of the Commission's basic financial statements Revenues are recognized to the extent of expenditures.

Note 3 - Relationship to Financial Statements -

Federal awards expenditures are reported in the Commission's basic financial statements as components of the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund on pages 11 and 12

Note 4 - Relationships to Federal Financial Reports -

Amounts reported in the accompanying schedule agree with the amounts in the related federal financial reports.

Note 5 - Major Federal Awards -

The dollar threshold of $300,000 was used to distinguish between Type A and Type B federal programs For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures

INDEPENDENT AUDITOR'S 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

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December 29, 2011

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

We have audited the financial statements of the governmental activities, the major fund (General Fund), the budgetary comparison statement of the governmental funds, and the fiduciary fund of the Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 29, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above

Compliance and Other Matters

As part of obtainıng reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance wıth which could have a direct and material effect on the determınation of financial statement amounts. However, providing an opınıon on compliance wıth those provisions was not an objectıve of our audıt, and accordingly, we do not express such an opinıon The results of our tests disclosed no instances of noncompliance or other matters that are requıred to be reported under *Government Audıtıng Standards*

This report ıs intended solely for the informatıon and use of the Commıssıon, the Commission's management and the Federal awardıng agencies and pass-through entıties, such as the State of Louisiana and Legıslatıve Auditor's Office, and is not intended to be and should not be used by anyone other than these specıfied parties. However, under the provisıons of Louısiana Revised Statute 24:513, this report is dıstrıbuted by the legislative auditor as a public document and its distribution is not limited.

Respectfully submıtted,

Hannis T. Bourgeois, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

HTB Hannis T. Bourgeois, LLP
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December 29, 2011

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

Compliance

We have audited the Capital Region Planning Commission's (the Commission), Baton Rouge, Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2011 The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit

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

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above

This report is intended solely for the information and use of the Commission, the Commission's management, and the federal awarding agencies and pass-through entities, such as the State of Louisiana and the Legislative Auditor's office, and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the legislative auditor as a public document and its distribution is not limited

Respectfully submitted,

Hannis T. Bourgeois, LLP

CAPITAL REGION PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2011

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

- Material weakness(es) identified? ________Yes ___x___ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ________ Yes ___x___ no

Noncompliance material to financial statements noted? ________ Yes ___x___ no

Federal Awards

Internal control over major programs.

- Material weakness(es) identified? ________Yes ___x___ no
- Significant deficiency (s) identified that are not considered to be material weaknesses? ________ Yes ___x___ no

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

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? ________ Yes ___x___ no

Identification of major program:

CFDA Number	Name of Federal Program
20 205	Highway Planning and Construction-ARRA

- The threshold for distinguishing types A & B programs was program expenditures exceeding $300,000.
- The Commission did not qualify as a low-risk auditee

(2) Findings - Internal Control over Financial Reporting:

None.

(3) Findings - Compliance and Other Matters.

None.

CAPITAL REGION PLANNING COMMISSION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2011

2010-1 Accounts Payable

Finding:

During our prior year accounts payable testing, we noted a liability of $40,430 that had not been recorded as of June 30, 2010 The invoice related to services provided during the year ended June 30, 2010. Under the accrual basis of accounting, an expense is recognized when the goods and services are provided. The appropriate adjusting journal entries were proposed and recorded to correct the general ledger balances as of June 30, 2010.

Recommendation:

We recommended the Commission implement a procedure to ensure that all invoices are recorded in the period in which the goods and services are provided.

Corrective Action Taken

The Commission has implemented procedures on an interim basis to prepare reconciliations timely and throughout the fiscal year The Commission hired an external CPA firm to assist with the preparation and accumulation of the reconciliations identified with the 2010 audit. During the 2011 annual financial statement closing process, the Commission reviewed this activity in detail and recorded the appropriate journal entries to capture this financial information.

2010-2 Reconciliations

Finding.

During the prior year, it was noted that various balance sheet accounts were not reconciled timely during the year ended June 30, 2010. Accounts should be reconciled on a monthly basis and reviewed upon completion. As a result of employee turnover, many of the Commission's balance sheet accounts had not been reconciled during the year as well as at June 30, 2010. However, the Commission was able to hire new accounting personnel and subsequent to June 30, 2010 the various balance sheet reconciliations were performed

Recommendation:

We recommended that all balance sheet accounts be reconciled on a monthly basis. These procedures will assist in providing accurate monthly balances and also assist management in monitoring aged reconciling items.

Corrective Action Taken:

Immediate attention has been given to improving account reconciliation procedures. The Commission has implemented procedures on an interim basis to prepare reconciliations timely and throughout the fiscal year. Additionally, the Commission hired an external CPA firm to assist with the preparation and accumulation of the reconciliations for all balance sheet accounts.

2010-3 Highway Planning and Construction Grant (CFDA 20.205) and Metropolitan Transportation Planning 20.505 - Amounts Due to Grantor

Finding.

Under OMB Circular A-87, the Commission is entitled to recover certain fringe benefit and overhead costs based on an approved indirect cost rate. The rate is adjusted each year based on the annual audited financial statements. In the prior year, the overhead rate adjustment resulted in a liability of $106,059 due back to the Commission's grantors The United States Department of Transportation regulation in 49 CFR 18.21 requires all audit recoveries be satisfied before requesting additional cash payments. Also in the prior year, the Commission did not repay the liability to its various grantors. However, they continued to request and received additional cash payments This violation occurred as a result of employee turnover in the accounting department in the prior year.

Recommendation.

The Commission should implement procedures to ensure that all liabilities are paid in a timely manner We recommended the Commission contact its various grantor agencies to discuss repayment of the prior year liability.

Corrective Action Taken.

As of the date of this letter, all amounts owed on June 30,2011 have been repaid Additionally, grant reconciliations are included in the monthly and annual reconciliation process

2010-4 Grant Reimbursement Requests

Finding.

During the prior year, it was noted the Commission did not submit timely grant reimbursement requests on some of its federal grants due to employee turnover in the accounting department. As a result, the Commission did not receive timely reimbursements of its federal grant expenditures.

Recommendation

We recommended that all federal grant reimbursement requests be submitted on a monthly basis.

Corrective Action Taken

Immediate attention has been given to improving grant reconciliation and reimbursement request procedures. During the 2011 fiscal year the Commission hired an external CPA firm to assist in these processes to ensure grant reconciliations and the related reporting and reimbursement request are performed timely. Grant activity is monitored on a monthly basis.

2010-5 Revenue Recognition

Finding.

During the prior year, it was noted that the Commission received payments relating to three fiscal years for one its projects during the prior fiscal year. The three years of revenue was recorded in the prior year. Under the accrual basis of accounting, a revenue is recognized when earned. The Commission should have recorded the revenue and appropriate receivable in a prior fiscal year. The appropriate prior period adjustment was proposed and recorded to correct the general ledger balances as of June 30, 2010

Recommendation

We recommended the Commission implement a policy to monitor the progress of its various projects. This monitoring will ensure that all revenue is appropriately recorded when earned.

Corrective Action Taken:

Immediate attention has been given to improving grant reconciliation and reimbursement request procedures During the 2011 fiscal year the Commission hired an external CPA firm to assist in these processes to ensure grant reconciliations and the related reporting and reimbursement request are performed timely As stated, grant activity is being monitored on a monthly basis, including the recognition of the related revenue in the proper period.

2010-6 Segregation of Duties

Finding·

During the prior year, the Commission experienced employee turnover in its accounting department. Due to the small size of the accounting department this created a lack of segregation of duties for a period of time during the year. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of transactions. This lack of segregation could result in intentional or unintentional errors being made and going undetected.

Recommendation:

We recommended the Commission always strive to maintain a level of segregation of duties to the extent possible given its small size. We feel one step that can help mitigate the lack of segregation of duties is for the Executive Director to receive and review the unopened bank statements each month. In addition, the Executive Director should review and approve invoices prior to payment as well as approve payroll disbursements The Board should also be actively involved in the financial affairs of the Commission.

Corrective Action Taken

The Commission has included the above recommendation in its current internal control procedures Additionally, an external CPA firm has been engaged to assist with the monthly financial statement preparation and accumulation of the balance sheet account reconciliations.

2010-7 Failure to Complete Audit Report Within Six Months of the Close of the Fiscal Year (LSA-R.S. 24:513(5)(a))

Finding:

The Commission experienced employee turnover in the accounting department during the prior year, as well as subsequent to year end. This resulted in a failure to timely reconcile numerous balance sheet accounts. As a result, the Commission failed to comply with the above revised statute regarding timely completion of their audit report. The prior audit was not completed and submitted to the Legislative Auditor until March 2011.

Recommendation:

We recommended that all future reports be submitted timely as required by the revised statute mentioned above.

Corrective Action Taken

The 2011 financial report is on schedule to be submitted by the December 31, 2011 deadline.