



Financial Statements and Reports Required by *Government Auditing Standards* and by the Uniform Guidance
June 30, 2023

Omaha-Council Bluffs Metropolitan Area Planning Agency

Omaha-Council Bluffs Metropolitan Area Planning Agency

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June 30, 2023

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Independent Auditor's Report

The Governing Board
Omaha-Council Bluffs Metropolitan Area Planning Agency
Omaha, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Omaha-Council Bluffs Metropolitan Area Planning Agency (MAPA) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise MAPA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of MAPA as of June 30, 2023, and respective changes in financial position, and, where applicable, cash flows thereof for the year then 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 MAPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that 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 MAPA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 conducted in accordance with GAAS 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 based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout 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 MAPA'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; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MAPA's ability to continue as a going concern for a reasonable period of time.

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 and budgetary comparison information on pages 4 through 10 and 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MAPA's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 GAAS. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of MAPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is 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 MAPA'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 MAPA's internal control over financial reporting and compliance.



Omaha, Nebraska
March 28, 2024



Connect. Plan. Thrive.

MAPA provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of financial activities is for the fiscal year ending June 30, 2023. We encourage readers to consider this information in conjunction with our financial statements, which follow.

Financial Highlights

MAPA's total governmental fund revenues were \$5,197,143 in fiscal year 2023 an increase of \$110,772 or 2% compared to fiscal year 2022. Currently, MAPA is implementing several large, long-term studies. These studies vary in funding from year to year. A summary of some of MAPA's larger projects is included below. In 2023, approximately \$332,930 of federal funding was passed on to member jurisdictions as direct support.

Project Name	Funding Source	Project Years	2023	2022	Change from Prior Year
MAPA Transportation Planning activities	Department of Transportation	Annual funding	\$ 1,547,754	\$ 1,239,138	\$ 308,616
MAPA Transportation Planning activities	Federal Transit Administration	Annual funding	818,345	774,576	43,769
Nebraska-Iowa Orthophotography Project	Charges for Services	2022-2023	417,915	499,378	(81,463)
MAPA Act Recovery Assistance	CARES Economic Development Administration	2020-2024	\$ 584,273	\$ 675,022	\$ (90,749)
			\$ 3,368,287	\$ 3,188,114	\$ 180,173

MAPA's governmental fund expenditures were \$5,336,547 in fiscal year 2023, an increase of \$702,636 or 15% compared to fiscal year 2022.

The MAPA Foundation is currently designated as a Nonprofit Development Organization (NDO) and as such, it serves development needs to carry out community economic development, neighborhood revitalization, or energy conservation projects. Such projects include Community Development Block Grant (CDBG) loan programs, a local/regional investment fund to finance home construction projects in accordance with the Rural Workforce Housing Investment Act, and the Nebraska Affordable Housing Trust, a project to provide affordable housing for low-to-moderate income Nebraskans. The Foundation's total revenues in fiscal year 2023 were \$295,218 a decrease of \$869,164 compared to fiscal year 2022. The Foundation's total expenses in fiscal year 2023 were \$8,141, a decrease of \$6,389 compared to fiscal year 2022. The decrease in revenues was primarily due to a decline new funding to support the communities, as projects leave the funding phase and transition into revolving phases. The decrease in expenses was primarily due to the discontinuation of the Metropolitan Area Motorist Assist program (MAMA).

MAPA's net position increased \$128,957 from June 30, 2022 to June 30, 2023.

Using This MD&A Annual Report

This MD&A annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of MAPA financial activities.

Financial Statements consist of Statement of Net Position, Statement of Activities. Balance Sheet - Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Statement of Net Position-Proprietary Fund, Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund, and Statement of Cash Flows - Proprietary Fund. These provide information about the activities of MAPA as a whole and present an overall view of MAPA.

The Notes to financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of MAPA's budget for the year, detail of the non-major funds and the Schedule of Expenditures of Federal Awards.

Reporting Financial Activities

Government-wide Financial Statements

Government-wide financial statements report information about MAPA as a whole, using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of MAPA's assets and liabilities. The purpose of this statement is to present a summary of MAPA to readers of the financial statements. The Statement of Activities accounts for all of current year's revenues and expenses, regardless of when cash is received or paid.

Two government-wide financial statements report MAPA's net position and how they have changed for the period. Net position, the difference between MAPA's assets and liabilities, are one way to measure organizational financial health or position. Over time, increases or decreases in net position are indicators of whether financial position is improving or deteriorating.

Fund Financial Statements

Fund financial statements provide more detailed information about MAPA's funds, focusing on the most significant funds and not the organization as a whole. Funds are accounting devices used to keep track of specific sources of funding and spending on particular programs. MAPA has three types of Funds:

Government funds: Most of MAPA's funds are included in governmental funds, which generally focus on (1) how cash and other financial assets that can be converted to cash, flow in and out, and (2) the balances that are left at year-end that are available for spending. Consequently, governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the organization's programs.

Governmental funds include the General Fund along with the non-major Project Fund, the Officials Expense Fund and Revolving Loan Fund. Required financial statements for governmental funds include a Balance Sheet and a Statement of Revenue, Expenditures and Changes in Fund Balances.

Enterprise funds include the MAPA Foundation and have business type activity.

Fiduciary funds: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organization, other governmental units, and/or other funds. MAPA does not report any fiduciary activities that meet the criteria of the Governmental Accounting Standards Board.

Omaha-Council Bluffs Metropolitan Area Planning Agency
Management's Discussion and Analysis
June 30, 2023

Government-Wide Financial Analysis

Following is a summary of MAPA's net position for the year ended June 30, 2023 compared to June 30, 2022.

CHANGES IN NET POSITION				
	June 30,		Change from Prior Year	
	2023	2022		
Non-Capital Assets	\$ 7,475,028	\$ 7,227,075	\$ 247,953	3%
Capital Assets	50,053	64,477	(14,424)	-22%
Total Assets	<u>\$ 7,525,081</u>	<u>\$ 7,291,552</u>	<u>\$ 233,529</u>	<u>3%</u>
Current Liabilities	\$ 1,105,180	\$ 999,134	\$ 106,046	11%
Noncurrent Liabilities	251,737	253,213	(1,476)	-1%
Total Liabilities	<u>\$ 1,356,917</u>	<u>\$ 1,252,347</u>	<u>\$ 104,570</u>	<u>8%</u>
Net Position				
Investment in capital assets net of related debt	\$ 45,760	\$ 64,477	\$ (18,717)	-29%
Restricted	2,446,921	2,170,971	275,950	13%
Unrestricted	3,675,483	3,803,757	(128,274)	-3%
Total Net Position	<u>\$ 6,168,164</u>	<u>\$ 6,039,205</u>	<u>\$ 128,959</u>	<u>2%</u>
Total Liabilities and Net Position	<u><u>\$ 7,525,081</u></u>	<u><u>\$ 7,291,552</u></u>	<u><u>\$ 233,529</u></u>	<u><u>3%</u></u>

Omaha-Council Bluffs Metropolitan Area Planning Agency

Management's Discussion and Analysis

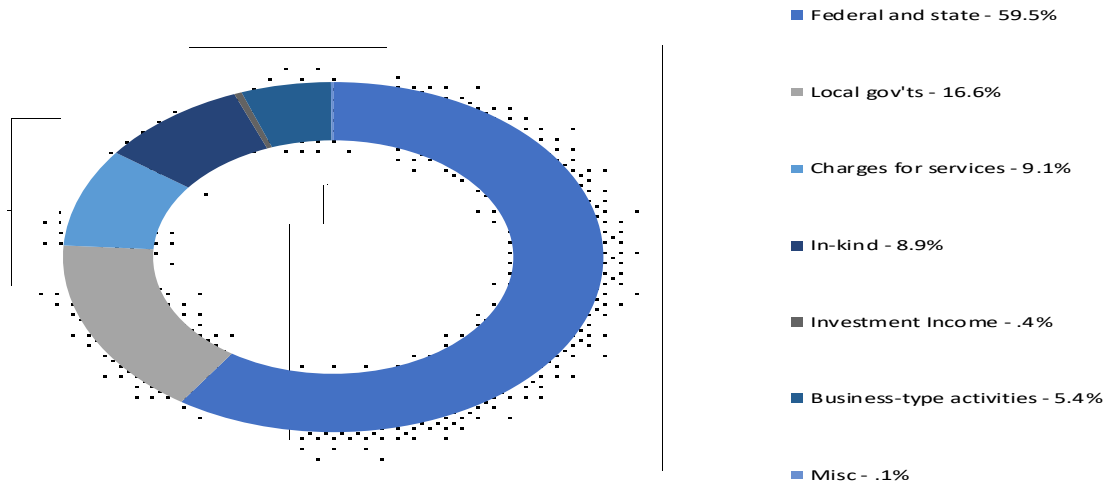
June 30, 2023

The following summary is a comparison of the changes in net position for the years ending June 30, 2023 and 2022.

The Changes in Net Position reflects an increase in the net position at the end of the fiscal year of \$128,957 or 2%.

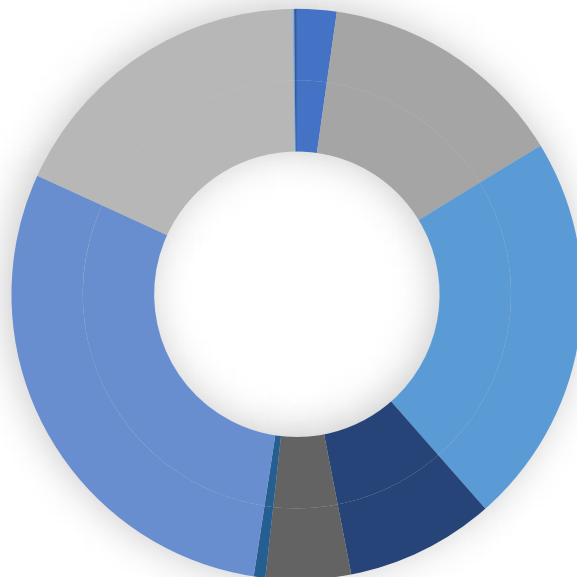
CHANGES IN NET POSITION					
	Year Ended June 30,		Change from Prior Year		
	2023	2022			
Revenues					
Federal and state	\$ 3,267,861	\$ 3,036,335	\$ 231,526		8%
Local governments	909,572	620,502	289,070		47%
Charges for services	499,225	979,301	(480,076)		-49%
In-kind	488,325	450,093	38,232		8%
Investment income	24,688	(6,072)	30,760		-507%
Business-type activities	295,218	1,164,382	(869,164)		-75%
Miscellaneous	7,472	6,212	1,260		20%
Total revenues	\$ 5,492,361	\$ 6,250,753	\$ (758,392)		-12%
Expenses					
Forums	\$ 119,388	\$ 94,803	\$ 24,585		26%
Transportation planning	750,769	676,066	74,703		11%
Regional assistance	1,188,880	1,158,049	30,831		3%
Sustainability planning	450,004	284,459	165,545		58%
Public involvement	257,681	221,689	35,992		16%
Environment and energy	34,899	65,509	(30,610)		-47%
Member services	1,571,326	1,342,818	228,508		17%
Mgmt and general admin.	958,568	761,543	197,025		26%
Capital outlay	5,032	28,975	(23,943)		-83%
Business-type activities	8,140	14,530	(6,390)		-44%
Total Expenses	\$ 5,344,687	\$ 4,648,441	\$ 696,246		15%
Change in fund balances	\$ 147,674	\$ 1,602,312	\$ (1,454,638)		-91%
Adjustment for Capital Expenses	(18,717)	11,912	(30,629)		-257%
Changes in net position	\$ 128,957	\$ 1,614,224	\$ (1,485,267)		-92%
Beginning net position	6,039,207	4,424,983	1,614,224		36%
Ending net position	\$ 6,168,164	\$ 6,039,207	\$ 128,957		2%

2023 Revenues



- Forums - 2.2%
- Transportation planning - 14.1%
- Regional assistance - 22.2%
- Sustainability planning - 8.4%
- Public involvement - 4.8%
- Environment and energy - .7%
- Member services - 29.4%
- General admin - 17.9%

2023 Expenses



Capital Assets

MAPA net capital assets decreased from \$64,477 to \$50,053 for the period ended June 30, 2023, a decrease of \$14,424.

Long-Term Debt

MAPA long-term obligations consist of a \$250,000 loan payable to the city of Blair, Nebraska to be used to provide loans for the development of workforce housing projects under the Blair Rural Workforce Housing Fund. The loan does not bear interest and is due August 30, 2028, unless an extension is mutually agreed upon. See Note 5 for additional information related to long-term debt.

MAPA also has two existing lease liabilities of office equipment amounting to \$4,293 at June 30, 2023, with lease terms ending in January 2023 and April 2025, respectively. See Note 6 for additional information related to leases.

Economic Factor

MAPA relies on funding primarily from the U.S. Department of Transportation (USDOT). Continued funding of Transportation initiatives from USDOT and pass-through of those funds is necessary for MAPA to fulfill its mission.

Contacting MAPA Financial Management

This financial report is designed to provide our members, citizens and grant providers with a general overview of MAPA finances and operating activities. If you have any questions or require additional information, please contact the MAPA Executive Director, 2222 Cuming Street, Omaha NE 68102, (402)444-6866.



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Omaha-Council Bluffs Metropolitan Area Planning Agency

Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activites	Total
Assets			
Cash and cash equivalents	\$ 584,900	\$ 742,283	\$ 1,327,183
Investments	1,896,041	222,173	2,118,214
Accounts receivable	31,424	-	31,424
Due from other governmental agencies	2,078,131	-	2,078,131
Internal balances	65,241	(65,241)	-
Prepaid expenses	44,587	-	44,587
Notes receivable	-	1,875,489	1,875,489
Right of use leased assets, net	4,210	-	4,210
Right of use IT Subscription asset, net	263	-	263
Capital assets, net	45,580	-	45,580
	\$ 4,750,377	\$ 2,774,704	\$ 7,525,081
Liabilities			
Accounts payable	\$ 814,133	\$ 7,994	\$ 822,127
Due to other governmental agencies	106,617	-	106,617
Accrued expenses	65,931	-	65,931
Compensated absences	107,949	-	107,949
Lease liability	4,293	-	4,293
Notes payable	-	250,000	250,000
	1,098,923	257,994	1,356,917
Net Position			
Net investment in capital assets	45,760	-	45,760
Restricted	-	2,446,921	2,446,921
Unrestricted	3,605,694	69,789	3,675,483
	3,651,454	2,516,710	6,168,164
	\$ 4,750,377	\$ 2,774,704	\$ 7,525,081

Omaha-Council Bluffs Metropolitan Area Planning Agency

Statement of Activities
Year Ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Governmental Activities						
Forums	\$ 119,388	\$ 3,985	\$ 146,668	\$ 31,265	\$ -	\$ 31,265
Transportation planning	750,769	156	1,086,431	335,818	-	335,818
Regional assistance	1,188,880	75,169	992,768	(120,943)	-	(120,943)
Sustainability planning	450,004	-	373,306	(76,698)	-	(76,698)
Public involvement	257,681	-	300,382	42,701	-	42,701
Environment and energy	34,899	-	42,858	7,959	-	7,959
Member services	1,571,326	419,915	1,260,904	109,493	-	109,493
Management and general administration	982,317	-	-	(982,317)	-	(982,317)
Total governmental activities	5,355,264	499,225	4,203,317	(652,722)	-	(652,722)
Business-type activities	8,141	12,269	273,230	-	277,358	277,358
Total primary government	\$ 5,363,405	\$ 511,494	\$ 4,476,547	(652,722)	277,358	(375,364)
General Revenues						
Grants and contributions not restricted to specific programs				462,441	-	462,441
Interest income				24,688	9,719	34,407
Other revenues				7,472	-	7,472
Total general revenues				494,601	9,719	504,320
Change in net position				(158,121)	287,077	128,956
Net position, beginning				3,809,575	2,229,633	6,039,208
Net position, end of year				\$ 3,651,454	\$ 2,516,710	\$ 6,168,164

Omaha-Council Bluffs Metropolitan Area Planning Agency

Balance Sheet – Governmental Funds

June 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 584,900	\$ -	\$ 584,900
Investments	1,896,041	-	1,896,041
Accounts receivable	31,424	-	31,424
Due from other governmental agencies	2,078,131	-	2,078,131
Due from other funds	61,232	4,009	65,241
Prepaid expenses	44,587	-	44,587
	<u>\$ 4,696,315</u>	<u>\$ 4,009</u>	<u>\$ 4,700,324</u>
Liabilities			
Accounts payable	\$ 814,133	\$ -	\$ 814,133
Due to other governmental agencies	106,617	-	106,617
Accrued expenses	65,931	-	65,931
Compensated absences	107,949	-	107,949
	<u>1,094,630</u>	<u>-</u>	<u>1,094,630</u>
Fund Balance			
Committed	642,800	4,009	646,809
Assigned	310,454	-	310,454
Unassigned	2,648,431	-	2,648,431
	<u>3,601,685</u>	<u>4,009</u>	<u>3,605,694</u>
Total liabilities and fund balance	<u>\$ 4,696,315</u>	<u>\$ 4,009</u>	<u>\$ 4,700,324</u>
Reconciliation			
Total fund balance - governmental funds			\$ 3,605,694
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets and right to use leased and subscription assets in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.			50,053
Lease and subscription liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds			(4,293)
Net position - governmental activities			<u>\$ 3,651,454</u>

Omaha-Council Bluffs Metropolitan Area Planning Agency
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023

	<u>General</u>	<u>Non-major</u>	<u>Total</u>
REVENUES			
Federal and State	\$ 3,267,861	\$ -	\$ 3,267,861
Local governments	909,572	-	909,572
Charges for services	499,225	-	499,225
In-kind	488,325	-	488,325
Investment income	24,688	-	24,688
Miscellaneous	7,472	-	7,472
	<u>5,197,143</u>	<u>-</u>	<u>5,197,143</u>
EXPENDITURES			
Forums	119,388	-	119,388
Transportation planning	750,769	-	750,769
Regional assistance	1,188,880	-	1,188,880
Sustainability planning	450,004	-	450,004
Public involvement	257,681	-	257,681
Environment and energy	34,899	-	34,899
Member services	1,571,326	-	1,571,326
Management and general administration	954,289	4,279	958,568
Capital outlays - Lease/ IT Subscription	5,032	-	5,032
	<u>\$ 5,332,268</u>	<u>\$ 4,279</u>	<u>\$ 5,336,547</u>
NET CHANGE IN FUND BALANCES	(135,125)	(4,279)	(139,404)
FUND BALANCES, BEGINNING OF YEAR	<u>3,736,810</u>	<u>8,288</u>	<u>3,745,098</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,601,685</u>	<u>\$ 4,009</u>	<u>\$ 3,605,694</u>
RECONCILIATION			
Net change in fund balances - total governmental funds			\$ (139,404)
Governmental funds report capital outlays and right to use 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 and amortization expense.			
For the year ended June 30, 2023, the cost of capital assets is \$0; the loss on disposal is \$457, and depreciation is \$18,440.			
			(18,897)
For the year ended June 30, 2023, the cost of right-to-use lease and subscription agreements is \$5,032, and the amortization is \$4,852.			
			<u>180</u>
Change in net position - governmental activities			<u>\$ (158,121)</u>

Omaha-Council Bluffs Metropolitan Area Planning Agency

Statement of Net Position – Proprietary Fund

June 30, 2023

Assets

Current Assets

Cash	\$ 742,283
Investments	222,173
Current maturities - notes receivable	<u>471,668</u>

Total current assets 1,436,124

Noncurrent Assets

Notes receivable, less current maturities	<u>1,403,821</u>
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Total assets \$ 2,839,945

Liabilities

Current Liabilities

Accounts payable	\$ 7,994
Due to other funds	<u>65,241</u>

Total current liabilities 73,235

Noncurrent Liabilities

Notes payable	<u>250,000</u>
---------------	----------------

Total liabilities 323,235

Net Position

Restricted	2,446,921
Unrestricted	<u>69,789</u>

Total net position 2,516,710

Total liabilities and net position \$ 2,839,945

Omaha-Council Bluffs Metropolitan Area Planning Agency
Statement of Revenues, Expenditures, and Changes in Fund Balances – Proprietary Fund
Year Ended June 30, 2023

Operating Revenues	
Local revenue	\$ 273,230
Charges for services	12,269
	285,499
Total operating revenue	285,499
Operating Expenses	
Revolving loan administration	8,141
	8,141
Total operating expenses	8,141
Operating Income	277,358
Nonoperating Revenues	
Investment income	9,719
	9,719
Total non-operating revenue, net	9,719
Change in Net Position	287,077
Net Position, Beginning of Year	2,229,633
Net Position, End of Year	\$ 2,516,710

Omaha-Council Bluffs Metropolitan Area Planning Agency

Statement of Cash Flows – Proprietary Fund

Year Ended June 30, 2023

Operating Activities	
Receipts from grants and contributions	\$ 214,686
Receipts for services	12,269
Payments for services	(70)
Payments of internal balances	(7,500)
	219,385
Net Cash from Operating Activities	219,385
Investing Activities	
Interest received	4,242
Issuance of notes receivable	(643,230)
Payments on notes receivable	280,973
Purchase of investments	(104,769)
	(462,784)
Net Cash Used for Investing Activities	(462,784)
Change in Cash and Cash Equivalents	(243,399)
Cash and Cash Equivalents, Beginning of Year	985,682
Cash and Cash Equivalents, End of Year	\$ 742,283
Reconciliation of Changes in Net Position to Net Cash from Operating Activities	
Change in net position	\$ 287,077
Changes in operating assets and liabilities	
Prepaid expenses and other assets	(7,469)
Accounts payable	7,994
Accrued expenses and other liabilities	(9,673)
Deferred revenue	(58,544)
	(58,544)
Net Cash from Operating Activities	\$ 219,385

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies of the Omaha-Council Bluffs Metropolitan Area Planning Agency (MAPA). These policies are in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Organization

MAPA was established in June 1967, as a voluntary three-county regional council of governments under the Nebraska Interlocal Cooperation Act of 1963. The initial three counties comprising MAPA were Douglas and Sarpy counties in Nebraska, and Pottawattamie County in Iowa. Washington County, Nebraska and Mills County, Iowa entered into the Interlocal Cooperation Agreement in 1975 and 1976, respectively. Cass County, Nebraska entered into the Interlocal agreement in July of 2019.

The operations of MAPA are financed through various federal and state grants and assessments to its members. The Interlocal Cooperation Agreement, as amended, provides that the assessments to each of the six participating counties be determined on a pro rata basis using population figures from the latest official census.

Reporting Entity

MAPA has given consideration to potential component units which it is financially accountable. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of the Organization's governing body and the ability of the MAPA to impose its will on that Organization to provide specific financial benefits to or impose specific financial burdens on the Organization. As required by GAAP, these financial statements present MAPA (the primary government) and its component unit. The component unit is included in MAPA's reporting entity because of the significance of their operation or financial relationship with MAPA. The associated entity over which MAPA is considered to be financially accountable is included in MAPA's financial statements and is described below.

Blended Component Unit - The MAPA Foundation is a legally separate entity from MAPA, but is so intertwined with MAPA that it is, in substance, the same as the Organization. It is reported as a part of MAPA as a Proprietary Fund.

Basis of Presentation

MAPA's financial statements include both government-wide (reporting MAPA as a whole) and fund financial statements (reporting MAPA's major funds).

Government-Wide Financial Statements - The government-wide financial statements include the Statement of Net Position and the Statement of Activities, which display information about the primary government as a whole. These statements categorize activities as governmental or business-type and exclude any fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Position presents MAPA's nonfiduciary assets and liabilities with the difference reported as net position. Net position is reported in the following categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
- Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

MAPA first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

The Statement of Activities reports both the gross and net cost of each of MAPA's functions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants while the capital grants reflect capital-specific grants. The net costs (by function) are normally covered by general revenue. The government-wide focus is more on the sustainability of MAPA as an entity and the change in MAPA's net position resulting from current year's activities. Other revenue not included as program revenues are reported instead as general revenues.

Fund Financial Statements - The financial transactions of MAPA are reported as individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The emphasis in fund financial statements is on the major funds in the governmental activities category. Non-major funds by category are summarized into a single column.

The following is a description of the major governmental funds of MAPA.

The General Fund is the primary operating fund is used to account for current financial resources not accounted for in other funds.

MAPA reports the following major proprietary fund.

The Enterprise Fund consists of MAPA Foundation which is designated as a National Development Organization (NDO). As a NDO the Foundation administers Community Development Block Grant Loan programs.

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Operating grants and contributions and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or within 60 days after year end to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, principal and interest on long-term debt are recognized only when payment is due. Capital asset acquisitions and right to use leased assets are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Revenue from federal, state and other local governments are considered susceptible to accrual. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been satisfied. In-kind revenue is recognized when related expenses for services performed are incurred.

Budgets

The Board of Directors adopts an annual budget for its General Fund. The amount appropriated for expenditures represents the expenditure limit. Original appropriations are modified by transfers among budget categories or by increases in funding sources. The Board of Directors approves the original budget and all amendments.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand and demand deposits with original maturities of three months or less from the date of acquisition.

Investments

The majority of MAPA's investments are pooled and invested. Investments are stated at fair value, except for the investments held at the Nebraska Public Agency Investment Trust (NPAIT), which are valued at amortized cost, and investments in certificates of deposit, which are stated at cost.

Accounting Estimates

The preparation of purpose financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Accrued Compensated Absences

Employees accumulate earned but unused vacation and sick pay benefits. Vacation pay is expected to be liquidated with expendable available financial resources and is reported as an expenditure and a liability of the General Fund. Accumulated sick pay is recorded at the maximum amount allowed as a termination payment, using the termination payment method.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated over their estimated useful lives using the straight-line method. When capital assets are disposed, the cost and the applicable accumulated depreciation/amortization are removed from the respective accounts, and the resulting gain or loss is recognized.

Estimated useful live for depreciable assets are as follows:

Furniture, fixtures, and equipment	5 - 7 years
Automobiles	5 years

Leases

MAPA is a lessee for leases related to office equipment. MAPA recognizes a lease liability and an intangible right-of-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, MAPA initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. The amortization period varies from 3 to 5 years.

Key estimates and judgments related to leases include how MAPA determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

MAPA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, MAPA generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that MAPA is reasonably certain to exercise.

MAPA monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities.

Right of Use Subscription IT Assets

MAPA utilizes right to use subscription IT assets. MAPA recognizes a liability and an intangible right of use subscription asset in the government-wide financial statements.

Right of use subscription IT assets are recognized at the subscription commencement date and represent MAPA's right to use the underlying IT asset for the subscription term. Right to use subscription assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Long-Term Obligations

In the government-wide financial statements, MAPA reports long-term obligations as liabilities in the applicable governmental activities.

Fund Balance

Fund balance of MAPA's governmental funds are classified in the financial statements as follows:

- Restricted fund balance consists of fund balances that are restricted by external impositions such as creditors, granters, or laws or regulations of other governments;
- Committed fund balance consists of fund balances that have been designated by the Board for a specific purpose. These amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts;
- Assigned fund balance consists of fund balances that have not been designated by the Board for a specific purpose but has been separated based on the type of revenue; and
- Unassigned fund balance consist of the portion of the General Fund not restricted, committed, or assigned for a specific purpose.

MAPA considers that all incurred and spent restricted, committed, and assigned amounts have been utilized first before unassigned amounts are utilized.

Income Taxes

MAPA is a governmental subdivision of the State of Nebraska and, accordingly, no provision for federal or state income taxes is required. MAPA Foundation is a not-for-profit corporation as described in Section 501(C)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Internal Revenue Service has established standards to be met to maintain its tax-exempt status.

Reported Reimbursable Costs

Revenue is received from federal, state, and county sources, and is based on reported costs as defined by the funding sources and on provision of services. The accompanying financial statements reflect reported costs, which are subject to review by the funding sources and contractors. In the opinion of management, reported costs represent proper costs as defined by funding contract criteria and the various funding sources or contractors have questioned no amounts reported at June 30, 2023.

Implementation of GASB Statement No. 96

As of July 1, 2022, MAPA adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard established that a SBITA results in a right to use subscription IT asset – and intangible asset – and a corresponding liability. The standard requires the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The standard requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard, MAPA recognized a right of use subscription asset and subscription liability of \$2,872 and \$0 as of July 1, 2022, respectively. As a result of these adjustments, there was no effect on beginning net position. The additional disclosures required by this standard are included in Note 7.

Note 2 - Deposits and Investments

At year end, MAPA's carrying amount of bank deposits was \$1,327,183. The bank balances for all funds totaled \$1,363,176. For purposes of classifying categories of custodial risk, the bank balances of MAPA's deposits are in excess of Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk relating to these deposits is minimal.

MAPA also had \$1,329,020 of investments in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a thirteen-member Board of Trustees. Securities held by NPAIT are not held in MAPA's name, are held in a pooled fund and, therefore, are not categorized as to credit risk.

MAPA categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Omaha-Council Bluffs Metropolitan Area Planning Agency

Notes to Financial Statements

June 30, 2023

MAPA's investments had the following fair value measurements at June 30, 2023:

	Total	Level 1	Level 2	Level 3
U.S. Treasury securities (NPAIT)	\$ 694,514	\$ -	\$ 694,514	\$ -
NPAIT investments (at amortized cost)	634,506			
Certificates of deposit (at cost)	765,709			
Cash (at cost)	23,485			
Total investments	\$ 2,118,214			

Interest Rate Risk - MAPA's investment goal, as a political subdivision, is to focus on minimizing risk, rather than maximizing funds. In order to control interest rate risk MAPA's investment policy limits the maturity of its investments. The maturity date of any investment shall not exceed 10 years. Funds restricted for agency closing costs shall have the following limitations related to maturity dates: At least 25% shall have a maturity date of two years or less. At least 50% shall have a maturity date of five years or less. All treasury securities have maturity dates of less than two years.

Credit Risk - State law limits require all investments to be fully insured or collateralized. MAPA's investment policy limits its investment choices to certificates of deposit, U.S. Treasury securities, and NPAIT deposit accounts.

Concentration of Credit Risk - MAPA places no limit on the amount it may invest in any one issuer. MAPA's investments in Certificates of Deposit and U.S. Treasury securities are as of June 30, 2023.

Note 3 - Notes Receivable

The MAPA Foundation receives grant funding from various government and non-government organizations to establish revolving loan funds to support eligible businesses for economic growth and development. The loans typically bear interest rates far lower than market rates. As of June 30, 2023, \$1,875,489 was included in notes receivable. These funds shall continue to meet compliance standards until MAPA meets the restricted purpose as outlined in the grants.

Future maturities under notes receivable at June 30, 2023, are as follows:

	Year Ending June 30,	
2024		\$ 471,668
2025		101,744
2026		101,744
2027		101,744
2028		101,744
Thereafter		996,845
Total		\$ 1,875,489

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Disposals	Balance June 30, 2023
Capital Assets Being Depreciated				
Furniture, fixtures, and equipment	\$ 162,494	\$ -	\$ (1,477)	\$ 161,017
Automobiles	67,960	-	-	67,960
Total capital assets being depreciated	<u>230,454</u>	<u>-</u>	<u>(1,477)</u>	<u>228,977</u>
Less accumulated depreciation				
Furniture, fixtures, and equipment	124,348	12,680	(1,055)	135,973
Automobiles	41,629	5,795	-	47,424
Total accumulated depreciation	<u>165,977</u>	<u>18,475</u>	<u>(1,055)</u>	<u>183,397</u>
Capital assets, net	<u>\$ 64,477</u>	<u>\$ (18,475)</u>	<u>\$ (422)</u>	<u>\$ 45,580</u>

Depreciation expense is included in the statement of activities under management and general administration.

Note 5 - Long-Term Liabilities

Long-term liabilities activity of MAPA as of June 30, 2023 consisted of the following:

	June 30, 2022 (As Restated)	Additions	Reductions	June 30, 2023	Due Within One Year
Note payable	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ -
Leases (Note 6)	5,265	1,296	(2,268)	4,293	2,556
Total long-term liabilities	<u>\$ 255,265</u>	<u>\$ 1,296</u>	<u>\$ (2,268)</u>	<u>\$ 254,293</u>	<u>\$ 2,556</u>

Under an agreement with the City of Blair, Nebraska (City) regarding the implementation of the Blair Rural Workforce Housing Fund, the Foundation obtained \$250,000 from the City to establish a revolving loan fund to provide loans for the development of workforce housing projects in the City. The balance of the loan must be returned to the City on August 30, 2028, unless an extension is mutually agreed upon.

Note 6 - Leases

MAPA has entered into two lease agreements for office equipment with terms ending April 2025 and December 2025. MAPA is required to make monthly principal payments ranging from \$33 to \$153 over the term of the leases. The lease agreements have interest rates of 0%.

Lease liability activity for MAPA as of and for the year ended June 30, 2023, consisted of the following:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Lease Liabilities - Office Equipment	\$ 5,265	\$ 1,296	\$ (2,268)	\$ 4,293

The remaining obligations associated with these leases are as follows:

	Year ending June 30,
2024	\$ 2,556
2025	1,737
Total	\$ 4,293

MAPA's right to use assets related to the leases as of and for the year ended June 30, 2023 are as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Right to Use Leased Assets Being Amortized				
Right to use leased office equipment	\$ 10,476	\$ 1,213	\$ -	\$ 11,689
Less accumulated amortization				
Right to use leased office equipment	5,211	2,268	-	7,479
Right to use leased assets, net	\$ 5,265	\$ (1,055)	\$ -	\$ 4,210

The statements of revenue, expenses and changes in net position for the year ended June 30, 2023, includes amortization of right to use assets of \$2,268. Amortization expense is included in the statement of activities under management and general administration.

Note 7 - Subscription-Based Information Technology Arrangements (SBITA)

MAPA has entered into three SBITA agreements for GEO crowdsourcing and mapping software, local and cloud-based data storage, and web hosting, and these subscriptions were paid for on or before June 30, 2022. The subscription agreements all have interest rates of 0%. The total amount of right to use subscription assets, and the related accumulated amortization on right to use subscription assets was \$2,065, \$378, and \$166 as of June 30, 2023, respectively. There are no subscription liabilities or activity related to these agreements.

MAPA's right to use assets related to IT subscriptions as of and for the year ended June 30, 2023 are as follows:

	Balance June 30, 2022 (As Restated)	Increases	Decreases	Balance June 30, 2023
Right to Use SBITA Assets Being Amortized				
GEO crowd-sourcing and mapping software	\$ 9,026	\$ -	\$ -	\$ 9,026
Local and cloud based data storage	1,889	-	-	1,889
Web hosting	624	-	-	624
Less accumulated amortization				
GEO crowd-sourcing and mapping software	6,961	2,065	-	9,026
Local and cloud based data storage	1,422	378	-	1,800
Web hosting	284	166	-	450
Right to use SBITA assets, net	<u>\$ 2,872</u>	<u>\$ (2,609)</u>	<u>\$ -</u>	<u>\$ 263</u>

The statements of revenue, expenses, and changes in net position for the year ended June 30, 2023, includes amortization of right to use SBITA assets of \$2,609. Amortization expense is included in the statement of activities under management and general administration.

Note 8 - Retirement Plan

In June 1976, the Board of Directors approved the MAPA employees' retirement program (a money- purchase pension plan). This plan, known as the MAPA Pension Trust, is a defined contribution plan. Participation in the plan is mandatory for employees hired after July 1, 1976. A minimum of 11% of each eligible employee's annual compensation is contributed to the plan. 7% of the contribution is made by MAPA and the employee makes 4%. The current year covered payroll was \$1,623,077 and the total current year payroll was \$1,789,461. At June 30, 2023, the retirement plan had assets with a fair value of \$994,748. The participants are 100% vested in employee contributions. Employer contributions vest over a five-year period. During the current year the employer contributed \$64,477. The employees contributed \$112,001.

Note 9 - Deferred Compensation Plan

MAPA sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all MAPA employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, total and permanent disability, retirement, death, or unforeseeable emergency. The employee is fully vested in all amounts credited to his or her account. MAPA made no contributions to the plan on behalf of participants for the year ended June 30, 2023. The deferred compensation assets related to this plan in the amount of \$323,096 are held in trust by a third party for the employees and are not reflected in these financial statements.

Note 10 - Net Position

Restricted and designated net position as of June 30, 2023, is as follows:

	Governmental Activities	Business-type Activites	Total
Restricted			
Economic Development	\$ -	\$ -	\$ -
Revolving Loan Fund	-	2,446,921	2,446,921
Total restricted net position	<u>\$ -</u>	<u>\$ 2,446,921</u>	<u>\$ 2,446,921</u>
Unrestricted			
Fund Balance Committed and Assigned			
Projected agency operating and closing costs in the event MAPA would cease operations	\$ 642,800	\$ -	\$ 642,800
Local match for federal aid projects	268,454	-	268,454
Nebraska-Iowa Regional Orthophotography Consortium	28,096	-	28,096
State and Local Projects	13,904	-	13,904
Officials Expense Fund	4,009	-	4,009
Total fund balance committed and assigned	<u>\$ 957,263</u>	<u>\$ -</u>	<u>\$ 957,263</u>

Note 11 - Risk Management

MAPA is exposed to various risk of loss related to torts, theft of, damage to, or destruction of assets, business interruptions, errors or omissions, injuries to employees, natural disasters and risks normally associated with a governmental subdivision. These risks are covered by commercial insurance purchased from independent insurance carriers. MAPA assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Note 12 - Commitments and Contingent Liabilities

MAPA participates in a number of federally assisted grant programs. Compliance with the grant agreements is subject to audit by various government agencies, which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would be immaterial to the accompanying financial statements.



Required Supplementary Information
June 30, 2023

Omaha-Council Bluffs Metropolitan Area Planning Agency

Omaha-Council Bluffs Metropolitan Area Planning Agency
 Comparison of Revenues, Expenditures, and Changes in Fund Balances – General Fund (Unaudited)
 Year Ended June 30, 2023

	Budget Original	Budget Final	Actual Amounts	Variance Favorable (Unfavorable)
Revenues				
Federal and state	\$ 4,856,522	\$ 3,710,332	\$ 3,267,861	\$ (442,471)
Local governments	1,056,559	775,547	909,572	134,025
Charges for services	728,277	609,713	499,225	(110,488)
In-kind	888,795	518,370	488,325	(30,045)
Investment income (loss), net	15,000	15,000	24,688	9,688
Miscellaneous	-	-	7,472	7,472
Total revenues	7,545,153	5,628,962	5,197,143	(431,819)
Expenditures				
Forums	197,902	97,630	119,388	(21,758)
Transportation planning	1,458,272	777,711	750,769	26,942
Regional assistance	1,128,326	1,115,325	1,188,880	(73,555)
Sustainability planning	1,010,181	584,090	450,004	134,086
Public involvement	390,461	191,907	257,681	(65,774)
Environment and energy	387,044	38,017	34,899	3,118
Member services	2,125,138	1,160,823	1,571,326	(410,503)
Management and general administration	1,025,667	1,822,965	954,289	868,676
Capital outlay	-	-	5,032	(5,032)
Total expenditures	7,722,991	5,788,468	5,332,268	456,200
Other Financing Uses				
Transfers in	20,000	-	-	-
Transfers out	(15,000)	(15,000)	-	15,000
Total other financing uses	5,000	(15,000)	-	15,000
Net Changes in Fund Balance	(172,838)	(174,506)	(135,125)	39,381
Fund Balance, Beginning of Year	3,736,810	3,736,810	3,736,810	-
Fund Balance, End of Year	\$ 3,563,972	\$ 3,562,304	\$ 3,601,685	\$ 39,381



Supplementary Information
June 30, 2023

Omaha-Council Bluffs Metropolitan Area Planning Agency

Omaha-Council Bluffs Metropolitan Area Planning Agency
Combining Balance Sheet – Nonmajor Governmental Fund
June 30, 2023

	<u>Officials Expense Fund</u>
Assets	
Due from other funds	<u>\$ 4,009</u>
Fund Balance	
Assigned	<u>\$ 4,009</u>

Omaha-Council Bluffs Metropolitan Area Planning Agency
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
 Fund
 Year Ended June 30, 2023

	<u>Officials Expense Fund</u>
Expenditures	
Administration	<u>\$ 4,279</u>
Net Changes in Fund Balance	(4,279)
Fund Balance, Beginning of Year	<u>8,288</u>
Fund Balance, End of Year	<u><u>\$ 4,009</u></u>

Omaha-Council Bluffs Metropolitan Area Planning Agency
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce				
Direct Program				
Economic Development Support for Planning Organizations	11.302	ED21DEN3020031	\$ -	<u>\$ 70,000</u>
Direct Program				
Economic Development Cluster				
COVID-19 - Economic Adjustment Assistance - CARES Act Recovery Assistance	11.307	ED20DEN3070130	-	39,828
COVID-19 - Economic Adjustment Assistance - CARES Act Recovery Assistance Supplemental Funding	11.307	05-79-06086; URI: 116147	213,956	544,445
Economic Adjustment Assistance - 2019 Disaster Supplemental	11.307	05-69-05941; URI 113915	-	17,421
Passed through the Invest Nebraska Corporation				
COVID-19 - Economic Adjustment Assistance: ARP BBB RC Heartland Robotics Cluster Program	11.307	ED22HDQ3070053	-	<u>2,311</u>
Total Economic Development Cluster				<u>604,005</u>
Passed through the Nebraska Department of Administrative Services				
Nebraska Information Technology Commission Nebraska State Digital Equity Planning	11.032	31-30-DP243-3	-	<u>25,754</u>
Total U.S. Department of Commerce				<u>699,759</u>
U.S. Department of Transportation				
Direct Program				
Transit Service Program Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NE-2018-007-00	3,851	3,851
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NE-2020-011-00	63,988	288,676
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NE-2022-012-00	-	6,002
COVID-19 Enhanced Mobility of Seniors and Individuals with Disabilities (ARPA)	20.513	NE-2022-011-00	36,807	<u>36,807</u>
Total Transit Service Program Cluster				<u>335,336</u>
Passed-Through the Nebraska Department of Transportation				
Metropolitan Transportation Planning	20.505	P12214; NE-X80(028)	53,298	406,839
Passed-Through the Iowa Department of Transportation				
Metropolitan Transportation Planning	20.505	22MPO-MAPA	-	<u>49,041</u>
Total Metropolitan Transportation Planning				<u>455,880</u>
Passed-Through the Iowa Department of Transportation				
Formula Grants for Rural Areas	20.509	22RPA-18	-	<u>27,129</u>
Passed-Through the Nebraska Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	UL2205/PLM-1(60)	165,706	1,147,822
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	UL2206	-	16,804
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	UL2208	-	9,396
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	UL2106	-	41,417
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	UL2108	-	639
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	UL21113	-	<u>148,875</u>
Total passed through the Nebraska Department of Transportation				<u>1,364,953</u>
Passed-Through the Iowa Department of Transportation				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	23MPO-MAPA	60,129	164,347
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	23RPA-18	-	<u>18,454</u>
Total passed through the Iowa Department of Transportation				<u>182,801</u>
Total Highway Planning and Construction Cluster				<u>1,547,754</u>
Total U.S. Department of Transportation				<u>2,366,099</u>
Total expenditures of Federal awards			<u>\$ 597,735</u>	<u>\$ 3,065,858</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Omaha-Council Bluffs Metropolitan Area Planning Agency (MAPA) under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of MAPA, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of MAPA.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note 3 - Indirect Cost Rate

MAPA has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Omaha-Council Bluffs Metropolitan Area Planning Agency
Notes to Schedule of Expenditures of Federal Awards
Years Ended June 30, 2023

Note 4 - Payments to Subrecipients

Payments to subrecipients are reported in the Schedule on the cash basis of accounting, however MAPA recognized subrecipient expenditures on the accrual basis in the financial statements. The following is a reconciliation of payments to subrecipients recognized in the Schedule and amounts recognized in the financial statements for the year ended June 30, 2023:

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Amounts Included in Schedule (Cash Basis)	Change in Accruals	Amounts Recognized in Accordance with GAAP for the Year Ended June 30, 2023
Economic Development Cluster					
COVID-19 - Economic Adjustment Assistance - CARES Act Recovery Assistance Supplemental Funding	11.307	05-79-06086;URI: 116147	\$ 213,956	\$ 323,062	\$ 537,018
Transit Service Program Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NE-2018-007-00	3,851	-	3,851
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NE-2020-011-00	63,988	146,226	210,214
COVID-19 Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NE-2022-011-00	36,807	-	36,807
Metropolitan Transportation Planning	20.505	P12214; NE-X80(028)	53,298	29,402	82,700
Highway Planning and Construction Cluster					
Passed-Through the Nebraska Department of Transportation					
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	UL22205 PLM-1(60)	165,706	24,396	190,102
Passed-Through the Iowa Department of Transportation					
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	23MPO-MAPA	60,129	-	60,129
			<u>\$ 597,735</u>	<u>\$ 523,086</u>	<u>\$ 1,120,821</u>



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*

The Governing Board
Omaha-Council Bluffs Metropolitan Area Planning Agency
Omaha, Nebraska

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Omaha-Council Bluffs Metropolitan Area Planning Agency (MAPA), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise MAPA's basic financial statements and have issued our report thereon dated March 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MAPA'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 MAPA's internal control. Accordingly, we do not express an opinion on the effectiveness of MAPA's internal control.

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

Our consideration of internal control was for the limited purpose described in the 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the MAPA'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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Omaha, Nebraska
March 28, 2024



**Independent Auditor’s Report on Compliance for the Major Federal Program and
Report on Internal Control over Compliance Required by the Uniform Guidance**

To the Governing Board
Omaha-Council Bluffs Metropolitan Area Planning Agency
Omaha, Nebraska

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Omaha-Council Bluffs Metropolitan Area Planning Agency’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Omaha-Council Bluffs Metropolitan Area Planning Agency’s major federal program for the year ended June 30, 2023. Omaha-Council Bluffs Metropolitan Area Planning Agency’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Omaha-Council Bluffs Metropolitan Area Planning Agency (MAPA) complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 MAPA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that 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 MAPA’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 MAPA’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MAPA'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect 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 MAPA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 MAPA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances; and
- Obtain an understanding of MAPA'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 MAPA'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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Omaha-Council Bluffs Metropolitan Area Planning Agency's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. MAPA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Omaha, Nebraska
March 28, 2024

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a)	Yes

Identification of major programs

Name of Federal Program	Federal Financial Assistance Listing
Highway Planning and Construction Cluster	
Highway Planning and Construction (Federal Aid Highway Program)	20.205
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

There were no financial statement findings reported

Section III – Federal Award Findings and Questioned Costs

2023-001 U.S. Department of Transportation, Passed through Nebraska Department of Transportation and Iowa Department of Transportation Highway Planning and Construction Assistance Listing Number 20.205

**Subrecipient Monitoring
Significant Deficiency in Internal Control over Compliance**

Criteria: A pass-through entity (PTE) must:

- Evaluate each subrecipient’s risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)). This evaluation of risk may include consideration of such factors as the following:
 - The subrecipient’s prior experience with the same or similar subawards;
 - The results of previous audits including whether or not the subrecipient receives single audit in accordance with 2 CFR Part 200, Subpart F, and the extent to which the same or similar subaward has been audited as a major program;
 - Whether the subrecipient has new personnel or new or substantially changed systems; and
 - The extent and results of federal awarding agency monitoring (e.g., if the subrecipient also receives federal awards directly from a federal awarding agency).
- Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:
 - Reviewing financial and programmatic (performance and special reports) required by the PTE;
 - Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other mean;
 - Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521;

Omaha-Council Bluffs Metropolitan Area Planning Agency

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

- Verify that every subrecipient is audited as required by Uniform Guidance when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501; and
- Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

Condition: MAPA is the pass-through entity for several subrecipients. MAPA does not appear to have a formal policy to evaluate each subrecipient's risk of noncompliance for appropriate subrecipient monitoring. Further, MAPA does not have a formal policy to monitor the activities of the subrecipients to the extent deemed necessary by the federal government, including the verification that subrecipients are audited when they reach Uniform Guidance spending levels and evaluation of those audits.

However, the current procedures require a review of the subrecipients' invoices, including all detailed costs by an appropriate individual at MAPA prior to payment. This process helps reduce risk of inappropriate funding to subrecipients.

Cause: MAPA does not appear have formal policies in place for all of the subrecipient monitoring requirements.

Effect: MAPA may not have appropriate monitoring levels established for all of its subrecipients and have awareness of where subrecipient deficiencies may exist.

Questioned Costs: None reported.

Context: We reviewed two of the five subrecipients within this program that did not appear to have any formal risk evaluation and monitoring plan in place.

Repeat Finding From Prior Year: No

Recommendation: The policy should be updated to include all federal requirements for subrecipient monitoring and updated on a regular basis as those regulations change.

Views of Responsible Officials: We agree with the finding.