

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

Financial Statements
As of and for the Year Ended June 30, 2020



OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Financial Statements
As of and for the Year Ended June 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
BASIC FINANCIAL STATEMENTS	
Financial Statements	
Balance Sheet / Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balance / Statement of Activities	5
Notes to the Financial Statements	6
REQUIRED SUPPLEMENTAL INFORMATION	
	<u>Exhibit</u>
Budgetary Comparison Schedule	1
Notes to the Budgetary Comparison Schedule	15
	16
OTHER SUPPLEMENTAL INFORMATION	
	<u>Exhibit</u>
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Office	2
	17
OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS	
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 <i>Government Auditing Standards</i>	18
Schedule of Findings and Responses	20
Status of Prior Year Findings	22

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and the major fund of the **Ouachita Council of Governments** (the Council), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Council as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 15 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.

Ouachita Council of Governments has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021 on our consideration of the Council'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 the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
March 26, 2021

BASIC FINANCIAL STATEMENTS

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

**Balance Sheet (FFS)
Statement of Net Position (GWFS)**

June 30, 2020

	<u>Balance Sheet</u>		
	<u>Major Fund</u>		Statement of
	<u>General Fund</u>	<u>Adjustments</u>	<u>Net Position</u>
Assets			
Cash	\$ 127,732	\$ -	\$ 127,732
Receivables			
Federal sources	122,738	-	122,738
Local sources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 250,470</u>	<u>\$ -</u>	<u>\$ 250,470</u>
Liabilities			
Accounts payable	\$ 144,100	\$ -	\$ 144,100
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>144,100</u>	<u>-</u>	<u>144,100</u>
Fund balance			
Committed	50,055	(50,055)	-
Unassigned	<u>56,315</u>	<u>(56,315)</u>	<u>-</u>
Total fund balance	<u>106,370</u>		
Total liabilities and fund balance	<u>\$ 250,470</u>		
Net position			
Restricted For:			
Ambulance Ordinance		50,055	50,055
Unrestricted		<u>56,315</u>	<u>56,315</u>
Total net position		<u>\$ -</u>	<u>\$ 106,370</u>

The notes to the financial statements are an integral part of this statement.

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance (FFS)

Statement of Activities (GWFS)

For the Year Ended June 30, 2020

	Statement of Revenues, Expenditures and Changes in Fund Balance			Statement of Activities
	Major Fund			
	General Fund	Adjustments		
Expenditures / expenses				
General and administrative	\$ 51,678	\$ -		\$ 51,678
Health and welfare	40,865	-		40,865
Public works				
Federal Highway Administration	239,486	-		239,486
Regional Strategic Highway Safety Plan	149,770	-		149,770
Monroe Metropolitan Planning Area	331,743			331,743
Federal Transit Administration	40,465	-		40,465
Total expenditures / expenses	<u>854,007</u>	<u>-</u>		<u>854,007</u>
Program / intergovernmental revenues				
Operating grants and contributions				
Federal grants				
Federal Highway Administration	191,607	-		191,607
Regional Strategic Highway Safety Plan	149,770	-		149,770
Monroe Metropolitan Planning Area	298,569			298,569
Federal Transit Administration	32,913	-		32,913
Total Federal grants	<u>672,859</u>	<u>-</u>		<u>672,859</u>
Local contributions				
City of Monroe Louisiana	71,696	-		71,696
City of West Monroe Louisiana	20,021	-		20,021
Ouachita Parish Police Jury	32,180	-		32,180
Total local contributions	<u>123,897</u>	<u>-</u>		<u>123,897</u>
Total program/intergovernmental revenues	<u>796,756</u>	<u>-</u>		<u>796,756</u>
Net program revenues	<u>(57,251)</u>	<u>-</u>		<u>(57,251)</u>
General revenues				
Contributions-in-kind	16,065	-		16,065
Other income	35,000	-		35,000
Interest income	144	-		144
Total general revenues	<u>51,209</u>	<u>-</u>		<u>51,209</u>
Excess of revenues over expenditures / expenses	(6,042)	-		(6,042)
Fund balance / net position beginning of year (Restated)	112,412	-		112,412
Fund balance / net position end of year	<u>\$ 106,370</u>	<u>\$ -</u>		<u>\$ 106,370</u>

The notes to the financial statements are an integral part of this statement.

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Ouachita Council of Governments (the Council) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The Ouachita Council of Governments was created by the Commission Council of the City of Monroe, the Mayor and Board of Aldermen of the City of West Monroe, the Ouachita Parish Police Jury, the City of Monroe School Board, and the Ouachita Parish School Board on September 23, 1968, under the authority of Louisiana Revised Statutes 33:1321-1332. On February 26, 1973, the articles of the agreement were amended to provide for two classes of membership on the Council - regular members and associate members. The regular membership consists of: (1) two members from the City of Monroe Commission Council (one of whom may be the Mayor) appointed by the Commission Council; (2) two members from the membership of the Mayor and Board of Aldermen of the City of West Monroe (one of whom may be the Mayor) appointed by the Mayor and Board of Aldermen; and (3) two members from the Ouachita Parish Police Jury (one of whom may be the President) appointed by the Ouachita Parish Police Jury. Any other unit of government situated within Ouachita Parish, or having an operating office in Ouachita Parish, is eligible for associate membership. Regular and associate members serve without benefit of compensation.

In creating the Ouachita Council of Governments, the members included in the articles of the agreement the following functions and purposes of the Council:

1. To carry on a continuing comprehensive planning program that supplements and coordinates but does not duplicate the programs of the member units.
2. To study such area governmental problems common to two or more members of the Council as it deems appropriate, including but not limited to matters affecting health, safety, welfare, education, economic conditions and regional development.
3. To promote cooperative arrangements and coordinate action among its members.

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

Notes to the Financial Statements

For the Year Ended June 30, 2020

4. To make recommendations for review and action to the members and other public agencies that perform functions within the region.
5. To serve as a clearinghouse, for the benefit of the member governments, of information concerning their common problems and concerning state and federal services available to assist in the solution of these problems.

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Council members are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, and because of the scope of public service provided by the Council, the Council is a separate governmental reporting entity. The Council includes all funds, activities, et cetera, that are within the oversight responsibility of the Council. The Council has no *component* units, defined by GASB Statement 61 as other legally separate organizations for which the elected Council members are financially accountable. Neither fiduciary funds nor component units that are fiduciary in nature are included.

FUNDS

The accounts of the Council are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Council is classified into the governmental category. The fund classification and a description of the existing fund type follows:

Governmental Funds

Governmental funds are used to account for the Council's general government activities, including the collection and disbursement of specific or legally restricted monies. The Council's only governmental fund is the General Fund which is the primary operating fund of the Council. It accounts for all financial resources of the Council.

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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."

Net Position

For the Government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net asset use are either: externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. In the Statement of Net Position federal grant projects and payments to local agencies are considered restricted because the use of grant funds has been designated by the benefactor or grantor. It is the Council's policy to spend restricted funds prior to the use of unrestricted funds when applicable.

Program Revenues

Program revenues include operating grants and contributions. Program revenues also reduce the cost of the function to be financed from the Council's general revenues.

General Revenues

General revenues are derived from unrestricted state and local grants and from other sources not considered program revenues. General revenues finance the remaining balance of functions not covered by program revenues.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

recognized when susceptible to accrual (i.e., when they are "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 to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current position. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues are recognized in the amounts earned, to the extent that they are both measurable and available. Other income is recorded when the income is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred.

BUDGETS

The Council follows these procedures in establishing the budgetary data reflected in the financial statements: State statute requires budgets be adopted for the General Fund and any special revenue funds. Each year, prior to the beginning of the fiscal year, the Executive Secretary submits to the Council a proposed operating budget for the General Fund. Public hearings are conducted, prior to the Council's approval, to obtain taxpayer comments. Grant funds are included in the General Fund. The operating budgets include proposed expenditures and the means of financing them.

The Council adopts a budget for the General Fund. All appropriations (unexpended budget balances) lapse at year-end.

Encumbrances are not recognized within the accounting records for budgetary control purposes. All governmental funds budgets are prepared on the modified accrual basis of accounting, a basis consistent with GAAP. Budgeted amounts are as originally adopted or as amended by the Council. Legally, the Council must adopt a balanced budget, that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

Notes to the Financial Statements

For the Year Ended June 30, 2020

and other financing uses. The Council approves budgets at the function level and management can transfer amounts between line items within a function. Formal budget integration (within the accounting records) is employed as a management control device. The budget is established and controlled by the Council at the functional level of expenditure and budget amendments are adopted by the Council as necessary.

CASH

Cash includes amounts in interest-bearing demand deposits. Under state law, the Council may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

FUND EQUITY

Restricted Net Position

For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's informal policy to use restricted resources first, then unrestricted resources as they are needed.

The Council has net assets restricted for the administration of the parish-wide ambulance ordinance.

Fund Equity of Fund Financial Statements

GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable – Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as prepaid expenses.

Restricted – Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers such as federal or state regulations for

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

Notes to the Financial Statements

For the Year Ended June 30, 2020

future use or through enabling legislation and are, therefore, not available for future appropriation or expenditure. The Council does not have any such fund balances in the current fiscal year.

Committed – Fund balance that can only be used for specific purposes determined by the Council’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the Council or motions passed by the Council committing the funds.

The Council has committed fund balance for the Uniform Ambulance Ordinance, the purpose of which is to provide for the license of a sole licensed provider for ambulance service in Ouachita Parish, Louisiana, and to provide for the uniform regulation of ambulance service throughout Ouachita Parish. The Council receives an annual fee for administering this ordinance on the behalf on the parish and cities within the parish.

Assigned – Fund balance that is constrained by the Council’s intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the Council. The Council does not have any assigned fund balances in the current fiscal year.

Unassigned – Fund balance that is the residual classification for the general fund. The Council has not established benchmarks for unassigned fund balance requirements.

The Council has not established a formal policy regarding the order of spending fund balances that are restricted, committed, or assigned. The Council’s informal policy for the spending prioritization of fund balances is that restricted would receive top priority followed by committed. Assigned balances receive the least priority and would be authorized to be spent only if adequate funds were available. If expenditures incurred exceed the amount that have been committed or assigned to a specific purpose, amounts unassigned would be reduced to eliminate the deficit.

USE OF ESTIMATES

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

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

PRIOR PERIOD ADJUSTMENT – RESTATEMENT OF FUND BALANCE

The restatement of \$27,510 in the general fund is to correct the amount for committed fund balance which was recorded as deferred revenue in the prior year. This committed fund balance is the Uniform Ambulance Ordinance, which is described in Note 1.

Note 2 CASH

Custodial credit risk – deposits - These deposits are stated at cost, which approximates market. Under state law, these deposits (bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At June 30, 2020, the Council had \$134,454 on deposit with its financial institution all of which was covered by federal deposit insurance.

Note 3 RECEIVABLES

The receivables at June 30, 2020, are as follows:

<u>Class of Receivable</u>	<u>Federal Highway Administration</u>	<u>Regional Strategic Highway Safety Plan</u>	<u>Federal Transit Administration</u>	<u>Monroe Metropolitan Planning Area</u>	<u>Total</u>
Federal sources	\$ 23,267	\$ 13,793	\$ 2,682	\$ 82,996	\$ 122,738
Local sources	-	-	-	-	-
	<u>\$ 23,267</u>	<u>\$ 13,793</u>	<u>\$ 2,682</u>	<u>\$ 0</u>	<u>\$ 122,738</u>

Note 4 FEDERAL REVENUES

The Council receives grant from the U.S. Department of Transportation, some of which require matching funds which are contributed by local governments:

	Federal Highway Administration	Regional Strategic Highway Safety Plan	Federal Transit Administration	Federal Transit Administration
CFDA number	20.205	20.205	20.505	20.509
Federal project number	H972314	H.013551	LA-2017-17	LA-2017-013
State project number	H.972314.1	H.013551.1	PL80-37-20	PL80-37-20
DOTD grant amount	191,607	149,770	30,223	2,690
Local contribution	47,879	-	7,552	-
Total expenditures	239,486	149,770	37,775	2,690

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 5 INTERGOVERNMENTAL ACTIVITIES

The Council receives contributions from its member agencies to pass through to other local agencies in the region. Additionally, Federal program funds are received from the Louisiana Department of Transportation and Development and transferred to other agencies. For the year ended June 30, 2020, the Council distributed the following:

	<u>General & Admin</u>	<u>Health and Welfare</u>	<u>Federal Highways Admin</u>	<u>Regional Strategic Hwy Safety Plan</u>	<u>Federal Highways Authority</u>	<u>Monroe Metro Area</u>	<u>Total</u>
North Delta Regional Planning & Development District	\$ 51,678	\$ -	\$ 239,486	\$ 149,770	\$ 40,465	\$ 45,461	\$ 526,860
LA Department of Veterans Affairs	-	15,876	-	-	-	-	15,876
Senior Adult Academic Program	-	2,066	-	-	-	-	2,066
Ambulance fees	-	18,887	-	-	-	-	18,887
Ouachita Council on Aging Association for Retarded Citizens/Ouachita	-	1,309	-	-	-	-	1,309
GoCARE	-	1,235	-	-	-	-	1,235
Ouachita Multi-Purpose CAP	-	1,000	-	-	-	-	1,000
	-	492	-	-	-	-	492
Total	<u>\$ 51,678</u>	<u>\$ 40,865</u>	<u>\$ 239,486</u>	<u>\$ 149,770</u>	<u>\$ 40,465</u>	<u>\$ 45,461</u>	<u>\$ 567,725</u>

North Delta Regional Planning and Development District (North Delta) paid \$16,065 in accounting fees on behalf of the Council which are included in general and administrative expenses totaling \$51,678 on the statement of Revenues, Expenditures and Changes in Fund Balance and on the Statement of Activities.

Note 6 DUAL ROLES OF STAFF

The Executive Secretary of the Council also serves as Executive Director of North Delta. The Council has contracted with North Delta to provide technical assistance in carrying out Federal and local program activities. For the year ended June 30, 2020, the Council was billed \$526,860 for Public Works expenditures and administrative fees by North Delta. This amount represents 93 percent of the Council's expenditures for the year. At June 30, 2020, the Council owed \$92,217 to North Delta.

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note 7 LITIGATION AND CLAIMS

Litigation - The Council was not involved in any litigation at June 30, 2020, nor is it aware of any unasserted claims.

Grant Disallowance - The Council participates in a number of Federal award programs. The programs are not subject to compliance audits under the Single Audit approach since total Federal expenditures are less than the \$750,000 threshold. 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 Council expects such amounts, if any, to be immaterial.

Note 8 ECONOMIC DEPENDENCY

The three regular members of the Council, the City of Monroe, the City of West Monroe, and the Ouachita Parish Police Jury, fund the local activities of the Council and fund the 20 percent match for federal grants. For the year ended June 30, 2020, the three governmental units contributed 22% of the Council's total revenues. Federal sources account for 75% of the Council's total revenues. The loss of local revenue would result in the loss of federal revenue due to the 20 percent match requirement. The loss of federal sources would seriously impact the Council's operation.

Note 9 RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Council is self-insured for all such losses. The Council currently reports all its risk management activities in the General Fund.

Note 10 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 26, 2021, the date which the financial statements were available to be issued and determined that no events occurred that require disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning (Restated) \$	84,903	\$ 84,903	\$ 112,412	\$ 27,509
Resources (inflows)				
Intergovernmental revenues				
Federal sources				
Federal Highway Administration	221,371	194,220	191,607	(2,613)
Regional Strategic Highway Safety Plan	200,226	150,196	149,770	(426)
Federal Transit Authority	43,866	31,400	30,223	(1,177)
Federal Transit Authority - Hum Svcs	15,000	2,755	2,690	(65)
Monroe Transportation Plan	-	294,500	298,569	4,069
Local sources				
City of Monroe	87,162	71,696	71,696	-
City of West Monroe	23,993	20,024	20,021	(3)
Ouachita Parish Police Jury	52,791	32,180	32,180	-
Other revenues				
Contributions-in-kind	-	15,000	16,065	1,065
Other income	35,000	10,888	35,000	24,112
Interest income	-	144	144	-
Total revenue (inflows)	<u>679,409</u>	<u>823,003</u>	<u>847,965</u>	<u>24,962</u>
Amounts available for appropriations	<u>764,312</u>	<u>907,906</u>	<u>960,377</u>	<u>52,471</u>
Charges to appropriations (outflows)				
Current				
General and administrative	35,613	50,613	51,678	(1,065)
Health and welfare	21,978	21,978	40,865	(18,887)
Public works	<u>621,818</u>	<u>785,412</u>	<u>761,464</u>	<u>23,948</u>
Total charges to appropriations	<u>679,409</u>	<u>858,003</u>	<u>854,007</u>	<u>3,996</u>
Budgetary fund balance, ending	<u>\$ 84,903</u>	<u>\$ 49,903</u>	<u>\$ 106,370</u>	<u>\$ 56,467</u>

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Notes to the Budgetary Comparison Schedule
As of and for the Year Ended June 30, 2020

Budgetary Policies: Preliminary budgets for the ensuing year, prepared on the modified accrual basis of accounting, are prepared annually by the Executive Secretary, of the Ouachita Council of Governments. During the months of March through April, the Executive Secretary reviews the proposed budgets with the department heads and makes changes as it deems appropriate. The Ouachita Council of Governments utilizes the adopted Public Participation Process. Notice of the location and availability of the proposed budgets for public inspection and the date of the public hearings to be conducted on the budgets are then advertised in the official journal of the Ouachita Council of Governments. Prior to the selected May meeting, the Ouachita Council of Governments conducts a public hearing on the proposed budget(s) in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the Ouachita Council of Governments as a whole. The budgets are then adopted during the Ouachita Council of Governments selected May meeting, and a copy of the adopted budget is available at North Delta's office (3000 Kilpatrick Blvd, Monroe, Louisiana).

During the year, the Ouachita Council of Governments utilizes the Public Participation Plan's process. The Budget to Actual is presented at each meeting to keep the members updated on the financials.

State law requires the Council to amend its budgets when revenues plus projected revenues within a fund are expected to fall short than budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more. All governmental fund budgets are prepared on the modified accrual basis of accounting.

OTHER SUPPLEMENTAL INFORMATION

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

**Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer**

For the Year Ended June 30, 2020

Chief Executive Officer: Doug Mitchell - Executive Secretary

NONE

**OTHER REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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*

Ouachita Council of Governments Monroe, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Ouachita Council of Governments (the Council) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated March 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
March 26, 2021

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Schedule of Findings and Responses
For the Year Ended June 30, 2020

We have audited the financial statements of the Ouachita Council of Governments (the Council), as of and for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprise the basic financial statements and have issued our report thereon dated March 26, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2020 resulted in an unmodified opinion.

SECTION I - Summary of Auditors' Results

- A. Report on Internal Control and Compliance Material to the Financial Statements
- Internal Control
- Material Weakness ___ yes X no
- Significant Deficiencies not considered to be
Material Weaknesses ___ yes X no
- Compliance
- Compliance Material to Financial Statements ___ yes X no
- B. Federal Awards **N/A NO SINGLE AUDIT IS REQUIRED**
- Material Weakness Identified ___ yes ___ no
- Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___ no
- Type of Opinion on Compliance for Major Programs
- Unmodified ___ Modified _____
- Disclaimer _____ Adverse _____
- Are their findings required to be reported in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? **N/A**
- C. Identification of Major Programs:
- Name of Federal Program (or cluster): **N/A**
- Dollar threshold used to distinguish between Type A and Type B Programs. **N/A**
- Is the auditee a "low-risk" auditee, as defined by Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? **N/A**

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Schedule of Findings and Responses
For The Year Ended June 30, 2020

Section II - Financial Statement Findings

1. There were no findings in this section.

Section III - Federal Award Findings and Responses

N/A

OUACHITA COUNCIL OF GOVERNMENTS

Monroe, Louisiana

Status of Prior Year Findings

As of and for the Year Ended June 30, 2020

2019-001 Louisiana Local Government Budget Act (First reported – 2019)

Criteria or Specific Requirement

Louisiana Revised Statute 39:1305 requires local governments to include in their budgets a budget message and specific statements for the general fund and each special revenue fund including a clearly presented side-by-side detailed comparison of such information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; other financing sources and uses by source and use, both year-to-date actual and estimates for the remainder of the year; the year-to-date actual and estimated fund balances as of the end of the fiscal year; and the percentage change for each item of information.

Further, Louisiana Revised Statute 39:1309 states that the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year; i.e. the beginning fund balance and any anticipated revenues.

Louisiana Revised Statute 39:1310 requires amendment of the budget whenever total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

Condition Found

The budget's total of proposed expenditures exceeded anticipated revenues by \$10,000 for the original budget and \$15,000 for the revised budget resulting in negative ending fund balances because beginning fund balances were not included in the budgets. Actual revenues fell short of budgeted by nearly \$41,000 or 6.7% exceeding the 5% threshold requiring revision. Additionally, budget presentation did not meet required parameters.

Recommendations to Prevent Future Occurrences

We recommend that management of the Council produce and revise the budget in compliance with state law. Further, the Council should be aware that revisions were made to the law effective June 4, 2019.

Current Status

Finding is cleared.

OUACHITA COUNCIL OF GOVERNMENTS
Monroe, Louisiana

Status of Prior Year Findings
As of and for the Year Ended June 30, 2020

2019-002 **Late Filing of Financial Statements** **(First reported – 2019)**

Criteria or Specific Requirement

Louisiana Revised Statute 24:513 requires that the Council prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

Condition Found

The audited financial statements of the Council were not submitted to the Louisiana Legislative Auditor within the time frame prescribed by law.

Recommendations

The Council should provide financial information to the auditors in a timely manner.

Current Status

Finding is cleared.