

TEXOMA COUNCIL OF GOVERNMENTS

**FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED APRIL 30, 2014

TEXOMA COUNCIL OF GOVERNMENTS
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INTRODUCTORY SECTION

August 15, 2014

The Honorable Creta L. Carter II
President of the Governing Body
Texoma Council of Governments
1117 Gallagher Drive, Suite 470
Sherman, Texas 75090

Dear Judge Carter and Members of the Governing Body:

Texoma Council of Governments Comprehensive Annual Financial Report for fiscal year ended April 30, 2014, is submitted for your review and acceptance. This report was prepared in accordance with TCOG's bylaws. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of TCOG operations as measured by the financial activity of its various grants and contracts; and, that all disclosures necessary to enable the reader to gain maximum understanding of TCOG's financial affairs and to satisfy Federal and State requirements of applicable grants are included. Standards issued by the Office of Management and Budget (Circulars A-87 and A-133) and GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended and interpreted, as of April 30, 2014, as well as all current GASB statements, were followed in the operation and audit of TCOG.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

TCOG's accounting records are maintained on a modified accrual basis, with revenues recorded when susceptible to accrual and expenditures recorded when liabilities are incurred, if measurable. This policy is implemented by generally accepted accounting principles and the Common Rule.

Budgetary amounts reported on the schedule of revenues and expenditures in memorandum form are monitored monthly for variances by TCOG staff. Variances are dealt with on an individual basis, according to contractual requirements of the specific grant or contract.

INTERNAL CONTROLS

In developing and improving TCOG's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to protect TCOG assets, prevent fraud and to insure economy and efficiency of operations within limitations. Internal controls are developed to assure management, and funding sources, of the integrity of the accounting and reporting systems.



REPORTING ENTITY AND SERVICES

TCOG operations are controlled by grant, or contract arrangements, with the United States of America and the State of Texas. For the fiscal year ended April 30, 2014, the largest sub-grantee of TCOG is Tri-County Senior Nutrition Project (Tri-County). Tri-County contracts with an independent public accounting firm for an annual audit of its operations. The resulting audit report will be presented to the Governing Body for review and approval upon receipt.

FUNCTIONAL ACTIVITIES

During the fiscal year ended April 30, 2014, TCOG, through grants and contracts, operated the Area Agency on Aging of Texoma, Community and Economic Development and Planning Activities, Criminal Justice Planning, Homeland Security Planning, Emergency 911, Weatherization Assistance Program, Comprehensive Energy Assistance Program, Section 8 Housing, Public Housing Authorities of eighteen cities, and other programs for the Texoma Region.

CASH MANAGEMENT

Cash maintained in the general account is not invested in interest bearing instruments because of the restrictions placed on federal funds by the United States Treasury. Funds received from local units of government for matching grants are deposited into an interest bearing account and TexPool, a division of the Texas State Treasury. The interest earned on local funds is used to match grant requirements, reduce future local government contributions, and satisfy any costs not allowed by grant conditions.

FIXED ASSETS

Fixed assets are recorded at cost from grant funds or local funds. Fixed assets purchased from local funds are depreciated and grants are charged accordingly in conformity with Office of Management and Budget Circular A-87.

ANNUAL AUDIT

TCOG's bylaws require that an annual audit be made of its financial accounts and transactions for the preceding fiscal year. In 1997, the Office of Management and Budget revised Circular A-133 to include units of local government. This circular requires that grantors of the United States of America perform audits which meet the requirements of the Single Audit Act. In accordance with these requirements, the Annual Audit Report is contained herein for your review and consideration.

CERTIFICATION OF INDIRECT COST PERCENTAGE

The undersigned Executive Director and Finance Director hereby certify that based upon the enclosed audited financial data, TCOG's indirect cost for fiscal year ended April 30, 2014, did not exceed 15 percent of total expenditures, as defined by The Local Government Code, Chapter 391, 586.(f)(1).

OVERVIEW

The Annual Audit Report contains an unmodified opinion from the auditors. There is one (1) audit report finding that is addressed below. There are no questioned or disallowed costs, instances of noncompliance, or other reportable conditions. The audit firm has issued a separate management letter.

Audit Finding: Item 2014-1. The accounting software used by the Council for financial statement accounting purposes is not set up to be self-balancing by grant/fund. Management decided to upgrade the accounting software to ensure the financial system requires all funds to be self-balanced. The upgrade will ensure all general ledger entries be balanced accounting entries resulting in automatic, self-balancing funds. In the interim, the governmental accounting principles of self-balancing funds has been addressed with new policy under new leadership.

We would like to express our appreciation to everyone associated with the preparation of this Annual Audit Report. We would also like to thank the Members of the Governing Body for their direction and support in the financial operations of Texoma Council of Governments.

Respectfully submitted,



Susan B. Thomas, Ph.D.
Executive Director

Respectfully submitted,



Stacey Sloan
Finance Director

Enclosure

TEXOMA COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS

COUNTIES (3)

Cooke

Grayson

Fannin

CITIES/TOWNS (31)

Bells

Knollwood

Southmayd

Bonham

Ladonia

Tioga

Callisburg

Leonard

Tom Bean

Collinsville

Lindsay

Trenton

Denison

Muenster

Valley View

Dodd City

Oak Ridge

Van Alstyne

Ector

Pottsboro

Whitesboro

Gainesville

Ravenna

Whitewright

Gunter

Sadler

Windom

Honey Grove

Savoy

Howe

Sherman

SCHOOL DISTRICTS (18)

Bells

Era

Pottsboro

Bonham

Fannindell

Sam Rayburn

Collinsville

Gainesville

Savoy

Denison

Honey Grove

Sherman

Dodd City

Leonard

Tom Bean

Ector

Muenster

Van Alstyne

COMMUNITY COLLEGE DISTRICTS (2)

North Central Texas College

Grayson County College

ASSOCIATE MEMBERS (21)

Bonham COC

Famersville Public Housing

Savoy Public Housing

Denison COC

Gunter Public Housing

Tioga Public Housing

Sherman COC

Honey Grove Public Housing

Tom Bean Public Housing

Bells Public Housing

Howe Public Housing

Trenton Public Housing

Bonham Public Housing

Ladonia Public Housing

Van Alstyne Public Housing

Celeste Public Housing

Pottsboro Public Housing

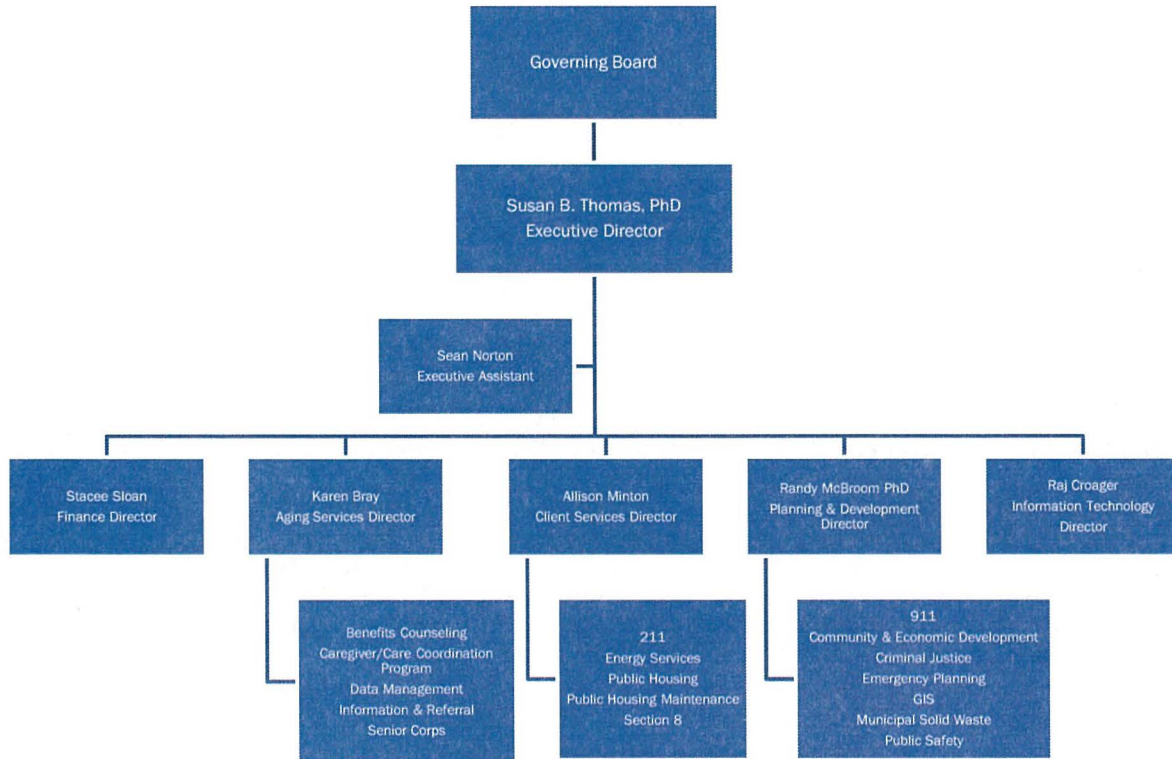
Whitewright Public Housing

Ector Public Housing

Princeton Public Housing

Windom Public Housing

Texoma Council of Governments
Organization Chart



Texoma Council of Governments
Governance Chart

Governing Board	<ul style="list-style-type: none"> • 15 Board Members
Member Jurisdictions	<ul style="list-style-type: none"> • 3 Counties • 31 Cities • 18 School Districts • 2 Special Districts • 3 Associate Members
Aging Services	<ul style="list-style-type: none"> • RSVP Advisory Council Cooke County • RSVP Advisory Council Fannin County • RSVP Advisory Council Grayson County • Foster Grandparent Program Advisory Council • Texoma Regional Advisory Council • Texoma Senior Citizen Foundation Board
Client Services	<ul style="list-style-type: none"> • 211 Texas Advisory Council • Family Self Sufficiency Fannin County • Family Self Sufficiency Grayson County • Texoma Housing Partners Board of Commissioners
Planning & Development	<ul style="list-style-type: none"> • 911 Advisory Committee • Criminal Justice Advisory Committee • Homeland Security Advisory Committee • Natural Resources Advisory Committee

FINANCIAL SECTION



Susan LaFollett, CPA – Partner

Rod Abbott, CPA – Partner

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Texoma Council of Governments
Sherman, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Texoma Council of Governments (the Council) as of and for the year ended April 30, 2014, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund, and the aggregate remaining fund information of the Council, as of April 30, 2014, 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 management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential

part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted budgetary comparison information for the General Fund and major Special Revenue Fund's 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 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. 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 introductory section (pages i through v), supplemental schedules (pages 22 through 30), statistical section (pages 44 through 52), and the Real Estate Assessment Center Financial Assessment Subsystem Financial Data Schedules (FDS) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The FDS (pages 31 and 32) are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC). The schedule of expenditures of federal awards (pages 37 through 39) are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplemental schedules (pages 22 through 30), the FDS (pages 31 and 32), and the schedule of expenditures of federal awards (pages 37 through 39) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplemental schedules 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2014, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



LaFollett and Abbott, PLLC

Tom Bean, Texas
September 5, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

TEXOMA COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis

Fiscal Year Ended April 30, 2014

This discussion and analysis of Texoma Council of Governments (TCOG) financial performance provides an overview of TCOG financial activities for the fiscal year ended April 30, 2014, and should be read in conjunction with TCOG financial statements.

Financial Highlights

For the fiscal year ended April 30, 2014, total assets were \$3,394,687 compared to \$3,603,862 for the prior year; total liabilities were \$1,608,154 compared to \$1,982,053 for the prior year; total net position was \$1,786,533 compared to \$1,621,809 for the prior year. Of this amount, a deficit of \$16,493 exists compared to the prior year excess amount of \$39,956.

For the fiscal year ended April 30, 2014, total revenues were \$11,069,575 compared to \$10,395,915 for the prior year; total expenses were \$10,904,850 compared to \$11,372,349 for the prior year. The 6.5% net increase in total revenues is the combined net of funding changes from the major funds. US Department of Housing and Urban Development, Commission on State Emergency Communications, and Other Programs categories experienced an increase in revenues while Texas Department of Housing and Community Affairs and Texas Department of Aging and Disability Services both experienced a decrease in revenues. The 4% in net reduced expenditures resulted with reduced expenditures in all functional categories, with the exception of Interest on Long-term Debt which increased expenditures by \$9,201.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to TGOG's basic financial statements which are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of TCOG's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of TCOG's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of TCOG's financial position.

The statement of activities presents information showing how TCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected grant revenues and earned but unused leave).

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. TCOG, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

TEXOMA COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis

Fiscal Year Ended April 30, 2014

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-21 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also contains certain required supplementary information concerning TCOG's funding resources. This information begins on page 22 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of TCOG, assets exceeded liabilities by \$1,786,533 at April 30, 2014 compared to \$1,621,809 for the prior year.

The most significant portion of TCOG's net position (98%) reflects its investment in capital assets (e.g. land, buildings, equipment), less any related debt used to acquire those assets that are still outstanding. TCOG uses these capital assets to carry out its mission; consequently, these assets are not available for future spending. Although TCOG's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed statement of net assets of TCOG for April 30, 2014, compared to the prior year:

Texoma Council of Government's Statement of Net Position

	Total		Percent
	2013	2014	Change
Assets:			
Current and Other Assets	\$ 1,409,212	\$ 1,156,429	-18%
Capital Assets	2,194,650	2,238,258	2%
Total Assets	<u>3,603,862</u>	<u>3,394,687</u>	-6%
Liabilities:			
Current Liabilities	1,424,719	1,211,250	-15%
Noncurrent Liabilities	557,334	396,904	-29%
Total Liabilities	<u>1,982,053</u>	<u>1,608,154</u>	-19%
Net Position:			
Invested in Capital Assets	1,529,115	1,750,288	14%
Restricted	52,738	52,738	0%
Unrestricted	39,956	(16,493)	-141%
Total Net Position	<u>\$ 1,621,809</u>	<u>\$ 1,786,533</u>	10%

TEXOMA COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis

Fiscal Year Ended April 30, 2014

The following table compares the revenue and expenses for the current and previous fiscal year:

Texoma Council of Government's Changes in Net Position

	Total		Percent
	2013	2014	Change
Revenues:			
Program Revenues:			
Operating Grants and Contributions	\$ 9,985,314	\$ 10,848,473	9%
General Revenues:			
Grants and Contributions Not Restricted to Specific Programs	410,003	220,862	-46%
Interest Income	598	240	-60%
Total Revenue	<u>10,395,915</u>	<u>11,069,575</u>	6%
Expenses:			
General Government	184,765	128,298	-31%
Aging and Disabilities	2,611,395	2,435,250	-7%
Community and Economic Development	2,004,548	1,881,761	-6%
Housing and Client Services	6,497,201	6,426,119	-1%
Interest on Long-Term Debt	12,623	33,422	165%
Loss on Disposal of Capital Assets	61,817	-	-100%
Total Expenses	<u>11,372,349</u>	<u>10,904,850</u>	-4%
Change in Net Position	(976,434)	164,725	-117%
Net Position, Beginning	<u>2,598,243</u>	<u>1,621,808</u>	-38%
Net Position, Ending	<u>\$ 1,621,809</u>	<u>\$ 1,786,533</u>	10%

Financial Analysis of TCOG's Funds

During 2014, TCOG provided a cash match to the Economic Development Program in addition to paying more towards Debt Service in principal and interest on the Gallagher building.

As noted earlier, TCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In addition to this Annual Audit Report, TCOG is monitored by various grantor funding agencies throughout the year.

TEXOMA COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis Fiscal Year Ended April 30, 2014

TCOG Budget and Economic Factors

TCOG's annual budget is a management tool that assists users in analyzing financial activity for the fiscal year ending April 30. TCOG's primary funding sources are federal, state and local grants, which have grant periods that may or may not coincide with TCOG's fiscal year. These grants normally are for a 12-month period; however, they can be awarded for periods shorter or longer than 12 months. Because of TCOG's dependency on grant funding, greater emphasis is placed on complying with individual grant budgets.

Since TCOG is primarily dependent of federal, state and local grant funding for operations, it is affected more by the federal and state budget than local economic conditions. The demand for TCOG services to the public is dependent on local economic conditions.

Capital Asset and Debt Administration

Capital Assets. TCOG's investment in capital assets for its governmental activities as of April 30, 2014, amounts to \$2,238,258 compared to \$2,194,650 for the prior year (both amounts are net of accumulated depreciation). This investment in capital assets includes the office building in Sherman, Texas, together with improvements and other grant and non-grant related equipment. Details of TCOG's capital assets are continued in the notes to the financial statements.

Long-Term Debt. At April 30, 2014, TCOG had total debt related liabilities of \$575,098 compared to \$757,374 for the prior year. Of this amount, \$487,970 comprises debt secured by the office building located at 1117 Gallagher Drive, Sherman, Texas. The prior year amount was \$665,535. Additional information on TCOG's long-term debt can be found in the notes to the financial statements.

Requests for Information

This financial report is designed to provide the Governing Board as well as citizens, taxpayers, and creditors with a general overview of TCOG's finances and to show TCOG's accountability for the money it receives. To request additional information, please contact Dr. Susan B. Thomas, TCOG's Executive Director, or Mrs. Stacey Sloan, TCOG's Finance Director, at 1117 Gallagher Drive, Suite 470, Sherman, Texas 75090, phone (903) 813-3516.

BASIC FINANCIAL STATEMENTS

Texoma Council of Governments
Statement of Net Position
April 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Pooled Investments	\$ 512,605
Accounts Receivable	472,576
Under Allocated Employee Benefits and Central Service IT	159,378
Prepaid Items	<u>11,870</u>
Total Current Assets	<u>1,156,429</u>
Noncurrent Assets:	
Capital Assets Net of Accumulated Depreciation:	
Buildings and Improvements	1,495,525
Furniture, Vehicles and Other Equipment	<u>742,733</u>
Total Capital Assets Net of Accumulated Depreciation	<u>2,238,258</u>
Total Noncurrent Assets	<u>2,238,258</u>
 Total Assets	 <u>3,394,687</u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	193,192
Unearned Revenue	839,864
Accrued Compensated Absences	21,853
Notes Payable	<u>156,341</u>
Total Current Liabilities	<u>1,211,250</u>
 Noncurrent Liabilities	
Notes Payable	331,629
Accrued Compensated Absences	<u>65,275</u>
Total Noncurrent Liabilities	<u>396,904</u>
 Total Liabilities	 <u>1,608,154</u>
 NET POSITION	
Net Investment in Capital Assets	1,750,288
Restricted	52,738
Unrestricted	<u>(16,493)</u>
Total Net Position	<u>\$ 1,786,533</u>

The accompanying notes are an integral part of these financial statements.

Texoma Council of Governments
Statement of Activities
For the Year Ended April 30, 2014

		<u>Program Revenues</u>	Net (Expense) Revenue and Change in Net Position
	<u>Expenses</u>	Operating Grants and Contributions	Total Governmental Activities
General Government	\$ 128,298	\$ -	\$ (128,298)
Aging and Disabilities	2,435,250	2,428,743	(6,507)
Community and Economic Development	1,881,761	1,990,016	108,255
Housing and Client Services	6,426,119	6,429,714	3,595
Interest on Long-Term Debt	<u>33,422</u>	<u>-</u>	<u>(33,422)</u>
Total Governmental Activities	<u>\$ 10,904,850</u>	<u>\$ 10,848,473</u>	<u>(56,377)</u>

General Revenues

Grants and Contributions not Restricted to Specific Programs	220,862
Unrestricted Investment Income	<u>240</u>
Total General Revenues	<u>221,102</u>

Change in Net Position 164,725

Net Position - Beginning 1,621,808

Net Position - Ending \$ 1,786,533

The accompanying notes are an integral part of these financial statements.

Texoma Council of Governments

Balance Sheets -
Governmental Funds
April 30, 2014

	<u>General</u>	<u>US Department of Housing and Urban Development</u>	<u>Commission on State Emergency Communications</u>	<u>Texas Department of Housing and Community Affairs</u>	<u>Texas Department of Aging and Disability Services</u>	<u>Other Programs</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Pooled Investments	\$ 250,512	\$ 225,017	\$ 37,076	\$ -	\$ -	\$ -	\$ 512,605
Accounts Receivable	18,886	-	18,619	154,465	86,844	193,762	472,576
Due From Other Funds	5,689	171,139	-	-	179,388	249,664	605,880
Under Allocated Employee Benefits and Central Service IT	159,378	-	-	-	-	-	159,378
Prepaid Items	11,870	-	-	-	-	-	11,870
Total Assets	<u>\$ 446,335</u>	<u>\$ 396,156</u>	<u>\$ 55,695</u>	<u>\$ 154,465</u>	<u>\$ 266,232</u>	<u>\$ 443,426</u>	<u>\$ 1,762,309</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable and Accrued Liabilities	\$ 30,395	\$ 330	\$ 25,994	\$ 55,553	\$ 43,649	\$ 37,271	\$ 193,192
Due to Other Funds	316,251	259,341	18,820	8,324	2,288	856	605,880
Unearned Revenue	29,054	83,747	10,881	90,588	220,295	405,299	839,864
Total Liabilities	<u>375,700</u>	<u>343,418</u>	<u>55,695</u>	<u>154,465</u>	<u>266,232</u>	<u>443,426</u>	<u>1,638,936</u>
Fund Balances							
Non-Spendable	11,870	-	-	-	-	-	11,870
Restricted	-	52,738	-	-	-	-	52,738
Unassigned, Reported in:							
Special Revenue Funds	-	-	-	-	-	-	-
General Fund	58,765	-	-	-	-	-	58,765
Total Fund Balances	<u>70,635</u>	<u>52,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,373</u>
Total Liabilities and Fund Balances	<u>\$ 446,335</u>	<u>\$ 396,156</u>	<u>\$ 55,695</u>	<u>\$ 154,465</u>	<u>\$ 266,232</u>	<u>\$ 443,426</u>	<u>\$ 1,762,309</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental fund financial statements.

2,238,258

Long-term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.

(575,098)

Net Position of Governmental Activities

\$ 1,786,533

The accompanying notes are an integral part of these financial statements.

Texoma Council of Governments
Statements of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended April 30, 2014

	General	US Department of Housing and Urban Development	Commission on State Emergency Communications	Department of Housing and Community Affairs	Department of Aging and Disability Services	Other Programs	Total Governmental Funds
REVENUES							
Federal	\$ -	\$ 2,858,123	\$ -	\$ 2,094,827	\$ 914,071	\$ 318,062	\$ 6,185,083
State	-	-	869,257	-	105,349	669,550	1,644,156
Local and In-kind	220,862	-	-	1,012	958,428	2,059,794	3,240,096
Investment Income	96	82	62	-	-	-	240
Total Revenues	<u>220,958</u>	<u>2,858,205</u>	<u>869,319</u>	<u>2,095,839</u>	<u>1,977,848</u>	<u>3,047,406</u>	<u>11,069,575</u>
EXPENDITURES							
Current:							
General Government	(14,419)	-	-	-	-	-	(14,419)
Aging and Disabilities	-	-	-	-	1,977,848	448,295	2,426,143
Community and Economic Development	-	-	621,572	-	-	1,198,018	1,819,590
Housing and Client Services	-	2,858,205	-	2,083,285	-	1,447,379	6,388,869
Capital Outlay	37,228	-	247,747	11,990	-	2,600	299,565
Debt Service:							
Principal	177,565	-	-	-	-	-	177,565
Interest	33,422	-	-	-	-	-	33,422
Total Expenditures	<u>233,796</u>	<u>2,858,205</u>	<u>869,319</u>	<u>2,095,275</u>	<u>1,977,848</u>	<u>3,096,292</u>	<u>11,130,735</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,838)</u>	<u>-</u>	<u>-</u>	<u>564</u>	<u>-</u>	<u>(48,886)</u>	<u>(61,160)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In (Out)	<u>(48,322)</u>	<u>-</u>	<u>-</u>	<u>(564)</u>	<u>-</u>	<u>48,886</u>	<u>-</u>
Net Change in Fund Balance:	(61,160)	-	-	-	-	-	(61,160)
Fund Balances - Beginning	<u>131,795</u>	<u>52,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,533</u>
Fund Balances - Ending	<u>\$ 70,635</u>	<u>\$ 52,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,373</u>

The accompanying notes are an integral part of these financial statements.

Texoma Council of Governments
Reconciliation of the Statements of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended April 30, 2014

Amounts recorded for governmental activities in the statement of activities (page 8) are different because:

Net Change in Fund Balance - Total Governmental Funds (page 10)	\$ (61,160)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	43,609
Other amounts, including the change in liability for accrued vacation leave payable, is not reported under the modified accrual basis of accounting utilized by governmental funds.	4,711
Current year long-term debt principal payments reported as expenditures in the governmental fund financial statements are shown as a reduction in debt in the government-wide financial statements.	<u>177,565</u>
Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 164,725</u>

The accompanying notes are an integral part of these financial statements.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Texoma Council of Governments (the "Council") relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for the Council are prescribed by the Governmental Accounting Standards Board (GASB).

A. Description of the Reporting Entity

The Council is a voluntary association of the local governmental units located within Cooke, Fannin, and Grayson Counties, in the State of Texas. The Council was organized January 23, 1968, under Article 1011 (m) of Vernon's (Texas) Annotated Revised Civil Statutes (subsequently revised to Chapter 391 of the Texas Local Government Code) to encourage and permit local units of governments to join and cooperate with one another to improve the health, safety and general welfare of their citizens, and to plan for the future development of the communities, area and regions serviced by the Council.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information on all of the activities of the Council. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program; and 2) operating or capital grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Other items not properly included among program revenue are reported instead as general revenue.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Grant revenue, membership dues and interest are susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Council.

The Council reports the following major governmental funds:

The **General Fund** is the general operating fund of the Council. It is used to account for all financial resources except those that are required to be accounted for in other funds.

The **U.S. Department of Housing and Urban Development Fund** is used to account for the federal grants awarded to the Council by the U.S. Department of Housing and Urban Development.

The **Commission on State Emergency Communications** is used to account for the state grants awarded to the Council by the Commission on State Emergency Communications.

The **Texas Department of Housing and Community Affairs Fund** is used to account for the federal grants awarded by the U.S. Department of Energy passed through from the Texas Department of Housing and Community Affairs and the U.S. Department of Health and Human Services passed through from the Texas Department of Housing and Community Affairs.

The **Texas Department of Aging and Disability Services Fund** is used to account for the federal and state grants awarded to the Council by the U.S. Department of Health and Human Services and the Texas Department of Aging and Disability Services.

The **Other Programs Fund** is used to account for all other federal, state, local grants, and other contributions related to these programs.

D. Use of Estimates

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

E. Assets, Liabilities and Net Position or Equity

Cash

Cash includes amounts in demand deposits and certificates of deposits. Interest earned is based on the amount of funds invested.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position or Equity (continued)

Cash (continued)

State statutes authorize the Council to invest in obligations of the United States, its agencies, certificates of deposits with banks and savings and local associations, banker's acceptances, commercial paper, mutual funds, investment pools and repurchase agreements with underlying collateral of government securities. Investments for the Council are reported at fair value.

Accounts Receivable

Accounts receivable represent amounts due from federal and state agencies for the various programs administered by the Council. The receivable includes amounts due on programs closed-out and those in progress as of April 30, 2014. The Council considers all grants as fully collectible. Therefore, no allowance for doubtful accounts has been recorded.

Interfund Receivables, Payables, and Transfers

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." The Council had no long-term interfund loans (noncurrent portion) that are generally reported as "advances from and to other funds." Interfund receivables and payables between governmental funds result from temporary assistance between funds. These balances, along with transfers, are eliminated in the government-wide financials.

Unearned Revenue

Unearned revenue represents amounts received from grantors in excess of expenditures for programs in progress as of April 30, 2014.

Capital Assets

Capital assets, which include building, furniture and equipment, are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Donated capital assets are recorded at estimated fair market value on the date received.

Assets capitalized have an original cost of \$500 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line methods. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Furniture and Equipment	3 – 15
Building Improvements	15
Buildings	39

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (continued)

Depreciation on assets purchased with local funds is included in the computation of the indirect cost allocation rate.

Compensated Absences

Accrued vacation represents the estimated liability for accumulated and unpaid vacation. Accumulated unpaid vacation leave is accrued when incurred. Fulltime regular Council employees accumulate and vest in vacation leave on a sliding scale rate based on length of service and/or position in the organization up to a maximum of 21 days per year. Vacation Accrual at calendar year-end is limited to 120 hours.

Council employees accumulate sick leave at the rate of one day per month of service up to a maximum of 80 days. Sick leave is vested only to the extent that an employee actually uses it while employed by the Council. Part-time regular employees earn vacation and sick leave based upon the number of hours worked per week. The Council does not accrue for such leave benefits in accordance with GASB No. 16, "Accounting for Compensated Absences."

Net Position

Net position represents the difference between assets and liabilities. Investments in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Council or through external restrictions imposed by creditors, grantors, or laws or regulation of other governments.

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

Fund Balance

Beginning with fiscal year 2012, the Council implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

As of April 30, 2014, fund balances of the governmental funds are classified as follows:

Non-spendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact. The Council had \$11,870 of prepaid assets classified as a non-spendable fund balance at April 30, 2014.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position or Equity (Continued)

Fund Balance (continued)

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The Council's U.S. Department of Housing and Urban Development Fund had \$52,738 of fund balance restricted by its federal grantor at April 30, 2014.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision making authority for the Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purpose. Under the Council's policy, only the Board may assign amounts for specific purposes.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Council considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Council considers amounts to have been spent first out of committed funds, the assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Indirect Costs

Employee benefits, indirect costs, and central service IT costs are allocated to the grants in accordance with Office of Management and Budget Circular A-87 and the operating manuals of the various funding agencies. Employee benefits are allocated to the grants as a percentage of direct salary costs charged to the grant. Indirect costs and central service IT costs are allocated to the grants as a percentage of total direct personnel costs. The percentage rates used to apply employee benefits, indirect costs, and central service IT costs are determined by the Council's "Statement of Employee Benefit Program," "Statement of Proposed Indirect Cost," and "Statement of Central Service IT Cost." These rates are based upon estimated costs and may result in over or under-application of employee benefit, indirect costs, and central service IT costs when compared with actual costs versus audited costs. The cumulative balance of over or under-applied costs is used in the calculation of the employee benefit cost rate, the indirect cost rate, and the central service IT cost rate for future years.

F. Program Revenue

Amounts reported as program revenues include grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital Outlay	\$ 299,564
Depreciation Expense	(255,955)
Net adjustments to increase <i>net change in fund balance-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 43,609</u>

3. BUDGETARY INFORMATION

The Council’s annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending April 30th. The Board approves the financial plan for revenue and expenditures in all funds. The financial plan for the Special Revenue Funds is made on a project (grant) basis, spanning more than one year. Appropriations for all projects in the Special Revenue Funds lapse at the end of a contract period which may not coincide with the fiscal year-end of the Council. The appropriations for the General Fund lapse at the fiscal year-end. Although the financial plans are reviewed and approved by the Council’s Board, they are not considered legally adopted annual budgets or appropriations. Accordingly, comprehensive budget and actual results are not presented in this report.

4. DETAILED NOTES ON ALL FUNDS

Cash Deposits with Financial Institutions

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Council’s deposits may not be returned to it. As of April 30, 2014, the Council’s \$590,916 deposits carrying value was fully-collateralized with securities held by the pledging financial institution above the \$250,000 of FDIC insurance.

Investments

As of April 30, 2014, the primary government had the following investment:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 974	50

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Council to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6)

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

4. DETAILED NOTES ON ALL FUNDS (continued)

Investments (continued)

maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the Council to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the Council to have independent auditors perform test procedures related to investment practices as provided by it. The Council is in substantial compliance with the requirements of the Act and with local policies.

The Council's investment pool is 2a7-like pool. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Interest Rate Risk. In accordance with its investment policy, the Council manages its exposure to declines in fair values by limiting the maximum allowable stated maturity of any individual investment to one year, unless otherwise provided in a specific investment strategy that complies with current law.

Credit Risk. It is the Council's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The Council's investment pool was rated AAAM by Standard and Poor's Investors Service.

Concentration of Credit Risk. The Council's policy is to diversify its portfolio to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer, or a specific class of investments.

Capital Assets

Below is a summary of capital assets and related depreciation as of April 30, 2014:

	Beginning Balance	Increases	Reclassifications and Decreases	Ending Balance
Governmental Activities:				
Capital Assets, being Depreciated				
Buildings	\$ 1,550,000	\$ -	\$ -	\$ 1,550,000
Buildings and Improvements	1,130,234	-	(43,045)	1,087,189
Furniture, Vehicles, and Other	1,235,008	299,564	43,045	1,577,617
Total Capital Assets being Depreciated	3,915,242	299,564	-	4,214,806
Less Accumulated Depreciation:				
Buildings	473,612	39,743	-	513,355
Buildings and Improvements	564,370	70,650	(6,711)	628,309
Furniture, Vehicles, and Other	682,610	145,563	6,711	834,884
Total Accumulated Depreciation	1,720,592	255,956	-	1,976,548
Governmental Activities Capital Assets, Net	<u>\$ 2,194,650</u>	<u>\$ 43,608</u>	<u>\$ -</u>	<u>\$ 2,238,258</u>

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

4. DETAILED NOTES ON ALL FUNDS (continued)

Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 147,428
Aging and Disabilities	9,107
Community and Economic Development	62,171
Housing and Client Services	<u>37,250</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 255,956</u></u>

Allocation of Indirect Costs and Employee Benefits to Grant Programs

The allocation of indirect costs and employee benefits creates an over or under-applied amount based on the actual costs incurred each year.

A detail of the costs allocated for the year ended April 30, 2014, is as follows:

	Indirect Costs	Employee Benefits	Central Service IT	Total
Under (Over) Applied Costs at April 30, 2013	\$ (15,580)	\$ 174,777	\$ 34,036	\$ 193,233
Costs Allocated During the Year	(678,742)	(1,209,275)	(199,944)	(2,087,961)
Actual Costs	<u>764,939</u>	<u>1,061,880</u>	<u>227,287</u>	<u>2,054,106</u>
Under (Over) Applied Costs at April 30, 2014	<u><u>\$ 70,617</u></u>	<u><u>\$ 27,382</u></u>	<u><u>\$ 61,379</u></u>	<u><u>\$ 159,378</u></u>

Long-Term Debt

The following changes in general long-term debt occurred during the fiscal year ended April 30, 2014, as reported in the financial statements:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note Payable	\$ 665,535	\$ -	\$ (177,565)	\$ 487,970	\$ 156,341
Compensated Absences	<u>91,839</u>	<u>-</u>	<u>(4,711)</u>	<u>87,128</u>	<u>21,853</u>
Governmental Activities					
Long-term Liabilities	<u><u>\$ 757,374</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (182,276)</u></u>	<u><u>\$ 575,098</u></u>	<u><u>\$ 178,194</u></u>

The note payable has a fixed rate of 4.5% and was originally dated May 29, 2013, due in 44 monthly installments of \$15,799 with a final payment of \$14,488. The note is secured by the building and matures February 1, 2017.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

4. DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt (Continued)

Future requirements for the note payable are as follows:

Fiscal Year				
	<u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015		\$ 156,341	\$ 19,377	\$ 175,718
2016		178,115	11,470	189,585
2017		153,514	3,163	156,677
		<u>\$ 487,970</u>	<u>\$ 34,010</u>	<u>\$ 521,980</u>

Retirement Plan

At April 30, 2014, substantially all employees were participants in the Texoma Council of Governments Employee Retirement Plan (the "Plan") administered by a corporate trustee, International City Management Association Retirement Corporation (ICMA-RC). The Plan is a defined contribution plan, which has been approved by the Internal Revenue Service for qualification under IRC Section 401(a), and provides retirement and death benefits based on a participant's vested interest. The Plan has a fiscal year-end of September 30. Employer contributions are 7% of participants' defined compensation, and participants are required to contribute 3% of their defined compensation. Employees may make voluntary after-tax contributions subject to certain limitations. Participants immediately vest in mandatory contributions, plus actual earnings thereon. Vesting in Council contributions is based on years of continuous service according to a schedule, which provides full vesting at the end of seven years. The Plan investments are stated at fair value. Investments in securities traded on a national securities exchange are valued daily at the last quoted sales price on the day valuations are made. Other equity securities which are not traded on a particular day are reported at the last reported bid price. Debt securities are valued at a price deemed to best reflect fair value. The Council's total payroll in fiscal year 2014 was \$2,475,748 and the Council's contributions were based on a payroll of \$2,270,535. Total contributions of \$227,236 were made for the year, which consisted of \$159,120 employer contributions and \$68,116 of required employee contributions.

Deferred Compensation Plan

The Council has an agreement with the ICMA-RC to provide a deferred compensation plan in accordance with the Internal Revenue Code, Section 457, on a voluntary basis to fulltime employees. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is only available to participants at employment termination, retirement, or for an unforeseeable emergency. The Council makes no contributions to the plan. In accordance with federal law, a trust fund was established for the deposit of Section 457 assets. The trust fund is for the exclusive benefit of plan participants and beneficiaries. Because the assets are not owned by the Council but are held in a trust, the deferred compensation assets and related liabilities are not reported in the Council's financial statements. The Council's fiduciary responsibilities are to submit participant payroll deductions and enrollment change forms to the plan administrator (ICMA-RC). Other than reviewing quarterly statements for accuracy, the Council has no other fiduciary responsibility. Investments are managed by the Plan's trustee with various investment options available. The choice of the investment option is made by the employee. TCOG employees contributed total amount of \$16,133 into the Plan during fiscal year 2014.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2014

4. DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Balances and Transfers

The following tables reflect the interfund balances and interfund transfers at April 30, 2014. These are done to assist the funds with operations during the year and will be repaid as soon as practical.

<u>Interfund Balances</u>			<u>Interfund Operating Transfers</u>		
	<u>Due From</u>	<u>Due To</u>		<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 5,689	\$ 316,251	General	\$ -	\$ 48,322
HUD	171,139	259,341	TDHCA	-	564
CSEC	-	18,820	Other	48,886	-
TDHCA	-	8,324		<u>\$ 48,886</u>	<u>\$ 48,886</u>
TDADS	179,388	2,288			
Other	249,664	856			
	<u>\$ 605,880</u>	<u>\$ 605,880</u>			

Commitments and Contingencies

Certain expenditures in the Aging Programs are contracted out to other governments or local agencies to perform the specific services set forth in the grant agreements. The Council disburses grant funds to the subcontractors based on monthly expenditures and performance reports received from each agency.

Subcontractors are required to have an annual independent audit. The Council requires each agency to submit a copy of the audit reports. If such audits disclose expenditures not in accordance with terms of the grants, the grantor agency could disallow the costs and require reimbursement of the disallowed or questioned cost either from the Council or the delegate agency. The Council generally has the right of recovery from the subcontractors.

The Council participates in numerous federal and state assisted grant programs. Under the terms of these grants, the Council is subject to program compliance audits by the grantors or their representatives. Accordingly, the Council's compliance with applicable grant requirements will be established at some future date. If future program compliance audits result in questioned or disallowed costs, reimbursements would have to be made to the grantor agencies. Accordingly, the amounts, if any, of expenditures that might be disallowed by the grantor agencies cannot be determined at this time; however, Council management believes such amounts, if any, would be immaterial.

Subsequent Events

Management has evaluated subsequent events through the date of the independent auditor's report, which is the date on which the financial statements were available to be issued. There are no subsequent events to disclose.

SUPPLEMENTARY INFORMATION

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY OBJECT -
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	U.S. Department of Housing and Urban Development	Corporation for National and Community Service	Economic Development Administration	Governor's Office Criminal Justice Division	Commission on State Emergency Communications
REVENUES					
Federal	\$2,858,123	\$ 215,052	\$ 42,260	\$ -	\$ -
State	-	47,155	-	55,247	869,257
Local and In-kind	-	94,083	110,428	-	-
Interest Income	82	-	-	-	62
Total Revenues	<u>2,858,205</u>	<u>356,290</u>	<u>152,688</u>	<u>55,247</u>	<u>869,319</u>
EXPENDITURES					
Operational					
Direct Salaries	149,313	53,248	54,270	24,431	95,756
Benefit Program Costs	83,615	29,720	30,391	13,681	53,624
Indirect Costs	77,683	27,610	28,235	12,710	44,476
Travel	4,988	2,508	2,659	2,346	11,201
Supplies	28,058	3,242	3,534	2,079	1,496
Contracted Services	2,875	-	507	-	5,343
Capital Outlay	-	2,600	-	-	247,747
Other Direct Costs	-	8,480	-	-	5,247
Client Services					
Subcontracts	-	-	-	-	113,751
In-kind Services	-	71,733	60,428	-	-
Other	<u>2,511,673</u>	<u>157,149</u>	<u>-</u>	<u>-</u>	<u>290,678</u>
Total Expenditures	<u>2,858,205</u>	<u>356,290</u>	<u>180,024</u>	<u>55,247</u>	<u>869,319</u>
Excess (Deficiency) Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,336)</u>	<u>\$ -</u>	<u>\$ -</u>

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY OBJECT -
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Texas Department of Housing and Community Affairs	Governor's Office Division of Emergency Management	Texas Department of Aging and Disability Services	Texas Health and Human Services Commission	Texas Department of Health/UNT
REVENUES					
Federal	\$ 2,094,827	\$ 57,542	\$ 914,071	\$ -	\$ -
State	-	-	105,349	399,687	2,259
Local and In-kind	1,012	-	958,428	2,974	-
Interest Income	-	-	-	-	-
Total Revenues	<u>2,095,839</u>	<u>57,542</u>	<u>1,977,848</u>	<u>402,661</u>	<u>2,259</u>
EXPENDITURES					
Operational					
Direct Salaries	247,775	25,611	368,007	180,626	-
Benefit Program Costs	139,837	14,342	204,105	101,151	-
Indirect Costs	127,824	13,324	181,273	71,364	-
Travel	21,271	1,579	21,899	4,791	-
Supplies	26,732	811	3,799	13,227	198
Contracted Services	-	-	50,561	8,666	2,828
Capital Outlay	11,990	-	-	-	-
Other Direct Costs	-	1,875	39,421	22,836	-
Client Services					
Subcontracts	507,634	-	1,108,783	-	-
In-kind Services	-	-	-	-	-
Other	1,012,212	-	-	-	-
Total Expenditures	<u>2,095,275</u>	<u>57,542</u>	<u>1,977,848</u>	<u>402,661</u>	<u>3,026</u>
Excess (Deficiency) Revenues Over Expenditures	<u>\$ 564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (767)</u>

(continued)

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY OBJECT -
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Office of Rural Community Affairs	Texas Commission on Environmental Quality	Local Funds	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Federal	\$ 353	\$ -	\$ 2,855	\$6,185,083
State	-	165,202	-	1,644,156
Local and In-kind	-	13,776	1,838,533	3,019,234
Interest Income	-	-	-	144
Total Revenues	<u>353</u>	<u>178,978</u>	<u>1,841,388</u>	<u>10,848,617</u>
EXPENDITURES				
Operational				
Direct Salaries	150	38,615	673,886	1,911,688
Benefit Program Costs	84	21,625	377,376	1,069,551
Indirect Costs	78	20,090	239,124	843,791
Travel	-	633	2,542	76,417
Supplies	41	-	40,165	123,382
Contracted Services	-	-	80,363	151,143
Capital Outlay	-	-	-	262,337
Other Direct Costs	-	98,015	256,496	432,370
Client Services				
Subcontracts	-	-	170,432	1,900,600
In-kind Services	-	-	-	132,161
Other	-	-	21,787	3,993,499
Total Expenditures	<u>353</u>	<u>178,978</u>	<u>1,862,171</u>	<u>10,896,939</u>
Excess (Deficiency) Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,783)</u>	<u>\$ (48,322)</u>

(continued)

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS
FOR THE YEAR ENDED APRIL 30, 2014

	2014 Actual	2013 Actual
Indirect Salaries	\$ 251,486	\$ 252,291
Employee Benefits	140,832	138,561
Advertising	20	29
Audit Services	29,075	43,925
Data Processing Services	2,600	6,000
Contracted Services	12,578	11,986
Depreciation Expense	119,968	103,092
Insurance & Bonding General	10,759	5,384
Legal Services	1,856	5,030
Postage	3,741	7,872
Printing	874	3,435
Mortgage Interest	27,568	46,333
Repair & Maintenance Building	27,775	35,798
Copy Center Expense	2,844	6,065
Sanitation Services	1,398	696
Supplies Office	5,134	4,848
Telephone Service	18,716	17,098
Travel Indirect Staff	16,798	10,689
Utilities	90,917	94,956
Total Indirect Costs	<u>764,939</u>	<u>794,088</u>
Less: Contributions To Indirect Costs	<u>(5,850)</u>	<u>(5,400)</u>
Net Indirect Costs	<u>\$ 759,089</u>	<u>\$ 788,688</u>
Basis for Indirect Cost Allocation		
Net Indirect Costs	\$ 759,089	\$ 788,688
Direct Salaries and Benefits	<u>2,981,239</u>	<u>2,922,408</u>
Indirect Cost Rate	<u>25.46%</u>	<u>26.99%</u>

TEXOMA COUNCIL OF GOVERNMENTS
COMPARISON OF BUDGETED VS ACTUAL INDIRECT COSTS
FOR THE YEAR ENDED APRIL 30, 2014

	2014 Budget	2014 Actual
Indirect Salaries	\$ 237,349	\$ 251,486
Employee Benefits	132,915	140,832
Advertising	1,000	20
Audit Services	25,775	29,075
Data Processing Services	9,400	2,600
Contracted Services	11,808	12,578
Depreciation Expense	119,968	119,968
Insurance & Bonding General	6,153	10,759
Legal Services	2,500	1,856
Postage	5,354	3,741
Printing	2,600	874
Mortgage Interest	37,963	27,568
Repair & Maintenance Building	31,694	27,775
Copy Center Expense	4,500	2,844
Sanitation Services	1,230	1,398
Supplies Office	8,000	5,134
Telephone Service	13,800	18,716
Travel Indirect Staff	25,400	16,798
Utilities	96,107	90,917
Less: Overapplied from Prior Year	(118,882)	-
Total Indirect Costs	<u>654,634</u>	<u>764,939</u>
Less: Contributions To Indirect Costs	<u>(5,160)</u>	<u>(5,850)</u>
Net Indirect Costs	<u>\$ 649,474</u>	<u>\$ 759,089</u>
Basis for Indirect Cost Allocation		
Net Indirect Costs	\$ 649,474	\$ 759,089
Adjusted Direct Salaries and Benefits	<u>\$ 2,505,687</u>	<u>\$ 2,981,239</u>
Indirect Cost Rate	<u>25.92%</u>	<u>25.46%</u>

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS
FOR THE YEAR ENDED APRIL 30, 2014

	2014 Actual	2013 Actual
Sick Leave	\$ 67,918	\$ 83,231
Annual Leave	130,353	124,263
Holidays	100,581	104,343
Funeral Leave	3,891	1,448
Admin Leave	7,881	2,166
Crisis Leave	1,949	1,229
	<u>312,573</u>	<u>316,680</u>
Payroll Taxes	182,739	181,950
Retirement	117,500	131,165
Workers Comp Insurance	13,794	6,852
Unemployment Insurance	11,201	4,227
Group Insurance	417,231	356,473
Employee Assistance Program	1,488	1,488
Air Ambulance Membership	5,354	2,700
	<u>749,307</u>	<u>684,855</u>
Total Benefits	<u>\$ 1,061,880</u>	<u>\$ 1,001,535</u>
Basis for Employee Benefit Allocation not including Employee Benefits in Base:		
Total Employee Benefits	1,061,880	1,001,535
Chargeable Time (See Below)	1,850,601	1,821,172
Employee Benefit Rate	<u>57.38%</u>	<u>54.99%</u>
Computation Of Chargeable Time		
Personnel Costs:		
Indirect Salaries	\$ 251,486	\$ 252,291
Direct Salaries	1,911,688	1,885,561
Total Personnel Costs	<u>2,163,174</u>	<u>2,137,852</u>
Less: Fringe Benefit Costs Per Schedule Of Employee Benefits Which Are Not Included In Chargeable Time	<u>(312,573)</u>	<u>(316,680)</u>
Chargeable Time For Basis Of Allocation Of Employee Benefits	<u>\$ 1,850,601</u>	<u>\$ 1,821,172</u>

TEXOMA COUNCIL OF GOVERNMENTS
COMPARISON OF BUDGETED VS ACTUAL EMPLOYEE BENEFITS
FOR THE YEAR ENDED APRIL 30, 2014

	2014 Budget	2014 Actual
Sick Leave	\$ 76,321	\$ 67,918
Annual Leave	124,521	130,353
Holidays	107,632	100,581
Funeral Leave	4,000	3,891
Admin Leave	5,088	7,881
Crisis Leave	-	1,949
	<u>317,562</u>	<u>312,573</u>
 Payroll Taxes	 194,619	 182,739
Retirement	130,374	117,500
Workers Comp Insurance	8,500	13,794
Unemployment Insurance	12,250	11,201
Group Insurance	402,919	417,231
Employee Assistance Program	1,830	1,488
Air Ambulance Membership	2,440	5,354
Over (Under) Applied from Prior Period	176,958	-
	<u>929,890</u>	<u>749,307</u>
 Total Benefits	 <u>\$ 1,247,452</u>	 <u>\$ 1,061,880</u>
 Basis for Employee Benefit Allocation not including Employee Benefits in Base		
Total Employee Benefits	1,247,452	1,061,880
Chargeable Time (See Below)	2,226,477	1,850,601
 Employee Benefit Rate	 <u>56.03%</u>	 <u>57.38%</u>
 Computation Of Chargeable Time		
Personnel Costs:		
Indirect Salaries	237,349	251,486
Direct Salaries	<u>2,306,690</u>	<u>1,911,688</u>
Total Personnel Costs	2,544,039	2,163,174
 Less: Fringe Benefit Costs Per Schedule Of Employee Benefits Which Are Not Included In Chargeable Time	 <u>(317,562)</u>	 <u>(312,573)</u>
Chargeable Time For Basis Of Allocation Of Employee Benefits	<u>\$ 2,226,477</u>	<u>\$ 1,850,601</u>

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF CENTRAL SERVICE I.T. COSTS
FOR THE YEAR ENDED APRIL 30, 2014

	<u>2014 Actual</u>	<u>2013 Actual</u>
Contracted Services	\$ 207,827	\$ 177,599
Supplies	1,045	1,014
Software Maintenance	11,859	-
Telephone Service	6,556	13,645
Total Costs	<u>\$ 227,287</u>	<u>\$ 192,258</u>
Basis for Central Service IT Costs Allocation:		
Net CIT Costs	227,287	192,258
Direct Salaries And Benefits	<u>2,981,239</u>	<u>2,922,408</u>
CIT Cost Rate	<u>7.62%</u>	<u>6.58%</u>

TEXOMA COUNCIL OF GOVERNMENTS
COMPARISON OF BUDGETED VS ACTUAL CENTRAL SERVICE I.T. COSTS
FOR THE YEAR ENDED APRIL 30, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>
Contracted Services	\$ 175,608	\$ 207,827
Supplies	5,000	1,045
Software Maintenance	25,000	11,859
Telephone Service	15,564	6,556
Total Costs	<u>\$ 221,172</u>	<u>\$ 227,287</u>
Basis for Central Service IT Costs Allocation:		
Net CIT Costs	221,172	227,287
Adjusted Salaries and Benefits	<u>2,976,743</u>	<u>2,981,239</u>
CIT Cost Rate	<u>7.43%</u>	<u>7.62%</u>

TEXOMA COUNCIL OF GOVERNMENTS
REAL ESTATE ASSESSMENT CENTER
FINANCIAL ASSESSMENT SUBSYSTEM (FASS-PH)
FINANCIAL DATA SCHEDULES (FDS)
SCHEDULE I: BALANCE SHEET
AS OF APRIL 30, 2014

PHA CODE:	TX542 Fiscal Year End date: 12/31/2013
PHA NAME:	Texoma Council of Governments
SUBMISSION TYPE:	Audited/A-133
PROGRAM NAME:	Housing Choice Vouchers

Line Item #	Description	Value
Assets	Current Assets Cash:	
111	Cash-Unrestricted	\$ 172,742
113	Cash - Other Restricted	52,275
100	Total Cash	225,017
	Receivables	
124	Accounts Receivable - Other Government	171,139
120	Total Receivables, Net of Allowance for Doubtful Accounts	171,139
150	Total Current Assets	396,156
190	Total Assets	\$ 396,156
Liabilities and Equity	Liabilities	
	Current Liabilities	
312	Account Payable <= 90 Days	\$ 330
333	Accounts Payable - Other Government	259,341
342	Deferred Revenues	83,747
310	Total Current Liabilities	343,418
350	Total Non-Current Liabilities	-
Equity	Equity	
509.3	Restricted Fund Balance	52,738
513	Total Equity/Net Position	52,738
600	Total Liabilities and Equity/Net Position	\$ 396,156

TEXOMA COUNCIL OF GOVERNMENTS
REAL ESTATE ASSESSMENT CENTER
FINANCIAL ASSESSMENT SUBSYSTEM (FASS-PH)
FINANCIAL DATA SCHEDULES (FDS)
SCHEDULE II: INCOME STATEMENT
FOR THE YEAR ENDED APRIL 30, 2014

PHA CODE:	TX542 Fiscal Year End date: 12/31/2013
PHA NAME:	Texoma Council of Governments
SUBMISSION TYPE:	Audited/A-133
PROGRAM NAME:	Housing Choice Vouchers

Line Item #	Description	Value
70600	HUD PHA Operating Grants	\$ 2,858,123
71100	Investment Income - Unrestricted	82
70000	Total Revenue	2,858,205
	Expenses Administrative	
91100	Administrative Salaries	117,969
91200	Auditing Fees	2,875
91500	Employee Benefit Contributions-Administrative	69,093
91600	Office Expenses	28,058
91800	Travel	4,988
91810	Allocated Overhead	61,375
91000	Total Operating - Administrative	284,358
92100	Tenant Services - Salaries	31,344
92300	Employee Benefit Contributions - Tenant Services	14,522
92400	Tenant Services - Other	16,308
92500	Total Tenant Services	62,174
96900	Total Operating Expenses	346,532
97000	Excess of Operating Revenue over Operating Expenses	2,511,673
97300	Housing Assistance Payments	2,511,673
90000	Total Expenses	2,858,205
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-
11030	Beginning Equity	52,738
11170	Administrative Fee Equity	52,738
11190	Unit Months Available	7,704
11210	Number of Unit Months Leased	6,300

SINGLE AUDIT SECTION



Susan LaFollett, CPA – Partner
Rod Abbott, CPA – Partner

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*

To the Board of Directors
Texoma Council of Governments
Sherman, Texas

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of the Texoma Council of Governments (the Council), as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated September 5, 2014.

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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See finding 2014-1.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Council's Response to Findings

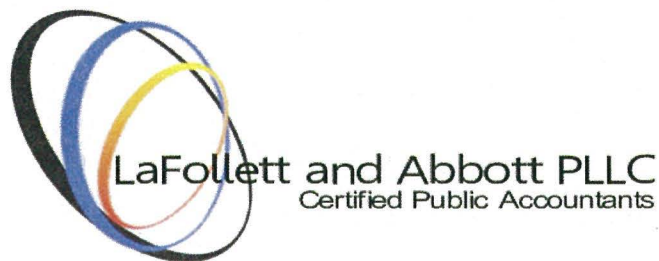
The Council's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 "J. Fallett and Abbott PLLC". The signature is written in a cursive, flowing style.

Tom Bean, Texas
September 5 2014



Susan LaFollett, CPA – Partner
Rod Abbott, CPA – Partner

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

To the Board of Directors
Texoma Council of Governments
Sherman, Texas

Report on Compliance for Each Major Federal Program

We have audited the Texoma Council of Governments (Council) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended April 30, 2014. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Uniform Grant Management Standards*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2014.

Report on Internal Control over Compliance

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

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

InTallett and Albright PLLC

Tom Bean, Texas
September 5, 2014

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Expenditures of Federal and State Awards
Year Ended April 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U. S. Department of Commerce			
Direct Programs:			
Investment for Public Works and Economic Development Facilities	11.302	08-83-04752	42,260
Total U. S. Department of Commerce			42,260
U. S. Department of Housing and Urban Development			
Direct Programs:			
Section 8 Housing Choice Vouchers 2013	14.871	TX542	1,934,326
Section 8 Housing Choice Vouchers 2014	14.871	TX542	923,797
Total Direct Programs			2,858,123
Pass-Through from:			
Office of Rural Community Affairs:			
Community Development Block Grants - State's Program	14.228	C710212	353
Total Pass-Through Programs			353
Total U. S. Department of Housing and Urban Development			2,858,476
U. S. Department of Energy			
Pass-Through from:			
Texas Department of Housing and Community Affairs:			
Weatherization Assistance Program	81.042	56110001913	7,756
Total Texas Department of Housing and Community Affairs			7,756
Total U. S. Department of Energy			7,756
U. S. Department of Health and Human Services			
Pass-Through from:			
Texas Department of Aging and Disability Services:			
Aging Cluster			
Special Program for the Aging - Title III, Part B	93.044	539-06-0405-00015	67,496
Special Program for the Aging - Title III, Part B	93.044	539-08-0223-00001	203,185
Subtotal			270,681
Special Program for the Aging - CMS MFP	93.791	539-11-0025-00001	2,605
Subtotal			2,605
Special Program for the Aging - Title III, Part C	93.045	539-06-0405-00015	143,685
Special Program for the Aging - Title III, Part C	93.045	539-08-0223-00001	188,818
Subtotal			332,503
National Services Incentive Program	93.053	539-06-0405-00015	62,608
National Services Incentive Program	93.053	539-08-0223-00001	75,258
Subtotal			137,866
Special Program for the Aging - Title VII, Chapter 3	93.041	539-06-0405-00015	8,549
Special Program for the Aging - Title VII, Chapter 2	93.042	539-08-0223-00001	17,050
Special Program for the Aging - Title III, Part D	93.043	539-06-0405-00015	9,383
Special Program for the Aging - Title III, Part D	93.043	539-08-0223-00001	1,035
Subtotal			36,017
National Family Caregiver Support, Title III, Part E	93.052	539-06-0405-00015	33,450
National Family Caregiver Support, Title III, Part E	93.052	539-08-0223-00001	51,082
Subtotal			84,532
CMS Research, Development and Evaluation	93.779	539-06-0405-00015	45,567
ACA MIPPA	93.071	539-09-0223-00001	4,300
Subtotal			49,867
Total Texas Department of Aging and Disability Services			914,071

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Expenditures of Federal and State Awards
Year Ended April 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Texas Department of Housing and Community Affairs:			
Comprehensive Energy Assistance Program 2014	93.568	58140001818	142,593
Comprehensive Energy Assistance Program UB 2014	93.568	58130001979	72,894
Comprehensive Energy Assistance Program 2013	93.568	58130001650	569,754
Comprehensive Energy Assistance Program Supplemental 2013	93.568	58120001709	334,208
Subtotal			1,119,449
Low-Income Home Energy Assistance	93.568	81130001736	742,743
Low-Income Home Energy Assistance	93.568	81140001888	35,236
Subtotal			777,979
Community Services Block Grant	93.569	61130001600	143,891
Community Services Block Grant	93.569	61140001861	45,752
Subtotal			189,643
Total Texas Department of Housing and Community Affairs			2,087,071
Total U.S. Department of Health and Human Services			3,001,142
Corporation for National and Community Service			
Direct Programs:			
Retired Senior Volunteer Program	94.002	13SRWTX004	28,154
Subtotal			28,154
Foster Grandparent Program	94.011	12SFWTX001	73,951
Foster Grandparent Program	94.011	12SFWTX001	112,947
Subtotal			186,898
Total Corporation for National and Community Services			215,052
U. S. Department of Homeland Security			
Pass-Through from:			
Governor's Division of Emergency Management:			
State Homeland Security Program	97.067	2011-SS-00019	41,502
State Homeland Security Program	97.073	2012-SS-00018	15,344
State Homeland Security Program	97.067	2013-SS-00045	3,551
Total Governor's Division of Emergency Management			60,397
Total U. S. Department of Homeland Security			60,397
Total Expenditures of Federal Awards			6,185,083

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Expenditures of Federal and State Awards
Year Ended April 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Governor's Office - Criminal Justice Division			
Regional Criminal Justice Coordination		300-4-1212	36,028
Regional Criminal Justice Coordination		300-3-0333	19,219
Total Governor's Office - Criminal Justice Division			<u>55,247</u>
Commission on State Emergency Communications			
Emergency 911 - 2012/2013		None	466,985
Emergency 911 - 2013/2014		None	402,272
Total Commission on State Emergency Communications			<u>869,257</u>
Texas Commission on Environmental Quality			
Regional Solid Waste Grant		582-12-10164	112,314
Regional Solid Waste Grant		582-14-40593	52,888
Total Texas Commission on Environmental Quality			<u>165,202</u>
Texas Department of Aging and Disability Services			
General Revenue		None	83,849
Residential Repair Program		539-08-0223-00001	21,500
Subtotal			<u>105,349</u>
Passed through Corporation for National and Community Service:			
Retired Senior Volunteer Program		13RZWTX003	21,637
Retired Senior Volunteer Program		11RZWTX011	20,518
Foster Grandparent Program		13FZWTX005	5,000
			<u>47,155</u>
Total Texas Department of Aging and Disability Services			<u>152,504</u>
Texas Health and Human Services Commission			
211 Area Information Center Operations		HHSC 529-07-0105	259,111
211 Area Information Center Operations		HHSC 529-07-0105	140,576
TDH University of North Texas - UNT Immunization 2013		NT752-0000133198	2,259
Total Texas Health and Human Services Commission			<u>401,946</u>
Total Expenditure of State of Texas Financial Awards			<u>1,644,156</u>
Total Expenditures of Federal and State of Texas Awards			<u>\$ 7,829,239</u>

TEXOMA COUNCIL OF GOVERNMENTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
APRIL 30, 2014

1. Fund Accounting

The accounts of Texoma Council of Governments (the Council) are organized on the basis of funds with each being considered a separate accounting group. All federal and state programs are accounted for in Special Revenue Funds. These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

2. Basis of Accounting

Both the federal and state programs are accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements.

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED APRIL 30, 2014

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's reports issued: Unmodified

Internal control over financial reporting:

- Significant deficiencies identified? Yes
- Significant deficiencies identified that are considered to be a material weakness? No

Noncompliance material to the financial statements noted? No

Federal and State Awards

Internal control over major programs:

- Significant deficiencies identified? No
- Significant deficiencies identified that are considered to be a material weakness? No

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 Section 510(a) of Circular A-133 and state awards as defined by the State of Texas Uniform Grant Management Standards? No

Dollar threshold to distinguish between Type A and Type B programs:	Federal	\$300,000
	State	\$300,000

Auditee qualified as a low-risk auditee? No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
93.569	Community Services Block Grant
94.011	Foster Grandparent Program

Identification of major state programs:

Name of State Program
Emergency 911

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2014

Findings Related to the Financial Statements Which are Required to be
Reported in Accordance with Generally Accepted Auditing Standards (continued)

2014-1

<u>Condition:</u>	The accounting software used by the Council for financial statement accounting purposes is not set up to be self-balancing by grant/fund.
<u>Criteria:</u>	Each individual grant/fund should be set up as a self-balancing account to avoid one sided entries and to keep each fund individually and in the aggregate in balance.
<u>Cause:</u>	Accounting system controls were not properly designed.
<u>Effect:</u>	The control objective of reporting individual governmental-type fund financials is compromised.
<u>Recommendation:</u>	The control built into the software used by the Council to require each individual grant/fund to balance on its own should be implemented and procedures put in place to make sure each grant/fund balances monthly individually and in the aggregate.
<u>Management's Response:</u>	Management decided to upgrade the accounting software to ensure the financial system requires all funds to be self-balanced. The upgrade will ensure all general ledger entries be balanced accounting entries resulting in automatic, self-balancing funds. In the interim, the governmental accounting principles of self-balancing funds has been addressed with new policy under new leadership.

TEXOMA COUNCIL OF GOVERNMENTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED APRIL 30, 2014

Item 2013-1

<u>Condition:</u>	The General Fund trial balances provided by Management contained both full-accrual and modified accrual basis balances.
<u>Criteria:</u>	The General Fund should be maintained solely on the modified accrual basis of accounting.
<u>Cause:</u>	Accounting system controls were not properly designed.
<u>Effect:</u>	The control objective of reporting governmental-type fund financials on the modified accrual basis is compromised.
<u>Recommendation:</u>	Balance sheet balances for the Council's long-term debt and capital assets should be separated into separate funds within the accounting system. Debt principal payments should also be expensed in the General Fund, while depreciation expense should only be recorded in the separate capital asset fund.
<u>Management's Response:</u>	<p>Prior Year Response: Management changed the account coding structure such that the accounting software does produce individual trial balances for each grant program thus providing an efficient and effective means to produce appropriate financial statements for each fund reported.</p> <p>Fiscal Year 2014 Update: For 2014, Management implemented a fund for the general fixed asset account group and the general long term debt account group.</p>

STATISTICAL SECTION
(Unaudited)

**TEXOMA COUNCIL OF GOVERNMENTS
GRANT REGISTER
YEAR ENDED APRIL 30, 2014**

CFDA No.	Fund Source	ACCT NO.	TYPE OF PROGRAM	TOTAL	FYE2014 Expenditures
STATE FUNDS AND FEDERAL FUNDS PASSED THROUGH STATE AGENCIES					
			Governor's Division of Criminal Justice		
	State	30399	Regional Criminal Justice Coordination	42,872.65	19,219.00
	State	30374	Regional Criminal Justice Coordination	59,497.00	36,028.00
			Agency Total	102,369.65	55,247.00
			Governor's Division of Emergency Management		
98.039	Federal	30380	Homeland Security 2011	50,860.32	41,502.00
		30381	Homeland Security 2012	40,074.16	15,344.00
		30382	Homeland Security 2013	45,898.00	3,551.00
			Agency Total	136,832.48	60,397.00
			Commission on State Emergency Communications		
	State	30331	Emergency 911	1,085,802.00	402,272.00
	State	30330	Emergency 911	1,174,108.00	466,985.00
			Agency Total	2,259,910.00	869,257.00
			Texas Commission on Environmental Quality		
	State	30327	Solid Waste Plan Implementation	230,000.00	112,314.00
		30370	Solid Waste Plan Implementation	115,000.00	52,888.00
			Agency Total	230,000.00	165,202.00
			Texas Department of Housing & Community Affairs		
93.568	Federal	20214	LIHEAP Weatherization 2013/2014	806,060.00	742,743.00
93.568	Federal	20278	LIHEAP Weatherization 2014/2015	635,261.00	35,236.00
93.568	Federal	20208	Comprehensive Energy Assistance 2012	768,411.00	569,754.00
93.568	Federal	20217	Comprehensive Energy Assistance 2013	334,620.00	334,208.00
93.568	Federal	20222	Comprehensive Energy Assistance 2014	762,418.00	142,593.00
93.568	Federal	20207	Comprehensive Energy Assistance 2014	142,112.00	72,894.00
93.569	Federal	20209	Community Services Block Grant 2013	211,761.00	143,891.00
93.569	Federal	20223	Community Services Block Grant 2014	229,860.00	45,752.00
81.420	Federal	20279	Weatherization Assistance Program	42,542.00	7,756.00
			Agency Total	3,933,045.00	2,094,827.00

**TEXOMA COUNCIL OF GOVERNMENTS
GRANT REGISTER
YEAR ENDED APRIL 30, 2014**

CFDA No.	Fund Source	ACCT NO.	TYPE OF PROGRAM	TOTAL	FYE2014 Expenditures
STATE FUNDS AND FEDERAL FUNDS PASSED THROUGH STATE AGENCIES					
			Texas Department on Aging & Disability Services		
	State		General Revenue	87,304.00	2,267.00
	State		General Revenue	87,090.00	81,582.00
	State		SGR - Residential Repair Program	21,500.00	21,500.00
93.044	Federal	50551	Texoma AAA Title IIIB	590,699.00	67,496.00
93.045	Federal	50551	Texoma AAA Title IIIC	395,926.00	143,685.00
93.053	Federal	50551	Texoma AAA NSIP	137,210.00	62,608.00
93.043	Federal	50551	Texoma AAA Title IIID	11,348.00	9,383.00
93.052	Federal	50551	Texoma AAA Title IIIE	89,610.00	33,450.00
93.042	Federal	50551	Texoma AAA Title VII-OAG	18,309.00	4,254.00
93.041	Federal	50551	Texoma AAA Title VII-EAP	2,487.00	1,982.00
93.779	Federal	50551	CMS HCFA	45,567.00	45,567.00
93.044	Federal	50555	Texoma AAA Title IIIB	490,191.00	203,185.00
93.045	Federal	50555	Texoma AAA Title IIIC	410,325.00	188,818.00
93.053	Federal	50555	Texoma AAA NSIP	167,226.00	75,258.00
93.043	Federal	50555	Texoma AAA Title IIID	9,909.00	1,035.00
93.052	Federal	50555	Texoma AAA Title IIIE	74,609.00	51,082.00
93.042	Federal	50555	Texoma AAA Title VII-OAG	17,050.00	17,050.00
93.041	Federal	50555	Texoma AAA Title VII-EAP	3,768.00	2,313.00
93.779	Federal	50555	CMS HCFA	45,789.00	2,605.00
93.779	Federal	50555	MIPPA	14,993.00	4,300.00
			Agency Total	<u>2,720,910.00</u>	<u>1,019,420.00</u>
			Texas Health and Human Services Commission		
	State	20221	211 Area Information Center Operations	397,052.47	259,111.00
	State	20204	211 Area Information Center Operations	397,511.11	140,576.00
	State	50552	TDH University of North Texas - UNT Immunization 2013	10,364.55	2,259.00
			Agency Total	<u>804,928.13</u>	<u>401,946.00</u>
			Texas Department of Rural Affairs		
14.228	Federal	30350	CEDA	7,569.00	353.00
			Agency Totals	<u>7,569.00</u>	<u>353.00</u>

**TEXOMA COUNCIL OF GOVERNMENTS
GRANT REGISTER
YEAR ENDED APRIL 30, 2014**

CFDA No.	Fund Source	ACCT NO.	TYPE OF PROGRAM	TOTAL	FYE2014 Expenditures
STATE FUNDS AND FEDERAL FUNDS PASSED THROUGH STATE AGENCIES					
STATE FUNDS PASSED THROUGH FEDERAL AGENCY					
State		50554	RSVP 2013-2014	24,621.00	21,637.00
State		50556	Foster Grandparent 2012-2013	5,000.00	5,000.00
		50550	RSVP 2012-2013	24,621.00	20,518.00
Total				54,242.00	47,155.00
DIRECT FEDERAL FUNDS					
14.871	Federal	20254	Section 8 Voucher 2013	2,925,984.00	1,934,326.00
14.871	Federal	20255	Section 8 Voucher 2014	2,954,841.00	923,797.00
11.300	Federal	30329	Public Works & Economic Development Act of 1965 (Section 301B)	300,000.00	42,260.00
94.011	Federal	50549	Foster Grandparent 2012-2013	252,970.00	73,951.00
94.011	Federal	50556	Foster Grandparent 2013-2014	241,429.00	112,947.00
94.002	Federal	50550	RSVP 2012-2013	84,988.00	-
94.002	Federal	50554	RSVP 2013-2014	88,305.00	28,154.00
Direct Federal Funding Total				6,848,517.00	3,115,435.00
					<u>\$ 7,829,239.00</u>

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TEXOMA COUNCIL OF GOVERNMENTS
MEMBERSHIP PROFILE
(UNAUDITED)

<u>Fiscal</u> <u>Year</u>	<u>County</u> <u>Members</u>	<u>City</u> <u>Members</u>	<u>Other</u> <u>Members</u>	<u>Total</u> <u>Membership</u>
2005	3	29	44	76
2006	3	31	43	77
2007	3	31	42	76
2008	3	29	44	76
2009	3	31	46	80
2010	3	30	45	78
2011	3	32	40	75
2012	3	31	44	78
2013	3	29	38	70
2014	3	31	41	75

<u>Fiscal</u> <u>Year</u>	<u>County</u> <u>Dues</u>	<u>City</u> <u>Dues</u>	<u>Other</u> <u>Dues</u>	<u>Total</u> <u>Dues</u>
2005	\$ 11,898	\$ 20,716	\$ 8,926	\$ 41,540
2006	12,800	23,342	10,712	46,854
2007	12,800	23,465	10,712	46,977
2008	12,800	23,191	11,012	47,003
2009	12,800	23,529	9,607	45,936
2010	12,800	23,365	10,172	46,337
2011	13,455	24,917	10,078	48,450
2012	13,134	24,964	9,625	47,723
2013	13,193	23,919	9,916	47,028
2014	\$ 13,193	\$ 25,005	\$ 9,155	\$ 47,353

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF MEMBERSHIP DUES
YEARS ENDED APRIL 30, 2014 AND 2013

MEMBER ENTITY	2014	2013
Cooke County	\$ 3,748	\$ 3,748
Fannin County	2,992	2,992
Grayson County	6,453	6,453
County Total	13,193	13,193
City of Bells	262	262
City of Bonham	2,089	2,089
City of Callisburg	100	100
City of Collinsville	320	-
City of Denison	4,840	4,840
City of Dodd City	100	100
City of Ector	135	135
City of Gainesville	3,310	3,310
City of Gunter	352	352
City of Honey Grove	366	366
City of Howe	582	582
City of Knollwood	100	100
City of Ladonia	140	140
City of Leonard	394	394
Town of Lindsay	200	200
City of Muenster	334	334
Town of Oak Ridge	-	100
City of Pottsboro	452	452
Town of Ravenna	100	100
City of Sadler	100	100
City of Savoy	171	171
City of Sherman	7,738	7,738
City of Southmayd	215	215
City of Tioga	190	190
City of Tom Bean	203	203
City of Trenton	223	-
City of Valley View	175	175
City of Van Alstyne	555	555
City of Whitesboro	826	826
City of Whitewright	333	333
Town of Windom	100	100
City Total	25,005	24,562

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF MEMBERSHIP DUES (continued)
YEARS ENDED APRIL 30, 2014 AND 2013

MEMBER ENTITY	<u>2014</u>	<u>2013</u>
Bells ISD	-	150
Bonham ISD	378	378
Collinsville ISD	-	112
Denison ISD	880	880
Dodd City ISD	100	100
Ector ISD	100	100
Era ISD	100	100
Fannindell ISD	100	100
Gainesville ISD	632	588
Grayson County College	746	746
Honey Grove ISD	120	118
Leonard ISD	176	175
Muenster ISD	100	100
North Central Texas College (CC Campus only)	451	451
Pottsboro ISD	246	252
Sam Rayburn ISD	100	100
Savoy ISD	100	-
Sherman ISD	1,333	1,333
Tom Bean ISD	156	154
Van Alstyne ISD	267	266
Denison Chamber of Commerce	100	100
Associate Memberships Texoma Housing Partners	<u>2,970</u>	<u>2,970</u>
Other Total	<u>9,155</u>	<u>9,273</u>
Grand Total	<u><u>\$ 47,353</u></u>	<u><u>\$ 47,028</u></u>

TEXOMA COUNCIL OF GOVERNMENTS
REVENUES BY SOURCE AND AUTHORIZED STAFF
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Member Government Dues</u>	<u>Local Govt Income/In-Kind Contributions</u>	<u>Interest Income</u>	<u>State Funds</u>	<u>State Administered Grants</u>	<u>Federal Grants</u>	<u>Totals</u>	<u>Authorized Full-Time Positions</u>
2005	\$ 41,402	\$ 1,550,984	\$ 239	\$ 1,190,705	\$ 2,929,672	\$ 3,287,936	\$ 9,000,938	77
2006	46,854	1,402,716	1,592	1,554,795	2,877,185	3,375,359	9,258,501	77
2007	46,977	1,371,191	1,420	1,837,362	2,774,263	3,513,869	9,545,082	76
2008	47,003	2,269,921	1,397	1,932,824	3,307,267	2,550,917	10,109,329	68
2009	45,936	2,132,838	3,485	2,407,434	2,858,907	3,243,396	10,691,996	66
2010	46,337	2,490,098	3,640	2,141,700	5,526,117	4,607,334	14,815,226	68
2011	48,450	3,892,293	1,899	1,440,445	8,548,810	4,191,292	18,123,189	84
2012	47,723	2,899,507	1,790	1,726,466	6,879,902	3,258,587	14,813,975	80
2013	47,028	2,857,569	598	1,260,402	3,689,647	2,540,670	10,395,914	62
2014	\$ 47,353	\$ 3,192,743	\$ 240	\$ 1,644,156	\$ 3,069,648	\$ 3,115,435	\$ 11,069,575	58

TEXOMA COUNCIL OF GOVERNMENTS
TOTAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 9,150,562
2006	\$ 9,232,191
2007	\$ 9,399,667
2008	\$ 9,659,356
2009	\$ 10,824,295
2010	\$ 14,290,954
2011	\$ 17,906,877
2012	\$ 14,889,053
2013	\$ 11,275,356
2014	\$ 11,130,735

TEXOMA COUNCIL OF GOVERNMENTS
SCHEDULE OF INSURANCE IN FORCE
APRIL 30, 2014
(UNAUDITED)

<u>Insurance Carrier & Policy Number</u>	<u>Coverage</u>	<u>Limits of Liability</u>	<u>Deductibles</u>
Texas Municipal League 5208-13	General Liability	\$1,000,000 each occurrence \$1,000,000 sudden events involving pollution - each occurrence \$2,000,000 annual aggregate	None
Texas Municipal League 5208-13	Automobile Liability & Physical Damage	\$1,000,000 liability (hired, owned and non-owned), \$2500 medical payments Actual cash value comprehensive & collision	Comprehensive & collision: \$250 per vehicle
Texas Municipal League 5208-13	Public Officials Errors & Omissions	\$1,000,000 each occurrence \$2,000,000 annual aggregate 7/24/88 retroactive date Covers Governing Body & staff	\$5,000 each claim
Texas Municipal League 5208-13	Property	\$3,634,661 real and personal property \$1,000,000 newly acquired property \$1,000,000 transit \$100,000 valuable papers \$10,000 accounts receivable \$50,000 loss of revenues, extra expense, & rents \$10,000 Outdoor Trees & Shrubs \$5,000 Personal Property of Employees & Officials \$5,000 Leasehold Interest	\$500 each loss
Texas Municipal League 5208-13	Crime Coverage	\$100,000 Employee Dishonesty including "Faithful Performance"	\$250
Texas Municipal League 5208-13	Workers Compensation 5208	Workers compensation statutory employer's liability: \$500,000	None
Beazley Furlong Ltd 0623/2623	Contractor's Pollution Liability	Contractor's Pollution Liability Claims made policy \$1,000,000 liability	\$2,500 each claim