

TEXOMA COUNCIL OF GOVERNMENTS

ANNUAL FINANCIAL REPORT

APRIL 30, 2019

TEXOMA COUNCIL OF GOVERNMENTS

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INTRODUCTORY SECTION

August 5, 2019

The Honorable Jason Brinkley
President of the Governing Body
Texoma Council of Governments
1117 Gallagher Drive, Suite 470
Sherman, Texas 75090

Dear Judge Brinkley:

Texoma Council of Governments Annual Audit Report including financial statements and supplementary information for fiscal year ended April 30, 2019, is submitted for your review and acceptance. This report was prepared in accordance with TCOG's bylaws. We believe the data 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 Uniform Guidance 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, 2019, 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.

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.



better leaders building better lives™



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, 2019, 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, 2019, 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, including a minimal deposit in 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 Uniform Guidance.

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 (OMB) 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 Amendments of 1996. In December 2014 the OMB implemented the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly referred to as the Uniform Guidance, which synthesizes and supersedes guidance from previous OMB circulars. In accordance with Uniform Guidance 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, 2019, was 4.94% of total expenditures and did not exceed 15% 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 and contains no findings. There are no questioned or disallowed costs, instances of noncompliance, or other reportable conditions. The audit firm has not issued a separate management letter.

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,

A handwritten signature in blue ink, appearing to read "Eric Bridges".

Eric Bridges
Executive Director

A handwritten signature in blue ink, appearing to read "Mindi Jones".

Mindi Jones
Finance Director

Cc: Texoma Council of Governments Governing Board Members

Enclosure

texoma council of governments

member governments 2018-2019

COUNTIES (3)

Cooke

Fannin

Grayson

CITIES/TOWNS (30)

City of Bells

City of Knollwood

City of Sherman

City of Bonham

City of Ladonia

City of Southmayd

City of Callisburg

City of Leonard

City of Tioga

City of Denison

Town of Lindsay

City of Tom Bean

City of Dodd City

City of Muenster

City of Trenton

City of Ector

Town of Oak Ridge

City of Valley View

City of Gainesville

City of Pottsboro

City of Van Alstyne

City of Gunter

Town of Ravenna

City of Whitesboro

City of Honey Grove

City of Sadler

City of Whitewright

City of Howe

City of Savoy

Town of Windom

SCHOOL DISTRICTS (17)

Bells ISD

Era ISD

Muenster ISD

Bonham ISD

Fannindel ISD

Pottsboro ISD

Collinsville ISD

Gainesville ISD

Sam Rayburn ISD

Denison ISD

Honey Grove ISD

Savoy ISD

Dodd City ISD

Leonard ISD

Sherman ISD

Ector ISD

Lindsay ISD

COMMUNITY COLLEGE DISTRICTS (2)

Grayson College

North Central Texas College

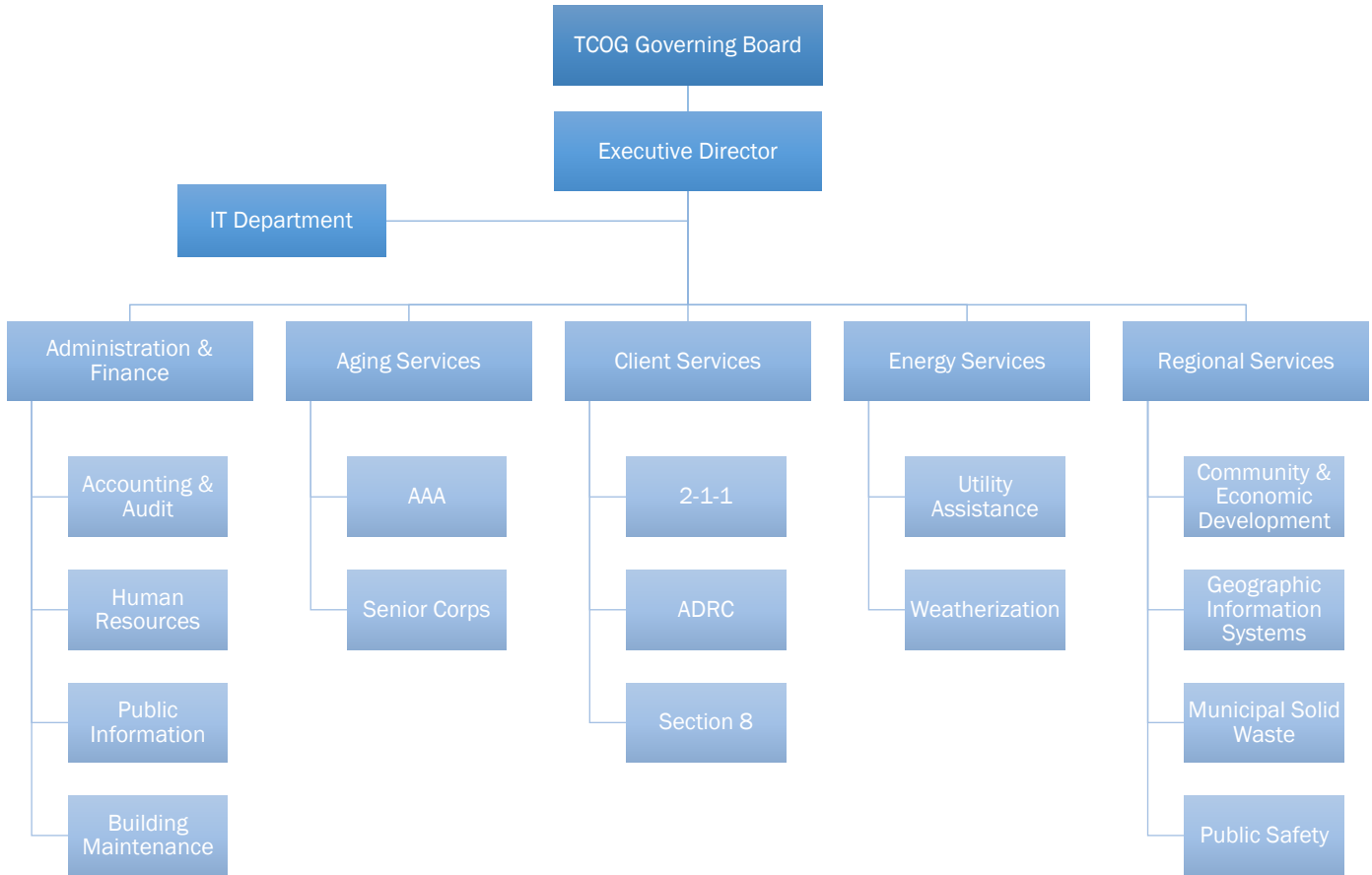
ASSOCIATE MEMBERS (3)

Bonham Chamber of Commerce

Denison Chamber of Commerce

Sherman Chamber of Commerce

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 • 27 Cities • 16 School Districts • 2 Community College Districts • 3 Associate Members
Aging Services	<ul style="list-style-type: none"> • RSVP Advisory Council (Cooke Co.) • RSVP Advisory Council (Fannin Co.) • RSVP Advisory Council (Grayson Co.) • Texoma Foster Grandparent Advisory Council • Texoma Regional Advisory Council on Aging
Client Services	<ul style="list-style-type: none"> • 2-1-1 Texas Advisory Council • ADRC Advisory Group • Family Self-Sufficiency Advisory Board (Fannin Co.) • Family Self-Sufficiency Advisory Board (Grayson Co.)
Energy Services	<ul style="list-style-type: none"> • Community Services Advisory Council
Regional Services	<ul style="list-style-type: none"> • Criminal Justice Advisory Committee • Homeland Security Advisory Committee • Natural Resources Advisory Committee • Texoma Regional Transportation Planning Committee

FINANCIAL SECTION

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA
GEORGE H. STRUVE, CPA
ANDREW B. REICH, CPA
RUSSELL P. WOOD, CPA
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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, 2019, 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, 2019, 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 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 Funds 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, supplemental information, statistical section, 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 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 and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Single Audit Circular, and are also not a required part of the basic financial statements.

The supplemental information, the FDS, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information and the schedule of expenditures of federal and state 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 12, 2019, 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 the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

McClanahan and Holmes, LLP

Certified Public Accountants

Bonham, Texas
September 12, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

TEXOMA COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis

Year Ended April 30, 2019

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, 2019, and should be read in conjunction with TCOG financial statements.

Financial Highlights

For the fiscal year ended April 30, 2019, total assets were \$4,934,588 compared to \$5,155,085 for the prior year; total liabilities were \$2,224,926 compared to \$2,194,367 for the prior year; total net position was \$2,709,662 compared to \$2,960,718 for the prior year. Of this amount, \$704,501 was unrestricted compared to the prior year unrestricted amount of \$679,940.

For the fiscal year ended April 30, 2019, total revenues were \$14,469,729 compared to \$13,769,505 for the prior year; total expenses were \$14,720,785 compared to \$13,630,574 for the prior year. The 5% net increase in total revenues is the combined net of funding changes from the major funds. The categories of Department of Housing and Urban Development, and Department of Housing and Community Affairs and Other Programs experienced an increase in revenues while the categories Commission on State Emergency Communications and the Texas Department of Health and Human Services both experienced a slight decrease in revenues. General Fund experienced a decrease in revenues. The 8% in net increased expenditures resulted from increased expenditures in the same programs that had an increase in revenue and a decrease in the same programs.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to TCOG'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

Year Ended April 30, 2019

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 12-22 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 23 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of TCOG, assets exceeded liabilities by \$2,709,662 at April 30, 2019 compared to \$2,960,718 for the prior year.

The most significant portion of TCOG's net position (68.1%) 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, 2019, compared to the prior year:

Texoma Council of Government's Statement of Net Position

	Total		Percent
	2019	2018	Change
Assets:			
Current and Other Assets	\$ 2,487,134	\$ 2,404,054	3%
Capital Assets	<u>2,447,454</u>	<u>2,751,031</u>	-11%
Total Assets	<u>4,934,588</u>	<u>5,155,085</u>	-4%
Liabilities:			
Current Liabilities	1,614,890	1,504,338	7%
Noncurrent Liabilities	<u>610,036</u>	<u>690,029</u>	-12%
Total Liabilities	<u>2,224,926</u>	<u>2,194,367</u>	1%
Net Position:			
Net Investment in Capital Assets	1,846,502	2,074,408	-11%
Restricted	158,659	215,370	-26%
Unrestricted	<u>704,501</u>	<u>670,940</u>	5%
Total Net Position	<u>\$ 2,709,662</u>	<u>\$ 2,960,718</u>	-8%

TEXOMA COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis

Year Ended April 30, 2019

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
	2019	2018	Change
Revenues:			
Program Revenues:			
Operating Grants and Contributions	\$ 13,909,529	\$ 12,603,625	10%
General Revenues:			
Grants and Contributions Not Restricted to Specific Programs	559,636	1,164,913	-52%
Interest Income	564	967	-42%
Total Revenue	<u>14,469,729</u>	<u>13,769,505</u>	5%
Expenses:			
General Government	529,394	1,054,100	-50%
Aging and Disabilities	2,999,684	3,118,702	-4%
Community and Economic Development	2,104,009	1,741,442	21%
Housing and Client Services	9,055,162	7,680,061	18%
Interest on Long-Term Debt	32,536	36,269	-10%
Total Expenses	<u>14,720,785</u>	<u>13,630,574</u>	8%
Change in Net Position	(251,056)	138,931	
Net Position, Beginning	<u>2,960,718</u>	<u>2,821,787</u>	
Net Position, Ending	<u>\$ 2,709,662</u>	<u>\$ 2,960,718</u>	

Financial Analysis of TCOG's Funds

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.

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.

TEXOMA COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis

Year Ended April 30, 2019

Capital Asset and Debt Administration

Capital Assets. TCOG's net investment in capital assets for its governmental activities as of April 30, 2019, amounts to \$1,846,502 compared to \$2,074,408 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, 2019, TCOG had total long-term liabilities of \$719,097 compared to \$795,394 for the prior year. Of this amount, \$600,951 comprises debt secured by the office building located at 1117 Gallagher Drive, Sherman, Texas. The prior year amount was \$676,623. 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 Mindi Jones, 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, 2019

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Pooled Investments	\$ 1,585,193
Accounts Receivable	761,880
Under Allocated Cost Pools	88,749
Prepaid Items	<u>51,312</u>
Total Current Assets	<u>2,487,134</u>
Noncurrent Assets	
Capital Assets, Net of Accumulated Depreciation:	
Buildings and Improvements	1,148,927
Furniture, Vehicles and Other Equipment	<u>1,298,527</u>
Total Capital Assets Net of Accumulated Depreciation	<u>2,447,454</u>
Total Noncurrent Assets	<u>2,447,454</u>
Total Assets	<u>4,934,588</u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	916,490
Accrued Wages	54,910
Unearned Revenue	534,429
Noncurrent Liabilities	
Due Within One Year	109,061
Due In More Than One Year	<u>610,036</u>
Total Liabilities	<u>2,224,926</u>
NET POSITION	
Net Investment in Capital Assets	1,846,502
Restricted	158,659
Unrestricted	<u>704,501</u>
Total Net Position	<u><u>\$ 2,709,662</u></u>

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

TEXOMA COUNCIL OF GOVERNMENTS

Statement of Activities

Year Ended April 30, 2019

			Net (Expense) Revenue and Change in Program Revenues Net Position
	Expenses	Operating Grants and Contributions	Total Governmental Activities
General Government	\$ 529,394	\$ 9,231	\$ (520,163)
Aging and Disabilities	2,999,684	2,995,625	(4,059)
Community and Economic Development	2,104,009	1,871,496	(232,513)
Housing and Client Services	9,055,162	9,033,177	(21,985)
Interest on Long-Term Debt	<u>32,536</u>	<u>-</u>	<u>(32,536)</u>
Total Governmental Activities	<u>\$14,720,785</u>	<u>\$ 13,909,529</u>	<u>(811,256)</u>

General Revenues

Local Grants and Contributions not Restricted to

Specific Programs 559,636

Unrestricted Investment Income 564

Total General Revenues 560,200

Change in Net Position (251,056)

Net Position - Beginning 2,960,718

Net Position - Ending \$ 2,709,662

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

TEXOMA COUNCIL OF GOVERNMENTS

Balance Sheets – Governmental Funds

April 30, 2019

	General	US Department of Housing and Urban Development	Commission on State Emergency Communications	Texas Department of Housing and Community Affairs	Texas Department of Health and Human Services	Other Programs	Total Governmental Funds
ASSETS							
Cash and Pooled Investments	\$ 926,569	\$ 257,452	\$ 373,804	\$ -	\$ -	\$ 27,368	\$ 1,585,193
Accounts Receivable	38,929	-	27,895	208,717	349,038	137,301	761,880
Due From Other Funds	-	-	-	322,531	-	237,261	559,792
Under Allocated Indirect Cost Pools	88,749	-	-	-	-	-	88,749
Prepaid Items	51,312	-	-	-	-	-	51,312
Total Assets	<u>\$1,105,559</u>	<u>\$ 257,452</u>	<u>\$ 401,699</u>	<u>\$ 531,248</u>	<u>\$ 349,038</u>	<u>\$ 401,930</u>	<u>\$ 3,046,926</u>
LIABILITIES							
Accounts Payable	\$ 181,322	\$ 109,384	\$ 106,172	\$ 251,668	\$ 92,479	\$ 175,465	\$ 916,490
Accrued Wages	9,046	5,754	2,611	12,863	18,005	6,631	54,910
Due to Other Funds	63,989	63,576	309,991	-	58,257	63,979	559,792
Unearned Revenue	-	-	-	278,198	180,297	75,934	534,429
Total Liabilities	<u>254,357</u>	<u>178,714</u>	<u>418,774</u>	<u>542,729</u>	<u>349,038</u>	<u>322,009</u>	<u>2,065,621</u>
FUND BALANCES							
Non-Spendable	51,312	-	-	-	-	-	51,312
Restricted	-	78,738	-	-	-	79,921	158,659
Committed	355,985	-	-	-	-	-	355,985
Unassigned, Reported in:							
Special Revenue Funds	-	-	(17,075)	(11,481)	-	-	(28,556)
General Fund	<u>443,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>443,905</u>
Total Fund Balances	<u>851,202</u>	<u>78,738</u>	<u>(17,075)</u>	<u>(11,481)</u>	<u>-</u>	<u>79,921</u>	<u>981,305</u>
Total Liabilities and Fund Balances	<u>\$1,105,559</u>	<u>\$ 257,452</u>	<u>\$ 401,699</u>	<u>\$ 531,248</u>	<u>\$ 349,038</u>	<u>\$ 401,930</u>	<u>\$ 3,046,926</u>

Fund Balance - Total Governmental Funds (above) \$ 981,305

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.

2,447,454

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

(719,097)

Net Position of Governmental Activities

\$ 2,709,662

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

TEXOMA COUNCIL OF GOVERNMENTS
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
Year Ended April 30, 2019

	General	US Department of Housing and Urban Development	Commission on State Emergency Communications	Texas Department of Housing and Community Affairs	Texas Department of Health and Human Services	Other Programs	Total Governmental Funds
REVENUES							
Federal	\$ -	\$ 3,285,118	\$ -	\$ 5,487,363	\$ 1,406,930	\$ 607,091	\$ 10,786,502
State	-	-	1,122,148	-	432,206	357,250	1,911,604
Local and In-Kind	559,636	-	-	53	1,065,589	145,781	1,771,059
Interest and Other Income	49	406	109	-	-	-	564
Total Revenues	<u>559,685</u>	<u>3,285,524</u>	<u>1,122,257</u>	<u>5,487,416</u>	<u>2,904,725</u>	<u>1,110,122</u>	<u>14,469,729</u>
EXPENDITURES							
Current							
General Government	420,159	-	-	-	-	12,384	432,543
Aging and Disabilities	-	-	-	-	2,648,141	351,543	2,999,684
Community and Economic Development	-	-	1,060,675	-	-	749,348	1,810,023
Housing and Client Services	-	3,339,082	-	5,451,713	256,584	-	9,047,379
Capital Outlay	-	-	78,657	17,011	-	-	95,668
Debt Service							
Principal	75,672	-	-	-	-	-	75,672
Interest	32,536	-	-	-	-	-	32,536
Total Expenditures	<u>528,367</u>	<u>3,339,082</u>	<u>1,139,332</u>	<u>5,468,724</u>	<u>2,904,725</u>	<u>1,113,275</u>	<u>14,493,505</u>
Excess (Deficiency) of Revenues							
Over Expenditures	<u>31,318</u>	<u>(53,558)</u>	<u>(17,075)</u>	<u>18,692</u>	<u>-</u>	<u>(3,153)</u>	<u>(23,776)</u>
Net Change in Fund Balances	31,318	(53,558)	(17,075)	18,692	-	(3,153)	(23,776)
Fund Balances - Beginning	<u>819,885</u>	<u>132,295</u>	<u>-</u>	<u>(30,174)</u>	<u>-</u>	<u>83,075</u>	<u>1,005,081</u>
Fund Balances - Ending	<u>\$ 851,203</u>	<u>\$ 78,737</u>	<u>\$ (17,075)</u>	<u>\$ (11,482)</u>	<u>\$ -</u>	<u>\$ 79,922</u>	<u>\$ 981,305</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
Year Ended April 30, 2019

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

Net Change in Fund Balance - Total Governmental Funds	\$ (23,776)
 Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the useful lives of the assets. This is the amount by which depreciation expense exceeded capital outlays in the current period.	 (177,507)
 In the statement of activities, only the loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale, if any, increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of capital assets disposed.	 (126,070)
 Other amounts, including the change in liability for accrued vacation leave payable, are not reported under the modified accrual basis of accounting utilized by governmental funds.	 625
 Current year long-term debt principal payments reported as expenditures in the governmental funds financial statements are shown as a reduction in debt in the government-wide financial statements.	 <u>75,672</u>
Change in Net Position of Governmental Activities - Statement of Activities (page 8)	<u><u>\$ (251,056)</u></u>

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

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements

April 30, 2019

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 Financial Statements (continued)

April 30, 2019

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 a special revenue fund 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 Fund** is a special revenue fund 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 a special revenue fund 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 Health and Human Services Fund** is a special revenue fund used to account for the federal and state grants awarded to the Council by the U.S. Department of Health and Human Services.

The **Other Programs Fund** is a special revenue fund 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 with an initial maturity of ninety days or less. Interest earned is based on the amount of funds invested.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2019

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 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, 2019. 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, 2019.

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 \$1,000 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 Financial Statements (continued)

April 30, 2019

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

Paid Time Off (PTO) represents the estimated liability for accumulated and unpaid vacation, sick leave and personal time for employees. Accumulated unpaid PTO is accrued at each payroll period. Fulltime regular Council employees accumulate and vest in PTO on a sliding scale rate based on length of service and/or position in the organization up to a maximum of 27 days per year. PTO at calendar year-end is limited to 144 hours.

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, 2019, 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 \$51,312 of prepaid assets classified as a non-spendable fund balance at April 30, 2019.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2019

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 U.S. Department of Housing and Urban Development Fund and Other Programs Fund, had \$78,738 and \$79,921 of fund balances restricted by their federal and state grantors at April 30, 2019, respectively.

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. The Board has committed \$355,985 to be spent on future needs of the building, including debt payments, upkeep and depreciation recovery.

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 Uniform Guidance 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.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Outlays	\$ 95,668
Depreciation Expense	<u>(273,175)</u>
Net adjustments to decrease <i>net change in fund balance - total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ (177,507)</u></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, 2019, \$500,000 of the Council’s \$1,584,180 deposits bank statement value was covered by FDIC insurance. A balance totaling \$1,334,180 was fully collateralized with securities held by the pledging financial institution.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2019

4. DETAILED NOTES ON ALL FUNDS (Continued)

Pooled Investments

As of April 30, 2019, the primary government had the following investment:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 1,013	39

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) 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.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2019

4. DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Below is a summary of capital assets and related depreciation as of April 30, 2019:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities				
Capital Assets, being Depreciated				
Buildings	\$ 1,550,000	\$ -	\$ -	\$ 1,550,000
Buildings and Improvements	1,214,453	-	-	1,214,453
Furniture, Vehicles, and Other	<u>2,937,875</u>	<u>95,668</u>	<u>(140,770)</u>	<u>2,892,773</u>
Total Capital Assets being Depreciated	<u>5,702,328</u>	<u>95,668</u>	<u>(140,770)</u>	<u>5,657,226</u>
Less Accumulated Depreciation				
Buildings	672,329	39,744	-	712,073
Buildings and Improvements	870,243	33,210	-	903,453
Furniture, Vehicles, and Other	<u>1,408,725</u>	<u>200,221</u>	<u>(14,700)</u>	<u>1,594,246</u>
Total Accumulated Depreciation	<u>2,951,297</u>	<u>273,175</u>	<u>(14,700)</u>	<u>3,209,772</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,751,031</u>	<u>\$ (177,507)</u>	<u>\$ (126,070)</u>	<u>\$ 2,447,454</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

General Government	\$ 97,476
Community and Economic Development	167,916
Housing and Client Services	<u>7,783</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 273,175</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, 2019, is as follows:

	Indirect <u>Costs</u>	Employee <u>Benefits</u>	Central <u>Service IT</u>	<u>Total</u>
Under (Over) Applied Costs at April 30, 2018	\$ 148,249	\$ (180,638)	\$ 137,743	\$ 105,354
Costs Allocated During the Year	(735,583)	(999,931)	(84,516)	(1,820,030)
Actual Costs	<u>718,320</u>	<u>985,649</u>	<u>99,456</u>	<u>1,803,425</u>
Under (Over) Applied Costs at April 30, 2019	<u>\$ 130,986</u>	<u>\$ (194,920)</u>	<u>\$ 152,683</u>	<u>\$ 88,749</u>

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2019

4. DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities

The following changes in long-term liabilities occurred during the fiscal year ended April 30, 2019, as reported in the financial statements:

	Beginning Balance	Additions	Retirement	Ending Balance	Due Within One Year
Note Payable	\$ 676,623	\$ -	\$ (75,672)	\$ 600,951	\$ 79,524
Compensated Absences	118,771	158,615	(159,240)	118,146	29,537
Governmental Activities Long-Term Liabilities	<u>\$ 795,394</u>	<u>\$ 158,615</u>	<u>\$ (234,912)</u>	<u>\$ 719,097</u>	<u>\$ 109,061</u>

The note payable has a fixed interest rate of 5.1% and is due in 119 monthly installments of \$9,017, with a final payment of \$3,272. The note is secured by the Council's building and matures November 10, 2025.

Future requirements for long-term debt are as follows:

Fiscal Year Ending	Principal	Interest	Totals
2020	\$ 79,524	\$ 28,773	\$ 108,297
2021	83,541	24,663	108,204
2022	87,903	20,301	108,204
2023	92,492	15,712	108,204
2024	97,321	10,883	108,204
2025	102,402	5,802	108,204
2026	57,768	933	58,701
	<u>\$ 600,951</u>	<u>\$ 107,067</u>	<u>\$ 708,018</u>

Retirement Plan

At April 30, 2019, 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.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2019

4. DETAILED NOTES ON ALL FUNDS (Continued)

Retirement Plan (Continued)

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 2019 was \$2,157,610 and the Council's contributions were based on a payroll of \$1,952,710. Total contributions of \$204,617 were made for the year, which consisted of \$136,699 employer contributions and \$67,918 of required employee contributions.

Deferred Compensation Plan and ROTH IRA

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 did not contribute into the Plan during fiscal year 2019.

The Council has an option to invest in a ROTH IRA plan, as well. TCOG employees contributed a total amount of \$987 into the ROTH IRA investment option during the fiscal year.

Interfund Balances and Transfers

The following tables reflect the interfund balances at April 30, 2019. These are done to assist the funds with operations during the year and will be repaid as soon as practical.

Interfund Balances

	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 63,989
HUD	-	63,576
CSEC	-	309,991
TDHCA	322,531	-
TDHHS	-	58,257
Other	237,261	63,979
	<u>\$ 559,792</u>	<u>\$ 559,792</u>

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2019

4. DETAILED NOTES ON ALL FUNDS (Continued)

Fund Deficit

The Texas Department of Housing and Community Affairs had a fund deficit at April 30, 2019 of \$11,481 and the Commission of State Emergency Communications had a fund deficit of \$17,075. Both deficits are due to not receiving local funds by fiscal year end and will be funded by the end of the grant cycle.

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. Effective May 1, 2019, TCOG has eliminated the calculation of the employee benefit cost rate. The following costs will be directly charged to the respective programs based on time and effort: paid time off, payroll taxes, retirement, workers compensation insurance, group insurance, and employee assistance programs.

There are no other subsequent events to disclose.

SUPPLEMENTAL INFORMATION

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Revenues and Expenditures by Object –
Special Revenue Funds
Year Ended April 30, 2019

	U.S Department of Housing and Urban Development	Corporation for National and Community Service	Economic Development Administration	Governor's Office Criminal Justice Division
REVENUES				
Federal	\$ 3,285,118	\$ 261,090	\$ 67,852	\$ -
State	-	31,163	-	86,456
Local and In-Kind	-	59,290	77,260	-
Interest Income	406	-	-	-
Total Revenues	<u>3,285,524</u>	<u>351,543</u>	<u>145,112</u>	<u>86,456</u>
EXPENDITURES				
Operational				
Direct Salaries	214,588	65,968	41,333	36,908
Benefit Program Costs	112,597	35,038	21,574	19,200
Indirect Costs	119,793	33,648	21,495	19,226
Travel	6,685	19,698	4,563	2,734
Supplies	23,340	436	725	7,049
Contracted Services	5,320	2,276	-	-
Capital Outlay	-	-	-	-
Professional Services	-	-	-	-
Other Direct Costs	-	140,847	422	-
Client Services				
Subcontracts	-	-	-	1,339
In-Kind Services	-	53,632	55,000	-
Other	<u>2,856,759</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,339,082</u>	<u>351,543</u>	<u>145,112</u>	<u>86,456</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (53,558)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Revenues and Expenditures by Object –
Special Revenue Funds (Continued)
Year Ended April 30, 2019

	Commission on State Emergency <u>Communications</u>	Texas Department of Housing and Community Affairs	Department of Emergency Management	Community and Economic Development
REVENUES				
Federal	\$ -	\$ 5,487,363	\$ 278,149	\$ -
State	1,122,148	-	23,353	-
Local and In-Kind	-	53	-	9,231
Interest Income	109	-	-	-
Total Revenues	<u>1,122,257</u>	<u>5,487,416</u>	<u>301,502</u>	<u>9,231</u>
EXPENDITURES				
Operational				
Direct Salaries	86,372	451,110	37,173	-
Benefit Program Costs	44,940	234,759	20,566	-
Indirect Costs	38,832	234,942	18,135	-
Travel	13,214	35,109	-	-
Supplies	17,309	100,499	1,494	-
Contracted Services	13,297	488	-	-
Capital Outlay	78,657	17,011	-	-
Professional Services	-	-	-	-
Other Direct Costs	5,154	3,074,290	7,650	12,384
Client Services				
Subcontracts	-	1,304,626	-	-
In-Kind Services	-	-	-	-
Other	<u>841,557</u>	<u>15,890</u>	<u>216,484</u>	<u>-</u>
Total Expenditures	<u>1,139,332</u>	<u>5,468,724</u>	<u>301,502</u>	<u>12,384</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (17,075)</u>	<u>\$ 18,692</u>	<u>\$ -</u>	<u>\$ (3,153)</u>

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Revenues and Expenditures by Object –
Special Revenue Funds (Continued)
Year Ended April 30, 2019

	Texas Health and Human Services Commission	Texas Commission on Environmental Quality	Texas Department of Transportation	Total
REVENUES				
Federal	\$ 1,406,930	\$ -	\$ -	\$ 10,786,502
State	432,206	197,042	19,236	1,911,604
Local and In-Kind	1,065,589	-	-	1,211,423
Interest Income	-	-	-	515
Total Revenues	<u>2,904,725</u>	<u>197,042</u>	<u>19,236</u>	<u>13,910,044</u>
EXPENDITURES				
Operational				
Direct Salaries	596,901	24,405	9,051	1,563,809
Benefit Program Costs	310,794	12,688	4,710	816,866
Indirect Costs	310,767	12,716	4,715	814,269
Travel	25,322	2,601	12	109,938
Supplies	18,813	774	748	171,187
Contracted Services	9,764	-	-	31,145
Capital Outlay	-	-	-	95,668
Professional Services	1,608,789	-	-	1,608,789
Other Direct Costs	17,575	143,858	-	3,402,180
Client Services				
Subcontracts	6,000	-	-	1,311,965
In-Kind Services	-	-	-	108,632
Other	-	-	-	3,930,690
Total Expenditures	<u>2,904,725</u>	<u>197,042</u>	<u>19,236</u>	<u>13,965,138</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,094)</u>

TEXOMA COUNCIL OF GOVERNMENTS

Schedule of Indirect Costs

Year Ended April 30, 2019

	<u>2019 Actual</u>	<u>2018 Actual</u>
Indirect Salaries	\$ 234,641	\$ 257,921
Employee Benefits	122,113	135,329
Advertising	20	-
Bank Fee	720	1,245
Contracted Services	17,485	15,261
Depreciation Expense	72,954	75,754
Dues and Subscriptions	18,242	10,015
Insurance and Bonding General	8,752	8,052
Postage	567	1,002
Printing	2,577	459
Professional Services	57,847	87,201
Mortgage Interest	26,680	29,741
Repair and Maintenance Building	38,439	51,767
Copy Center Expense	1,176	2,373
Supplies Office	13,841	7,058
Travel Indirect Staff	13,693	16,878
Utilities	<u>86,951</u>	<u>90,938</u>
Total Indirect Costs	<u>716,698</u>	<u>790,994</u>
Basis for Indirect Cost Allocation		
Net Indirect Costs	<u>\$ 716,698</u>	<u>\$ 790,994</u>
Direct Salaries and Benefits	<u>\$ 3,131,352</u>	<u>\$ 3,447,156</u>
Effective Indirect Cost Rate	<u>22.89%</u>	<u>22.95%</u>

TEXOMA COUNCIL OF GOVERNMENTS
Comparison of Budgeted vs. Actual Indirect Costs
Year Ended April 30, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>
Indirect Salaries	\$ 225,599	\$ 234,641
Employee Benefits	117,379	122,113
Advertising	300	20
Bank Fee	1,440	720
Contracted Services	18,100	17,485
Depreciation Expense	77,651	72,954
Dues and Subscriptions	16,000	18,242
Hosting	840	-
Insurance and Bonding General	8,100	8,752
Postage	1,250	567
Printing	1,600	2,577
Professional Services	77,845	57,847
Mortgage Interest	26,680	26,680
Repair and Maintenance Building	45,000	38,439
Copy Center Expense	2,750	1,176
Software Licensing and Maintenance	1,442	-
Supplies Office	10,000	13,841
Travel Indirect Staff	17,000	13,693
Utilities	<u>89,788</u>	<u>86,951</u>
Total Indirect Costs	738,764	716,698
 Basis for Indirect Cost Allocation		
Plus: Under applied Prior Year Indirect Costs	<u>60,000</u>	<u>-</u>
Net Indirect Costs	<u>\$ 798,764</u>	<u>\$ 716,698</u>
Direct Salaries and Benefits	<u>\$ 2,692,830</u>	<u>\$ 3,131,352</u>
 Effective Indirect Cost Rate	 <u><u>29.66%</u></u>	 <u><u>22.89%</u></u>

TEXOMA COUNCIL OF GOVERNMENTS

Schedule of Employee Benefits

Year Ended April 30, 2019

	<u>2019 Actual</u>	<u>2018 Actual</u>
Paid Time Off	<u>\$ 292,316</u>	<u>\$ 287,056</u>
	<u>292,316</u>	<u>287,056</u>
Payroll Taxes	158,114	168,420
Retirement	132,385	120,599
Workers Comp Insurance	12,727	4,778
Unemployment Insurance	2,230	7,016
Group Insurance	383,900	352,077
Employee Assistance Program	1,625	2,009
Air Ambulance Membership	<u>2,353</u>	<u>3,286</u>
	<u>693,334</u>	<u>658,185</u>
Total Benefits	<u><u>\$ 985,650</u></u>	<u><u>\$ 945,241</u></u>
Basis for Employee Benefit Allocation not including Employee Benefits in Base:		
Total Employee Benefits	<u>\$ 985,650</u>	<u>\$ 945,241</u>
Chargeable Time (See Below)	<u>\$ 1,865,294</u>	<u>\$ 2,056,042</u>
Employee Benefit Rate	<u><u>52.84%</u></u>	<u><u>45.97%</u></u>
Computation of Chargeable Time		
Gross Salaries	\$ 2,157,610	\$ 2,343,098
Less: Fringe Benefit Costs Per Schedule Of Employee Benefits		
Which Are Not Included In Chargeable Time	<u>(292,316)</u>	<u>(287,056)</u>
Chargeable Time For Basis Of Allocation Of Employee Benefits	<u><u>\$ 1,865,294</u></u>	<u><u>\$ 2,056,042</u></u>

TEXOMA COUNCIL OF GOVERNMENTS
Comparison of Budgeted vs. Actual Employee Benefits
Year Ended April 30, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>
Paid Time Off	\$ 282,335	\$ 292,316
	<u>282,335</u>	<u>292,316</u>
Payroll Taxes	176,164	158,114
Retirement	159,923	132,385
Workers Comp Insurance	8,500	12,727
Unemployment Insurance	9,180	2,230
Group Insurance	410,672	383,900
Employee Assistance Program	1,724	1,625
Air Ambulance Membership	<u>2,805</u>	<u>2,353</u>
	<u>768,968</u>	<u>693,334</u>
Total Benefits	<u>\$ 1,051,303</u>	<u>\$ 985,650</u>
Basis for Employee Benefit Allocation not including Employee Benefits in Base:		
Total Employee Benefits	<u>\$ 1,051,303</u>	<u>\$ 985,650</u>
Chargeable Time (See Below)	<u>\$ 2,020,461</u>	<u>\$ 1,865,294</u>
Employee Benefit Rate	<u>52.03%</u>	<u>52.84%</u>
Computation of Chargeable Time		
Gross Salaries	\$ 2,302,796	\$ 2,157,610
Less: Fringe Benefit Costs Per Schedule Of Employee Benefits		
Which Are Not Included In Chargeable Time	<u>(282,335)</u>	<u>(292,316)</u>
Chargeable Time For Basis Of Allocation Of Employee Benefits	<u>\$ 2,020,461</u>	<u>\$ 1,865,294</u>

TEXOMA COUNCIL OF GOVERNMENTS

Schedule of Central Service IT Costs

Year Ended April 30, 2019

	<u>2019 Actual</u>	<u>2018 Actual</u>
Professional Services	\$ 47,358	\$ 85,775
Hardware	5,365	1,311
Software Licensing and Maintenance	13,128	21,754
Voice and Data Services	<u>33,604</u>	<u>47,696</u>
Total Costs	<u>\$ 99,455</u>	<u>\$ 156,536</u>
Basis for Employee Benefit Allocation not including Employee Benefits in Base:		
Net CIT Costs	<u>\$ 99,455</u>	<u>\$ 156,536</u>
Direct Salaries And Benefits	<u>\$ 3,131,352</u>	<u>\$ 3,447,156</u>
CIT Cost Rate	<u>3.18%</u>	<u>4.54%</u>

TEXOMA COUNCIL OF GOVERNMENTS
Comparison of Budgeted Vs. Actual Central Service IT Costs
Year Ended April 30, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>
Professional Services	\$ 62,940	\$ 47,358
Hardware	15,000	5,365
Software Maintenance	13,616	13,128
Voice and Data Services	<u>32,256</u>	<u>33,604</u>
Total Costs	<u><u>\$ 123,812</u></u>	<u><u>\$ 99,455</u></u>
Basis for Employee Benefit Allocation not including Employee Benefits in Base:		
Net CIT Costs	<u>\$ 123,812</u>	<u>\$ 99,455</u>
Direct Salaries And Benefits	<u>\$ 2,692,830</u>	<u>\$ 3,131,352</u>
CIT Cost Rate	<u><u>4.6%</u></u>	<u><u>3.18%</u></u>

TEXOMA COUNCIL OF GOVERNMENTS

Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

Financial Data Schedules (FDS)

Schedule I: Balance Sheet

April 30, 2019

PHA CODE:	TX542 Fiscal Year End date: 12/31/2018
PHA NAME:	Texoma Council of Governments
SUBMISSION TYPE:	Audited/Uniform Guidance
PROGRAM NAME:	Housing Choice Vouchers

Line Item #	Description	Value
Assets		
Current Assets Cash:		
111	Cash-Unrestricted	\$ 89,769
115	Cash - Restricted for Payment of Current Liabilities	<u>101,387</u>
100	Total Cash	<u>191,156</u>
Receivables		
150	Total Current Assets	<u>191,156</u>
290	Total Assets and Deferred Outflows of Resources	<u><u>\$ 191,156</u></u>
Liabilities and Equity		
Liabilities		
Current Liabilities		
312	Accounts Payable <= 90 Days	\$ 17,546
321	Accrued Wage/Payroll Taxes Payable	6,523
345	Other Current Liabilities	<u>34,126</u>
310	Total Current Liabilities	<u>58,195</u>
353	Non-current Liabilities - Other	<u>88,693</u>
350	Total Non-current Liabilities	<u>88,693</u>
300	Total Liabilities	<u>146,888</u>
Equity		
511.4	Restricted Net Position	9,300
512.4	Unrestricted Net Position	<u>34,968</u>
513	Total Equity - Net Assets/Position	<u>44,268</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Assets/Position	<u><u>\$ 191,156</u></u>

TEXOMA COUNCIL OF GOVERNMENTS

Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

Financial Data Schedules (FDS)

Schedule II: Income Statement

April 30, 2019

PHA CODE:	TX542 Fiscal Year End date: 12/31/2018
PHA NAME:	Texoma Council of Governments
SUBMISSION TYPE:	Audited/Uniform Guidance
PROGRAM NAME:	Housing Choice Vouchers

Line Item #	Description	Value
Revenue		
70600	HUD PHA Operating Grants	\$ 3,229,514
71400	Fraud Recovery	495
72000	Investment Income - Restricted	<u>67</u>
70000	Total Revenue	<u>3,230,076</u>
Expenses Administrative		
91100	Administrative Salaries	142,074
91200	Auditing Fees	5,320
91500	Employee Benefit Contributions - Administrative	74,237
91600	Office Expenses	37,543
91800	Travel	6,864
91810	Allocated Overhead	<u>108,810</u>
91000	Total Operating - Administrative	<u>374,848</u>
Expenses - Tenant Services		
92100	Tenant Services - Salaries	69,008
92300	Employee Benefit Contributions - Tenant Services	<u>36,989</u>
92500	Total Tenant Services	<u>105,997</u>
96900	Total Operating Expenses	<u>480,845</u>
97000	Excess of Operating Revenue over Operating Expenses	<u>2,749,231</u>
97300	Housing Assistance Payments	<u>2,823,668</u>
90000	Total Expenses	<u>\$ 3,304,513</u>
Memo Account Information		
10000	Excess (Deficiency) of Total Revenue over (Under) Total Expenses	\$ (74,532)
11030	Beginning Equity	\$ 118,705
11170	Administrative Fee Equity	\$ 34,968
11180	Housing Assistance Payments Equity	\$ 9,300
11190	Unit Months Available	8,292
11210	Number of Unit Months Leased	6,200

SINGLE AUDIT SECTION

McClanahan and Holmes, LLP

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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, 2019, 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 12, 2019.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McClanahan and Holmes, LLP

Certified Public Accountants

Bonham, Texas
September 12, 2019

McClanahan and Holmes, LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE 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 and State Program

We have audited the Texoma Council of Governments' (the Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *Uniform Grant Management Standards*, issued by the Governor's Office of Budget and Planning, that could have a direct and material effect on each of the Council's major federal and state programs for the year ended April 30, 2019. The Council's major federal and state 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal and state 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Uniform Grant Management Standards* (UGMS). Those standards, the Uniform Guidance, and the UGMS 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 or state 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 and state program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal and State 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 and state programs for the year ended April 30, 2019.

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 and state 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, 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 or state 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 or state 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 or state 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 the Uniform Guidance and the UGMS. Accordingly, this report is not suitable for any other purpose.

McClanahan and Holmes, LLP

Certified Public Accountants

Bonham, Texas
September 12, 2019

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Expenditures of Federal and State Awards
Year Ended April 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Federal Awards			
U.S. Department of Commerce			
Direct Programs:			
Economic Development Administration			
Economic Development - Support for Planning Organizations	11.302	ED18AUS3020014	\$ 56,800
Economic Development - Support for Planning Organizations	11.302	ED18AUS3030024	11,051
Total U. S. Department of Commerce			67,851
U. S. Department of Housing and Urban Development			
Direct Programs:			
Office of Public and Indian Housing			
Section 8 Housing Choice Vouchers 2018	14.871	TX542FSH505A015	2,216,412
Section 8 Housing Choice Vouchers 2019	14.871	TX542FSH505A015	1,115,915
Total U. S. Department of Housing and Urban Development			3,332,327
U.S. Department of Energy			
Pass-Through from:			
Texas Department of Housing and Community Affairs			
Weatherization Assistance for Low-Income Persons (DOE)	81.042	56170002736	59,229
Weatherization Assistance for Low-Income Persons (DOE)	81.042	56180002965	230,105
Total U.S. Department of Energy			289,334
U.S Department of Health and Human Services			
Pass-Through from:			
Texas Department of Housing and Community Affairs			
Low-Income Home Energy Assistance	93.568	58170002604	317,172
Low-Income Home Energy Assistance	93.568	58180002801	2,722,000
Low-Income Home Energy Assistance	93.568	58190030000	490,684
Low-Income Home Energy Assistance	93.568	81170002670	73,941
Low-Income Home Energy Assistance	93.568	81180002895	1,193,191
Low-Income Home Energy Assistance	93.568	81190003025	106,016
Subtotal			<u>4,903,004</u>
Community Services Block Grant (CSBG)	93.569	61170002646	4,869
Community Services Block Grant (CSBG)	93.569	61180002871	240,126
Community Services Block Grant (CSBG)	93.569	61190003063	30,661
Subtotal			<u>275,656</u>
Subtotal Texas Department of Housing and Community Affairs			<u>5,178,660</u>

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended April 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Federal Awards			
U.S Department of Health and Human Services (cont'd)			
Pass-Through from:			
Texas Health and Human Services Commission			
Administration for Community Living			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B -Grants for Supportive Services	93.044	539-16-0008-00001	391,938
Special Programs for the Aging - Title III, Part C -Nutrition Services	93.045	539-16-0008-00001	400,989
Nutrition Services Incentive Program	93.053	539-16-0008-00001	<u>182,551</u>
Total Aging Cluster			975,478
Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	539-16-0008-00001	2,340
Special Program for the Aging - Title VII, Chapter 2 Long Term Care Ombudsman	93.042	539-16-0008-00001	19,940
Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	539-16-0008-00001	11,088
National Family Caregiver Support, Title III, Part E	93.052	539-16-0008-00001	81,438
State Health Insurance Assistance Program	93.324	539-16-0008-00001	34,964
Medicare Enrollment Assistance Program	93.071	539-16-0008-00001	<u>7,483</u>
Subtotal Administration for Community Living			<u>1,132,731</u>
Aging And Disability Resource Center			
Money Follows the Person Rebalancing Demonstration	93.791	539-14-0475-00007	<u>85,104</u>
Subtotal Aging and Disability Resource Center			<u>85,104</u>
Operations Information and Referral Services			
Children's Health Insurance Program	93.767	529-16-0006-00024G	37,819
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	529-16-0006-00024G	37,819
Grants to States for Operation of Qualified High-Risk Pools	93.780	529-16-0006-00024G	37,819
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	529-16-0006-00024G	37,819
Temporary Assistance for Needy Families State Programs	93.558	529-16-0006-00024G	<u>37,819</u>
Subtotal Operations Information and Referral Services			<u>189,095</u>
Child Care Information and Referral Services			
Child Care and Development Block Grant	93.575	529-16-0006-00024F	<u>2,633</u>
Subtotal Child Care Information and Referral Services			<u>2,633</u>
Subtotal Texas Health and Human Services Commission			1,409,563
Total U.S. Department of Health and Human Services			<u>6,588,223</u>

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended April 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Federal Awards			
Corporation for National and Community Service			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	16SRWTX003	55,858
Foster Grandparent Program	94.011	18SFWTX001	205,232
Total Corporation for National and Community Service			261,090
U. S. Department of Homeland Security			
Pass-through from:			
Office of the Governor			
Homeland Security Grant Program	97.067	2969003/004	61,278
Homeland Security Grant Program	97.067	3124102/103	153,701
Homeland Security Grant Program	97.067	3397901/902	63,169
Subtotal Office of the Governor			278,148
Total U.S. Department of Homeland Security			278,148
Federal Transit Administration			
Pass-through from:			
Texas Department of Transportation			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	NGA 2017-2021-TCOG	19,236
Total Federal Transit Administration			19,236
Total Expenditures of Federal Awards			10,836,209

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended April 30, 2019

State Awards		
Governor's Division of Emergency Management		
State Homeland Security Interlocal	PO# 30080189	21,254
State Homeland Security Interlocal	PO# 30090234	19,133
Total Governor's Division of Emergency Management		40,387
Office of the Governor		
Governor's Division of Criminal Justice Division		
Regional Criminal Justice Coordination	30080282	60,916
Regional Criminal Justice Coordination	30070163	25,540
Total Governor's Division of Criminal Justice Division		86,456
Commission on State Emergency Communications		
Emergency 911 - 2016/2017	N/A	291,454
Emergency 911 - 2017/2018	N/A	285,491
Emergency 911 - 2018/2019	N/A	546,476
Total Commission on State Emergency Communications		1,123,421
Texas Commission on Environmental Quality		
Municipal Solid Waste	582-18-80550	197,042
Total Texas Commission on Environmental Quality		197,042
Texas Health and Human Services Commission		
State General Revenue	539-16-0008-00001	3,926
State General Revenue	539-16-0008-00001	74,934
SGR Assisted Living Facility (ALF)	539-16-0008-00001	6,958
SGR Assisted Living Facility (ALF)	539-16-0008-00001	7,899
Subtotal		93,717
ADRC SGR Operations	539-14-0475-00007	49,665
ADRC SGR Operations	539-14-0475-00007	88,370
Subtotal		138,035
211 Area Information Center Operations	529-16-0006-00024E	61,473
211 Area Information Center Operations	529-16-0006-00024G	136,551
Subtotal		198,024
Total Texas Health and Human Services Commission		429,776
Corporation for National and Community Service		
Retired Senior Volunteer Program		368
Retired Senior Volunteer Program		24,621
Foster Grandparent Program		1,128
Foster Grandparent Program		5,046
Total Corporation for National and Community Service		31,163
Total Expenditures of State Awards		1,908,245
Total Expenditures of Federal and State of Texas Awards		\$ 12,744,454

TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Schedule of Expenditures of Federal and State Awards

Year Ended April 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of Texoma Council of Governments under programs of the federal and state government for the year ended April 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Texoma Council of Governments, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Texoma Council of Governments.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

Texoma Council of Governments has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

TEXOMA COUNCIL OF GOVERNMENTS

Schedule of Findings and Questioned Costs

Year Ended April 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s reports issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No

- Significant deficiencies identified? None reported

Noncompliance material to the financial statements noted? No

Federal and State Awards

Internal control over major programs:

- Material weaknesses identified? No

- Significant deficiencies identified? None reported

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 2 CFR section 200.516(a) and state awards as defined by the State of Texas Uniform Grant Management Standards? No

Identification of major federal programs:

CFDA Number

93.568

93.044, 93.045, 93.053

Name of Federal Program or Cluster

Low-Income Home Energy Assistance (LIHEAP)

Aging Cluster

Identification of major state programs:

Name of State Program

Emergency 911

Dollar threshold to distinguish between Type A and Type B programs:

Federal	\$750,000
State	\$300,000

Auditee qualified as a low-risk auditee? Yes

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no findings required to be reported.

TEXOMA COUNCIL OF GOVERNMENTS
Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The audit disclosed no findings required to be reported.

TEXOMA COUNCIL OF GOVERNMENTS
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended April 30, 2019

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

The audit disclosed no findings required to be reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The audit disclosed no findings required to be reported.

CORRECTIVE ACTION PLAN

The audit disclosed no findings required to be addressed.

**STATISTICAL SECTION
(UNAUDITED)**

TEXOMA COUNCIL OF GOVERNMENTS

Grant Register (Unaudited)

Year Ended April 30, 2019

Federal CFDA Number	Fund Source	Account Number	Federal Grantor/Pass-Through Grantor/Program Title	Contract Number	Grant Start Date	Grant End Date	FYE2019 Expenditures
Federal Grants							
FUNDING AGENCY 330		U.S. Department of Commerce					
			Economic Development Administration				
11.302		32000	Economic Development - Support for Planning Organizations	ED18AUS3020014	01/01/18	12/31/20	\$ 56,800
11.302		32500	Economic Development - Support for Planning Organizations	ED18AUS3030024	08/15/18	08/14/21	11,051
Total U. S. Department of Commerce							67,851
FUNDING AGENCY 200							
U. S. Department of Housing and Urban Development							
Direct Programs:							
Office of Public and Indian Housing							
14.871		20000	Section 8 Housing Choice Vouchers 2018	TX542FSH505A015	01/01/18	12/31/18	2,216,412
14.871		20000	Section 8 Housing Choice Vouchers 2019	TX542FSH505A015	01/01/19	12/31/19	1,115,915
Total U. S. Department of Housing and Urban Development							3,332,327
FUNDING AGENCY 210							
U.S. Department of Energy							
Pass-Through from:							
Texas Department of Housing and Community Affairs							
81.042		26017	Weatherization Assistance for Low-Income Persons (DOE)	56170002736	07/01/17	06/30/18	59,229
81.042		26018	Weatherization Assistance for Low-Income Persons (DOE)	56180002965	07/01/18	06/30/19	230,105
Total U.S. Department of Energy							289,334
FUNDING AGENCY 210							
U.S Department of Health and Human Services							
Pass-Through from:							
Texas Department of Housing and Community Affairs							
Administration for Children and Families							
Energy Services							
93.568		22017	Low-Income Home Energy Assistance	58170002604	01/01/17	06/30/18	317,172
93.568		22018	Low-Income Home Energy Assistance	58180002801	01/01/18	03/31/19	2,722,000
93.568		22019	Low-Income Home Energy Assistance	58190030000	01/01/19	12/31/19	490,684
Subtotal							3,529,856
93.568		27017	Low-Income Home Energy Assistance	81170002670	01/01/17	06/30/18	73,941
93.568		27018	Low-Income Home Energy Assistance	81180002895	01/01/18	03/31/19	1,193,191
93.568		27019	Low-Income Home Energy Assistance	81190003025	01/01/19	12/31/19	106,016
Subtotal							1,373,148
93.569		25017	Community Services Block Grant (CSBG)	61170002646	01/01/17	06/30/18	4,869
93.569		25018	Community Services Block Grant (CSBG)	61180002871	01/01/18	03/31/19	240,126
93.569		25019	Community Services Block Grant (CSBG)	61190003063	01/01/19	12/31/19	30,661
Subtotal							275,656
Texas Department of Housing and Community Affairs							5,178,660

TEXOMA COUNCIL OF GOVERNMENTS

Grant Register (Unaudited) (Continued)

Year Ended April 30, 2019

Federal CFDA Number	Fund Source	Account Number	Federal Grantor/Pass-Through Grantor/Program Title	Contract Number	Grant Start Date	Grant End Date	FYE2019 Expenditures
			Federal Grants				
			U.S. Department of Health and Human Services				
FUNDING AGENCY 220			Pass-Through from:				
			Texas Health and Human Services Commission				
			Administration for Community Living				
93.044			Special Programs for the Aging - Title III, Part B -Grants for Supportive Services	539-16-0008-00001	10/01/17	09/30/18	270,896
93.044			Special Programs for the Aging - Title III, Part B -Grants for Supportive Services	539-16-0008-00001	10/01/18	09/30/19	121,042
93.045			Special Programs for the Aging - Title III, Part C -Nutrition Services	539-16-0008-00001	10/01/17	09/30/18	203,566
93.045			Special Programs for the Aging - Title III, Part C -Nutrition Services	539-16-0008-00001	10/01/18	09/30/19	197,423
93.053			Nutrition Services Incentive Program	539-16-0008-00001	10/01/17	09/30/18	55,992
93.053			Nutrition Services Incentive Program	539-16-0008-00001	10/01/18	09/30/19	126,559
			Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation	539-16-0008-00001	10/01/17	09/30/18	-
93.041			Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation	539-16-0008-00001	10/01/18	09/30/19	2,340
93.041			Special Program for the Aging - Title VII, Chapter 2 Long Term Care Ombudsman	539-16-0008-00001	10/01/17	09/30/18	1,173
93.042			Special Program for the Aging - Title VII, Chapter 2 Long Term Care Ombudsman	539-16-0008-00001	10/01/18	09/30/19	18,767
93.043			Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	539-16-0008-00001	10/01/17	09/30/18	5,306
93.043			Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	539-16-0008-00001	10/01/18	09/30/19	5,782
93.052			National Family Caregiver Support, Title III, Part E	539-16-0008-00001	10/01/17	09/30/18	41,090
93.052			National Family Caregiver Support, Title III, Part E	539-16-0008-00001	10/01/18	09/30/19	40,348
93.324			State Health Insurance Assistance Program	539-16-0008-00001	04/01/17	03/31/18	8,474
93.324			State Health Insurance Assistance Program	539-16-0008-00001	04/01/18	03/31/19	26,490
93.071			Medicare Enrollment Assistance Program	539-16-0008-00001	10/01/17	09/30/18	5,994
93.071			Medicare Enrollment Assistance Program	539-16-0008-00001	10/01/18	09/30/19	1,489
			Subtotal				1,132,731
			Aging And Disability Resource Center				
93.791		51000	Money Follows the Person Rebalancing Demonstration	539-14-0475-00007	09/01/17	08/31/18	28,966
93.791		51000	Money Follows the Person Rebalancing Demonstration	539-14-0475-00007	09/01/18	08/31/19	56,138
			Subtotal				85,104

TEXOMA COUNCIL OF GOVERNMENTS

Grant Register (Unaudited) (Continued)

Year Ended April 30, 2019

Federal CFDA Number	Fund Source	Account Number	Federal Grantor/Pass-Through Grantor/Program Title	Contract Number	Grant Start Date	Grant End Date	FYE2019 Expenditures
			Federal Grants				
FUNDING AGENCY 220			U.S. Department of Health and Human Services (continued) Administration for Community Living (continued) Pass-Through from: Texas Department of Health and Human Services (continued) Operations Information and Referral Services				
93.767	60000	Children's Health Insurance Program	529-16-0006-00024E	09/01/17	08/31/18	13,001	
10.561	60000	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	529-16-0006-00024E	09/01/17	08/31/18	13,001	
93.780	60000	Grants to States for Operation of Qualified High-Risk Pools	529-16-0006-00024E	09/01/17	08/31/18	13,001	
93.566	60000	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	529-16-0006-00024E	09/01/17	08/31/18	13,001	
93.558	60000	Temporary Assistance for Needy Families State Programs	529-16-0006-00024E	09/01/17	08/31/18	13,001	
93.767	60000	Children's Health Insurance Program	529-16-0006-00024G	09/01/18	08/31/19	24,818	
10.561	60000	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	529-16-0006-00024G	09/01/18	08/31/19	24,818	
93.780	60000	Grants to States for Operation of Qualified High-Risk Pools	529-16-0006-00024G	09/01/18	08/31/19	24,818	
93.566	60000	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	529-16-0006-00024G	09/01/18	08/31/19	24,818	
93.558	60000	Temporary Assistance for Needy Families	529-16-0006-00024G	09/01/18	08/31/19	24,818	
							189,095
			Child Care Information and Referral Services				
93.575	60000	Child Care and Development Block Grant	529-16-0006-00024F	09/01/17	08/31/18	2,633	
93.575	60000	Child Care and Development Block Grant	529-16-0006-00024G	09/01/18	08/31/19	-	
							2,633
Texas Health and Human Services Commission							1,409,563
Total U.S. Department of Health and Human Services							6,588,223
FUNDING AGENCY 510			Corporation for National and Community Service				
			Direct Programs:				
94.002	56000	Retired and Senior Volunteer Program	16SRWTX003	07/01/17	06/30/18	9,783	
94.002	56000	Retired and Senior Volunteer Program	16SRWTX003	07/01/18	06/30/19	46,075	
94.011	50000	Foster Grandparent Program	15SFWTX002	07/01/17	06/30/18	37,798	
94.011	50000	Foster Grandparent Program	18SFWTX001	07/01/18	06/30/19	167,434	
Total Corporation for National and Community Service							261,090
FUNDING AGENCY 320			U. S. Department of Homeland Security				
			Pass-Through from: Office of the Governor				
97.067	45017	Homeland Security Grant Program	2969003	01/01/18	12/31/18	41,973	
97.067	45018	Homeland Security Grant Program	2969004	01/01/19	12/31/19	19,305	
97.067	48017	Homeland Security Grant Program	3124102	10/1/17	9/30/18	54,539	
97.067	48017	Homeland Security Grant Program	3397901	10/1/17	9/30/18	38,647	
97.067	48018	Homeland Security Grant Program	3124103	10/1/18	9/30/19	99,162	
97.067	48018	Homeland Security Grant Program	3397902	10/1/18	9/30/19	24,522	
Total U.S. Department of Homeland Security							278,149
FUNDING AGENCY 350			Federal Transit Administration				
			Pass-Through from: Texas Department of Transportation				
20.505	37000	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	NGA 2017-2021-TCOG	11/28/17	08/31/19	19,236	
Total Federal Transit Administration							19,236
Total Expenditures of Federal Awards							10,836,209

TEXOMA COUNCIL OF GOVERNMENTS

Grant Register (Unaudited) (Continued)

Year Ended April 30, 2019

Federal CFDA Number	Fund Source	Account Number	Federal Grantor/Pass-Through Grantor/Program Title	Contract Number	Grant Start Date	Grant End Date	FYE2019 Expenditures
State Awards							
Governor's Division of Emergency Management							
FUNDING AGENCY 320							
	44018		State Homeland Security Interlocal	PO# 30080189	09/01/17	08/31/18	21,254
	44019		State Homeland Security Interlocal	PO# 30090234	09/01/18	08/31/19	19,133
Total Governor's Division of Emergency Management							40,387
FUNDING AGENCY 310							
Office of the Governor							
Governor's Division of Criminal Justice Division							
	40000		Regional Criminal Justice Coordination	30080282	9/1/17	8/31/18	60,916
	40000		Regional Criminal Justice Coordination	30070163	9/1/18	8/31/19	25,540
Total Governor's Division of Criminal Justice Division							86,456
FUNDING AGENCY 300							
Commission on State Emergency Communications							
	41017		Emergency 911 - 2016/2017	N/A	09/01/16	08/31/17	291,454
	41018		Emergency 911 - 2017/2018	N/A	09/01/17	08/31/18	285,491
	41019		Emergency 911 - 2018/2019	N/A	09/01/18	08/31/19	546,476
Total Commission on State Emergency Communications							1,123,421
FUNDING AGENCY 340							
Texas Commission on Environmental Quality							
	46000		Municipal Solid Waste	582-18-80550	09/01/17	08/31/19	197,042
Total Texas Commission on Environmental Quality							197,042
FUNDING AGENCY 220							
Texas Health and Human Services Commission							
	52004		State General Revenue	539-16-0008-00001	09/01/17	08/31/18	3,926
	52004		State General Revenue	539-16-0008-00001	09/01/18	08/31/19	74,934
	52002		SGR Assisted Living Facility (ALF)	539-16-0008-00001	09/01/17	08/31/18	6,958
	52002		SGR Assisted Living Facility (ALF)	539-16-0008-00001	09/01/18	08/31/19	7,899
			Subtotal				93,717
	200	51000	ADRC SGR Operations	539-14-0475-00007	09/01/17	08/31/18	49,665
	200	51000	ADRC SGR Operations	539-14-0475-00007	09/01/18	08/31/19	88,370
			Subtotal				138,035
	51%	60000	211 Area Information Center Operations	529-16-0006-00024E	09/01/17	08/31/18	61,473
	51%	60000	211 Area Information Center Operations	529-16-0006-00024G	09/01/18	08/31/19	136,551
			Subtotal				198,024
Total Texas Health and Human Services Commission							429,776
FUNDING AGENCY 510							
Corporation for National and Community Service							
	56000		Retired Senior Volunteer Program	17SRWTX025	09/01/17	08/31/18	368
	56050		Retired Senior Volunteer Program	17SRWTX025	09/01/18	08/31/19	24,621
	50000		Foster Grandparent Program	15SFWTX002	09/01/17	08/31/18	1,128
	50050		Foster Grandparent Program	17SFWTX005	09/01/18	08/31/19	5,046
Total Corporation for National and Community Service							31,163
Total Expenditures of State Awards							1,908,245
Total Expenditures of Federal and State of Texas Awards							\$ 12,744,454

TEXOMA COUNCIL OF GOVERNMENTS

Membership Profile

(Unaudited)

<u>Fiscal Year</u>	<u>County Members</u>	<u>City Members</u>	<u>Other Members</u>	<u>Total Membership</u>
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
2015	3	29	39	71
2016	3	25	33	61
2017	3	34	22	59
2018	3	27	20	50
2019	3	30	22	55

<u>Fiscal Year</u>	<u>County Dues</u>	<u>City Dues</u>	<u>Other Dues</u>	<u>Total Dues</u>
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
2015	13,193	23,433	8,405	45,031
2016	13,193	23,359	4,036	40,588
2017	13,193	23,856	4,965	42,014
2018	14,627	22,333	4,741	41,701
2019	14,647	19,641	3,159	37,447

TEXOMA COUNCIL OF GOVERNMENTS

Schedule of Membership Dues

Years Ended April 30, 2019 and 2018

(Unaudited)

	<u>2019</u>	<u>2018</u>
MEMBER ENTITY		
Cooke County	\$ 3,768	\$ 3,748
Fannin County	3,184	3,184
Grayson County	<u>7,695</u>	<u>7,695</u>
County Total	<u>14,647</u>	<u>14,627</u>
City of Bells	283	-
City of Bonham	2,008	2,008
City of Callisburg	-	-
City of Denison	4,521	4,521
City of Dodd City	200	-
City of Ector	139	-
City of Gainesville	-	3,204
City of Gunter	293	293
City of Honey Grove	-	327
City of Howe	554	554
City of Knollwood	100	100
City of Ladonia	121	121
City of Leonard	-	392
Town of Lindsay	213	213
City of Muenster	-	317
Town of Oak Ridge	100	100
City of Pottsboro	441	441
Town of Ravenna	100	100
City of Sadler	100	100
City of Savoy	168	-
City of Sherman	8,046	8,046
City of Southmayd	201	201
City of Tioga	165	165
City of Tom Bean	-	207
City of Trenton	125	-
City of Valley View	152	152
City of Van Alstyne	-	-
City of Whitesboro	771	771
City of Whitewright	640	-
Town of Windom	<u>200</u>	<u>-</u>
City Total	<u>19,641</u>	<u>22,333</u>

TEXOMA COUNCIL OF GOVERNMENTS

Schedule of Membership Dues (Continued)

Years Ended April 30, 2019 and 2018

(Unaudited)

	<u>2019</u>	<u>2018</u>
MEMBER ENTITY		
Bells ISD	-	-
Bonham ISD	369	-
Bonham Chamber of Commerce	-	-
Collinsville ISD	-	106
Denison ISD	900	900
Dodd City ISD	100	100
Ector ISD	100	100
Era ISD	100	100
Fannindel ISD	100	100
Gainesville ISD	-	562
Grayson County College	811	811
Honey Grove ISD	-	-
Leonard ISD	-	171
Lindsay ISD	100	-
Muenster ISD	100	-
North Central Texas College (CC Campus only)	279	-
Pottsboro ISD	-	279
Sam Rayburn ISD	200	100
Savoy ISD	-	-
Sherman Chamber of Commerce	-	-
Sherman ISD	-	1,412
Denison Chamber of Commerce	-	-
	<u>3,159</u>	<u>4,741</u>
Other Total		
	<u>\$ 37,447</u>	<u>\$ 41,701</u>
Grand Total		

TEXOMA COUNCIL OF GOVERNMENTS

Revenues by Source and Authorized Staff

Last Ten Fiscal Years Ended (Unaudited)

	Member	Income/In-			State			Authorized
	Government	Kind	Interest		Administered	Federal		Full-Time
<u>Fiscal Year</u>	<u>Dues</u>	<u>Contributions</u>	<u>Income</u>	<u>State Funds</u>	<u>Grants</u>	<u>Grants</u>	<u>Totals</u>	<u>Positions</u>
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
2015	45,031	2,893,552	288	1,971,476	3,555,022	3,050,816	11,516,185	58
2016	40,588	2,706,695	144	2,027,848	1,337,159	4,968,455	11,080,889	58
2017	42,014	3,302,950	198	1,772,284	1,096,346	5,544,692	11,758,484	63
2018	41,701	2,572,109	967	2,186,492	1,390,649	7,581,951	13,773,869	46
2019	37,447	1,733,612	564	1,911,604	1,390,649	9,395,853	14,469,729	48

TEXOMA COUNCIL OF GOVERNMENTS

Total Governmental Expenditures

Last Ten Fiscal Years Ended (Unaudited)

<u>Fiscal Year</u>	<u>Amount</u>
2010	\$ 14,290,954
2011	17,906,877
2012	14,889,053
2013	11,275,356
2014	11,130,735
2015	11,310,911
2016	11,761,376
2017	11,621,383
2018	13,742,062
2019	14,493,505

TEXOMA COUNCIL OF GOVERNMENTS

Schedule of Insurance in Force

April 30, 2019 (Unaudited)

<u>Insurance Carrier & Policy Number</u>	<u>Coverage</u>	<u>Limits of Liability</u>	<u>Deductibles</u>
Texas Municipal 5208	General Liability	\$1,000,000 Each Occurrence \$1,000,000 Sudden Events Involving Pollution - Each Occurrence \$2,000,000 Annual Aggregate	None
Texas Municipal 5208	Automobile Liability Physical Damage	\$1,000,000 Liability (hired, owned and non-owned), \$50,000 Medical Payments Actual Cash Value Comprehensive & Collision	Comprehensive & collision: \$250 per vehicle
Texas Municipal 5208	Public Officials Errors & Omissions	\$1,000,000 Each Occurrence \$2,000,000 Annual Aggregate Covers Governing Body and Staff	\$5,000 each claim
Texas Municipal 5208	Property	\$6,290,841 Real and Personal Property \$1,000,000 Newly Acquired Property \$5,603,192 Boiler and Machinery \$100,000 Valuable Papers \$10,000 Accounts Receivable \$50,000 Loss of Revenues, Extra Expense and Rental Value \$10,000 Outdoor Trees & Shrubs \$5,000 Personal Property of Employees & Officials \$5,000 Leasehold Interest \$20,000 Pollutant Cleanup and Removal	\$500 each loss
Texas Municipal 5208	Crime Coverage	\$150,000 Employee Dishonesty including "Faithful Performance"	\$250
Texas Municipal 5208	Workers 5208	Workers Compensation Statutory Employer's Liability: \$500,000	None