

**TEXOMA COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED APRIL 30, 2015**

**TEXOMA COUNCIL OF GOVERNMENTS**  
**TABLE OF CONTENTS**  
**APRIL 30, 2015**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i-iii
Member Governments	iv
Organization Chart	v
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Basic Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Balance Sheets – Governmental Funds	9
Statements of Revenues, Expenditures, and Changes in Fund Balances - Government Funds	10
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Notes to Financial Statements	12-22
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Expenditures by Object – Special Revenue Funds	23-25
Schedule of Indirect Costs	26
Comparison of Budgeted Vs. Actual Indirect Costs	27
Schedule of Employee Benefits	28
Comparison of Budgeted Vs. Actual Employee Benefits	29
Schedule of Central Service IT Costs	30
Comparison of Budgeted Vs. Actual Central Service IT Costs	31

**TEXOMA COUNCIL OF GOVERNMENTS**  
**TABLE OF CONTENTS (continued)**  
**APRIL 30, 2015**

Page

**SUPPLEMENTARY INFORMATION (continued)**

Real Estate Assessment Center Financial Assessment Subsystem Financial Data Schedules (FDS)

Schedule I – Balance Sheet	32
Schedule II – Income Statement	33

**SINGLE AUDIT SECTION**

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	34-35
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and the State of Texas Uniform Grant Management Standards	36-37
Schedule of Expenditures of Federal and State Awards	38-40
Notes to the Schedule of Expenditures of Federal and State Awards	41
Schedule of Findings and Questioned Costs	42-43
Summary Schedule of Prior Audit Findings	44

**STATISTICAL SECTION**

Grant Register	45-47
Membership Profile	48
Schedule of Membership Dues	49-50
Revenues by Source and Authorized Staff	51
Total Governmental Expenditures	52
Schedule of Insurance in Force	53

## **INTRODUCTORY SECTION**

August 15, 2015

Mr. Keith Clegg  
President of the Governing Body  
Texoma Council of Governments  
1117 Gallagher Drive, Suite 470  
Sherman, Texas 75090

Dear Mr. Clegg and Members of the Governing Body:

Texoma Council of Governments Comprehensive Annual Financial Report for fiscal year ended April 30, 2015, is submitted for your review and acceptance. This report was prepared in accordance with TCOG's bylaws. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of TCOG operations as measured by the financial activity of its various grants and contracts; and, that all disclosures necessary to enable the reader to gain maximum understanding of TCOG's financial affairs and to satisfy Federal and State requirements of applicable grants are included. Standards issued by the Office of Management and Budget (Circulars A-87 and A-133) and GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended and interpreted, as of April 30, 2015, were followed in the operation and audit of TCOG.

#### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

#### INTERNAL CONTROLS

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

#### REPORTING ENTITY AND SERVICES

TCOG operations are controlled by grant, or contract arrangements, with the United States of America and the State of Texas. For the fiscal year ended April 30, 2015, 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, 2015, TCOG, through grants and contracts, operated the Area Agency on Aging of Texoma, Community and Economic Development and Planning Activities, Criminal Justice Planning, Homeland Security Planning, Emergency 911, Weatherization Assistance Program, Comprehensive Energy Assistance Program, Section 8 Housing, Public Housing Authorities of eighteen cities, and other programs for the Texoma Region.

#### CASH MANAGEMENT

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

#### FIXED ASSETS

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

#### ANNUAL AUDIT

TCOG's bylaws require that an annual audit be made of its financial accounts and transactions for the preceding fiscal year. In 1997, the Office of Management and Budget revised Circular A-133 to include units of local government. This circular requires that grantors of the United States of America perform audits which meet the requirements of the Single Audit Act Amendments of 1996. In accordance with these requirements, the Annual Audit Report is contained herein for your review and consideration.

#### CERTIFICATION OF INDIRECT COST PERCENTAGE

The undersigned Executive Director and Finance Director hereby certify that based upon the enclosed audited financial data, TCOG's indirect cost for fiscal year ended April 30, 2015, did not exceed 15 percent of total expenditures, as defined by The Local Government Code, Chapter 391, 586.(f)(1).

#### OVERVIEW

The Annual Audit Report contains an unmodified opinion from the auditors. There is one (1) audit report finding that is addressed below. There are no questioned or disallowed costs, instances of noncompliance, or other reportable conditions. The audit firm has 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 black ink, appearing to read "SMT", on a light blue background.

Susan B. Thomas, Ph.D.  
Executive Director

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey Sloan", on a light blue background.

Stacey Sloan  
Finance Director

Enclosure

**TEXOMA COUNCIL OF GOVERNMENTS**  
**MEMBER GOVERNMENTS**

**COUNTIES (3)**

Cooke

Grayson

Fannin

**CITIES/TOWNS (29)**

Bonham  
 Callisburg  
 Collinsville  
 Denison  
 Dodd City  
 Ector  
 Gainesville  
 Gunter  
 Honey Grove  
 Howe

Knollwood  
 Ladonia  
 Leonard  
 Lindsay  
 Muenster  
 Pottsboro  
 Ravenna  
 Sadler  
 Savoy  
 Sherman

Southmayd  
 Tioga  
 Tom Bean  
 Trenton  
 Valley View  
 Van Alstyne  
 Whitesboro  
 Whitewright  
 Windom

**SCHOOL DISTRICTS (16)**

Bonham  
 Denison  
 Dodd City  
 Ector  
 Era  
 Fannindell

Gainsville  
 Honey Grove  
 Leonard  
 Muenster  
 Pottsboro

Sam Rayburn  
 Savoy  
 Sherman  
 Tom Bean  
 Van Alstyne

**COMMUNITY COLLEGE DISTRICTS (2)**

North Central Texas College

Grayson County College

**ASSOCIATE MEMEBERS (21)**

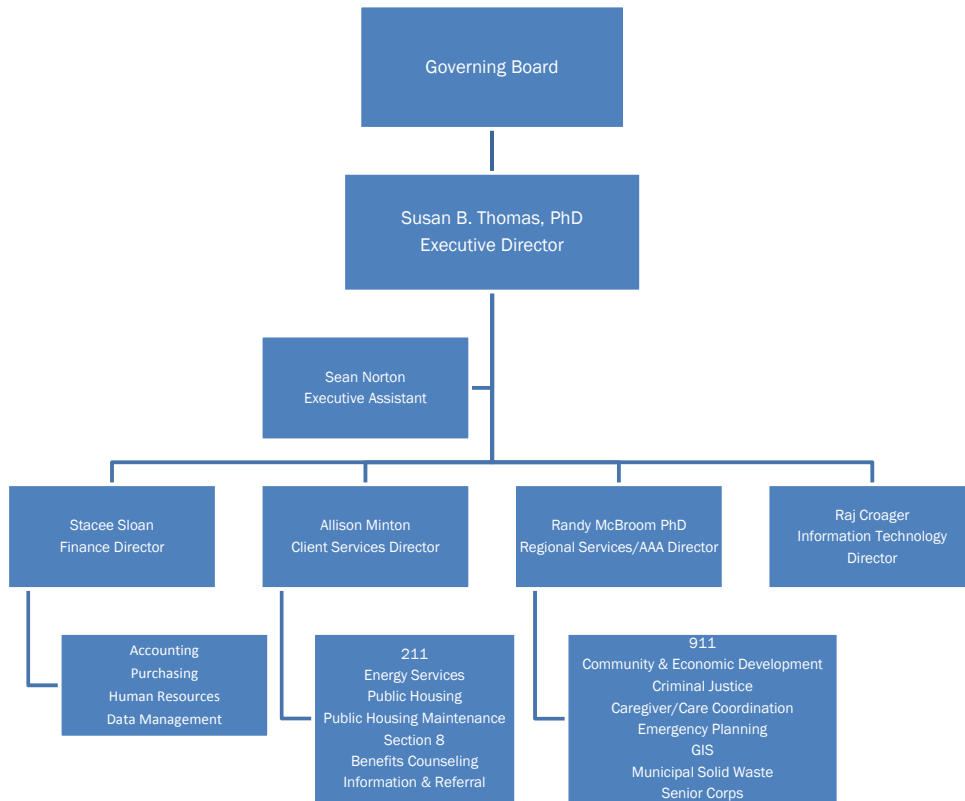
Bonham COC  
 Denison COC  
 Sherman COC  
 Bells Public Housing  
 Bonham Public Housing  
 Celeste Public Housing  
 Ector Public Housing

Farmersville Public Housing  
 Gunter Public Housing  
 Honey Grove Public Housing  
 Howe Public Housing  
 Ladonia Public Housing  
 Pottsboro Public Housing  
 Princeton Public Housing

Savoy Public Housing  
 Tioga Public Housing  
 Tom Bean Public Housing  
 Trenton Public Housing  
 Van Alstyne Public Housing  
 Whitewright Public Housing  
 Windom Public Housing



**Texoma Council of Governments  
Organization Chart**



**Texoma Council of Governments  
Governance Chart**

<b>Governing Board</b>	<ul style="list-style-type: none"> <li>• 15 Board Members</li> </ul>
<b>Member Jurisdictions</b>	<ul style="list-style-type: none"> <li>• 3 Counties</li> <li>• 29 Cities</li> <li>• 16 School Districts</li> <li>• 2 Special Districts</li> <li>• 21 Associate Members</li> </ul>
<b>Aging Services</b>	<ul style="list-style-type: none"> <li>• RSVP Advisory Council Cooke County</li> <li>• RSVP Advisory Council Fannin County</li> <li>• RSVP Advisory Council Grayson County</li> <li>• Foster Grandparent Program Advisory Council</li> <li>• Texoma Regional Advisory Council</li> </ul>
<b>Client Services</b>	<ul style="list-style-type: none"> <li>• 211 Texas Advisory Council</li> <li>• Family Self Sufficiency Fannin County</li> <li>• Family Self Sufficiency Grayson County</li> <li>• ADRC Executive Oversight Committee</li> <li>• Texoma Housing Partners Board of Commissioners</li> </ul>
<b>Regional Services</b>	<ul style="list-style-type: none"> <li>• Criminal Justice Advisory Committee</li> <li>• Homeland Security Advisory Committee</li> <li>• Natural Resources Advisory Committee</li> </ul>

## **FINANCIAL SECTION**



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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Texoma Council of Governments (the Council) as of and for the year ended April 30, 2015, 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, 2015, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential

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

Management has omitted budgetary comparison information for the General Fund and major Special Revenue Fund's that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The introductory section (pages i through v), supplemental schedules (pages 23 through 31), statistical section (pages 45 through 53), and the Real Estate Assessment Center Financial Assessment Subsystem Financial Data Schedules (FDS) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The FDS (pages 32 and 33) are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC). The schedule of expenditures of federal awards (pages 38 through 40) are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplemental schedules (pages 23 through 31), the FDS (pages 32 and 33), and the schedule of expenditures of federal awards (pages 38 through 40) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2015, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

*Ja Farrell and Abbott PLLC*

Tom Bean, Texas  
September 10, 2015

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## TEXOMA COUNCIL OF GOVERNMENTS

### Management's Discussion and Analysis

Fiscal Year Ended April 30, 2015

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, 2015, and should be read in conjunction with TCOG financial statements.

#### **Financial Highlights**

For the fiscal year ended April 30, 2015, total assets were \$4,414,965 compared to \$3,394,687 for the prior year; total liabilities were \$1,802,004 compared to \$1,608,154 for the prior year; total net position was \$2,612,961 compared to \$1,786,533 for the prior year. Of this amount, a deficit in unrestricted net position of \$7,643 exists compared to the prior year deficit amount of \$16,493.

For the fiscal year ended April 30, 2015, total revenues were \$11,428,916 compared to \$11,069,575 for the prior year; total expenses were \$10,602,488 compared to \$10,904,850 for the prior year. The 3% net increase in total revenues is the combined net of funding changes from the major funds. The categories of Commission on State Emergency Communications, Department of Housing and Community Affairs, and the Department of Aging and Disability Services experienced an increase in revenues while the categories Department of Housing and Urban Development and Other Programs both experienced a decrease in revenues. The 3% in net reduced expenditures resulted from reduced expenditures in all functional categories with the exception of Aging and Disabilities with a 9% increase.

#### **Overview of the Financial Statements**

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

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

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

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

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

## TEXOMA COUNCIL OF GOVERNMENTS

### Management's Discussion and Analysis

Fiscal Year Ended April 30, 2015

**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 assets may serve over time as a useful indicator of a government's financial position. In the case of TCOG, assets exceeded liabilities by \$2,612,961 at April 30, 2015 compared to \$1,786,533 for the prior year.

The most significant portion of TCOG's net position (91%) 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, 2015, compared to the prior year:

Texoma Council of Government's Statement of Net Position

	Total		Percent
	2014	2015	Change
Assets:			
Current and Other Assets	\$ 1,156,429	\$ 1,695,262	47%
Capital Assets	2,238,258	2,719,703	22%
Total Assets	<u>3,394,687</u>	<u>4,414,965</u>	30%
Liabilities:			
Current Liabilities	1,211,250	1,570,670	30%
Noncurrent Liabilities	396,904	231,334	-42%
Total Liabilities	<u>1,608,154</u>	<u>1,802,004</u>	12%
Net Position:			
Net Investment in Capital Assets	1,750,288	2,388,074	36%
Restricted	52,738	232,530	341%
Unrestricted	<u>(16,493)</u>	<u>(7,643)</u>	54%
Total Net Position	<u>\$ 1,786,533</u>	<u>\$ 2,612,961</u>	46%

**TEXOMA COUNCIL OF GOVERNMENTS**

## Management's Discussion and Analysis

Fiscal Year Ended April 30, 2015

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
	2014	2015	Change
Revenues:			
Program Revenues:			
Operating Grants and Contributions	\$ 10,848,473	\$ 11,231,677	4%
General Revenues:			
Grants and Contributions Not Restricted to Specific Programs	220,862	196,951	-11%
Interest Income	240	288	20%
Total Revenue	<u>11,069,575</u>	<u>11,428,916</u>	3%
Expenses:			
General Government	128,298	54,396	-58%
Aging and Disabilities	2,435,250	2,643,965	9%
Community and Economic Development	1,881,761	1,605,521	-15%
Housing and Client Services	6,426,119	6,276,849	-2%
Interest on Long-Term Debt	33,422	21,757	-35%
Total Expenses	<u>10,904,850</u>	<u>10,602,488</u>	-3%
Change in Net Position	164,725	826,428	402%
Net Position, Beginning	<u>1,621,808</u>	<u>1,786,533</u>	10%
Net Position, Ending	<u>\$ 1,786,533</u>	<u>\$ 2,612,961</u>	46%

**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.



## **TEXOMA COUNCIL OF GOVERNMENTS**

### **Management's Discussion and Analysis**

**Fiscal Year Ended April 30, 2015**

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

#### **Capital Asset and Debt Administration**

**Capital Assets.** TCOG's investment in capital assets for its governmental activities as of April 30, 2015, amounts to \$2,388,074 compared to \$1,750,288 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, 2015, TCOG had total debt related liabilities of \$785,389 compared to \$575,098 for the prior year. Of this amount, \$331,629 comprises debt secured by the office building located at 1117 Gallagher Drive, Sherman, Texas and \$350,000 comprises a line of credit, also secured by the office building located at 1117 Gallagher Drive, Sherman, Texas. The prior year amount was \$487,970. Additional information on TCOG's long-term debt can be found in the notes to the financial statements.

#### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**Texoma Council of Governments**  
Statement of Net Position  
April 30, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Pooled Investments	\$ 1,008,907
Accounts Receivable	583,336
Under Allocated Employee Benefits and Central Service IT	90,817
Prepaid Items	<u>12,202</u>
Total Current Assets	<u>1,695,262</u>
Noncurrent Assets:	
Capital Assets Net of Accumulated Depreciation:	
Buildings and Improvements	1,385,559
Furniture, Vehicles and Other Equipment	<u>1,334,144</u>
Total Capital Assets Net of Accumulated Depreciation	<u>2,719,703</u>
Total Noncurrent Assets	<u>2,719,703</u>
 Total Assets	 <u>4,414,965</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	177,643
Unearned Revenue	838,972
Accrued Compensated Absences	25,940
Line of Credit	350,000
Notes Payable	<u>178,115</u>
Total Current Liabilities	<u>1,570,670</u>
Noncurrent Liabilities	
Accrued Compensated Absences	77,820
Notes Payable	<u>153,514</u>
Total Noncurrent Liabilities	<u>231,334</u>
 Total Liabilities	 <u>1,802,004</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	2,388,074
Non-Spendable	12,202
Restricted	220,328
Unrestricted	<u>(7,643)</u>
Total Net Position	<u><u>\$ 2,612,961</u></u>

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

**Texoma Council of Governments**  
Statement of Activities  
For the Year Ended April 30, 2015

		<u>Program Revenues</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
General Government	\$ 54,396	\$ -	\$ (54,396)
Aging and Disabilities	2,643,965	2,771,224	127,259
Community and Economic Development	1,605,521	2,182,575	577,054
Housing and Client Services	6,276,849	6,277,878	1,029
Interest on Long-Term Debt	<u>21,757</u>	<u>-</u>	<u>(21,757)</u>
 Total Governmental Activities	 <u>\$ 10,602,488</u>	 <u>\$ 11,231,677</u>	 <u>629,189</u>
 General Revenues			
Grants and Contributions not Restricted to Specific Programs			196,951
Unrestricted Investment Income			<u>288</u>
Total General Revenues			<u>197,239</u>
 Change in Net Position			826,428
 Net Position - Beginning			<u>1,786,533</u>
 Net Position - Ending			<u>\$ 2,612,961</u>

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

**Texoma Council of Governments**

Balance Sheets -  
Governmental Funds  
April 30, 2015

	<u>General</u>	<u>US Department of Housing and Urban Development</u>	<u>Commission on State Emergency Communications</u>	<u>Texas Department of Housing and Community Affairs</u>	<u>Texas Department of Aging and Disability Services</u>	<u>Other Programs</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and Pooled Investments	\$ 508,096	\$ 250,223	\$ 250,588	\$ -	\$ -	\$ -	\$ 1,008,907
Accounts Receivable	6,270	-	19	198,675	192,430	185,942	583,336
Due From Other Funds	248,145	-	-	-	60,841	303,033	612,019
Under Allocated Employee Benefits and Central Service IT	90,817	-	-	-	-	-	90,817
Prepaid Items	12,202	-	-	-	-	-	12,202
Total Assets	<u>\$ 865,530</u>	<u>\$ 250,223</u>	<u>\$ 250,607</u>	<u>\$ 198,675</u>	<u>\$ 253,271</u>	<u>\$ 488,975</u>	<u>\$ 2,307,281</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable and Accrued Liabilities	\$ 24,410	\$ 325	\$ 47,642	\$ 43,238	\$ 45,836	\$ 16,192	\$ 177,643
Due to Other Funds	362,854	75,831	7,670	72,581	-	93,083	612,019
Unearned Revenue	-	121,329	195,295	102,803	119,755	299,790	838,972
Total Liabilities	<u>387,264</u>	<u>197,485</u>	<u>250,607</u>	<u>218,622</u>	<u>165,591</u>	<u>409,065</u>	<u>1,628,634</u>
<b>Fund Balances</b>							
Non-Spendable	12,202	-	-	-	-	-	12,202
Restricted	-	52,738	-	-	87,680	79,910	220,328
Unassigned, Reported in:							
Special Revenue Funds	-	-	-	(19,947)	-	-	(19,947)
General Fund	<u>466,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,064</u>
Total Fund Balances	<u>478,266</u>	<u>52,738</u>	<u>-</u>	<u>(19,947)</u>	<u>87,680</u>	<u>79,910</u>	<u>678,647</u>
Total Liabilities and Fund Balances	<u>\$ 865,530</u>	<u>\$ 250,223</u>	<u>\$ 250,607</u>	<u>\$ 198,675</u>	<u>\$ 253,271</u>	<u>\$ 488,975</u>	<u>\$ 2,307,281</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental fund financial statements.	2,719,703
Long-term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.	<u>(785,389)</u>
Net Position of Governmental Activities	<u>\$ 2,612,961</u>

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

**Texoma Council of Governments**  
Statements of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended April 30, 2015

	General	US Department of Housing and Urban Development	Commission on State Emergency Communications	Department of Housing and Community Affairs	Department of Aging and Disability Services	Other Programs	Total Governmental Funds
<b>REVENUES</b>							
Federal	\$ -	\$ 2,695,914	\$ -	\$ 2,237,217	\$ 1,248,763	\$ 423,944	\$ 6,605,838
State	-	-	1,339,558	-	99,947	531,971	1,971,476
Local and In-kind	284,220	-	-	-	1,023,528	1,630,835	2,938,583
Investment Income	47	126	70	-	-	45	288
Total Revenues	<u>284,267</u>	<u>2,696,040</u>	<u>1,339,628</u>	<u>2,237,217</u>	<u>2,372,238</u>	<u>2,586,795</u>	<u>11,516,185</u>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Aging and Disabilities	-	-	-	-	2,272,486	362,404	2,634,890
Community and Economic Development	-	-	622,394	-	-	895,358	1,517,752
Housing and Client Services	-	2,696,040	-	2,253,565	-	1,287,434	6,237,039
Capital Outlay	-	-	717,234	11,424	12,072	2,402	743,132
Debt Service:							
Principal	156,195	-	-	-	-	-	156,195
Interest	21,903	-	-	-	-	-	21,903
Total Expenditures	<u>178,098</u>	<u>2,696,040</u>	<u>1,339,628</u>	<u>2,264,989</u>	<u>2,284,558</u>	<u>2,547,598</u>	<u>11,310,911</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>106,169</u>	<u>-</u>	<u>-</u>	<u>(27,772)</u>	<u>87,680</u>	<u>39,197</u>	<u>205,274</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds From Debt	350,000	-	-	-	-	-	350,000
Transfers In (Out)	(48,538)	-	-	7,825	-	40,713	-
Total Financing Sources (Uses)	<u>301,462</u>	<u>-</u>	<u>-</u>	<u>7,825</u>	<u>-</u>	<u>40,713</u>	<u>350,000</u>
Net Change in Fund Balances	407,631	-	-	(19,947)	87,680	79,910	555,274
Fund Balances - Beginning	<u>70,635</u>	<u>52,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,373</u>
Fund Balances - Ending	<u>\$ 478,266</u>	<u>\$ 52,738</u>	<u>\$ -</u>	<u>\$ (19,947)</u>	<u>\$ 87,680</u>	<u>\$ 79,910</u>	<u>\$ 678,647</u>

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

**Texoma Council of Governments**  
Reconciliation of the Statements of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended April 30, 2015

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

Net Change in Fund Balance - Total Governmental Funds (page 10)	\$ 555,274
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	481,445
Other amounts, including the change in liability for accrued vacation leave payable, is not reported under the modified accrual basis of accounting utilized by governmental funds.	(16,486)
Current year line of credit proceeds reported as other financing sources in the governmental funds financial statements are shown as an increase in debt in the government-wide financial statements.	(350,000)
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>156,195</u>
Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 826,428</u>

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

# TEXOMA COUNCIL OF GOVERNMENTS

## Notes to the Financial Statements

April 30, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Description of the Reporting Entity

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

#### B. Government-Wide and Fund Financial Statements

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

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

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

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

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



## TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

April 30, 2015

### 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 Aging and Disability 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 and the Texas Department of Aging and Disability 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 the Financial Statements

April 30, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### Cash (continued)

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

##### Accounts Receivable

Accounts receivable represent amounts due from federal and state agencies for the various programs administered by the Council. The receivable includes amounts due on programs closed-out and those in progress as of April 30, 2015. 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, 2015.

##### 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 the Financial Statements

April 30, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### Capital Assets (continued)

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

##### Compensated Absences

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

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

##### Net Position

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

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

##### Fund Balance

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

As of April 30, 2015, 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 \$12,202 of prepaid assets classified as a non-spendable fund balance at April 30, 2015.

## TEXOMA COUNCIL OF GOVERNMENTS

### Notes to the Financial Statements

April 30, 2015

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

###### Fund Balance (continued)

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The Council's U.S. Department of Housing and Urban Development Fund, Texas Department of Aging and Disability Services Fund and Other Programs Fund, had \$52,738, \$87,680 and \$79,910 of fund balances restricted by their federal grantors at April 30, 2015, 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.

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

Unassigned – All other spendable amounts.

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

###### Indirect Costs

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

# TEXOMA COUNCIL OF GOVERNMENTS

## Notes to the Financial Statements

April 30, 2015

### 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 Outlay	\$	743,132
Depreciation Expense		(261,687)
Net adjustments to increase <i>net change in fund balance - total governmental funds to arrive at changes in net assets of governmental activities</i>	\$	<u>481,445</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 30<sup>th</sup>. 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, 2015, \$250,000 of the Council’s \$995,405 deposits carrying value was covered by FDIC insurance. The remaining balances were fully collateralized with securities held by the pledging financial institution.

# TEXOMA COUNCIL OF GOVERNMENTS

## Notes to the Financial Statements

April 30, 2015

### 4. DETAILED NOTES ON ALL FUNDS (continued)

#### Investments

As of April 30, 2015, the primary government had the following investment:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 974	49

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 the Financial Statements

April 30, 2015

### 4. DETAILED NOTES ON ALL FUNDS (continued)

#### Capital Assets

Below is a summary of capital assets and related depreciation as of April 30, 2015:

	Beginning Balance	Increases	Reclassifications and Decreases	Ending Balance
Governmental Activities:				
Capital Assets, being Depreciated				
Buildings	\$ 1,550,000	\$ -	\$ -	\$ 1,550,000
Buildings and Improvements	1,087,189	-	-	1,087,189
Furniture, Vehicles, and Other	1,577,617	743,132	-	2,320,749
Total Capital Assets being Depreciated	<u>4,214,806</u>	<u>743,132</u>	<u>-</u>	<u>4,957,938</u>
Less Accumulated Depreciation:				
Buildings	513,355	39,744	-	553,099
Buildings and Improvements	628,309	70,222	-	698,531
Furniture, Vehicles, and Other	834,884	151,721	-	986,605
Total Accumulated Depreciation	<u>1,976,548</u>	<u>261,687</u>	<u>-</u>	<u>2,238,235</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,238,258</u>	<u>\$ 481,445</u>	<u>\$ -</u>	<u>\$ 2,719,703</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 141,665
Emergency Communications	78,336
State Housing and Community Affairs	15,718
Federal Housing & Urban Development	6,919
Aging and Disabilities	2,877
Other Programs	16,172
Total Depreciation Expense - Governmental Activities	<u>\$ 261,687</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, 2015, is as follows:

	Indirect Costs	Employee Benefits	Central Service IT	Total
Under (Over) Applied Costs at April 30, 2014	\$ 70,617	\$ 27,382	\$ 61,379	\$ 159,378
Costs Allocated During the Year	(742,227)	(1,046,709)	(221,124)	(2,010,060)
Actual Costs	<u>734,928</u>	<u>980,399</u>	<u>226,172</u>	<u>1,941,499</u>
Under (Over) Applied Costs at April 30, 2015	<u>\$ 63,318</u>	<u>\$ (38,928)</u>	<u>\$ 66,427</u>	<u>\$ 90,817</u>

# **TEXOMA COUNCIL OF GOVERNMENTS**

## Notes to the Financial Statements

April 30, 2015

### 4. DETAILED NOTES ON ALL FUNDS (continued)

#### Long-Term Debt

The following changes in general long-term debt occurred during the fiscal year ended April 30, 2015, as reported in the financial statements:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note Payable	\$ 487,970	\$ -	\$ (156,341)	\$ 331,629	\$ 178,115
Line of Credit	-	350,000	-	350,000	350,000
Compensated Absences	87,128	16,632	-	103,760	25,940
Governmental Activities					
Long-term Liabilities	<u>\$ 575,098</u>	<u>\$ 366,632</u>	<u>\$ (156,341)</u>	<u>\$ 785,389</u>	<u>\$ 554,055</u>

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

The line of credit has a variable interest rate of 1% plus the WSJ Prime Rate, not less than 5% and was drawn upon on March 6, 2015. The balance was paid in full June 10, 2015. The note is secured by the building and matures May 29, 2016.

Future requirements for the note payable and line of credit are as follows:

Fiscal Year Ending	Note Payable		Line of Credit		Totals
	Principal	Interest	Principal	Interest	
2016	178,115	11,470	350,000	1,985	541,570
2017	153,514	3,219			156,733
	<u>\$ 331,629</u>	<u>\$ 14,689</u>	<u>\$ 350,000</u>	<u>\$ 1,985</u>	<u>\$ 698,303</u>

#### Subsequent Event – Debt Refinance

On June 10, 2015, the existing Note Payable with Prosperity Bank was refinanced. The remaining principal balance of \$302,796 was paid off on the existing note and a new note was issued. The new note began with a balance of \$317,746 and allows TCOG to borrow an additional amount up to a maximum balance of \$850,000 until December 10, 2015. The note requires repayment at a 5% interest rate. Interest only payments are due during the advancement period ending December 10, 2015. The note's principal and interest is then paid in 119 monthly installments with the monthly payment to be determined based on the total advances made to TCOG through December 10, 2015. Then there is one final payment for the remaining principal and interest. These installments will be due on the 10<sup>th</sup> day of each month, beginning January 10, 2016 and ending December 10, 2025. As of the date of the audit issuance, the total principal balance is \$303,183 and future requirements are unknown since the advancement period is not yet ended.



## TEXOMA COUNCIL OF GOVERNMENTS

### Notes to the Financial Statements

April 30, 2015

#### 4. DETAILED NOTES ON ALL FUNDS (continued)

##### Retirement Plan

At April 30, 2015, substantially all employees were participants in the Texoma Council of Governments Employee Retirement Plan (the "Plan") administered by a corporate trustee, International City Management Association Retirement Corporation (ICMA-RC). The Plan is a defined contribution plan, which has been approved by the Internal Revenue Service for qualification under IRC Section 401(a), and provides retirement and death benefits based on a participant's vested interest. The Plan has a fiscal year-end of September 30. Employer contributions are 7% of participants' defined compensation, and participants are required to contribute 3% of their defined compensation. Employees may make voluntary after-tax contributions subject to certain limitations. Participants immediately vest in mandatory contributions, plus actual earnings thereon. Vesting in Council contributions is based on years of continuous service according to a schedule, which provides full vesting at the end of seven years. The Plan investments are stated at fair value. Investments in securities traded on a national securities exchange are valued daily at the last quoted sales price on the day valuations are made. Other equity securities which are not traded on a particular day are reported at the last reported bid price. Debt securities are valued at a price deemed to best reflect fair value. The Council's total payroll in fiscal year 2015 was \$2,443,698 and the Council's contributions were based on a payroll of \$2,285,322. Total contributions of \$228,674 were made for the year, which consisted of \$160,072 employer contributions and \$68,602 of required employee contributions.

##### Deferred Compensation Plan

The Council has an agreement with the ICMA-RC to provide a deferred compensation plan in accordance with the Internal Revenue Code, Section 457, on a voluntary basis to fulltime employees. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is only available to participants at employment termination, retirement, or for an unforeseeable emergency. The Council makes no contributions to the plan. In accordance with federal law, a trust fund was established for the deposit of Section 457 assets. The trust fund is for the exclusive benefit of plan participants and beneficiaries. Because the assets are not owned by the Council but are held in a trust, the deferred compensation assets and related liabilities are not reported in the Council's financial statements. The Council's fiduciary responsibilities are to submit participant payroll deductions and enrollment change forms to the plan administrator (ICMA-RC). Other than reviewing quarterly statements for accuracy, the Council has no other fiduciary responsibility. Investments are managed by the Plan's trustee with various investment options available. The choice of the investment option is made by the employee. TCOG employees contributed total amount of \$18,265 into the Plan during fiscal year 2015.

# TEXOMA COUNCIL OF GOVERNMENTS

## Notes to the Financial Statements

April 30, 2015

### 4. DETAILED NOTES ON ALL FUNDS (continued)

#### Interfund Balances and Transfers

The following tables reflect the interfund balances and interfund transfers at April 30, 2015. These are done to assist the funds with operations during the year and will be repaid as soon as practical.

<u>Interfund Balances</u>			<u>Interfund Operating Transfers</u>		
	<u>Due From</u>	<u>Due To</u>		<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 248,145	\$ 362,854	General	\$ -	\$ 48,539
HUD	-	75,831	TDHCA	7,825	-
CSEC	-	7,670	Other	40,713	-
TDHCA	-	72,581		<u>\$ 48,538</u>	<u>\$ 48,539</u>
TDADS	60,841	-			
Other	303,033	93,083			
	<u>\$ 612,019</u>	<u>\$ 612,019</u>			

#### Commitments and Contingencies

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

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

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

#### Subsequent Events

Management has evaluated subsequent events through the date of the independent auditor's report, which is the date on which the financial statements were available to be issued. With the exception of the event discussed in Note 4 under Long Term Debt, there are no subsequent events to disclose.

## **SUPPLEMENTARY INFORMATION**

**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES BY OBJECT -**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	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	\$ 2,695,914	\$ 308,027	\$ 46,875	\$ -
State	-	18,956	-	61,311
Local and In-kind	-	68,507	32,588	-
Interest Income	126	-	-	-
Total Revenues	<u>2,696,040</u>	<u>395,490</u>	<u>79,463</u>	<u>61,311</u>
EXPENDITURES				
Operational				
Direct Salaries	147,065	62,426	34,588	26,800
Benefit Program Costs	71,450	30,558	16,962	13,110
Indirect Costs	84,348	35,074	19,480	15,325
Travel	4,983	3,266	354	2,470
Supplies	12,759	1,761	1,249	2,643
Contracted Services	2,875	-	2,900	-
Capital Outlay	-	2,402	-	-
Other Direct Costs	-	9,743	1,505	-
Client Services				
Subcontracts	-	-	-	-
In-kind Services	-	60,680	31,168	-
Other	<u>2,372,560</u>	<u>158,296</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,696,040</u>	<u>364,206</u>	<u>108,206</u>	<u>60,348</u>
Excess (Deficiency) Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 31,284</u>	<u>\$ (28,743)</u>	<u>\$ 963</u>

**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES BY OBJECT -**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	Commission on State Emergency Communications	Texas Department of Housing and Community Affairs	Governor's Office Division of Emergency Management	Texas Department of Aging and Disability Services
REVENUES				
Federal	\$ -	\$ 2,237,217	\$ 69,042	\$ 1,248,763
State	1,339,558	-	-	99,947
Local and In-kind	-	-	-	1,023,528
Interest Income	70	-	-	-
Total Revenues	<u>1,339,628</u>	<u>2,237,217</u>	<u>69,042</u>	<u>2,372,238</u>
EXPENDITURES				
Operational				
Direct Salaries	72,155	281,716	25,795	381,370
Benefit Program Costs	35,313	138,092	12,646	184,228
Indirect Costs	35,341	160,361	14,561	210,412
Travel	11,089	37,065	1,877	17,348
Supplies	5,193	30,229	56	5,466
Contracted Services	6,187	1,600	2,855	2,730
Capital Outlay	717,234	11,424	-	12,072
Other Direct Costs	15,439	-	19,823	53,480
Client Services				
Subcontracts	118,944	709,414	-	1,417,452
In-kind Services	-	-	-	-
Other	322,733	895,088	-	-
Total Expenditures	<u>1,339,628</u>	<u>2,264,989</u>	<u>77,613</u>	<u>2,284,558</u>
Excess (Deficiency) Revenues Over Expenditures	<u>\$ -</u>	<u>\$ (27,772)</u>	<u>\$ (8,571)</u>	<u>\$ 87,680</u>

(continued)

**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES BY OBJECT -**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	Texas Health and Human Services Commission	Texas Commission on Environmental Quality	Local Funds	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>				
Federal	\$ -	\$ -	\$ -	\$ 6,605,838
State	400,296	51,408	-	1,971,476
Local and In-kind	6,071	-	1,523,669	2,654,363
Interest Income	45	-	-	241
<b>Total Revenues</b>	<u>406,412</u>	<u>51,408</u>	<u>1,523,669</u>	<u>11,231,918</u>
<b>EXPENDITURES</b>				
Operational				
Direct Salaries	183,323	21,589	658,116	1,894,943
Benefit Program Costs	89,824	10,546	322,156	924,885
Indirect Costs	70,229	12,454	267,818	925,403
Travel	4,336	1,225	1,639	85,652
Supplies	17,333	25	26,672	103,386
Contracted Services	6,000	-	132,788	157,935
Capital Outlay	-	-	-	743,132
Other Direct Costs	37,189	5,569	33,968	176,716
Client Services				
Subcontracts	-	-	18,179	2,263,989
In-kind Services	-	-	-	91,848
Other	-	-	16,247	3,764,924
<b>Total Expenditures</b>	<u>408,234</u>	<u>51,408</u>	<u>1,477,583</u>	<u>11,132,813</u>
Excess (Deficiency) Revenues				
Over Expenditures	<u>\$ (1,822)</u>	<u>\$ -</u>	<u>\$ 46,086</u>	<u>\$ 99,105</u>

(continued)

**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF INDIRECT COSTS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	2015 Actual	2014 Actual
Indirect Salaries	\$ 252,452	\$ 251,486
Employee Benefits	123,591	140,832
Advertising	-	20
Audit Services	33,925	29,075
Data Processing Services	-	2,600
Contracted Services	18,171	12,578
Depreciation Expense	119,968	119,968
Insurance & Bonding General	7,095	10,759
Legal Services	1,250	1,856
Postage	2,663	3,741
Printing	8	874
Mortgage Interest	17,696	27,568
Repair & Maintenance Building	34,245	27,775
Copy Center Expense	2,609	2,844
Sanitation Services	2,680	1,398
Supplies Office	9,175	5,134
Telephone Service	-	18,716
Travel Indirect Staff	14,292	16,798
Utilities	97,808	90,917
(Over) Under applied from Prior Year	-	
Total Indirect Costs	<u>737,628</u>	<u>764,939</u>
Less: Contributions To Indirect Costs	<u>(2,700)</u>	<u>(5,850)</u>
Net Indirect Costs	<u>\$ 734,928</u>	<u>\$ 759,089</u>
Basis for Indirect Cost Allocation		
Net Indirect Costs	\$ 734,928	\$ 759,089
Direct Salaries and Benefits	<u>2,819,828</u>	<u>2,981,239</u>
Indirect Cost Rate	<u>26.06%</u>	<u>25.46%</u>

**TEXOMA COUNCIL OF GOVERNMENTS**  
**COMPARISON OF BUDGETED VS ACTUAL INDIRECT COSTS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	2015 Budget			
	General & Admin	On-Site	Total	2015 Actual
Indirect Salaries	\$ 235,832	\$ -	\$ 235,832	\$ 252,452
Employee Benefits	116,029	-	116,029	123,591
Advertising	300	-	300	-
Audit Services	33,925	-	33,925	33,925
Contracted Services	-	10,660	10,660	18,171
Depreciation Expense	-	119,968	119,968	119,968
Insurance & Bonding General	-	9,020	9,020	7,095
Legal Services	3,000	-	3,000	1,250
Postage	4,000	-	4,000	2,663
Printing	2,000	-	2,000	8
Mortgage Interest	-	34,440	34,440	17,696
Repair & Maintenance Building	-	31,160	31,160	34,245
Copy Center Expense	4,500	-	4,500	2,609
Sanitation Services	-	1,230	1,230	2,680
Supplies Office	4,000	-	4,000	9,175
Travel Indirect Staff	13,400	-	13,400	14,292
Utilities	-	90,000	90,000	97,808
(Over) Under applied from Prior Year	35,309	-	35,309	-
Total Indirect Costs	452,295	296,478	748,773	737,628
Less: Contributions To Indirect Costs	-	(5,400)	(5,400)	(2,700)
Net Indirect Costs	\$ 452,295	\$ 291,078	\$ 743,373	\$ 734,928
Basis for Indirect Cost Allocation				
Net Indirect Costs	\$ 452,295	\$ 291,078		\$ 734,928
Adjusted Direct Salaries and Benefits	2,570,119	2,080,381		2,819,828
Indirect Cost Rate	17.60%	13.99%	31.59%	26.06%



**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EMPLOYEE BENEFITS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	2015 Actual	2014 Actual
Sick Leave	\$ 66,827	\$ 67,918
Annual Leave	112,373	130,353
Holidays	105,340	100,581
Funeral Leave	3,935	3,891
Admin Leave	7,828	7,881
Crisis Leave	-	1,949
	<u>296,303</u>	<u>312,573</u>
Payroll Taxes	180,473	182,739
Retirement	123,161	117,500
Workers Comp Insurance	8,098	13,794
Unemployment Insurance	2,648	11,201
Group Insurance	368,059	417,231
Employee Assistance Program	1,440	1,488
Air Ambulance Membership	217	5,354
	<u>684,096</u>	<u>749,307</u>
Total Benefits	<u>\$ 980,399</u>	<u>\$ 1,061,880</u>
Basis for Employee Benefit Allocation not including Employee Benefits in Base:		
Total Employee Benefits	980,399	1,061,880
Chargeable Time (See Below)	2,523,525	1,850,601
Employee Benefit Rate	<u>38.85%</u>	<u>57.38%</u>
Computation Of Chargeable Time		
Gross Salaries	2,819,828	2,163,174
Less: Fringe Benefit Costs Per Schedule Of Employee Benefits		
Which Are Not Included In Chargeable Time	<u>(296,303)</u>	<u>(312,573)</u>
Chargeable Time For Basis Of Allocation Of Employee Benefits \$	<u>2,523,525</u>	<u>\$ 1,850,601</u>

**TEXOMA COUNCIL OF GOVERNMENTS**  
**COMPARISON OF BUDGETED VS ACTUAL EMPLOYEE BENEFITS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	2015 Budget	2015 Actual
Sick Leave	\$ 61,938	\$ 66,827
Annual Leave	123,877	112,373
Holidays	96,819	105,340
Funeral Leave	3,500	3,935
Admin Leave	4,000	7,828
Crisis Leave	-	-
	<u>290,134</u>	<u>296,303</u>
 Payroll Taxes	 189,531	 180,473
Retirement	147,190	123,161
Workers Comp Insurance	8,100	8,098
Unemployment Insurance	12,825	2,648
Group Insurance	379,872	368,059
Employee Assistance Program	1,710	1,440
Air Ambulance Membership	2,280	217
Over (Under) Applied from Prior Period	27,382	-
	<u>768,890</u>	<u>684,096</u>
 Total Benefits	 <u>\$ 1,059,024</u>	 <u>\$ 980,399</u>
 Basis for Employee Benefit Allocation not including Employee Benefits in Base		
Total Employee Benefits	1,059,024	980,399
Chargeable Time (See Below)	2,179,400	2,523,525
 Employee Benefit Rate	 <u>48.60%</u>	 <u>38.85%</u>
 Computation Of Chargeable Time		
Gross Salaries	2,477,534	2,819,828
Less: Fringe Benefit Costs Per Schedule Of Employee Benefits		
Which Are Not Included In Chargeable Time	(298,134)	(296,303)
Chargeable Time For Basis Of Allocation Of Employee Benefits	<u>\$ 2,179,400</u>	<u>\$ 2,523,525</u>

**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CENTRAL SERVICE I.T. COSTS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	<u>2015 Actual</u>	<u>2014 Actual</u>
Contracted Services	\$ 192,328	\$ 207,827
Supplies	1,353	1,045
Software Maintenance	3,988	11,859
Telephone Service	<u>28,503</u>	<u>6,556</u>
Total Costs	<u><u>\$ 226,172</u></u>	<u><u>\$ 227,287</u></u>
Basis for Central Service IT Costs Allocation:		
Net CIT Costs	226,172	227,287
Direct Salaries And Benefits	<u>2,819,828</u>	<u>2,981,239</u>
CIT Cost Rate	<u><u>8.02%</u></u>	<u><u>7.62%</u></u>

**TEXOMA COUNCIL OF GOVERNMENTS**  
**COMPARISON OF BUDGETED VS ACTUAL CENTRAL SERVICE I.T. COSTS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	<u>2015 Budget</u>	<u>2015 Actual</u>
Contracted Services	\$ 165,960	\$ 192,328
Supplies	1,500	1,353
Software Maintenance	-	3,988
Telephone Service	24,364	28,503
(Over) Under applied from Prior Year	23,881	-
Total Costs	<u>\$ 215,705</u>	<u>\$ 226,172</u>
Basis for Central Service IT Costs Allocation:		
Net CIT Costs	215,705	226,172
Adjusted Salaries and Benefits	<u>2,570,119</u>	<u>2,819,828</u>
CIT Cost Rate	<u>8.39%</u>	<u>8.02%</u>

**TEXOMA COUNCIL OF GOVERNMENTS**  
**REAL ESTATE ASSESSMENT CENTER**  
**FINANCIAL ASSESSMENT SUBSYSTEM (FASS-PH)**  
**FINANCIAL DATA SCHEDULES (FDS)**  
**SCHEDULE I: BALANCE SHEET**  
**AS OF APRIL 30, 2015**

PHA CODE:	TX542 Fiscal Year End date: 12/31/2014
PHA NAME:	Texoma Council of Governments
SUBMISSION TYPE:	Audited/A-133
PROGRAM NAME:	Housing Choice Vouchers

Line Item #	Description	Value
<b>Assets</b>	<b>Current Assets Cash:</b>	
111	Cash-Unrestricted	\$ 165,164
113	Cash - Other Restricted	85,059
<b>100</b>	<b>Total Cash</b>	<b>250,223</b>
	<b>Receivables</b>	
124	Accounts Receivable - Other Government	-
<b>120</b>	<b>Total Receivables, Net of Allowance for Doubtful Accounts</b>	<b>-</b>
<b>150</b>	<b>Total Current Assets</b>	<b>250,223</b>
<b>190</b>	<b>Total Assets</b>	<b>\$ 250,223</b>
<b>Liabilities</b>		
<b>and Equity</b>	<b>Liabilities</b>	
	<b>Current Liabilities</b>	
312	Account Payable <= 90 Days	\$ 325
333	Accounts Payable - Other Government	75,831
342	Deferred Revenues	121,329
<b>310</b>	<b>Total Current Liabilities</b>	<b>197,485</b>
<b>350</b>	<b>Total Non-Current Liabilities</b>	<b>-</b>
<b>Equity</b>	<b>Equity</b>	
509.3	Restricted Fund Balance	52,738
<b>513</b>	<b>Total Equity/Net Position</b>	<b>52,738</b>
<b>600</b>	<b>Total Liabilities and Equity/Net Position</b>	<b>\$ 250,223</b>

**TEXOMA COUNCIL OF GOVERNMENTS**  
**REAL ESTATE ASSESSMENT CENTER**  
**FINANCIAL ASSESSMENT SUBSYSTEM (FASS-PH)**  
**FINANCIAL DATA SCHEDULES (FDS)**  
**SCHEDULE II: INCOME STATEMENT**  
**FOR THE YEAR ENDED APRIL 30, 2015**

PHA CODE:	TX542 Fiscal Year End date: 12/31/2014
PHA NAME:	Texoma Council of Governments
SUBMISSION TYPE:	Audited/A-133
PROGRAM NAME:	Housing Choice Vouchers

Line Item #	Description	Value
70600	HUD PHA Operating Grants	\$ 2,695,914
71100	Investment Income - Unrestricted	126
<b>70000</b>	<b>Total Revenue</b>	<b>2,696,040</b>
	Expenses Administrative	
91100	Administrative Salaries	112,920
91200	Auditing Fees	2,875
91500	Employee Benefit Contributions-Administrative	55,271
91600	Office Expenses	12,759
91800	Travel	4,983
91810	Allocated Overhead	64,880
<b>91000</b>	<b>Total Operating - Administrative</b>	<b>253,688</b>
92100	Tenant Services - Salaries	34,145
92300	Employee Benefit Contributions - Tenant Services	16,179
92400	Tenant Services - Other	19,468
<b>92500</b>	<b>Total Tenant Services</b>	<b>69,792</b>
<b>96900</b>	<b>Total Operating Expenses</b>	<b>323,480</b>
<b>97000</b>	<b>Excess of Operating Revenue over Operating Expenses</b>	<b>2,372,560</b>
97300	Housing Assistance Payments	2,372,560
<b>90000</b>	<b>Total Expenses</b>	<b>2,696,040</b>
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-
11030	Beginning Equity	52,738
11170	Administrative Fee Equity	51,113
11180	Housing Assistance Payments Equity	1,625
11190	Unit Months Available	7,879
11210	Number of Unit Months Leased	5,768

## **SINGLE AUDIT SECTION**



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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Texoma Council of Governments (the Council), as of and for the year ended April 30, 2015, 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 10, 2015.

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

A handwritten signature in black ink that reads "J. Follett and Abbott PLLC". The signature is written in a cursive, flowing style.

Tom Bean, Texas  
September 10, 2015



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

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

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

**Report on Compliance for Each Major Federal Program**

We have audited the Texoma Council of Governments (Council) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended April 30, 2015. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2015.

## Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "J. Follett and Abbott PLLC". The signature is written in a cursive, flowing style.

Tom Bean, Texas  
September 10, 2015

TEXOMA COUNCIL OF GOVERNMENTS  
Schedule of Expenditures of Federal and State Awards  
Year Ended April 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U. S. Department of Commerce</b>			
Direct Programs:			
Investment for Public Works and Economic Development Facilities 2014	11.302	08-83-04752	30,000
Investment for Public Works and Economic Development Facilities 2015	11.302	08-83-05011	16,875
Total U. S. Department of Commerce			46,875
<b>U. S. Department of Housing and Urban Development</b>			
Direct Programs:			
Section 8 Housing Choice Vouchers 2014	14.871	TX542	1,773,166
Section 8 Housing Choice Vouchers 2015	14.871	TX542	922,748
Total Direct Programs			2,695,914
Pass-Through from:			
Office of Rural Community Affairs:			
Community Development Block Grants - State's Program	14.228	C710212	-
Total Pass-Through Programs			-
Total U. S. Department of Housing and Urban Development			2,695,914
<b>U.S. Department of Housing and Community Affairs</b>			
Pass-Through from:			
Texas Department of Housing and Community Affairs:			
Weatherization Assistance Program	81.042	56110001913	3,909
Weatherization Assistance Program	81.042	56140002010	80,775
Weatherization Assistance Program	81.042	56130001938	107,409
Subtotal			192,093
Comprehensive Energy Assistance Program 2014	93.568	58140001818	762,375
Comprehensive Energy Assistance Program 2015	93.568	58130001650	208,497
Subtotal			970,872
Low-Income Home Energy Assistance	93.568	81130001736	617,972
Low-Income Home Energy Assistance	93.568	81140001888	147,847
Subtotal			765,819
Community Services Block Grant	93.569	61130001600	242,283
Community Services Block Grant	93.569	61140001861	66,150
Subtotal			308,433
Total U.S. Department of Housing and Community Affairs			2,237,217
<b>U. S. Department of Health and Human Services</b>			
Pass-Through from:			
Texas Department of Aging and Disability Services:			
Aging Cluster			
Special Program for the Aging - Title III, Part B	93.044	539-11-0025-00001	300,382
Special Program for the Aging - Title III, Part B	93.044	539-11-0025-00001	24,042
Subtotal			324,424
Special Program for the Aging - CMS MFP	93.791	539-11-0025-00001	4,200
Special Program for the Aging - CMS MFP	93.791	539-11-0025-00001	807
Subtotal			5,007
Special Program for the Aging - Title III, Part C	93.045	539-11-0025-00001	193,277
Special Program for the Aging - Title III, Part C	93.045	539-11-0025-00001	198,965
Subtotal			392,242

TEXOMA COUNCIL OF GOVERNMENTS  
Schedule of Expenditures of Federal and State Awards  
Year Ended April 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U. S. Department of Health and Human Services (continued)</b>			
Pass-Through from:			
Texas Department of Aging and Disability Services (continued):			
National Services Incentive Program	93.053	539-11-0025-00001	127,889
National Services Incentive Program	93.053	539-11-0025-00001	97,723
Subtotal			225,612
Special Program for the Aging - Title VII, Chapter 3	93.041	539-11-0025-00001	122
Special Program for the Aging - Title VII, Chapter 3	93.041	539-11-0025-00001	2,400
Special Program for the Aging - Title VII, Chapter 2	93.042	539-11-0025-00001	3,389
Special Program for the Aging - Title VII, Chapter 2	93.042	539-11-0025-00001	17,835
Special Program for the Aging - Title III, Part D	93.043	539-11-0025-00001	2,385
Special Program for the Aging - Title III, Part D	93.043	539-11-0025-00001	2,974
Subtotal			29,105
National Family Caregiver Support, Title III, Part E	93.052	539-11-0025-00001	33,217
National Family Caregiver Support, Title III, Part E	93.052	539-11-0025-00001	49,723
Subtotal			82,940
CMS Research, Development and Evaluation	93.789	539-11-0025-00001	16,996
CMS Research, Development and Evaluation	93.789	539-11-0025-00001	43,750
Subtotal			60,746
CMS CDAP State Health Insurance Assistance Program (DEEP)	93.789	539-11-0025-00001	922
CMS CDAP State Health Insurance Assistance Program (DEEP)	93.789	539-11-0025-00001	-
Subtotal			922
ATRA-MIPPA Priority 2	93.071	539-09-0223-00001	19,293
ATRA-MIPPA Priority 2	93.071	539-09-0223-00001	-
Subtotal			19,293
Aging And Disability Resource Center	93.791	539-14-0475-00007	108,472
Total Texas Department of Aging and Disability Services			1,248,763
<b>Corporation for National and Community Service</b>			
Direct Programs:			
Retired Senior Volunteer Program	94.002	10SRWTX007	55,601
Retired Senior Volunteer Program	94.002	13SRWTX004	65,152
Subtotal			120,753
Foster Grandparent Program	94.011	12SFWTX001	80,910
Foster Grandparent Program	94.011	12SFWTX001	106,364
Subtotal			187,274
Total Corporation for National and Community Services			308,027
<b>U. S. Department of Homeland Security</b>			
Pass-Through from:			
Governor's Division of Emergency Management:			
State Homeland Security Program	97.067	2011-SS-00019	2,855
State Homeland Security Program	97.073	2012-SS-00018	19,793
State Homeland Security Program	97.067	2013-SS-00045	39,634
State Homeland Security Program	97.067	2014-SS-00029	6,761
Total Governor's Division of Emergency Management			69,042
Total U. S. Department of Homeland Security			69,042
<b>Total Expenditures of Federal Awards</b>			<b>6,605,838</b>

TEXOMA COUNCIL OF GOVERNMENTS  
Schedule of Expenditures of Federal and State Awards  
Year Ended April 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>Governor's Office - Criminal Justice Division</b>			
Regional Criminal Justice Coordination		300-5-1532	31,290
Regional Criminal Justice Coordination		300-4-1212	30,021
Total Governor's Office - Criminal Justice Division			<u>61,311</u>
<b>Commission on State Emergency Communications</b>			
Emergency 911 - 2014/2015		None	394,181
Emergency 911 - 2013/2014		None	529,736
Emergency 911 - 2012/2013		None	415,641
Total Commission on State Emergency Communications			<u>1,339,558</u>
<b>Texas Commission on Environmental Quality</b>			
Regional Solid Waste Grant		582-12-10164	-
Regional Solid Waste Grant		582-14-40593	51,408
Total Texas Commission on Environmental Quality			<u>51,408</u>
<b>Texas Department of Aging and Disability Services</b>			
State General Revenue		None	9,044
State General Revenue		None	81,592
SGR Assisted Living Facility (ALF)		None	2,695
SGR Assisted Living Facility (ALF)		None	6,616
Residential Repair Program		539-08-0223-00001	-
Subtotal			<u>99,947</u>
Passed through Corporation for National and Community Service:			
Retired Senior Volunteer Program		13RZWTX003	7,087
Retired Senior Volunteer Program		11RZWTX011	6,868
Foster Grandparant Program		13FZWTX005	-
Foster Grandparant Program		13FZWTX005	5,000
			<u>18,956</u>
Total Texas Department of Aging and Disability Services			<u>118,903</u>
<b>Texas Health and Human Services Commission</b>			
211 Area Informatin Center Operations		HHSC 529-07-0105-00005E	261,037
211 Area Informatin Center Operations		HHSC 529-11-0063C	139,258
Total Texas Health and Human Services Commission			<u>400,296</u>
<b>Total Expenditures of State Awards</b>			<b><u>1,971,476</u></b>
Total Expenditures of Federal and State of Texas Awards			<u><u>\$ 8,577,313</u></u>

**TEXOMA COUNCIL OF GOVERNMENTS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AND STATE AWARDS**  
**APRIL 30, 2015**

1. Fund Accounting

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

2. Basis of Accounting

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

**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

2015

Type of auditor’s reports issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted? No

Federal and State Awards

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 and state awards as defined by the State of Texas Uniform Grant Management Standards? No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers

Identification of major state programs:

Name of State Program  
Emergency 911

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

Auditee qualified as a low-risk auditee? YES



**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED APRIL 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There are no matters to report in this section.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There are no matters to report in this section.

**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

**2014-001**

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

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There are no matters to report in this section.

**STATISTICAL SECTION**  
**(Unaudited)**

**TEXOMA COUNCIL OF GOVERNMENTS  
GRANT REGISTER  
YEAR ENDED APRIL 30, 2015**

CFDA No.	Fund Source	ACCT NO.	TYPE OF PROGRAM	CONTRACT NO.	GRANT PERIOD	TOTAL	FYE2015 Expenditures
<b>STATE FUNDS AND FEDERAL FUNDS PASSED THROUGH STATE AGENCIES</b>							
			Governor's Division of Criminal Justice				
	State	30376	Regional Criminal Justice Coordination	300-5-1532	09/01/14 TO 08/31/15	59,497	31,290
	State	30374	Regional Criminal Justice Coordination	300-4-1212	09/01/13 TO 08/31/14	59,497	30,021
			Agency Total			<u>118,994</u>	<u>61,311</u>
			Governor's Division of Emergency Management				
98.039	Federal	30383	Homeland Security 2014	2014SHSP	02/15/15 TO 10/15/15	48,857	6,761
98.039	Federal	30382	Homeland Security 2013	2013SHSP	09/01/13 TO 05/31/15	45,898	39,634
98.039	Federal	30381	Homeland Security 2012	2012SHSP	09/01/12 TO 07/31/14	40,074	19,793
98.039	Federal	30380	Homeland Security 2013	2013SHSP	02/16/13 TO 11/30/13	47,143	2,855
			Agency Total			<u>181,972</u>	<u>69,042</u>
			Commission on State Emergency Communications				
	State	30332	Emergency 911	None	09/01/14 TO 08/31/15	1,048,340	394,181
	State	30331	Emergency 911	None	09/01/13 TO 08/31/14	1,085,802	529,736
	State	30330	Emergency 911	None	09/01/12 TO 08/31/13	1,174,108	415,641
			Agency Total			<u>3,308,250</u>	<u>1,339,558</u>
			Texas Commission on Environmental Quality				
	State	30370	Solid Waste Plan Implementation	582-14-40593	09/01/13 TO 08/31/15	115,000	51,408
			Agency Total			<u>115,000</u>	<u>51,408</u>
			Texas Department of Housing & Community Affairs				
93.568	Federal	20278	LIHEAP Weatherization 2014/2015	81140001888	01/01/14 TO 12/31/14	635,261	617,972
93.568	Federal	20231	LIHEAP Weatherization 2015	81150002155	01/04/15 TO 12/31/15	484,782	147,847
93.568	Federal	20222	Comprehensive Energy Assistance 2014	58140001818	01/01/14 TO 12/31/14	762,418	762,375
93.568	Federal	20234	Comprehensive Energy Assistance 2015	58150002127	01/01/15 TO 12/31/15	667,508	208,497
93.569	Federal	20223	Community Services Block Grant 2014	61140001861	01/01/14 TO 12/31/14	229,860	242,283
93.569	Federal	20235	Community Services Block Grant 2015	61150002196	01/04/15 TO 12/31/15	231,634	66,150
81.042	Federal	20230	Weatherization Assistance Program 2014	56140002010	09/08/14 TO 03/31/15	118,268	80,775
81.042	Federal	20279	Weatherization Assistance Program	56110001913	04/01/14 TO 07/31/14	42,542	3,909
81.042	Federal	20280	Weatherization Assistance Program 2013-2015	56130001938	09/15/13 TO 03/31/14	119,422	107,409
			Agency Total			<u>3,291,695</u>	<u>2,237,217</u>

**TEXOMA COUNCIL OF GOVERNMENTS  
GRANT REGISTER  
YEAR ENDED APRIL 30, 2015**

CFDA No.	Fund Source	ACCT NO.	TYPE OF PROGRAM	CONTRACT NO.	GRANT PERIOD	TOTAL	FYE2015 Expenditures
<b>STATE FUNDS AND FEDERAL FUNDS PASSED THROUGH STATE AGENCIES</b>							
		Texas Department on Aging & Disability Services					
	State	50565	General Revenue		09/01/14 TO 08/31/15	86,733	81,592
	State	50565	SGR - Assisted Living Facilities		09/01/14 TO 08/31/15	10,299	6,616
93.044	Federal	50565	Texoma AAA Title IIIB	VARIOUS NFA	10/01/14 TO 09/30/15	532,099	24,042
93.045	Federal	50565	Texoma AAA Title IIIC	VARIOUS NFA	10/01/14 TO 09/30/15	432,268	198,965
93.053	Federal	50565	Texoma AAA NSIP	VARIOUS NFA	10/01/14 TO 09/30/15	150,693	97,723
93.043	Federal	50565	Texoma AAA Title IIID	VARIOUS NFA	10/01/14 TO 09/30/15	10,248	2,974
93.052	Federal	50565	Texoma AAA Title IIIE	VARIOUS NFA	10/01/14 TO 09/30/15	77,304	49,723
93.042	Federal	50565	Texoma AAA Title VII-OAG	VARIOUS NFA	10/01/14 TO 09/30/15	17,835	17,835
93.041	Federal	50565	Texoma AAA Title VII-EAP	VARIOUS NFA	10/01/14 TO 09/30/15	2,400	2,400
93.779	Federal	50565	CMS HCFA	VARIOUS NFA	10/01/14 TO 09/30/15	81,111	43,750
93.791	Federal	50565	HHS-CMS-MFPD	VARIOUS NFA	10/01/14 TO 09/30/15	4,494	807
93.071	Federal	50565	ACL MIPPA Priority 2	VARIOUS NFA	10/01/14 TO 09/30/15	2,053	-
93.044	Federal	50555	Texoma AAA Title IIIB	VARIOUS NFA	10/01/13 TO 09/30/14	589,797	300,382
93.045	Federal	50555	Texoma AAA Title IIIC	VARIOUS NFA	10/01/13 TO 09/30/14	345,239	193,277
93.053	Federal	50555	Texoma AAA NSIP	VARIOUS NFA	10/01/13 TO 09/30/14	167,933	127,889
93.043	Federal	50555	Texoma AAA Title IIID	VARIOUS NFA	10/01/13 TO 09/30/14	3,420	2,385
93.052	Federal	50555	Texoma AAA Title IIIE	VARIOUS NFA	10/01/13 TO 09/30/14	73,690	33,217
93.042	Federal	50555	Texoma AAA Title VII-OAG	VARIOUS NFA	10/01/13 TO 09/30/14	17,991	3,389
93.041	Federal	50555	Texoma AAA Title VII-EAP	VARIOUS NFA	10/01/13 TO 09/30/14	2,435	122
93.779	Federal	50555	CMS HCFA	VARIOUS NFA	10/01/13 TO 09/30/14	16,996	16,996
93.791	Federal	50555	HHS-CMS-MFPD	VARIOUS NFA	10/01/13 TO 09/30/14	4,200	4,200
93.789	Federal	50556	HHS-CMS-DEEP	VARIOUS NFA	10/01/13 TO 09/30/14	922	922
93.071	Federal	50555	ACL MIPPA Priority 2	VARIOUS NFA	10/01/13 TO 09/30/14	19,293	19,293
	State	50555	General Revenue		09/01/13 TO 08/31/14	87,090	9,044
	State	50555	SGR - Assisted Living Facilities		09/01/13 TO 08/31/14	10,431	2,695
					Subtotal	2,746,974	1,240,238
93.791	Federal	50560	ADRC	539-14-0475-00007	10/01/15 TO 09/30/15	229,033	108,472
			Agency Total			2,976,007	1,348,710
		Texas Health and Human Services Commission					
	State	20221	211 Area Information Center Operations	529-11-0001-00004	09/01/14 TO 08/31/15	397,052	261,037
	State	20221	211 Area Information Center Operations	529-11-0001-00004	09/01/13 TO 08/31/14	397,052	139,258
			Agency Total			794,105	400,296

**TEXOMA COUNCIL OF GOVERNMENTS  
GRANT REGISTER  
YEAR ENDED APRIL 30, 2015**

CFDA No.	Fund Source	ACCT NO.	TYPE OF PROGRAM	CONTRACT NO.	GRANT PERIOD	TOTAL	FYE2015 Expenditures
<b>STATE FUNDS AND FEDERAL FUNDS PASSED THROUGH STATE AGENCIES</b>							
<b>STATE FUNDS PASSED THROUGH FEDERAL AGENCY</b>							
	State	50557	RSVP	13RZWTX003	07/01/14 TO 06/30/15	24,621	6,868
	State	50554	RSVP	13RZWTX003	07/01/13 TO 06/30/14	24,621	7,087
	State	50558	Foster Grandparents	13FZWTX005	11/15/13 TO 06/30/15	5,000	5,000
	State	50556	Foster Grandparents	13FZWTX005	11/15/13 TO 08/31/14	5,000	-
			Total			59,242	18,956
<b>DIRECT FEDERAL FUNDS</b>							
14.871	Federal	20281	Section 8 Voucher 2015	TX542	01/01/15 TO 12/31/15	2,824,781	922,748
14.871	Federal	20255	Section 8 Voucher 2014	TX542	01/01/14 TO 12/31/14	2,954,841	1,773,166
11.300	Federal	30329	Public Works & Economic Development	08-83-04752	01/01/13 TO 12/31/15	234,608	16,875
11.300	Federal	30329	Public Works & Economic Development Act of 1965 (Section 301B)	08-83-04752	01/01/12 TO 12/31/14	300,000	30,000
						6,314,230	2,742,789
94.011	Federal	50549	Foster Grandparent 2014-2015	12SFWTX001	09/30/14 TO 06/30/15	204,640	106,364
94.011	Federal	50556	Foster Grandparent 2013-2014	12SFWTX001	09/30/13 TO 09/29/14	241,429	80,910
94.002	Federal	50550	RSVP 2012-2013	13SRWTX004	07/01/14 TO 06/30/15	86,600	65,152
94.002	Federal	50554	RSVP 2013-2014	13SRWTX004	07/01/13 TO 06/30/14	88,305	55,601
			Direct Federal Funding Total			6,935,204	3,050,816
			Grand Total				8,577,313

**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>
2006	3	31	43	77
2007	3	31	42	76
2008	3	29	44	76
2009	3	31	46	80
2010	3	30	45	78
2011	3	32	40	75
2012	3	31	44	78
2013	3	29	38	70
2014	3	31	41	75
2015	3	29	39	71

<u>Fiscal Year</u>	<u>County Dues</u>	<u>City Dues</u>	<u>Other Dues</u>	<u>Total Dues</u>
2006	12,800	23,342	10,712	46,854
2007	12,800	23,465	10,712	46,977
2008	12,800	23,191	11,012	47,003
2009	12,800	23,529	9,607	45,936
2010	12,800	23,365	10,172	46,337
2011	13,455	24,917	10,078	48,450
2012	13,134	24,964	9,625	47,723
2013	13,193	23,919	9,916	47,028
2014	13,193	25,005	9,155	47,353
2015	13,193	23,433	8,405	45,031

**TEXOMA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF MEMBERSHIP DUES**

**YEARS ENDED APRIL 30, 2015 AND 2014**

MEMBER ENTITY	2015	2014
Cooke County	\$ 3,748	\$ 3,748
Fannin County	2,992	2,992
Grayson County	6,453	6,453
<b>County Total</b>	<b>13,193</b>	<b>13,193</b>
City of Bells	-	262
City of Bonham	2,089	2,089
City of Callisburg	100	100
City of Collinsville	-	320
City of Denison	4,840	4,840
City of Dodd City	100	100
City of Ector	135	135
City of Gainesville	3,310	3,310
City of Gunter	-	352
City of Honey Grove	366	366
City of Howe	582	582
City of Knollwood	100	100
City of Ladonia	-	140
City of Leonard	394	394
Town of Lindsay	200	200
City of Muenster	334	334
Town of Oak Ridge	-	-
City of Pottsboro	452	452
Town of Ravenna	-	100
City of Sadler	100	100
City of Savoy	171	171
City of Sherman	7,738	7,738
City of Southmayd	215	215
City of Tioga	190	190
City of Tom Bean	203	203
City of Trenton	-	223
City of Valley View	-	175
City of Van Alstyne	555	555
City of Whitesboro	826	826
City of Whitewright	333	333
Town of Windom	100	100
<b>City Total</b>	<b>23,433</b>	<b>25,005</b>



**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF MEMBERSHIP DUES (continued)**  
**YEARS ENDED APRIL 30, 2015 AND 2014**

MEMBER ENTITY	2015	2014
Bonham ISD	378	378
Denison ISD	880	880
Dodd City ISD	100	100
Ector ISD	100	100
Era ISD	100	100
Fannindell ISD	100	100
Gainesville ISD	-	632
Grayson County College	746	746
Honey Grove ISD	120	120
Leonard ISD	176	176
Muenster ISD	100	100
Muenster Sacred Heart	100	-
North Central Texas College (CC Campus only)	451	451
Pottsboro ISD	246	246
Sam Rayburn ISD	-	100
Savoy ISD	100	100
Sherman ISD	1,333	1,333
Tom Bean ISD	-	156
Van Alstyne ISD	-	267
Whitesboro ISD	305	-
Denison Chamber of Commerce	100	100
Associate Memberships Texoma Housing Partners	2,970	2,970
<b>Other Total</b>	<u>8,405</u>	<u>9,155</u>
<b>Grand Total</b>	<u><u>\$ 45,031</u></u>	<u><u>\$ 47,353</u></u>

TEXOMA COUNCIL OF GOVERNMENTS  
REVENUES BY SOURCE AND AUTHORIZED STAFF  
Last Ten Fiscal Years Ended  
(Unaudited)

Fiscal Year	Member Government Dues	Local Govt Income/In-Kind Contributions	Interest Income	State Funds	State Administered Grants	Federal Grants	Totals	Authorized Full-Time Positions
2006	46,854	1,402,716	1,592	1,554,795	2,877,185	3,375,359	9,258,501	77
2007	46,977	1,371,191	1,420	1,837,362	2,774,263	3,513,869	9,545,082	76
2008	47,003	2,269,921	1,397	1,932,824	3,307,267	2,550,917	10,109,329	68
2009	45,936	2,132,838	3,485	2,407,434	2,858,907	3,243,396	10,691,996	66
2010	46,337	2,490,098	3,640	2,141,700	5,526,117	4,607,334	14,815,226	68
2011	48,450	3,892,293	1,899	1,440,445	8,548,810	4,191,292	18,123,189	84
2012	47,723	2,899,507	1,790	1,726,466	6,879,902	3,258,587	14,813,975	80
2013	47,028	2,857,569	598	1,260,402	3,689,647	2,540,670	10,395,914	62
2014	47,353	3,192,743	240	1,644,156	3,069,648	3,115,435	11,069,575	58
2015	45,031	2,893,552	288	1,971,476	3,555,022	3,050,816	11,516,185	58

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

Fiscal <u>Year</u>	<u>Amount</u>
2006	\$ 9,232,191
2007	\$ 9,399,667
2008	\$ 9,659,356
2009	\$ 10,824,295
2010	\$ 14,290,954
2011	\$ 17,906,877
2012	\$ 14,889,053
2013	\$ 11,275,356
2014	\$ 11,130,735
2015	\$ 11,223,642

**TEXOMA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF INSURANCE IN FORCE**  
**APRIL 30, 2015**  
**(UNAUDITED)**

<u>Insurance Carrier &amp; Policy Number</u>	<u>Coverage</u>	<u>Limits of Liability</u>	<u>Deductibles</u>
Texas Municipal League 5208-14	General Liability	\$1,000,000 each occurrence \$1,000,000 sudden events involving pollution - each occurrence \$2,000,000 annual aggregate	None
Texas Municipal League 5208-14	Automobile Liability & Physical Damage	\$1,000,000 liability (hired, owned and non-owned), \$2500 medical payments Actual cash value comprehensive & collision	Comprehensive & collision: \$250 per vehicle
Texas Municipal League 5208-14	Public Officials Errors & Omissions	\$1,000,000 each occurrence \$2,000,000 annual aggregate 7/24/88 retroactive date Covers Governing Body & staff	\$5,000 each claim
Texas Municipal League 5208-14	Property	\$3,634,661 real and personal property \$1,000,000 newly acquired property \$1,000,000 transit \$100,000 valuable papers \$10,000 accounts receivable \$50,000 loss of revenues, extra expense, & rents \$10,000 Outdoor Trees & Shrubs \$5,000 Personal Property of Employees & Officials \$5,000 Leasehold Interest	\$500 each loss
Texas Municipal League 5208-14	Crime Coverage	\$100,000 Employee Dishonesty including "Faithful Performance"	\$250
Texas Municipal League 5208-14	Workers Compensation 5208	Workers compensation statutory employer's liability: \$500,000	None