

**TEXOMA COUNCIL OF GOVERNMENTS**

**ANNUAL FINANCIAL REPORT**

**APRIL 30, 2020**

**TEXOMA COUNCIL OF GOVERNMENTS**

Table of Contents

April 30, 2020

|  | <u>Page No.</u> |
|--|-----------------|
| <b>INTRODUCTORY SECTION</b>  |                 |
| Letter of Transmittal .....  | i-iii           |
| Member Governments .....   | iv              |
| Organization Chart .....   | v               |
| <b>FINANCIAL SECTION</b>   |                 |
| Independent Auditors' Report .....   | 1-2             |
| Management's Discussion and Analysis .....   | 3-7             |
| Basic Financial Statements:  |                 |
| Statement of Net Position .....  | 8               |
| Statement of Activities .....  | 9               |
| Balance Sheets – Governmental Funds .....  | 10              |
| Statements of Revenues, Expenditures, and Changes in Fund<br>Balances – Governmental Funds.....  | 11              |
| Reconciliation of the Statements of Revenues, Expenditures<br>and Changes in Fund Balances of Governmental Funds to the<br>Statement of Activities ..... | 12              |
| Notes to Financial Statements .....  | 13-24           |
| <b>SUPPLEMENTAL INFORMATION</b>  |                 |
| Schedule of Revenues and Expenditures by Object – Special<br>Revenue Funds .....   | 25-27           |
| Schedule of Indirect Costs .....   | 28              |
| Comparison of Budgeted Vs. Actual Indirect Costs .....   | 29              |
| Real Estate Assessment Center Financial Assessment Subsystem (FASS-PH)<br>Financial Data Schedules (FDS)   |                 |
| Schedule I – Balance Sheet .....   | 30              |
| Schedule II – Income Statement .....   | 31              |

**TEXOMA COUNCIL OF GOVERNMENTS**

Table of Contents (Continued)

April 30, 2020

| <b>SINGLE AUDIT SECTION</b>  | <u>Page No.</u> |
|--|-----------------|
| Independent Auditors' 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 ..... | 32-33           |
| Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and the State of Texas Uniform Grant Management Standards .....               | 34-35           |
| Schedule of Expenditures of Federal and State Awards .....   | 36-39           |
| Notes to the Schedule of Expenditures of Federal and State Awards .....  | 40              |
| Schedule of Findings and Questioned Costs .....  | 41-43           |
| Summary Schedule of Prior Year Findings and Questioned Costs .....   | 44              |
| Corrective Action Plan .....   | 45              |
| <br><b>STATISTICAL SECTION</b>   |                 |
| Grant Register .....   | 46-49           |
| Membership Profile .....   | 50              |
| Schedule of Membership Dues .....  | 51-52           |
| Revenues by Source and Authorized Staff .....  | 53              |
| Total Governmental Funds Expenditures .....  | 54              |
| Schedule of Insurance in Force .....   | 55              |

## **INTRODUCTORY SECTION**

August 25, 2020

Jeff Whitmire  
President of the Governing Body  
Texoma Council of Governments  
1117 Gallagher Drive, Suite 470  
Sherman, Texas 75090

Dear Mr. Whitmire:

Texoma Council of Governments Annual Audit Report including financial statements, required supplementary information and supplementary information for fiscal year ended April 30, 2020, is submitted for your review and acceptance. This report was prepared in accordance with TCOG's bylaws. We believe the data presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of TCOG operations as measured by the financial activity of its various grants and contracts; and, that all disclosures necessary to enable the reader to gain maximum understanding of TCOG's financial affairs and to satisfy Federal and State requirements of applicable grants are included. Standards issued by the Office of Management and Budget Uniform Guidance and GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended and interpreted, as of April 30, 2020, were followed in the operation and audit of TCOG.

#### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

#### INTERNAL CONTROLS

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



**better leaders building better lives™**



#### REPORTING ENTITY AND SERVICES

TCOG operations are controlled by grant, or contract arrangements, with the United States of America and the State of Texas. For the fiscal year ended April 30, 2020, 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, 2020, TCOG, through grants and contracts, operated the Area Agency on Aging of Texoma, Community and Economic Development and Planning Activities, Criminal Justice Planning, Homeland Security Planning, Emergency 911, Weatherization Assistance Program, Comprehensive Energy Assistance Program, Section 8 Housing, Public Housing Authorities of eighteen cities, and other programs for the Texoma Region.

#### CASH MANAGEMENT

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

#### FIXED ASSETS

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

#### ANNUAL AUDIT

TCOG's bylaws require that an annual audit be made of its financial accounts and transactions for the preceding fiscal year. In 1997, the Office of Management and Budget (OMB) revised Circular A-133 to include units of local government. This circular requires that grantors of the United States of America perform audits which meet the requirements of the Single Audit Act Amendments of 1996. In December 2014, the OMB implemented the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly referred to as the Uniform Guidance, which synthesizes and supersedes guidance from previous OMB circulars. In accordance with Uniform Guidance requirements, the Annual Audit Report is contained herein for your review and consideration.



#### CERTIFICATION OF INDIRECT COST PERCENTAGE

The undersigned Executive Director and Finance Director hereby certify that based upon the enclosed audited financial data, TCOG's indirect cost for fiscal year ended April 30, 2020, was 4.94% of total expenditures and did not exceed 15% of total expenditures, as defined by The Local Government Code, Chapter 391, 586.(f)(1).

#### OVERVIEW

The Annual Audit Report contains an unmodified opinion from the auditors and contains one financial statement finding that did not affect any grant monies, policies or procedures. Management has responded to the finding and immediately put processes in place to make sure the internal control issue has been resolved. There are no questioned or disallowed costs, instances of noncompliance, or other reportable conditions. The audit firm has not issued a separate management letter.

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

Respectfully submitted,

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

Eric Bridges  
Executive Director

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

Mindi Jones  
Finance Director

Cc: Texoma Council of Governments Governing Board Members

Enclosure

# texoma council of governments

## member governments 2019-2020

### **COUNTIES (3)**

Cooke

Fannin

Grayson

### **CITIES/TOWNS (30)**

City of Bells

City of Knollwood

City of Sherman

City of Bonham

City of Ladonia

City of Southmayd

City of Callisburg

City of Leonard

City of Tioga

City of Denison

Town of Lindsay

City of Tom Bean

City of Dodd City

City of Muenster

City of Trenton

City of Ector

Town of Oak Ridge

City of Valley View

City of Gainesville

City of Pottsboro

City of Van Alstyne

City of Gunter

Town of Ravenna

City of Whitesboro

City of Honey Grove

City of Sadler

City of Whitewright

City of Howe

City of Savoy

Town of Windom

### **SCHOOL DISTRICTS (17)**

Bells ISD

Era ISD

Muenster ISD

Bonham ISD

Fannindel ISD

Pottsboro ISD

Collinsville ISD

Gainesville ISD

Sam Rayburn ISD

Denison ISD

Honey Grove ISD

Savoy ISD

Dodd City ISD

Leonard ISD

Sherman ISD

Ector ISD

Lindsay ISD

### **COMMUNITY COLLEGE DISTRICTS (2)**

Grayson College

North Central Texas College

### **ASSOCIATE MEMBERS (3)**

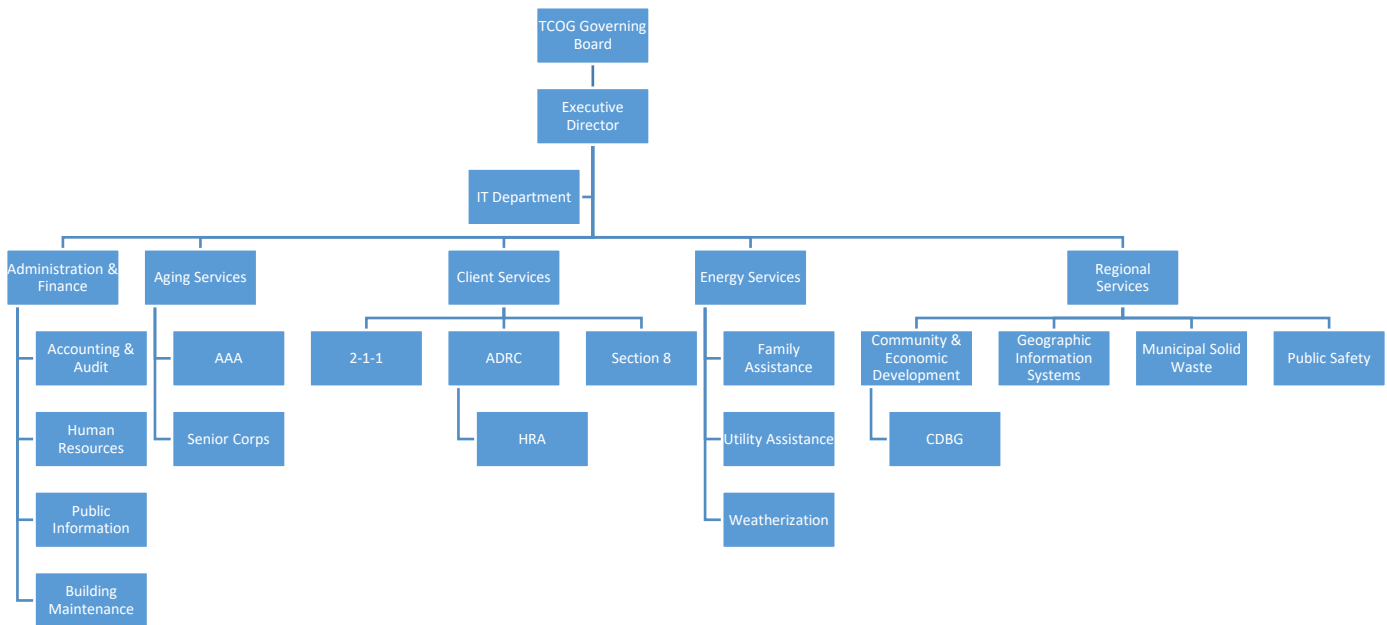
Bonham Chamber of Commerce

Denison Chamber of Commerce

Sherman Chamber of Commerce



## Texoma Council of Governments Organization Chart



## Texoma Council of Governments Governance Chart

|                             |   |
|-----------------------------|---|
| <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>• 30 Cities</li> <li>• 17 School Districts</li> <li>• 2 Community College Districts</li> <li>• 3 Associate Members</li> </ul>  |
| <b>Aging Services</b>       | <ul style="list-style-type: none"> <li>• RSVP Advisory Council (Cooke Co.)</li> <li>• RSVP Advisory Council (Fannin Co.)</li> <li>• RSVP Advisory Council (Grayson Co.)</li> <li>• Texoma Foster Grandparent Advisory Council</li> <li>• Texoma Regional Advisory Council on Aging</li> </ul> |
| <b>Client Services</b>      | <ul style="list-style-type: none"> <li>• 2-1-1 Texas Advisory Council</li> <li>• ADRC Advisory Group</li> <li>• Family Self-Sufficiency Advisory Board (Fannin Co.)</li> <li>• Family Self-Sufficiency Advisory Board (Grayson Co.)</li> </ul>  |
| <b>Energy Services</b>      | <ul style="list-style-type: none"> <li>• Community Services Advisory Council</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> <li>• Texoma Regional Transportation Planning Committee</li> </ul>  |

**FINANCIAL SECTION**

# McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA  
GEORGE H. STRUVE, CPA  
ANDREW B. REICH, CPA  
RUSSELL P. WOOD, CPA  
DEBRA J. WILDER, CPA  
TEFFANY A. KAVANAUGH, CPA  
APRIL J. HATFIELD, CPA

228 SIXTH STREET S.E.  
PARIS, TEXAS 75460  
903-784-4316  
FAX 903-784-4310

-----  
304 WEST CHESTNUT  
DENISON, TEXAS 75020  
903-465-6070  
FAX 903-465-6093

-----  
1400 WEST RUSSELL  
BONHAM, TEXAS 75418  
903-583-5574  
FAX 903-583-9453

## INDEPENDENT AUDITORS' 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, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***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, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The introductory section, supplemental information, statistical section, and the Real Estate Assessment Center Financial Assessment Subsystem Financial Data Schedules (FDS) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The FDS are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC). The schedule of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Single Audit Circular, and are also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2020, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

***McClanahan and Holmes, LLP***

Certified Public Accountants

Bonham, Texas  
September 16, 2020

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

# TEXOMA COUNCIL OF GOVERNMENTS

## Management's Discussion and Analysis

Year Ended April 30, 2020

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, 2020, and should be read in conjunction with TCOG financial statements.

### **Financial Highlights**

For the fiscal year ended April 30, 2020, total assets were \$5,034,039 compared to \$4,934,588 for the prior year; total liabilities were \$2,192,053 compared to \$2,224,926 for the prior year; total net position was \$2,841,986 compared to \$2,709,662 for the prior year. Of this amount, \$774,377 was unrestricted compared to the prior year unrestricted amount of \$704,501.

For the fiscal year ended April 30, 2020, total revenues were \$14,863,433 compared to \$14,469,729 for the prior year; total expenses were \$14,731,109 compared to \$14,720,785 for the prior year. The 2% net increase in total revenues is the combined net of funding changes from the major funds. The categories of Department of Housing and Urban Development, and Department of Housing and Community Affairs and Other Programs experienced an increase in revenues while the categories Commission on State Emergency Communications and the Texas Department of Health and Human Services both experienced a slight decrease in revenues. General Fund experienced a decrease in revenues. The 0.07% in net increased expenditures resulted from increased expenditures in the same programs that had an increase in revenue and a decrease in the same programs.

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

This discussion and analysis is intended to serve as an introduction to 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 (continued)  
Year Ended April 30, 2020

**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 13-24 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also contains certain supplementary information concerning TCOG's funding resources. This information begins on page 25 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of TCOG, assets exceeded liabilities by \$2,841,986 at April 30, 2020 compared to \$2,709,662 for the prior year.

The most significant portion of TCOG's net position (65.4%) 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, 2020, compared to the prior year:

Texoma Council of Government's Statement of Net Position

|                                  | Total        |              |
|----------------------------------|--------------|--------------|
|                                  | 2020         | 2019         |
| Assets:                          |              |              |
| Current Assets                   | \$ 2,654,461 | \$ 2,487,134 |
| Capital Assets                   | 2,379,578    | 2,447,454    |
| Total Assets                     | 5,034,039    | 4,934,588    |
| Liabilities:                     |              |              |
| Current Liabilities              | 1,669,200    | 1,614,890    |
| Noncurrent Liabilities           | 522,853      | 610,036      |
| Total Liabilities                | 2,192,053    | 2,224,926    |
| Net Position:                    |              |              |
| Net Investment in Capital Assets | 1,858,151    | 1,846,502    |
| Restricted                       | 209,458      | 158,659      |
| Unrestricted                     | 774,377      | 704,501      |
| Total Net Position               | \$ 2,841,986 | \$ 2,709,662 |

**TEXOMA COUNCIL OF GOVERNMENTS**  
Management's Discussion and Analysis (continued)  
Year Ended April 30, 2020

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         |               |
|---|---------------|---------------|
|   | 2020          | 2019          |
| Revenues:   |               |               |
| Program Revenues:   |               |               |
| Operating Grants and Contributions                              | \$ 14,555,864 | \$ 13,909,529 |
| General Revenues:   |               |               |
| Grants and Contributions Not Restricted<br>to Specific Programs | 307,336       | 559,636       |
| Interest Income   | 233           | 564           |
| Total Revenue   | 14,863,433    | 14,469,729    |
| Expenses:   |               |               |
| General Government  | 235,399       | 529,394       |
| Aging and Disabilities  | 2,692,660     | 2,999,684     |
| Community and Economic Development                              | 1,951,851     | 2,104,009     |
| Housing and Client Services                                     | 9,822,515     | 9,055,162     |
| Interest on Long-Term Debt                                      | 28,684        | 32,536        |
| Total Expenses  | 14,731,109    | 14,720,785    |
| Change in Net Position  | 132,324       | (251,056)     |
| Net Position, Beginning   | 2,709,662     | 2,960,718     |
| Net Position, Ending  | \$ 2,841,986  | \$ 2,709,662  |

**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's net position increased \$132,324 over the prior year primarily as a result of decreased general government expenditures.

Governmental Funds provide information on short-term inflows and outflows and balances of spendable resources which is useful in assessing the Council's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year the Council's governmental funds reported a combined ending fund balance of \$1,097,124, an increase of \$115,819 as compared to the prior year. Approximately 47% (\$520,352) constitutes unassigned fund balance, which is available for spending at the Council's discretion. Approximately 3% (\$34,364) constitutes assigned fund balance, which can only be spent on specified purposes. The remainder of the fund balance is restricted to indicate that it is not available for new spending



**TEXOMA COUNCIL OF GOVERNMENTS**  
Management's Discussion and Analysis (continued)  
Year Ended April 30, 2020

because it has already been restricted for debt service and workforce housing.

The general fund is the Council's chief operating fund. Approximately 60% (\$547,289) is unassigned and available for spending at the Council's discretion. The fund balance of the Council's general fund increased \$63,401 during the current fiscal year, which is attributable to transfers from other funds.

The Council's Special Revenue Funds consist of the following funds: US Department of Housing and Development, Commission on State Emergency Communications, The Texas Department of Housing and Community Affairs, The Texas Department of Health and Human Services, and Other Programs. It provides the same type information found in the government-wide financial statements, but in more detail. The net position increased by \$52,418 for the current fiscal year. This increase is primarily due to the US Department of Housing and Urban Development.

### **TCOG Budget and Economic Factors**

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

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

**Capital Assets.** TCOG's net investment in capital assets for its governmental activities as of April 30, 2020, amounts to \$1,858,151 compared to \$1,846,502 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, 2020, TCOG had total long-term liabilities of \$634,716 compared to \$719,097 for the prior year. Of this amount, \$521,427 comprises debt secured by the office building located at 1117 Gallagher Drive, Sherman, Texas. The prior year amount was \$600,951. Additional information on TCOG's long-term debt can be found in the notes to the financial statements.

### **COVID-19 Global Pandemic**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on their

**TEXOMA COUNCIL OF GOVERNMENTS**  
Management's Discussion and Analysis (continued)  
Year Ended April 30, 2020

employees' ability to work, donors and contributors' ability to provide financial assistance, or events of the Organization to be able to occur. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

**Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**TEXOMA COUNCIL OF GOVERNMENTS**

Statement of Net Position

April 30, 2020

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>ASSETS</b>  |                                    |
| Current Assets                                       |                                    |
| Cash and Pooled Investments                          | \$ 1,656,815                       |
| Accounts Receivable                                  | 918,152                            |
| Under Allocated Cost Pools                           | 45,130                             |
| Prepaid Items  | <u>34,364</u>                      |
| Total Current Assets                                 | <u>2,654,461</u>                   |
| Noncurrent Assets                                    |                                    |
| Capital Assets, Net of Accumulated Depreciation:     |                                    |
| Buildings and Improvements                           | 1,103,171                          |
| Furniture, Vehicles and Other Equipment              | <u>1,276,407</u>                   |
| Total Capital Assets Net of Accumulated Depreciation | <u>2,379,578</u>                   |
| Total Noncurrent Assets                              | <u>2,379,578</u>                   |
| Total Assets   | <u>5,034,039</u>                   |
| <b>LIABILITIES</b>                                   |                                    |
| Accounts Payable and Accrued Liabilities             | 504,160                            |
| Accrued Wages  | 107,210                            |
| Unearned Revenue                                     | 945,967                            |
| Noncurrent Liabilities                               |                                    |
| Due Within One Year                                  | 111,863                            |
| Due In More Than One Year                            | <u>522,853</u>                     |
| Total Liabilities                                    | <u>2,192,053</u>                   |
| <b>NET POSITION</b>                                  |                                    |
| Net Investment in Capital Assets                     | 1,858,151                          |
| Restricted   | 209,458                            |
| Unrestricted   | <u>774,377</u>                     |
| Total Net Position                                   | <u>\$ 2,841,986</u>                |

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

**TEXOMA COUNCIL OF GOVERNMENTS**

Statement of Activities

Year Ended April 30, 2020

|                                    | <u>Expenses</u>      | <u>Program Revenues</u><br>Operating<br>Grants and<br>Contributions | Net (Expense)<br>Revenue and<br>Change in<br>Net Position<br>Total<br>Governmental<br>Activities |
|------------------------------------|----------------------|---|--|
| General Government                 | \$ 235,399           | \$ -  | \$ (235,399)   |
| Aging and Disabilities             | 2,692,660            | 2,691,180   | (1,480)  |
| Community and Economic Development | 1,951,851            | 1,909,349   | (42,502)   |
| Housing and Client Services        | 9,822,515            | 9,955,335   | 132,820  |
| Interest on Long-Term Debt         | 28,684               | -   | (28,684)   |
|                                    | <u>\$ 14,731,109</u> | <u>\$ 14,555,864</u>  | <u>(175,245)</u>   |

General Revenues

Local Grants and Contributions not Restricted to

Specific Programs 307,336

Unrestricted Investment Income 233

Total General Revenues 307,569

Change in Net Position 132,324

Net Position - Beginning 2,709,662

Net Position - Ending \$ 2,841,986

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

**TEXOMA COUNCIL OF GOVERNMENTS**

Balance Sheets – Governmental Funds

April 30, 2020

|                                     | General           | US Department<br>of Housing and<br>Urban<br>Development | Commission on<br>State Emergency<br>Communications | Texas<br>Department of<br>Housing and<br>Community<br>Affairs | Texas<br>Department of<br>Health and<br>Human Services | Other<br>Programs | Total<br>Governmental<br>Funds |
|-------------------------------------|-------------------|---|--|---|--|-------------------|--------------------------------|
| <b>ASSETS</b>                       |                   |   |  |   |  |                   |                                |
| Cash and Pooled Investments         | \$ 797,351        | \$ 327,405  | \$ 524,684   | \$ -  | \$ -   | \$ 7,375          | \$ 1,656,815                   |
| Accounts Receivable                 | 87,935            | 2,992   | 36,883   | 261,553   | 264,720  | 264,069           | 918,152                        |
| Due From Other Funds                | -                 | -   | -  | 307,564   | 50,797   | 159,501           | 517,862                        |
| Under Allocated Indirect Cost Pools | 45,130            | -   | -  | -   | -  | -                 | 45,130                         |
| Prepaid Items                       | 34,364            | -   | -  | -   | -  | -                 | 34,364                         |
| Total Assets                        | <u>\$ 964,780</u> | <u>\$ 330,397</u>                                       | <u>\$ 561,567</u>                                  | <u>\$ 569,117</u>   | <u>\$ 315,517</u>                                      | <u>\$ 430,945</u> | <u>\$ 3,172,323</u>            |
| <b>LIABILITIES</b>                  |                   |   |  |   |  |                   |                                |
| Accounts Payable                    | \$ 17,967         | \$ 106,986  | \$ 59,521  | \$ 177,957  | \$ 125,615   | \$ 16,114         | \$ 504,160                     |
| Accrued Wages                       | 19,100            | 13,197  | 4,401  | 27,885  | 29,083   | 13,544            | 107,210                        |
| Due to Other Funds                  | 13,110            | 77,995  | 252,849  | -   | -  | 173,908           | 517,862                        |
| Unearned Revenue                    | -                 | -   | 259,144  | 374,384   | 162,299  | 150,140           | 945,967                        |
| Total Liabilities                   | <u>50,177</u>     | <u>198,178</u>  | <u>575,915</u>                                     | <u>580,226</u>  | <u>316,997</u>   | <u>353,706</u>    | <u>2,075,199</u>               |
| <b>FUND BALANCES</b>                |                   |   |  |   |  |                   |                                |
| Non-Spendable                       | 34,364            | -   | -  | -   | -  | -                 | 34,364                         |
| Restricted                          | -                 | 132,219   | -  | -   | -  | 77,239            | 209,458                        |
| Committed                           | 332,950           | -   | -  | -   | -  | -                 | 332,950                        |
| Unassigned, Reported in:            |                   |   |  |   |  |                   |                                |
| Special Revenue Funds               | -                 | -   | (14,348)   | (11,109)  | (1,480)  | -                 | (26,937)                       |
| General Fund                        | 547,289           | -   | -  | -   | -  | -                 | 547,289                        |
| Total Fund Balances                 | <u>914,603</u>    | <u>132,219</u>  | <u>(14,348)</u>                                    | <u>(11,109)</u>   | <u>(1,480)</u>   | <u>77,239</u>     | <u>1,097,124</u>               |
| Total Liabilities and Fund Balances | <u>\$ 964,780</u> | <u>\$ 330,397</u>                                       | <u>\$ 561,567</u>                                  | <u>\$ 569,117</u>   | <u>\$ 315,517</u>                                      | <u>\$ 430,945</u> | <u>\$ 3,172,323</u>            |

Fund Balance - Total Governmental Funds (above) \$ 1,097,124

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.

2,379,578

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

(634,716)

Net Position of Governmental Activities

\$ 2,841,986

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**  
**Year Ended April 30, 2020**

|  | General           | US Department of<br>Housing and<br>Urban<br>Development | Commission on<br>State Emergency<br>Communications | Texas<br>Department of<br>Housing and<br>Community<br>Affairs | Texas<br>Department of<br>Health and<br>Human Services | Other<br>Programs | Total<br>Governmental<br>Funds |
|--|-------------------|---|--|---|--|-------------------|--------------------------------|
| <b>REVENUES</b>                                      |                   |   |  |   |  |                   |                                |
| Federal  | \$ -              | \$ 3,306,727  | \$ -   | \$ 5,914,745  | \$ 1,386,616   | \$ 729,771        | \$ 11,337,859                  |
| State  | -                 | -   | 1,064,091  | -   | 452,960  | 196,896           | 1,713,947                      |
| Local and In-Kind                                    | 307,336           | 720   | 2,574  | 313,045   | 886,855  | 300,864           | 1,811,394                      |
| Interest and Other Income                            | 75                | 59  | 99   | -   | -  | -                 | 233                            |
| Total Revenues                                       | <u>307,411</u>    | <u>3,307,506</u>  | <u>1,066,764</u>                                   | <u>6,227,790</u>  | <u>2,726,431</u>                                       | <u>1,227,531</u>  | <u>14,863,433</u>              |
| <b>EXPENDITURES</b>                                  |                   |   |  |   |  |                   |                                |
| Current  |                   |   |  |   |  |                   |                                |
| General Government                                   | 152,516           | -   | -  | -   | -  | -                 | 152,516                        |
| Aging and Disabilities                               | -                 | -   | -  | -   | 2,307,813  | 384,847           | 2,692,660                      |
| Community and Economic Development                   | -                 | -   | 932,094  | -   | -  | 842,684           | 1,774,778                      |
| Housing and Client Services                          | -                 | 3,254,024   | -  | 6,147,160   | 420,098  | -                 | 9,821,282                      |
| Capital Outlay                                       | 26,559            | -   | 134,626  | 36,985  | -  | -                 | 198,170                        |
| Debt Service   |                   |   |  |   |  |                   |                                |
| Principal  | 79,524            | -   | -  | -   | -  | -                 | 79,524                         |
| Interest   | 28,684            | -   | -  | -   | -  | -                 | 28,684                         |
| Total Expenditures                                   | <u>287,283</u>    | <u>3,254,024</u>  | <u>1,066,720</u>                                   | <u>6,184,145</u>  | <u>2,727,911</u>                                       | <u>1,227,531</u>  | <u>14,747,614</u>              |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>20,128</u>     | <u>53,482</u>   | <u>44</u>  | <u>43,645</u>   | <u>(1,480)</u>   | <u>-</u>          | <u>115,819</u>                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                   |   |  |   |  |                   |                                |
| Transfers In (Out)                                   | 43,272            | -   | 2,683  | (43,272)  | -  | (2,683)           | -                              |
| Total Other Financing Sources (Uses)                 | <u>43,272</u>     | <u>-</u>  | <u>2,683</u>                                       | <u>(43,272)</u>   | <u>-</u>   | <u>(2,683)</u>    | <u>-</u>                       |
| Net Change in Fund Balances                          | 63,400            | 53,482  | 2,727  | 373   | (1,480)  | (2,683)           | 115,819                        |
| Fund Balances - Beginning                            | <u>851,203</u>    | <u>78,737</u>   | <u>(17,075)</u>                                    | <u>(11,482)</u>   | <u>-</u>   | <u>79,922</u>     | <u>981,305</u>                 |
| Fund Balances - Ending                               | <u>\$ 914,603</u> | <u>\$ 132,219</u>                                       | <u>\$ (14,348)</u>                                 | <u>\$ (11,109)</u>  | <u>\$ (1,480)</u>                                      | <u>\$ 77,239</u>  | <u>\$ 1,097,124</u>            |

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

**TEXOMA COUNCIL OF GOVERNMENTS**  
 Reconciliation of the Statements of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 Year Ended April 30, 2020

Amounts recorded for governmental activities in the statement of activities (page 9) are different because:

|  |    |                |
|--|----|----------------|
| Net Change in Fund Balance - Total Governmental Funds  | \$ | 115,819        |
| <p>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. The is the amount of capital assets recorded in the current period.</p>                                       |    |                |
|  |    | 198,170        |
| <p>Depreciation on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds.</p>   |    |                |
|  |    | (264,630)      |
| <p>In the statement of activities, only the loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale, if any, increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of capital assets disposed.</p> |    |                |
|  |    | (1,416)        |
| <p>Other amounts, including the change in liability for accrued vacation leave payable, are not reported under the modified accrual basis of accounting utilized by governmental funds.</p>  |    |                |
|  |    | 4,857          |
| <p>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.</p>  |    |                |
|  |    | <u>79,524</u>  |
| Change in Net Position of Governmental Activities - Statement of Activities (page 9)   | \$ | <u>132,324</u> |

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



# TEXOMA COUNCIL OF GOVERNMENTS

## Notes to Financial Statements

April 30, 2020

### 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 resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

# TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2020

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

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

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

The Council reports the following major governmental funds:

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

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

The **Commission on State Emergency Communications Fund** is a special revenue fund used to account for the state grants awarded to the Council by the Commission on State Emergency Communications.

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

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

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

### D. Use of Estimates

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

### E. Assets, Liabilities, and Net Position or Equity

#### Cash and Cash Equivalents

Cash includes amounts in demand deposits and certificates of deposits with an initial maturity of ninety days or less. Interest earned is based on the amount of funds invested.

TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash (continued)

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

Accounts Receivable

Accounts receivable represent amounts due from agencies for the various programs administered by the Council. The receivable includes amounts due on programs closed-out and those in progress as of April 30, 2020. 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, 2020.

Capital Assets

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

Assets capitalized have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line methods. Estimated useful lives are as follows:

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

**TEXOMA COUNCIL OF GOVERNMENTS**

Notes to Financial Statements (continued)

April 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (continued)

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

Compensated Absences

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

Net Position

Net position represents the difference between assets and liabilities. Investments in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Council or through external restrictions imposed by creditors, grantors, or laws or regulation of other governments. As of April 30, 2020, the US Department of Housing and Urban Development fund had \$132,219 restricted, the Texas Commission on Environmental Quality had \$79,910 restricted, the Corporation for National and Community Services had \$491 restricted, and the Department of Emergency Management and Other Grants had deficit fund balances of \$9 and \$3,153 respectively through the enabling legislations adopted by the Council.

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, 2020, 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 \$34,364 of prepaid assets classified as a non-spendable fund balance at April 30, 2020.

# TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2020

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

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

#### Fund Balance (continued)

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The U.S. Department of Housing and Urban Development Fund and Other Programs Fund, had \$132,219 and \$77,239 of fund balances restricted by their federal and state grantors at April 30, 2020, respectively.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision making authority for the Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Board has committed \$332,950 in funds to be spent on future needs of the building, including debt payments, upkeep, and depreciation recovery this fiscal year.

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

Indirect costs and central service IT costs are allocated to the grants in accordance with Uniform Guidance and the operating manuals of the various funding agencies. 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 indirect costs and central service IT costs are determined by the Council’s “Statement of Proposed Indirect Cost.” This rate is based upon estimated costs and may result in over or under-application of 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 indirect cost rate and the central service IT cost combined rate for future years.

# TEXOMA COUNCIL OF GOVERNMENTS

Notes to Financial Statements (continued)

April 30, 2020

## 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. BUDGETARY INFORMATION

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

## 3. DETAILED NOTES ON ALL FUNDS

### Cash Deposits with Financial Institutions

*Custodial Credit Risk - Deposits.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the Council's deposits may not be returned or the Council will not be able to recover collateral securities in the possession of an outside party. The Council's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). Deposited funds may be invested in certificates of deposits in institutions that are domiciled in the State of Texas. Collateral agreements must be approved prior to deposit of funds as provided by law. As of April 30, 2020, the Council was not exposed to custodial credit risk since deposits are insured or collateralized with securities pledged held in the name of the Council. The Council's carrying amount of deposits was \$1,323,865 and the bank's balances were \$1,423,173.

### Pooled Investments

The public funds investment pools in Texas are established under authority of the Interlocal Cooperation Act, chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the values of its shares.

TexPool has a credit rating of AAAM from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standard for extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. The pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

**TEXOMA COUNCIL OF GOVERNMENTS**

Notes to Financial Statements (continued)

April 30, 2020

3. DETAILED NOTES ON ALL FUNDS (Continued)

Pooled Investments (Continued)

As of April 30, 2020, the Council had the following investments:

| Investment Type                                     | Fair Value | Weighted Average<br>Maturity (Days) |
|---|------------|-------------------------------------|
| Texas Local Government<br>Investment Pool (Texpool) | \$ 332,950 | 39                                  |

Investments in TexPool are not insured or guaranteed by the FDIC or any other governmental agency. The Pool is measured at amortized cost and is not required to be reported by levels.

*Interest rate risk* is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. The Council manages its exposure to market price changes by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to less than eighteen months, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and authorized investment pools.

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This type of risk is typically expressed in terms of the credit ratings issued by a nationally recognized statistical rating organization. The Council reduces the risk of issue default by limiting investments to those instruments allowed by the Public Funds Investment Act, Chapter 2256, Texas Government Code. As of April 30, 2020, Texpool's investments credit rating was AAAM (Standard & Poor's).

*Concentration of credit risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Council's investment balance consists of only pooled accounts as described above.

*Custodial Credit Risk -Investments:* This is the risk that, in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are considered unclassified as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

**TEXOMA COUNCIL OF GOVERNMENTS**

Notes to Financial Statements (continued)

April 30, 2020

3. DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Below is a summary of capital assets and related depreciation as of April 30, 2020:

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>   | <u>Retirements</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|--------------------|--------------------|---------------------------|
| Governmental Activities                        |                              |                    |                    |                           |
| Capital Assets, being Depreciated              |                              |                    |                    |                           |
| Buildings                                      | \$ 1,550,000                 | \$ -               | \$ -               | \$ 1,550,000              |
| Buildings and Improvements                     | 1,214,453                    | 26,559             | -                  | 1,241,012                 |
| Furniture, Vehicles, and Other                 | 2,892,773                    | 171,611            | (2,670)            | 3,061,714                 |
| Total Capital Assets being Depreciated         | <u>5,657,226</u>             | <u>198,170</u>     | <u>(2,670)</u>     | <u>5,852,726</u>          |
| Less Accumulated Depreciation                  |                              |                    |                    |                           |
| Buildings                                      | 712,073                      | 39,744             | -                  | 751,817                   |
| Buildings and Improvements                     | 903,453                      | 32,571             | -                  | 936,024                   |
| Furniture, Vehicles, and Other                 | 1,594,246                    | 192,315            | (1,254)            | 1,785,307                 |
| Total Accumulated Depreciation                 | <u>3,209,772</u>             | <u>264,630</u>     | <u>(1,254)</u>     | <u>3,473,148</u>          |
| Governmental Activities Capital<br>Assets, Net | <u>\$ 2,447,454</u>          | <u>\$ (66,460)</u> | <u>\$ (1,416)</u>  | <u>\$ 2,379,578</u>       |

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

|  |                   |
|--|-------------------|
| General Government                                   | \$ 86,324         |
| Community and Economic Development                   | 177,073           |
| Housing and Client Services                          | 1,233             |
| Total Depreciation Expense - Governmental Activities | <u>\$ 264,630</u> |

Allocation of Indirect Costs and Employee Benefits to Grant Programs

The allocation of indirect costs creates an over or under-applied amount based on the actual costs incurred each year. Beginning May 1, 2019, the Council began direct charging employee benefits and consolidated the Central Services IT into the Indirect Cost Pool, resulting in one pool.

A detail of the costs allocated for the year ended April 30, 2020, is as follows:

|  | <u>Indirect<br/>Costs</u> | <u>Employee<br/>Benefits</u> | <u>Central<br/>Service IT</u> | <u>Total</u>     |
|--|---------------------------|------------------------------|-------------------------------|------------------|
| Under (Over) Applied Costs at April 30, 2019 | \$ 130,986                | \$ (194,920)                 | \$ 152,683                    | \$ 88,749        |
| Cost Pools Closed into Indirect Cost Pool    | (42,237)                  | 194,920                      | (152,683)                     | -                |
| Costs Allocated During the Year              | (873,150)                 | -                            | -                             | (873,150)        |
| Actual Costs                                 | <u>829,531</u>            | <u>-</u>                     | <u>-</u>                      | <u>829,531</u>   |
| Under (Over) Applied Costs at April 30, 2020 | <u>\$ 45,130</u>          | <u>\$ -</u>                  | <u>\$ -</u>                   | <u>\$ 45,130</u> |



**TEXOMA COUNCIL OF GOVERNMENTS**

Notes to Financial Statements (continued)

April 30, 2020

3. DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities

The following changes in long-term liabilities occurred during the fiscal year ended April 30, 2020, as reported in the financial statements:

|                         | Beginning<br>Balance | Additions         | Retirement          | Ending<br>Balance | Due Within<br>One Year |
|-------------------------|----------------------|-------------------|---------------------|-------------------|------------------------|
| Note Payable            | \$ 600,951           | \$ -              | \$ (79,524)         | \$ 521,427        | \$ 83,541              |
| Compensated Absences    | 118,146              | 171,234           | (176,091)           | 113,289           | 28,322                 |
| Governmental Activities |                      |                   |                     |                   |                        |
| Long-Term Liabilities   | <u>\$ 719,097</u>    | <u>\$ 171,234</u> | <u>\$ (255,615)</u> | <u>\$ 634,716</u> | <u>\$ 111,863</u>      |

Compensated absences typically have been liquidated in the general and governmental funds.

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

Future requirements for long-term debt are as follows:

| Fiscal Year | Ending    | Principal      | Interest         | Totals            |
|-------------|-----------|----------------|------------------|-------------------|
| 2021        | \$        | 83,541         | \$ 24,663        | \$ 108,204        |
| 2022        |           | 87,903         | 20,301           | 108,204           |
| 2023        |           | 92,492         | 15,712           | 108,204           |
| 2024        |           | 97,321         | 10,883           | 108,204           |
| 2025        |           | 102,402        | 5,802            | 108,204           |
| 2026        |           | 57,768         | 933              | 58,701            |
|             | <u>\$</u> | <u>521,427</u> | <u>\$ 78,294</u> | <u>\$ 599,721</u> |

Retirement Plan

At April 30, 2020, 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

**TEXOMA COUNCIL OF GOVERNMENTS**

Notes to Financial Statements (continued)

April 30, 2020

3. DETAILED NOTES ON ALL FUNDS (Continued)

Retirement Plan (Continued)

provides full vesting at the end of seven years. The Plan investments are stated at fair value. Investments in securities traded on a national securities exchange are valued daily at the last quoted sales price on the day valuations are made. Other equity securities which are not traded on a particular day are reported at the last reported bid price. Debt securities are valued at a price deemed to best reflect fair value. The Council’s total payroll in fiscal year 2019 was \$2,207,036 and the Council’s contributions were based on a payroll of \$2,099,470. Total contributions of \$212,160 were made for the year, which consisted of \$141,132 employer contributions and \$71,028 of required employee contributions.

Deferred Compensation Plan and ROTH IRA

The Council has an agreement with the ICMA-RC to provide a deferred compensation plan in accordance with the Internal Revenue Code, Section 457, on a voluntary basis to fulltime employees. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is only available to participants at employment termination, retirement, or for an unforeseeable emergency. The Council makes no contributions to the plan. In accordance with federal law, a trust fund was established for the deposit of Section 457 assets. The trust fund is for the exclusive benefit of plan participants and beneficiaries. Because the assets are not owned by the Council but are held in a trust, the deferred compensation assets and related liabilities are not reported in the Council’s financial statements. The Council’s fiduciary responsibilities are to submit participant payroll deductions and enrollment change forms to the plan administrator (ICMA-RC). Other than reviewing quarterly statements for accuracy, the Council has no other fiduciary responsibility. Investments are managed by the Plan’s trustee with various investment options available. The choice of the investment option is made by the employee. TCOG employees did not contribute into the Plan during fiscal year 2020.

The Council has an option to invest in a ROTH IRA plan, as well. TCOG employees contributed a total amount of \$522 into the ROTH IRA investment option during the fiscal year.

Interfund Balances and Transfers

The following tables reflect the interfund balances at April 30, 2020. These are done to assist the funds with operations during the year and will be repaid as soon as practical, but are expected to be repaid within the next operating year.

Interfund Balances

|         | Due From   | Due To     |
|---------|------------|------------|
| General | \$ -       | \$ 13,110  |
| HUD     | -          | 77,995     |
| CSEC    | -          | 252,849    |
| TDHCA   | 307,564    | -          |
| TDHHS   | 50,797     | -          |
| Other   | 159,501    | 173,908    |
|         | \$ 517,862 | \$ 517,862 |

**TEXOMA COUNCIL OF GOVERNMENTS**

Notes to Financial Statements (continued)

April 30, 2020

3. DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Balances and Transfers (Continued)

The following table reflects the transfers as of April 30, 2020. The purpose of the transfers were to properly reflect the transactions related to that fund in the proper fiscal year:

|         | <u>Transfers From</u> | <u>Transfers To</u> |
|---------|-----------------------|---------------------|
| General | \$ 43,272             | \$ -                |
| CSEC    | 2,683                 |                     |
| CJD     |                       | 2,683               |
| TDHCA   | -                     | 43,272              |
|         | <u>\$ 45,955</u>      | <u>\$ 45,955</u>    |

Fund Deficit

The Commission of State Emergency Communications had a fund deficit at April 30, 2020 of \$14,348, the Texas Department of Housing and Community Affairs had a fund deficit of \$11,109, and the Texas Department of Human and Health Services had a fund deficit of \$1,480. All deficits are due to not receiving local funds by fiscal year end and will be funded by the end of the grant cycle.

Commitments and Contingencies

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

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

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

Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, or destruction of

**TEXOMA COUNCIL OF GOVERNMENTS**

Notes to Financial Statements (continued)

April 30, 2020

3. DETAILED NOTES ON ALL FUNDS (Continued)

Risk Management (Continued)

assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters. The Council manages these various risks off loss by purchasing commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Council.

Subsequent Events

Management has evaluated subsequent events through the date of the independent auditor's report, which is the date on which the financial statements were available to be issued.

There are no other subsequent events to disclose.

**SUPPLEMENTAL INFORMATION**

**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Revenues and Expenditures by Object –  
Special Revenue Funds  
Year Ended April 30, 2020

|  | U.S  |   |   |  |
|--|--|---|---|--|
|  | Department<br>of Housing<br>and Urban<br>Development | Corporation for<br>National and<br>Community<br>Service | Economic<br>Development<br>Administration | Governor's<br>Office<br>Criminal Justice<br>Division |
| <b>REVENUES</b>                                      |  |   |   |  |
| Federal  | \$ 3,306,727   | \$ 290,953  | \$ 79,856                                 | \$ -   |
| State  | -  | 19,141  | -   | 82,390   |
| Local and In-Kind                                    | 720  | 74,753  | 225,864                                   | -  |
| Interest Income                                      | 59   | -   | -   | -  |
| Total Revenues                                       | <u>3,307,506</u>                                     | <u>384,847</u>  | <u>305,720</u>                            | <u>82,390</u>  |
| <b>EXPENDITURES</b>                                  |  |   |   |  |
| Operational  |  |   |   |  |
| Direct Salaries                                      | 243,671  | 80,103  | 42,638                                    | 42,392   |
| Benefit Program Costs                                | 83,608   | 30,922  | 15,307                                    | 12,914   |
| Indirect Costs                                       | 126,704  | 38,545  | 19,918                                    | 19,257   |
| Travel   | 4,140  | 15,381  | 4,887                                     | 1,789  |
| Supplies   | 14,163   | 3,293   | 464                                       | 4,190  |
| Contracted Services                                  | 5,320  | 5,068   | -   | -  |
| Capital Outlay                                       | -  | -   | -   | -  |
| Professional Services                                | -  | -   | -   | -  |
| Other Direct Costs                                   | -  | 137,411   | 1,448                                     | 714  |
| Client Services                                      |  |   |   |  |
| Subcontracts   | -  | -   | 10,193                                    | 685  |
| In-Kind Services                                     | -  | 73,343  | 210,865                                   | -  |
| Other  | 2,776,418  | 781   | -   | 449  |
| Total Expenditures                                   | <u>3,254,024</u>                                     | <u>384,847</u>  | <u>305,720</u>                            | <u>82,390</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 53,482</u>                                     | <u>\$ -</u>   | <u>\$ -</u>                               | <u>\$ -</u>  |

**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Revenues and Expenditures by Object –  
Special Revenue Funds (continued)  
Year Ended April 30, 2020

|  |  | Texas   |   |  |
|--|--|---|---|--|
|  | Commission<br>on State<br>Emergency<br><u>Communications</u> | Department of<br>Housing and<br>Community<br><u>Affairs</u> | Department of<br>Emergency<br><u>Management</u> | Texas<br>Department of<br><u>Agriculture</u> |
| <b>REVENUES</b>                        |  |   |   |  |
| Federal                                | \$ -   | \$ 5,914,745  | \$ 320,592                                      | \$ -   |
| State                                  | 1,064,091  | -   | 19,391  | 425  |
| Local and In-Kind                      | 2,574  | 313,045   | 247   | -  |
| Interest Income                        | <u>99</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>                                     |
| Total Revenues                         | <u>1,066,764</u>   | <u>6,227,790</u>  | <u>340,230</u>                                  | <u>425</u>                                   |
| <b>EXPENDITURES</b>                    |  |   |   |  |
| Operational                            |  |   |   |  |
| Direct Salaries                        | 97,666   | 566,523   | 33,206  | 239  |
| Benefit Program Costs                  | 29,726   | 206,924   | 9,621   | 71   |
| Indirect Costs                         | 38,547   | 268,553   | 14,861  | 110  |
| Travel                                 | 8,349  | 47,681  | -   | -  |
| Supplies                               | 8,620  | 61,208  | 1,482   | -  |
| Contracted Services                    | 4,487  | 11,042  | -   | -  |
| Capital Outlay                         | 134,626  | 36,985  | -   | -  |
| Professional Services                  | -  | 3,694   | -   | -  |
| Other Direct Costs                     | 7,440  | 3,430,291   | 4,068   | 5  |
| Client Services                        |  |   |   |  |
| Subcontracts                           | -  | 1,515,506   | -   | -  |
| In-Kind Services                       | -  | -   | -   | -  |
| Other                                  | <u>737,259</u>   | <u>35,738</u>   | <u>276,992</u>                                  | <u>-</u>                                     |
| Total Expenditures                     | <u>1,066,720</u>   | <u>6,184,145</u>  | <u>340,230</u>                                  | <u>425</u>                                   |
| <b>Excess (Deficiency) of Revenues</b> |  |   |   |  |
| Over Expenditures                      | <u>\$ 44</u>   | <u>\$ 43,645</u>  | <u>\$ -</u>                                     | <u>\$ -</u>                                  |

**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Revenues and Expenditures by Object –  
Special Revenue Funds (continued)  
Year Ended April 30, 2020

|                                 | Texas             | Texas          | Texas                 |                   |
|---------------------------------|-------------------|----------------|-----------------------|-------------------|
|                                 | Health and        | Commission on  | Department of         |                   |
|                                 | Human             | Environmental  | Transportation        | Total             |
|                                 | <u>Commission</u> | <u>Quality</u> | <u>Transportation</u> | <u>Total</u>      |
| <b>REVENUES</b>                 |                   |                |                       |                   |
| Federal                         | \$ 1,386,616      | \$ -           | \$ 38,370             | \$ 11,337,859     |
| State                           | 452,960           | 75,549         | -                     | 1,713,947         |
| Local and In-Kind               | 886,855           | -              | -                     | 1,504,058         |
| Interest Income                 | -                 | -              | -                     | 158               |
| Total Revenues                  | <u>2,726,431</u>  | <u>75,549</u>  | <u>38,370</u>         | <u>14,556,022</u> |
| <b>EXPENDITURES</b>             |                   |                |                       |                   |
| Operational                     |                   |                |                       |                   |
| Direct Salaries                 | 666,558           | 31,206         | 10,081                | 1,814,283         |
| Benefit Program Costs           | 221,583           | 11,067         | 3,359                 | 625,102           |
| Indirect Costs                  | 307,981           | 14,698         | 4,690                 | 853,864           |
| Travel                          | 15,037            | 3,233          | 6                     | 100,503           |
| Supplies                        | 10,701            | 3,296          | 133                   | 107,550           |
| Contracted Services             | 25,249            | -              | -                     | 51,166            |
| Capital Outlay                  | -                 | -              | -                     | 171,611           |
| Professional Services           | 1,469,213         | -              | 20,000                | 1,492,907         |
| Other Direct Costs              | 6,089             | 12,049         | 101                   | 3,599,616         |
| Client Services                 |                   |                |                       |                   |
| Subcontracts                    | 5,500             | -              | -                     | 1,531,884         |
| In-Kind Services                | -                 | -              | -                     | 284,208           |
| Other                           | -                 | -              | -                     | 3,827,637         |
| Total Expenditures              | <u>2,727,911</u>  | <u>75,549</u>  | <u>38,370</u>         | <u>14,460,331</u> |
| Excess (Deficiency) of Revenues |                   |                |                       |                   |
| Over Expenditures               | <u>\$ (1,480)</u> | <u>\$ -</u>    | <u>\$ -</u>           | <u>\$ 95,691</u>  |



**TEXOMA COUNCIL OF GOVERNMENTS**

Schedule of Indirect Costs

Year Ended April 30, 2020

|                                    | 2020 Actual  | 2019 Actual  |
|------------------------------------|--------------|--------------|
| Indirect Salaries                  | \$ 322,279   | \$ 234,641   |
| Employee Benefits                  | 60,182       | 122,113      |
| Advertising                        | 100          | 20           |
| Bank Fee                           | 58           | 720          |
| Contracted Services                | 17,132       | 17,485       |
| Depreciation Expense               | 72,954       | 72,954       |
| Dues and Subscriptions             | 4,288        | 18,242       |
| Insurance and Bonding General      | 7,941        | 8,752        |
| Central Service IT                 | 87,266       | 99,455       |
| Postage                            | 6,051        | 567          |
| Printing                           | 1,700        | 2,577        |
| Professional Services              | 55,210       | 57,847       |
| Mortgage Interest                  | 23,521       | 26,680       |
| Repair and Maintenance Building    | 53,348       | 38,439       |
| Copy Center Expense                | 1,717        | 1,176        |
| Supplies Office                    | 14,290       | 13,841       |
| Travel Indirect Staff              | 13,717       | 13,693       |
| Utilities                          | 87,777       | 86,951       |
| Total Indirect Costs               | 829,531      | 816,153      |
| Basis for Indirect Cost Allocation |              |              |
| Net Indirect Costs                 | 829,531      | 816,153      |
| Direct Salaries and Benefits       | \$ 2,219,895 | \$ 3,131,352 |
| Effective Indirect Cost Rate       | 37.37%       | 26.06%       |

**TEXOMA COUNCIL OF GOVERNMENTS**  
Comparison of Budgeted vs Actual Indirect Costs  
Year Ended April 30, 2020

|   | <u>2020 Budget</u>  | <u>2020 Actual</u>  |
|---|---------------------|---------------------|
| Indirect Salaries                             | \$ 320,225          | \$ 322,279          |
| Employee Benefits                             | 87,276              | 60,182              |
| Advertising                                   | 100                 | 100                 |
| Bank Fee                                      | 58                  | 58                  |
| Contracted Services                           | 17,132              | 17,132              |
| Depreciation Expense                          | 77,652              | 72,954              |
| Dues and Subscriptions                        | 10,734              | 4,288               |
| Insurance and Bonding General                 | 7,941               | 7,941               |
| Central Service IT                            | 94,026              | 87,266              |
| Postage                                       | 648                 | 6,051               |
| Printing                                      | 1,244               | 1,700               |
| Professional Services                         | 48,132              | 55,210              |
| Mortgage Interest                             | 23,521              | 23,521              |
| Repair and Maintenance Building               | 50,602              | 53,348              |
| Copy Center Expense                           | 1,010               | 1,717               |
| Supplies Office                               | 12,225              | 14,290              |
| Travel Indirect Staff                         | 12,386              | 13,717              |
| Utilities                                     | 87,473              | 87,777              |
| Total Indirect Costs                          | <u>852,385</u>      | <u>829,531</u>      |
| <br>Basis for Indirect Cost Allocation        |                     |                     |
| Plus: Under Applied Prior Year Indirect Costs | <u>10,000</u>       | <u>-</u>            |
| Net Indirect Costs                            | <u>862,385</u>      | <u>829,531</u>      |
| Direct Salaries and Benefits                  | <u>\$ 2,418,228</u> | <u>\$ 2,219,895</u> |
| <br>Effective Indirect Cost Rate              | <u>35.66%</u>       | <u>37.37%</u>       |

**TEXOMA COUNCIL OF GOVERNMENTS**

Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

Financial Data Schedules (FDS)

Schedule I: Balance Sheet

April 30, 2020

|                  |  |
|------------------|--|
| PHA CODE:        | TX542 Fiscal Year End date: 12/31/2019 |
| PHA NAME:        | Texoma Council of Governments          |
| SUBMISSION TYPE: | Audited/Uniform Guidance               |
| PROGRAM NAME:    | Housing Choice Vouchers                |

| Line Item #                   | Description  | Value                    |
|-------------------------------|--|--------------------------|
| <b>Assets</b>                 |  |                          |
| <b>Current Assets Cash:</b>   |  |                          |
| 111                           | Cash-Unrestricted  | \$ 103,274               |
| 113                           | Cash - Other Restricted  | <u>195,708</u>           |
| <b>100</b>                    | <b>Total Cash</b>  | <b><u>298,982</u></b>    |
| <b>Receivables</b>            |  |                          |
| 125                           | Accounts Receivable - Miscellaneous  | <u>5,245</u>             |
| <b>120</b>                    | <b>Total Receivables, Net of Allowance for Doubtful Accounts</b>                         | <b><u>5,245</u></b>      |
| <b>150</b>                    | <b>Total Current Assets</b>  | <b><u>304,227</u></b>    |
| <br>                          |  |                          |
| <b>290</b>                    | <b>Total Assets and Deferred Outflows of Resources</b>                                   | <b><u>\$ 304,227</u></b> |
| <br>                          |  |                          |
| <b>Liabilities and Equity</b> |  |                          |
| <b>Liabilities</b>            |  |                          |
| <b>Current Liabilities</b>    |  |                          |
| 312                           | Accounts Payable <= 90 Days  | \$ 9,078                 |
| 321                           | Accrued Wage/Payroll Taxes Payable   | 1,920                    |
| 345                           | Other Current Liabilities  | <u>67,589</u>            |
| <b>310</b>                    | <b>Total Current Liabilities</b>   | <b><u>78,587</u></b>     |
| 353                           | Non-current Liabilities - Other  | <u>100,292</u>           |
| <b>350</b>                    | <b>Total Non-current Liabilities</b>   | <b><u>100,292</u></b>    |
| <b>300</b>                    | <b>Total Liabilities</b>   | <b><u>178,879</u></b>    |
| <b>Equity</b>                 |  |                          |
| 511.4                         | Restricted Net Position  | 86,178                   |
| 512.4                         | Unrestricted Net Position  | <u>39,170</u>            |
| <b>513</b>                    | <b>Total Equity - Net Assets/Position</b>  | <b><u>125,348</u></b>    |
| <br>                          |  |                          |
| <b>600</b>                    | <b>Total Liabilities, Deferred Inflows of Resources and Equity - Net Assets/Position</b> | <b><u>\$ 304,227</u></b> |

**TEXOMA COUNCIL OF GOVERNMENTS**

Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

Financial Data Schedules (FDS)

Schedule II: Income Statement

April 30, 2020

|                  |  |
|------------------|--|
| PHA CODE:        | TX542 Fiscal Year End date: 12/31/2019 |
| PHA NAME:        | Texoma Council of Governments          |
| SUBMISSION TYPE: | Audited/Uniform Guidance               |
| PROGRAM NAME:    | Housing Choice Vouchers                |

| Line Item #                       | Description   | Value                      |
|-----------------------------------|---|----------------------------|
| <b>Revenue</b>                    |   |                            |
| 70600                             | HUD PHA Operating Grants  | \$ 3,355,620               |
| 71400                             | Fraud Recovery  | 25                         |
| 72000                             | Investment Income - Restricted  | 63                         |
| <b>70000</b>                      | <b>Total Revenue</b>  | <b><u>3,355,708</u></b>    |
| <br>                              |   |                            |
| <b>Expenses Administrative</b>    |   |                            |
| 91100                             | Administrative Salaries   | 144,791                    |
| 91200                             | Auditing Fees   | 5,320                      |
| 91500                             | Employee Benefit Contributions - Administrative                         | 57,937                     |
| 91600                             | Office Expenses   | 30,198                     |
| 91800                             | Travel  | 5,185                      |
| 91810                             | Allocated Overhead  | 103,768                    |
| <b>91000</b>                      | <b>Total Operating - Administrative</b>                                 | <b><u>347,199</u></b>      |
| <br>                              |   |                            |
| <b>Expenses - Tenant Services</b> |   |                            |
| 92100                             | Tenant Services - Salaries  | 71,551                     |
| 92300                             | Employee Benefit Contributions - Tenant Services                        | 28,727                     |
| <b>92500</b>                      | <b>Total Tenant Services</b>  | <b><u>100,278</u></b>      |
| <br>                              |   |                            |
| <b>96900</b>                      | <b>Total Operating Expenses</b>   | <b><u>447,477</u></b>      |
| <b>97000</b>                      | <b>Excess of Operating Revenue over Operating Expenses</b>              | <b><u>2,908,231</u></b>    |
| 97300                             | Housing Assistance Payments   | 2,827,151                  |
| <b>90000</b>                      | <b>Total Expenses</b>   | <b><u>\$ 3,274,628</u></b> |
| <br>                              |   |                            |
| <b>Memo Account Information</b>   |   |                            |
| <b>10000</b>                      | <b>Excess (Deficiency) of Total Revenue over (Under) Total Expenses</b> | <b>\$ 81,080</b>           |
| <b>11030</b>                      | <b>Beginning Equity</b>   | <b>\$ 44,268</b>           |
| <b>11170</b>                      | <b>Administrative Fee Equity</b>  | <b>\$ 39,170</b>           |
| <b>11180</b>                      | <b>Housing Assistance Payments Equity</b>                               | <b>\$ 86,178</b>           |
| <b>11190</b>                      | <b>Unit Months Available</b>  | <b>8,292</b>               |
| <b>11210</b>                      | <b>Number of Unit Months Leased</b>                                     | <b>5,836</b>               |

**SINGLE AUDIT SECTION**

# McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA  
GEORGE H. STRUVE, CPA  
ANDREW B. REICH, CPA  
RUSSELL P. WOOD, CPA  
DEBRA J. WILDER, CPA  
TEFFANY A. KAVANAUGH, CPA  
APRIL J. HATFIELD, CPA

228 SIXTH STREET S.E.  
PARIS, TEXAS 75460  
903-784-4316  
FAX 903-784-4310

-----  
304 WEST CHESTNUT  
DENISON, TEXAS 75020  
903-465-6070  
FAX 903-465-6093

-----  
1400 WEST RUSSELL  
BONHAM, TEXAS 75418  
903-583-5574  
FAX 903-583-9453

## INDEPENDENT AUDITORS' 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, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated September 16, 2020.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-1 that we consider to be a significant deficiency.

### **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*.

### **Texoma Council of Government's Response to Finding**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McClanahan and Holmes, LLP*

Certified Public Accountants

Bonham, Texas  
September 16, 2020

# McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA  
GEORGE H. STRUVE, CPA  
ANDREW B. REICH, CPA  
RUSSELL P. WOOD, CPA  
DEBRA J. WILDER, CPA  
TEFFANY A. KAVANAUGH, CPA  
APRIL J. HATFIELD, CPA

228 SIXTH STREET S.E.  
PARIS, TEXAS 75460  
903-784-4316  
FAX 903-784-4310

-----  
304 WEST CHESTNUT  
DENISON, TEXAS 75020  
903-465-6070  
FAX 903-465-6093

-----  
1400 WEST RUSSELL  
BONHAM, TEXAS 75418  
903-583-5574  
FAX 903-583-9453

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

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

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Texoma Council of Governments' (the Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *Uniform Grant Management Standards*, issued by the Governor's Office of Budget and Planning, that could have a direct and material effect on each of the Council's major federal and state programs for the year ended April 30, 2020. The Council's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Council's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State of Texas Uniform Grant Management Standards* (UGMS). Those standards, the Uniform Guidance, and the UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended April 30, 2020.



## Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the UGMS. Accordingly, this report is not suitable for any other purpose.

*McClanahan and Holmes, LLP*

Certified Public Accountants

Bonham, Texas  
September 16, 2020

**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Expenditures of Federal and State Awards  
Year Ended April 30, 2020

| Federal Grantor/Pass-Through Grantor/Program Title             | Federal CFDA<br>Number | Pass-Through Grantor's<br>Number | Expenditures     |
|--|------------------------|----------------------------------|------------------|
| <b>Federal Awards</b>  |                        |                                  |                  |
| <b>U.S. Department of Commerce</b>                             |                        |                                  |                  |
| Direct Programs:   |                        |                                  |                  |
| Economic Development Administration                            |                        |                                  |                  |
| Economic Development - Support for Planning Organizations      | 11.302                 | ED18AUS3020014                   | \$ 63,375        |
| Economic Development - Support for Planning Organizations      | 11.302                 | ED18AUS3030024                   | 16,481           |
| <b>Total U. S. Department of Commerce</b>                      |                        |                                  | <b>79,856</b>    |
| <b>U. S. Department of Housing and Urban Development</b>       |                        |                                  |                  |
| Direct Programs:   |                        |                                  |                  |
| Office of Public and Indian Housing                            |                        |                                  |                  |
| Section 8 Housing Choice Vouchers                              | 14.871                 | TX542FSH505A015                  | 3,251,032        |
| Subtotal Office of Public and Indian Housing                   |                        |                                  | 3,251,032        |
| Pass-Through from:   |                        |                                  |                  |
| Texas Department of Housing and Community Affairs              |                        |                                  |                  |
| HOME Investment Partnerships Program                           | 14.239                 | 1002988                          | 2,992            |
| Subtotal Texas Department of Housing and Community Affairs     |                        |                                  | 2,992            |
| <b>Total U. S. Department of Housing and Urban Development</b> |                        |                                  | <b>3,254,024</b> |
| <b>U.S. Department of Energy</b>                               |                        |                                  |                  |
| Pass-Through from:   |                        |                                  |                  |
| Texas Department of Housing and Community Affairs              |                        |                                  |                  |
| Weatherization Assistance for Low-Income Persons (DOE)         | 81.042                 | 56180002965                      | 50,569           |
| Weatherization Assistance for Low-Income Persons (DOE)         | 81.042                 | 56190003136                      | 262,660          |
| <b>Total U.S. Department of Energy</b>                         |                        |                                  | <b>313,229</b>   |
| <b>U.S Department of Health and Human Services</b>             |                        |                                  |                  |
| Pass-Through from:   |                        |                                  |                  |
| Texas Department of Housing and Community Affairs              |                        |                                  |                  |
| Low-Income Home Energy Assistance                              | 93.568                 | 58190003000                      | 3,638,979        |
| Low-Income Home Energy Assistance                              | 93.568                 | 58200003172                      | 273,480          |
| Low-Income Home Energy Assistance                              | 93.568                 | 81190003025                      | 1,249,929        |
| Low-Income Home Energy Assistance                              | 93.568                 | 81200003197                      | 167,440          |
| Subtotal   |                        |                                  | 5,329,828        |
| Community Services Block Grant (CSBG)                          | 93.569                 | 61190003063                      | 213,240          |
| Community Services Block Grant (CSBG)                          | 93.569                 | 61200003235                      | 58,448           |
| Subtotal   |                        |                                  | 271,688          |
| Subtotal Texas Department of Housing and Community Affairs     |                        |                                  | 5,601,516        |

**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended April 30, 2020

| Federal Grantor/Pass-Through Grantor/Program Title   | Federal CFDA<br>Number | Pass-Through Grantor's<br>Number | Expenditures            |
|--|------------------------|----------------------------------|-------------------------|
| <b>Federal Awards</b>  |                        |                                  |                         |
| <b>U.S. Department of Health and Human Services (continued)</b>  |                        |                                  |                         |
| Pass-Through from:   |                        |                                  |                         |
| Texas Health and Human Services Commission   |                        |                                  |                         |
| Administration for Community Living  |                        |                                  |                         |
| Aging Cluster:   |                        |                                  |                         |
| Special Programs for the Aging - Title III, Part B -Grants for Supportive Services and Senior Centers      | 93.044                 | 539-16-0008-00001                | 403,286                 |
| Special Programs for the Aging - Title III, Part C -Nutrition Services                                     | 93.045                 | 539-16-0008-00001                | 371,515                 |
| COVID-19 Families First Coronavirus Response Act, OAA Title III, Part C_Nutrition Services                 | 93.045                 | 539-16-0008-00001                | 58,904                  |
| Total Aging Cluster  |                        |                                  | <u>833,705</u>          |
| <br>   |                        |                                  |                         |
| Nutrition Services Incentive Program   | 93.053                 | 539-16-0008-00001                | 143,141                 |
| Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and | 93.041                 | 539-16-0008-00001                | 2,364                   |
| Special Programs for the Aging - Title VII, Chapter 2 Long Term Care Ombudsman Services for Older          | 93.042                 | 539-16-0008-00001                | 16,877                  |
| Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services       | 93.043                 | 539-16-0008-00001                | 9,575                   |
| National Family Caregiver Support Program, Title III, Part E   | 93.052                 | 539-16-0008-00001                | 86,385                  |
| State Health Insurance Assistance Program  | 93.324                 | 539-16-0008-00001                | 27,798                  |
| Medicare Enrollment Assistance Program   | 93.071                 | 539-16-0008-00001                | 13,036                  |
| Subtotal Administration for Community Living   |                        |                                  | <u>1,132,881</u>        |
| <br>   |                        |                                  |                         |
| Aging And Disability Resource Center   |                        |                                  |                         |
| Money Follows the Person Rebalancing Demonstration   | 93.791                 | 539-14-0475-00007                | 51,879                  |
| Subtotal Aging and Disability Resource Center  |                        |                                  | <u>51,879</u>           |
| <br>   |                        |                                  |                         |
| Child Care Information and Referral Services   |                        |                                  |                         |
| Child Care and Development Block Grant   | 93.575                 | 529-16-0006-00024H               | 7,123                   |
| Subtotal Child Care Information and Referral Services  |                        |                                  | <u>7,123</u>            |
| <br>   |                        |                                  |                         |
| Operations Information and Referral Services   |                        |                                  |                         |
| Children's Health Insurance Program  | 93.767                 | 529-16-0006-00024H               | 38,947                  |
| Grants to States for Operation of Qualified High-Risk Pools  | 93.780                 | 529-16-0006-00024H               | 38,947                  |
| Refugee and Entrant Assistance - State / Replacement Designee Administered Programs                        | 93.566                 | 529-16-0006-00024H               | 38,946                  |
| Temporary Assistance for Needy Families  | 93.558                 | 529-16-0006-00024H               | 38,946                  |
| Subtotal Operations Information and Referral Services  |                        |                                  | <u>155,786</u>          |
| Subtotal Texas Health and Human Services Commission  |                        |                                  | <u>1,347,669</u>        |
| <b>Total U.S. Department of Health and Human Services</b>  |                        |                                  | <b><u>6,949,185</u></b> |

**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended April 30, 2020

| Federal Grantor/Pass-Through Grantor/Program Title  | Federal CFDA<br>Number | Pass-Through Grantor's<br>Number | Expenditures      |
|---|------------------------|----------------------------------|-------------------|
| <b>Federal Awards</b>   |                        |                                  |                   |
| <b>U.S. Department of Agriculture (USDA)</b>  |                        |                                  |                   |
| Pass-Through from:  |                        |                                  |                   |
| Texas Health and Human Services Commission  |                        |                                  |                   |
| Operations Information and Referral Services  |                        |                                  |                   |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program    | 10.561                 | 529-16-0006-00024H               | 38,947            |
| <b>Total U.S. Department of Agriculture (USDA)</b>  |                        |                                  | <b>38,947</b>     |
| <b>Corporation for National and Community Service</b>                                     |                        |                                  |                   |
| Direct Programs:  |                        |                                  |                   |
| Retired and Senior Volunteer Program  | 94.002                 | 16SRWTX003                       | 71,842            |
| Foster Grandparent Program  | 94.011                 | 18SFWTX001                       | 219,111           |
| <b>Total Corporation for National and Community Service</b>                               |                        |                                  | <b>290,953</b>    |
| <b>U. S. Department of Homeland Security</b>  |                        |                                  |                   |
| Pass-Through from:  |                        |                                  |                   |
| Office of the Governor  |                        |                                  |                   |
| Homeland Security Grant Program   | 97.067                 | 2969004/1005                     | 43,272            |
| Homeland Security Grant Program   | 97.067                 | 3124103/104                      | 199,014           |
| Homeland Security Grant Program   | 97.067                 | 3397902/903                      | 78,306            |
| Subtotal Office of the Governor   |                        |                                  | 320,592           |
| <b>Total U.S. Department of Homeland Security</b>   |                        |                                  | <b>320,592</b>    |
| <b>U.S Department of Transportation</b>   |                        |                                  |                   |
| Pass-Through from:  |                        |                                  |                   |
| Texas Department of Transportation  |                        |                                  |                   |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505                 | RCTP-2019-TCOG-00025             | 38,370            |
| <b>Total U.S. Department of Transportation</b>  |                        |                                  | <b>38,370</b>     |
| <b>Total Expenditures of Federal Awards</b>   |                        |                                  | <b>11,285,156</b> |

**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended April 30, 2020

| Federal Grantor/Pass-Through Grantor/Program Title<br>State Awards                                       | Federal CFDA<br>Number | Pass-Through Grantor's<br>Number | Expenditures         |
|--|------------------------|----------------------------------|----------------------|
| <b>Governor's Division of Emergency Management</b>   |                        |                                  |                      |
| State Homeland Security Interlocal   |                        | PO# 30090234                     | 22,305               |
| State Homeland Security Interlocal   |                        | PO# 30001934                     | (2,914)              |
| <b>Total Governor's Division of Emergency Management</b>   |                        |                                  | <b>19,391</b>        |
| <b>Office of the Governor</b>  |                        |                                  |                      |
| <b>Governor's Division of Criminal Justice Division</b>  |                        |                                  |                      |
| Regional Criminal Justice Coordination   |                        | 30070163                         | 50,045               |
| Regional Criminal Justice Coordination   |                        | 30001934                         | 32,345               |
| <b>Total Governor's Division of Criminal Justice Division</b>  |                        |                                  | <b>82,390</b>        |
| <b>Commission on State Emergency Communications</b>  |                        |                                  |                      |
| Emergency 911 - 2016/2017  |                        | N/A                              | 150,169              |
| Emergency 911 - 2018/2019  |                        | N/A                              | 414,640              |
| Emergency 911 - 2019/2020  |                        | N/A                              | 499,282              |
| <b>Total Commission on State Emergency Communications</b>  |                        |                                  | <b>1,064,091</b>     |
| <b>Texas Commission on Environmental Quality</b>   |                        |                                  |                      |
| Municipal Solid Waste  |                        | 582-18-80550                     | 31,504               |
| Municipal Solid Waste  |                        | 582-20-10225                     | 44,045               |
| <b>Total Texas Commission on Environmental Quality</b>   |                        |                                  | <b>75,549</b>        |
| <b>Texas Health and Human Services Commission</b>  |                        |                                  |                      |
| State General Revenue  |                        | 539-16-0008-00001                | 8,963                |
| State General Revenue  |                        | 539-16-0008-00001                | 80,718               |
| State General Revenue HDM Rate Increase  |                        | 539-16-0008-00001                | 11,823               |
| Housing Bond   |                        | 539-16-0008-00001                | 21,105               |
| SGR Assisted Living Facility (ALF)   |                        | 539-16-0008-00001                | 6,922                |
| SGR Assisted Living Facility (ALF)   |                        | 539-16-0008-00001                | 7,068                |
| Subtotal   |                        |                                  | 136,599              |
| ADRC SGR Operations  |                        | 539-14-0475-00007                | 50,251               |
| ADRC SGR Operations  |                        | 539-14-0475-00007                | 56,895               |
| Subtotal   |                        |                                  | 107,146              |
| 211 Area Information Center Operations   |                        | 529-16-0006-00024E               | 69,266               |
| 211 Area Information Center Operations   |                        | 529-16-0006-00024G               | 139,949              |
| Subtotal   |                        |                                  | 209,215              |
| <b>Total Health and Human Services</b>   |                        |                                  | <b>452,960</b>       |
| <b>Corporation for National and Community Service</b>  |                        |                                  |                      |
| Retired Senior Volunteer Program   |                        | 20SRWTX014                       | 14,728               |
| Foster Grandparent Program   |                        | 20SFWTX006                       | 4,413                |
| <b>Total Corporation for National and Community Service</b>  |                        |                                  | <b>19,141</b>        |
| <b>Texas Department of Agriculture</b>   |                        |                                  |                      |
| Community and Economic Development Assistance Funds for Administrative and Technical Assistance Services |                        | C719210                          | 425                  |
| <b>Total Texas Department of Agriculture</b>   |                        |                                  | <b>425</b>           |
| <b>Total Expenditures of State Awards</b>  |                        |                                  | <b>1,713,947</b>     |
| <b>Total Expenditures of Federal and State of Texas Awards</b>   |                        |                                  | <b>\$ 12,999,103</b> |

## TEXOMA COUNCIL OF GOVERNMENTS

Notes to the Schedule of Expenditures of Federal and State Awards

Year Ended April 30, 2020

### NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of Texoma Council of Governments under programs of the federal and state government for the year ended April 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Texoma Council of Governments, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Texoma Council of Governments.

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### NOTE C – INDIRECT COST RATE

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

**TEXOMA COUNCIL OF GOVERNMENTS**

Schedule of Findings and Questioned Costs

Year Ended April 30, 2020

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

Financial Statements

|   |            |
|---|------------|
| Type of auditor’s reports issued:                         | Unmodified |
| Internal control over financial reporting:                |            |
| • Material weaknesses identified?                         | No         |
| • Significant deficiencies identified?                    | Yes        |
| Noncompliance material to the financial statements noted? | No         |

Federal and State Awards

|   |               |
|---|---------------|
| Internal control over major programs:   |               |
| • Material weaknesses identified?   | No            |
| • Significant deficiencies identified?  | None reported |
| Type of auditor’s report issued on compliance for major programs:   | Unmodified    |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) and state awards as defined by the State of Texas Uniform Grant Management Standards? | No            |

Identification of major federal programs:

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

Identification of major state programs:

|                              |
|------------------------------|
| <u>Name of State Program</u> |
| Emergency 911                |

|   |         |           |
|---|---------|-----------|
| Dollar threshold to distinguish between Type A and Type B programs: | Federal | \$750,000 |
|   | State   | \$300,000 |
| Auditee qualified as a low-risk auditee?                            |         | Yes       |

**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended April 30, 2020

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Significant Deficiencies**

**Item 2020-1**                    Texoma Council of Government’s internal controls and procedures over review and reconciling its general ledger accounts did not detect a material misstated account.

Condition:                    The year-end account balance for accounts payable was materially misstated. The account detail contained a material error from an unrecorded payable transaction.

Criteria:                    Internal control procedures affect an agency’s ability to process financial transactions that are authorized and accurate. Management must establish and maintain effective internal control over financial reporting to provide reasonable assurance that financial reports are accurate and supported.

Cause:                    The Accounting and Finance Department does not have sufficient procedures for reviewing and reconciling the Department’s general ledger and account detail.

Effect:                    As a result of this condition, the accounts payable balance was understated by a material amount due to an unrecorded vendor payment that was not properly recorded as a payable.

Recommendation:        Management should implement a process, whereby all transactions are recorded in the period in which services are rendered in accordance with generally accepted accounting principles. Furthermore, Management should develop and implement procedures for reviewing the general ledger account balance detail.

Views of Responsible Official and Planned Corrective Actions:        Management investigated the cause of the payable not being properly reported. There were actually two invoices that spanned two different 3-month periods: December – February which is normally invoiced in March; and March – May. The first invoice was not sent timely due to the grant agency offices being closed for COVID-19 quarantine. The second invoice was invoiced timely. Both invoices were processed through the payables system at the same time, and although the invoice that transcended TCOG’s year end was split between fiscal years, it was inadvertently dated and recorded as an expense in the first month of the subsequent fiscal year (May) instead of being recorded as a payable for the fiscal year that it should have been expensed in. The December-February invoice, since it was processed on the same day, was also dated May. Management discussed the error with the appropriate Program Manager and the Accounting Specialist and described the effect the error had on the financial statements. The invoice is for a program that TCOG controls the frequency of, so Management has changed the invoicing to a monthly basis beginning in September 2020. This should alleviate the issue of a partial recording due to a split out of the months in the quarter crossing over the entity’s year end. The Director of Finance will also review the general ledger in more detail monthly. Management believes this was more of an isolated occurrence due to the billing nature of this item. However, stronger oversight to make sure that invoices are being processed in the correct month will receive more attention in the future.



**TEXOMA COUNCIL OF GOVERNMENTS**  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended April 30, 2020

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

The audit disclosed no findings required to be reported.

**TEXOMA COUNCIL OF GOVERNMENTS**  
Summary Schedule of Prior Year Findings and Questioned Costs  
Year Ended April 30, 2020

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

The audit disclosed no findings required to be reported.

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

The audit disclosed no findings required to be reported.

TEXOMA COUNCIL OF GOVERNMENTS  
Corrective Action Plan  
Year Ended April 30, 2020

The Council, respectfully, submits the following corrective action plan for the year ended April 30, 2020.

Name and address of independent public accounting firm:

McClanahan and Holmes, LLP  
1400 West Russell  
Bonham, TX 75418

Audit Period: Year ended April 30, 2020

The finding from the April 30, 2020, schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in this schedule.

### Financial Statement Findings

2020-1

**Recommendation:** Management should implement a process, whereby all transactions are recorded in the period in which services are rendered in accordance with generally accepted accounting principles. Furthermore, Management should develop and implement procedures for reviewing the general ledger account balance detail.

**Action Taken:** Management investigated the cause of the payable not being properly reported. There were actually two invoices that spanned two different 3-month periods: December – February which is normally invoiced in March; and March – May. The first invoice was not sent timely due to the grant agency offices being closed for COVID-19 quarantine. The second invoice was invoiced timely. Both invoices were processed through the payables system at the same time, and although the invoice that transcended TCOG's year end was split between fiscal years, it was inadvertently dated and recorded as an expense in the first month of the subsequent fiscal year (May) instead of being recorded as a payable for the fiscal year that it should have been expensed in. The December-February invoice, since it was processed on the same day, was also dated May.

Management discussed the error with the appropriate Program Manager and the Accounting Specialist and described the effect the error had on the financial statements.

The invoice is for a program that TCOG controls the frequency of, so Management has changed the invoicing to a monthly basis beginning in September 2020. This should alleviate the issue of a partial recording due to a split out of the months in the quarter crossing over the entity's year end. The Director of Finance will also review the general ledger in more detail monthly.

Management believes this was more of an isolated occurrence due to the billing nature of this item. However, stronger oversight to make sure that invoices are being processed in the correct month will receive more attention in the future.

**Contact Person:** Mindi Jones, Finance Director

**Anticipated Completion Date:** Immediate, September 2020

**STATISTICAL SECTION  
(UNAUDITED)**

**TEXOMA COUNCIL OF GOVERNMENTS**

Grant Register (Unaudited)

Year Ended April 30, 2020

| Federal<br>CFDA<br>Number                                      | Fund<br>Source | Account<br>Number | Federal Grantor/Pass-Through Grantor/Program Title        | Contract Number | Grant Start<br>Date | Grant End Date | FYE2020<br>Expenditures |
|--|----------------|-------------------|---|-----------------|---------------------|----------------|-------------------------|
| <b>FUNDING AGENCY 330</b>                                      |                |                   | <b>U.S. Department of Commerce</b>                        |                 |                     |                |                         |
|  |                |                   | Economic Development Administration                       |                 |                     |                |                         |
| 11.302   |                | 32000             | Economic Development - Support for Planning Organizations | ED18AUS3020014  | 01/01/18            | 12/31/20       | \$ 63,375               |
| 11.302   |                | 32500             | Economic Development - Support for Planning Organizations | ED18AUS3030024  | 08/15/18            | 08/14/21       | 16,481                  |
| <b>Total U. S. Department of Commerce</b>                      |                |                   |   |                 |                     |                | <b>79,856</b>           |
| <b>FUNDING AGENCY 200</b>                                      |                |                   |   |                 |                     |                |                         |
|  |                |                   | <b>U. S. Department of Housing and Urban Development</b>  |                 |                     |                |                         |
|  |                |                   | Direct Programs:  |                 |                     |                |                         |
|  |                |                   | Office of Public and Indian Housing                       |                 |                     |                |                         |
| 14.871   |                | 20000             | Section 8 Housing Choice Vouchers 2019                    | TX542FSH505A015 | 01/01/19            | 12/31/19       | 2,200,926               |
| 14.871   |                | 20000             | Section 8 Housing Choice Vouchers 2020                    | TX542FSH505A015 | 01/01/20            | 12/31/20       | 1,050,106               |
| <b>U. S. Department of Housing and Urban Development</b>       |                |                   |   |                 |                     |                | <b>3,251,032</b>        |
| <b>FUNDING AGENCY 211</b>                                      |                |                   | <b>U. S. Department of Housing and Urban Development</b>  |                 |                     |                |                         |
|  |                |                   | Pass-Through from:  |                 |                     |                |                         |
|  |                |                   | <b>Texas Department of Housing and Community Affairs</b>  |                 |                     |                |                         |
| 14.239   |                | 28000             | HOME Investment Partnerships Program                      | 1002988         | 03/19/20            | 03/18/22       | 2,992                   |
| <b>Texas Department of Housing and Community Affairs</b>       |                |                   |   |                 |                     |                | <b>2,992</b>            |
| <b>Total U. S. Department of Housing and Urban Development</b> |                |                   |   |                 |                     |                | <b>3,254,024</b>        |
| <b>FUNDING AGENCY 210</b>                                      |                |                   | <b>U.S. Department of Energy</b>                          |                 |                     |                |                         |
|  |                |                   | Pass-Through from:  |                 |                     |                |                         |
|  |                |                   | Texas Department of Housing and Community Affairs         |                 |                     |                |                         |
| 81.042   |                | 26018             | Weatherization Assistance for Low-Income Persons (DOE)    | 56180002965     | 07/01/18            | 06/30/19       | 50,569                  |
| 81.042   |                | 26019             | Weatherization Assistance for Low-Income Persons (DOE)    | 56190003136     | 07/01/19            | 06/30/20       | 262,660                 |
| <b>Total U.S. Department of Energy</b>                         |                |                   |   |                 |                     |                | <b>313,229</b>          |
| <b>FUNDING AGENCY 210</b>                                      |                |                   | <b>U.S Department of Health and Human Services</b>        |                 |                     |                |                         |
|  |                |                   | Pass-Through from:  |                 |                     |                |                         |
|  |                |                   | <b>Texas Department of Housing and Community Affairs</b>  |                 |                     |                |                         |
|  |                |                   | Administration for Children and Families                  |                 |                     |                |                         |
|  |                |                   | Energy Services   |                 |                     |                |                         |
| 93.568   |                | 22019             | Low-Income Home Energy Assistance                         | 58190003000     | 01/01/19            | 03/31/20       | 3,638,979               |
| 93.568   |                | 22020             | Low-Income Home Energy Assistance                         | 58200003172     | 01/01/20            | 12/31/20       | 273,480                 |
| <b>Subtotal</b>  |                |                   |   |                 |                     |                | <b>3,912,459</b>        |
| 93.568   |                | 27019             | Low-Income Home Energy Assistance                         | 81190003025     | 01/01/19            | 03/31/20       | 1,249,929               |
| 93.568   |                | 27020             | Low-Income Home Energy Assistance                         | 81200003197     | 01/01/20            | 12/31/20       | 167,440                 |
| <b>Subtotal</b>  |                |                   |   |                 |                     |                | <b>1,417,369</b>        |
| 93.569   |                | 25019             | Community Services Block Grant (CSBG)                     | 61190003063     | 01/01/19            | 03/31/20       | 213,240                 |
| 93.569   |                | 25020             | Community Services Block Grant (CSBG)                     | 61200003235     | 01/01/20            | 12/31/20       | 58,448                  |
| <b>Subtotal</b>  |                |                   |   |                 |                     |                | <b>271,688</b>          |
| <b>Total Texas Department of Housing and Community Affairs</b> |                |                   |   |                 |                     |                | <b>5,601,516</b>        |

**TEXOMA COUNCIL OF GOVERNMENTS**  
**Grant Register (Unaudited) (Continued)**  
**Year Ended April 30, 2020**

| Federal CFDA Number   | Fund Source   | Account Number | Federal Grantor/Pass-Through Grantor/Program Title  | Contract Number    | Grant Start Date | Grant End Date | FYE2020 Expenditures |
|---|---------------|----------------|---|--------------------|------------------|----------------|----------------------|
| <b>Federal Grants</b>   |               |                |   |                    |                  |                |                      |
| <b>U.S. Department of Health and Human Services (continued)</b> |               |                |   |                    |                  |                |                      |
| <b>FUNDING AGENCY 220</b>                                       |               |                |   |                    |                  |                |                      |
| Pass-Through from:  |               |                |   |                    |                  |                |                      |
| <b>Texas Health and Human Services Commission</b>               |               |                |   |                    |                  |                |                      |
| Administration for Community Living                             |               |                |   |                    |                  |                |                      |
| 93.044  | IIIB          |                | Special Programs for the Aging - Title III, Part B -Grants for Supportive Services and Senior Centers                   | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 258,635              |
| 93.044  | IIIB          |                | Special Programs for the Aging - Title III, Part B -Grants for Supportive Services and Senior Centers                   | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 144,651              |
| 93.045  | IIIC          |                | Special Programs for the Aging - Title III, Part C -Nutrition Services  | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 182,308              |
| 93.045  | IIIC          |                | Special Programs for the Aging - Title III, Part C -Nutrition Services  | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 189,207              |
| 93.045  | COVID 19 IIIC |                | Families First Coronavirus Response Act, OAA Title III, Part C_ Nutrition Services                                      | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 58,904               |
| 93.053  | NSIP          |                | Nutrition Services Incentive Program  | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 42,082               |
| 93.053  | NSIP          |                | Nutrition Services Incentive Program  | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 101,059              |
| 93.041  | EAP           |                | Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 12                   |
| 93.041  | EAP           |                | Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 2,352                |
| 93.042  | OM            |                | Special Programs for the Aging - Title VII, Chapter 2 Long-Term Care Ombudsman Services for Older Individuals           | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 189                  |
| 93.042  | OM            |                | Special Programs for the Aging - Title VII, Chapter 2 Long-Term Care Ombudsman Services for Older Individuals           | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 16,688               |
| 93.043  | IIID          |                | Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services                    | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 7,474                |
| 93.043  | IIID          |                | Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services                    | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 2,101                |
| 93.052  | IIIE          |                | National Family Caregiver Support Program - Title III, Part E   | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 47,176               |
| 93.052  | IIIE          |                | National Family Caregiver Support Program - Title III, Part E   | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 39,209               |
| 93.324  | HICAP         |                | State Health Insurance Assistance Program   | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 6,812                |
| 93.324  | HICAP         |                | State Health Insurance Assistance Program   | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 20,986               |
| 93.071  | MIPPA         |                | Medicare Enrollment Assistance Program  | 539-16-0008-00001  | 10/01/18         | 09/30/19       | 9,730                |
| 93.071  | MIPPA         |                | Medicare Enrollment Assistance Program  | 539-16-0008-00001  | 10/01/19         | 09/30/20       | 3,306                |
| Subtotal  |               |                |   |                    |                  |                | <u>1,132,881</u>     |
| <b>FUNDING AGENCY 222</b>                                       |               |                |   |                    |                  |                |                      |
| Aging And Disability Resource Center                            |               |                |   |                    |                  |                |                      |
| 93.791  | 51000         |                | Money Follows the Person Rebalancing Demonstration  | 539-14-0475-00007  | 09/01/18         | 08/31/19       | 27,110               |
| 93.791  | 51000         |                | Money Follows the Person Rebalancing Demonstration  | 539-14-0475-00007  | 09/01/19         | 08/31/20       | 24,769               |
| Subtotal  |               |                |   |                    |                  |                | <u>51,879</u>        |
| Operations Information and Referral Services                    |               |                |   |                    |                  |                |                      |
| 93.767  | 60000         |                | Children's Health Insurance Program   | 529-16-0006-00024G | 09/01/18         | 08/31/19       | 13,470               |
| 93.780  | 60000         |                | Grants to States for Operation of Qualified High-Risk Pools   | 529-16-0006-00024G | 09/01/18         | 08/31/19       | 13,470               |
| 93.566  | 60000         |                | Refugee and Entrant Assistance State/Replacement Designee Administered Programs   | 529-16-0006-00024G | 09/01/18         | 08/31/19       | 13,469               |
| 93.558  | 60000         |                | Temporary Assistance for Needy Families State Programs  | 529-16-0006-00024G | 09/01/18         | 08/31/19       | 13,469               |
| 93.767  | 60000         |                | Children's Health Insurance Program   | 529-16-0006-00024H | 09/01/19         | 08/31/20       | 25,477               |
| 93.780  | 60000         |                | Grants to States for Operation of Qualified High-Risk Pools   | 529-16-0006-00024H | 09/01/19         | 08/31/20       | 25,477               |
| 93.566  | 60000         |                | Refugee and Entrant Assistance State/Replacement Designee Administered Programs   | 529-16-0006-00024H | 09/01/19         | 08/31/20       | 25,477               |
| 93.558  | 60000         |                | Temporary Assistance for Needy Families   | 529-16-0006-00024H | 09/01/19         | 08/31/20       | 25,477               |
| Subtotal  |               |                |   |                    |                  |                | <u>155,786</u>       |

**TEXOMA COUNCIL OF GOVERNMENTS**  
**Grant Register (Unaudited) (Continued)**  
**Year Ended April 30, 2020**

| Federal CFDA Number   | Fund Source | Account Number  | Federal Grantor/Pass-Through Grantor/Program Title  | Contract Number      | Grant Start Date | Grant End Date | FYE2020 Expenditures |
|---|-------------|---|---|----------------------|------------------|----------------|----------------------|
| <b>Federal Grants</b>                                       |             |   |   |                      |                  |                |                      |
| <b>FUNDING AGENCY 222</b>                                   |             | <b>U.S. Department of Health and Human Services (continued)</b> |   |                      |                  |                |                      |
| Pass-Through from:  |             |   |   |                      |                  |                |                      |
|   |             | <b>Texas Health and Human Services Commission (continued)</b>   |   |                      |                  |                |                      |
| Child Care Information and Referral Services                |             |   |   |                      |                  |                |                      |
| 93.575  |             | 60000   | Child Care and Development Block Grant  | 529-16-0006-00024G   | 09/01/18         | 08/31/19       | 6,024                |
| 93.575  |             | 60000   | Child Care and Development Block Grant  | 529-16-0006-00024H   | 09/01/19         | 08/31/20       | 1,099                |
|   |             |   |   |                      |                  |                | 7,123                |
| <b>Texas Health and Human Services Commission</b>           |             |   |   |                      |                  |                | <b>1,347,669</b>     |
| <b>Total U.S. Department of Health and Human Services</b>   |             |   |   |                      |                  |                | <b>6,949,185</b>     |
| <b>FUNDING AGENCY 222</b>                                   |             | <b>U.S. Department of Agriculture (USDA)</b>                    |   |                      |                  |                |                      |
| Pass-Through from:  |             |   |   |                      |                  |                |                      |
|   |             | <b>Texas Health and Human Services Commission</b>               |   |                      |                  |                |                      |
| 10.561  |             | 60000   | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program    | 529-16-0006-00024G   | 09/01/18         | 08/31/19       | 13,470               |
| 10.561  |             | 60000   | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program    | 529-16-0006-00024H   | 09/01/19         | 08/31/20       | 25,477               |
| <b>Total U.S. Department of Agriculture</b>                 |             |   |   |                      |                  |                | <b>38,947</b>        |
| <b>FUNDING AGENCY 510</b>                                   |             | <b>Corporation for National and Community Service</b>           |   |                      |                  |                |                      |
| Direct Programs:  |             |   |   |                      |                  |                |                      |
| 94.002  |             | 56000   | Retired and Senior Volunteer Program  | 16SRWX003            | 07/01/18         | 06/30/19       | 7,654                |
| 94.002  |             | 56000   | Retired and Senior Volunteer Program  | 19SRWX004            | 07/01/19         | 06/30/20       | 64,188               |
| 94.011  |             | 50000   | Foster Grandparent Program  | 18SFWX001            | 07/01/18         | 06/30/19       | 36,170               |
| 94.011  |             | 50000   | Foster Grandparent Program  | 18SFWX001            | 07/01/19         | 06/30/20       | 182,941              |
| <b>Total Corporation for National and Community Service</b> |             |   |   |                      |                  |                | <b>290,953</b>       |
| <b>FUNDING AGENCY 320</b>                                   |             | <b>U. S. Department of Homeland Security</b>                    |   |                      |                  |                |                      |
| Pass-Through from:  |             |   |   |                      |                  |                |                      |
|   |             | <b>Office of the Governor</b>                                   |   |                      |                  |                |                      |
| 97.067  |             | 45018   | Homeland Security Grant Program   | 2969004              | 01/01/19         | 12/31/19       | 30,695               |
| 97.067  |             | 45019   | Homeland Security Grant Program   | 2969005              | 01/01/20         | 12/31/20       | 12,577               |
| 97.067  | SHSP        | 48018   | Homeland Security Grant Program   | 3124103              | 10/1/2018        | 9/30/2019      | 50,475               |
| 97.067  | LETPA       | 48018   | Homeland Security Grant Program   | 3397902              | 10/1/2018        | 9/30/2019      | 38,411               |
| 97.067  | SHSP        | 48019   | Homeland Security Grant Program   | 3124104              | 10/1/2019        | 9/30/2020      | 148,539              |
| 97.067  | LETPA       | 48019   | Homeland Security Grant Program   | 3397903              | 10/1/2019        | 9/30/2020      | 39,895               |
| <b>Total U.S. Department of Homeland Security</b>           |             |   |   |                      |                  |                | <b>320,592</b>       |
| <b>FUNDING AGENCY 350</b>                                   |             | <b>U.S Department of Transportation</b>                         |   |                      |                  |                |                      |
| Pass-Through from:  |             |   |   |                      |                  |                |                      |
|   |             | <b>Texas Department of Transportation</b>                       |   |                      |                  |                |                      |
| 20.505  |             | 37000   | Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | NGA 2017-2021-TCOG   | 11/28/17         | 08/31/19       | 25,880               |
| 20.505  |             | 37000   | Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | RCTP-2019-TCOG-00025 | 09/01/19         | 08/31/21       | 12,490               |
| <b>Total Federal Transit Administration</b>                 |             |   |   |                      |                  |                | <b>38,370</b>        |
| <b>Total Expenditures of Federal Awards</b>                 |             |   |   |                      |                  |                | <b>11,285,156</b>    |

**TEXOMA COUNCIL OF GOVERNMENTS**

Grant Register (Unaudited) (Continued)

Year Ended April 30, 2020

| Federal<br>CFDA<br>Number | Fund<br>Source | Account<br>Number | Federal Grantor/Pass-Through Grantor/Program Title   | Contract Number    | Grant Start<br>Date | Grant End<br>Date | FYE2020<br>Expenditures |
|---------------------------|----------------|-------------------|--|--------------------|---------------------|-------------------|-------------------------|
| <b>FUNDING AGENCY 320</b> |                |                   | <b>Governor's Division of Emergency Management</b>   |                    |                     |                   |                         |
|                           |                | 44019             | State Homeland Security Interlocal   | PO# 30090234       | 09/01/18            | 08/31/19          | 22,305                  |
|                           |                | 44020             | State Homeland Security Interlocal   | PO# 30001934       | 09/01/19            | 08/31/20          | (2,914)                 |
|                           |                |                   | <b>Total Governor's Division of Emergency Management</b>   |                    |                     |                   | <b>19,391</b>           |
| <b>FUNDING AGENCY 310</b> |                |                   | <b>Office of the Governor</b>  |                    |                     |                   |                         |
|                           |                |                   | <b>Governor's Division of Criminal Justice Division</b>  |                    |                     |                   |                         |
|                           |                | 40000             | Regional Criminal Justice Coordination   | 30070163           | 9/1/2018            | 8/31/2019         | 50,045                  |
|                           |                | 40000             | Regional Criminal Justice Coordination   | 30001934           | 9/1/2019            | 8/31/2020         | 32,345                  |
|                           |                |                   | <b>Total Governor's Division of Criminal Justice Division</b>  |                    |                     |                   | <b>82,390</b>           |
| <b>FUNDING AGENCY 300</b> |                |                   | <b>Commission on State Emergency Communications</b>  |                    |                     |                   |                         |
|                           |                | 41017             | Emergency 911 - 2016/2017  | N/A                | 09/01/16            | 08/31/17          | 150,169                 |
|                           |                | 41019             | Emergency 911 - 2018/2019  | N/A                | 09/01/18            | 08/31/19          | 414,640                 |
|                           |                | 41020             | Emergency 911 - 2019/2020  | N/A                | 09/01/19            | 08/31/20          | 499,282                 |
|                           |                |                   | <b>Total Commission on State Emergency Communications</b>  |                    |                     |                   | <b>1,064,091</b>        |
| <b>FUNDING AGENCY 340</b> |                |                   | <b>Texas Commission on Environmental Quality</b>   |                    |                     |                   |                         |
|                           |                | 46000             | Municipal Solid Waste  | 582-18-80550       | 09/01/17            | 08/31/19          | 31,504                  |
|                           |                | 46000             | Municipal Solid Waste  | 582-20-10225       | 09/01/19            | 08/31/21          | 44,045                  |
|                           |                |                   | <b>Total Texas Commission on Environmental Quality</b>   |                    |                     |                   | <b>75,549</b>           |
| <b>FUNDING AGENCY 220</b> |                |                   | <b>Texas Health and Human Services Commission</b>  |                    |                     |                   |                         |
|                           |                | 52004             | State General Revenue  | 539-16-0008-00001  | 09/01/18            | 08/31/19          | 8,963                   |
|                           |                | 52004             | State General Revenue  | 539-16-0008-00001  | 09/01/19            | 08/31/20          | 80,718                  |
|                           |                | 52010             | State General Revenue HDM Rate Increase  | 539-16-0008-00001  | 09/01/19            | 08/31/20          | 11,823                  |
|                           |                | 52012             | Housing Bond   | 539-16-0008-00001  | 09/01/18            | 08/31/19          | 21,105                  |
|                           |                | 52002             | SGR Assisted Living Facility (ALF)   | 539-16-0008-00001  | 09/01/18            | 08/31/19          | 6,922                   |
|                           |                | 52002             | SGR Assisted Living Facility (ALF)   | 539-16-0008-00001  | 09/01/19            | 08/31/20          | 7,068                   |
|                           |                |                   | Subtotal   |                    |                     |                   | <u>136,599</u>          |
| <b>FUNDING AGENCY 222</b> |                |                   |  |                    |                     |                   |                         |
|                           |                | 200/205           | 51000 ADRC SGR Operations  | 539-14-0475-00007  | 09/01/18            | 08/31/19          | 50,251                  |
|                           |                | 200/205           | 51000 ADRC SGR Operations  | 539-14-0475-00007  | 09/01/19            | 08/31/20          | 56,895                  |
|                           |                |                   | Subtotal   |                    |                     |                   | <u>107,146</u>          |
| <b>FUNDING AGENCY 221</b> |                |                   |  |                    |                     |                   |                         |
|                           |                | 51%               | 60000 211 Area Information Center Operations   | 529-16-0006-00024E | 09/01/18            | 08/31/19          | 69,266                  |
|                           |                | 51%               | 60000 211 Area Information Center Operations   | 529-16-0006-00024G | 09/01/19            | 08/31/20          | 139,949                 |
|                           |                |                   | Subtotal   |                    |                     |                   | <u>209,215</u>          |
|                           |                |                   | <b>Total Health and Human Services</b>   |                    |                     |                   | <b>452,960</b>          |
| <b>FUNDING AGENCY 510</b> |                |                   | <b>Corporation for National and Community Service</b>  |                    |                     |                   |                         |
|                           |                | 56050             | Retired Senior Volunteer Program   | 20SRWTX014         | 09/01/19            | 08/31/20          | 14,728                  |
|                           |                | 50050             | Foster Grandparent Program   | 20SFWTX006         | 09/01/19            | 08/31/20          | 4,413                   |
|                           |                |                   | <b>Total Corporation for National and Community Service</b>  |                    |                     |                   | <b>19,141</b>           |
| <b>FUNDING AGENCY 315</b> |                |                   | <b>Texas Department of Agriculture</b>   |                    |                     |                   |                         |
|                           |                | 36000             | Community and Economic Development Assistance Funds for Administrative and Technical Assistance Services | C719210            | 09/01/19            | 09/30/21          | 425                     |
|                           |                |                   | <b>Total Texas Department of Agriculture</b>   |                    |                     |                   | <b>425</b>              |
|                           |                |                   | <b>Total Expenditures of State Awards</b>  |                    |                     |                   | <b>1,713,947</b>        |
|                           |                |                   | <b>Total Expenditures of Federal and State of Texas Awards</b>   |                    |                     |                   | <b>\$ 12,999,103</b>    |



**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> |
|--------------------|-----------------------|---------------------|----------------------|-------------------------|
| 2011               | 3                     | 32                  | 40                   | 75                      |
| 2012               | 3                     | 31                  | 44                   | 78                      |
| 2013               | 3                     | 29                  | 38                   | 70                      |
| 2014               | 3                     | 31                  | 41                   | 75                      |
| 2015               | 3                     | 29                  | 39                   | 71                      |
| 2016               | 3                     | 25                  | 33                   | 61                      |
| 2017               | 3                     | 34                  | 22                   | 59                      |
| 2018               | 3                     | 27                  | 20                   | 50                      |
| 2019               | 3                     | 30                  | 22                   | 55                      |
| 2020               | 3                     | 30                  | 22                   | 55                      |

| <u>Fiscal Year</u> | <u>County Dues</u> | <u>City Dues</u> | <u>Other Dues</u> | <u>Total Dues</u> |
|--------------------|--------------------|------------------|-------------------|-------------------|
| 2011               | \$ 13,455          | \$ 24,917        | \$ 10,078         | \$ 48,450         |
| 2012               | 13,134             | 24,964           | 9,625             | 47,723            |
| 2013               | 13,193             | 23,919           | 9,916             | 47,028            |
| 2014               | 13,193             | 25,005           | 9,155             | 47,353            |
| 2015               | 13,193             | 23,433           | 8,405             | 45,031            |
| 2016               | 13,193             | 23,359           | 4,036             | 40,588            |
| 2017               | 13,193             | 23,856           | 4,965             | 42,014            |
| 2018               | 14,627             | 22,333           | 4,741             | 41,701            |
| 2019               | 14,647             | 19,641           | 3,159             | 37,447            |
| 2020               | 14,807             | 25,419           | 7,318             | 47,544            |

**TEXOMA COUNCIL OF GOVERNMENTS**

Schedule of Membership Dues

Years Ended April 30, 2020 and 2019

(Unaudited)

| MEMBER ENTITY        | <u>2020</u>   | <u>2019</u>   |
|----------------------|---------------|---------------|
| Cooke County         | \$ 3,679      | \$ 3,768      |
| Fannin County        | 2,868         | 3,184         |
| Grayson County       | <u>8,260</u>  | <u>7,695</u>  |
| <b>County Total</b>  | <u>14,807</u> | <u>14,647</u> |
|                      |               |               |
| City of Bailey       | 100           | -             |
| City of Bells        | 285           | 283           |
| City of Bonham       | 2,087         | 2,008         |
| City of Callisburg   | 100           | -             |
| City of Collinsville | 340           | -             |
| City of Denison      | 4,654         | 4,521         |
| City of Dodd City    | 100           | 200           |
| City of Dorchester   | 100           | -             |
| City of Ector        | 144           | 139           |
| City of Gainesville  | 3,216         | -             |
| City of Gunter       | 287           | 293           |
| City of Honey Grove  | 346           | -             |
| City of Howe         | 544           | 554           |
| City of Knollwood    | 100           | 100           |
| City of Ladonia      | 128           | 121           |
| City of Leonard      | 407           | -             |
| Town of Lindsay      | 212           | 213           |
| City of Muenster     | 315           | -             |
| Town of Oak Ridge    | 100           | 100           |
| City of Pecan Gap    | 100           | -             |
| City of Pottsboro    | 453           | 441           |
| Town of Ravenna      | 100           | 100           |
| City of Sadler       | 100           | 100           |
| City of Savoy        | 172           | 168           |
| City of Sherman      | 8,162         | 8,046         |
| City of Southmayd    | 204           | 201           |
| City of Tioga        | 165           | 165           |
| City of Tom Bean     | 209           | -             |
| City of Trenton      | 128           | 125           |
| City of Valley View  | 154           | 152           |
| City of Van Alstyne  | 718           | -             |
| City of Whitesboro   | 771           | 771           |
| City of Whitewright  | 318           | 640           |
| Town of Windom       | <u>100</u>    | <u>200</u>    |
| <b>City Total</b>    | <u>25,419</u> | <u>19,641</u> |

**TEXOMA COUNCIL OF GOVERNMENTS**

Schedule of Membership Dues (Continued)

Years Ended April 30, 2020 and 2019

(Unaudited)

|  | <u>2020</u>      | <u>2019</u>      |
|--|------------------|------------------|
| MEMBER ENTITY                                |                  |                  |
| Bells ISD                                    | 173              | -                |
| Bonham ISD                                   | 368              | 369              |
| Bonham Chamber of Commerce                   | 175              | -                |
| Collinsville ISD                             | 107              | -                |
| Denison ISD                                  | 915              | 900              |
| Denison Chamber of Commerce                  | 100              | -                |
| Dodd City ISD                                | 100              | 100              |
| Ector ISD                                    | 100              | 100              |
| Era ISD                                      | 100              | 100              |
| Fannindel ISD                                | 100              | 100              |
| Gainesville ISD                              | 605              | -                |
| Grayson County College                       | 811              | 811              |
| Honey Grove ISD                              | 122              | -                |
| Leonard ISD                                  | 181              | -                |
| Lindsay ISD                                  | -                | 100              |
| Muenster ISD                                 | 100              | 100              |
| North Central Texas College (CC Campus only) | 451              | 279              |
| Pottsboro ISD                                | 282              | -                |
| Sam Rayburn ISD                              | 100              | 200              |
| Savoy ISD                                    | 100              | -                |
| Sherman Chamber of Commerce                  | 100              | -                |
| Sherman ISD                                  | 1,472            | -                |
| Tom Bean ISD                                 | 131              | -                |
| Van Alstyne ISD                              | 314              | -                |
| Whitesboro ISD                               | 311              | -                |
|  | <u>7,318</u>     | <u>3,159</u>     |
| <b>Other Total</b>                           |                  |                  |
|  | <u>\$ 47,544</u> | <u>\$ 37,447</u> |
| <b>Grand Total</b>                           |                  |                  |

**TEXOMA COUNCIL OF GOVERNMENTS**

Revenues by Source and Authorized Staff

Last Ten Fiscal Years Ended (Unaudited)

| Fiscal Year | Member     | Local Govt         | Interest | State Funds  | State        | Federal      | Totals        | Authorized |
|-------------|------------|--------------------|----------|--------------|--------------|--------------|---------------|------------|
|             | Government | Income/In-<br>Kind |          |              | Administered |              |               |            |
|             | Dues       | Contributions      | Income   |              | Grants       | Grants       |               | Full-Time  |
|             |            |                    |          |              |              |              |               | Positions  |
| 2011        | \$ 48,450  | \$ 3,892,293       | \$ 1,899 | \$ 1,440,445 | \$ 8,548,810 | \$ 4,191,292 | \$ 18,123,189 | 84         |
| 2012        | 47,723     | 2,899,507          | 1,790    | 1,726,466    | 6,879,902    | 3,258,587    | 14,813,975    | 80         |
| 2013        | 47,028     | 2,857,569          | 598      | 1,260,402    | 3,689,647    | 2,540,670    | 10,395,914    | 62         |
| 2014        | 47,353     | 3,192,743          | 240      | 1,644,156    | 3,069,648    | 3,115,435    | 11,069,575    | 58         |
| 2015        | 45,031     | 2,893,552          | 288      | 1,971,476    | 3,555,022    | 3,050,816    | 11,516,185    | 58         |
| 2016        | 40,588     | 2,706,695          | 144      | 2,027,848    | 1,337,159    | 4,968,455    | 11,080,889    | 58         |
| 2017        | 42,014     | 3,302,950          | 198      | 1,772,284    | 1,096,346    | 5,544,692    | 11,758,484    | 63         |
| 2018        | 41,701     | 2,572,109          | 967      | 2,186,492    | 1,390,649    | 7,581,951    | 13,773,869    | 46         |
| 2019        | 37,447     | 1,733,612          | 564      | 1,911,604    | 1,409,563    | 9,376,939    | 14,469,729    | 48         |
| 2020        | 47,544     | 1,763,850          | 233      | 1,713,947    | 1,386,616    | 9,951,243    | 14,863,433    | 48         |

**TEXOMA COUNCIL OF GOVERNMENTS**

Total Governmental Funds Expenditures

Last Ten Fiscal Years Ended (Unaudited)

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|---------------|
| 2011               | \$ 17,906,877 |
| 2012               | 14,889,053    |
| 2013               | 11,275,356    |
| 2014               | 11,130,735    |
| 2015               | 11,310,911    |
| 2016               | 11,761,376    |
| 2017               | 11,621,383    |
| 2018               | 13,742,062    |
| 2019               | 14,493,505    |
| 2020               | 14,747,614    |

**TEXOMA COUNCIL OF GOVERNMENTS**

Schedule of Insurance in Force

April 30, 2020 (Unaudited)

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