



**CONCHO VALLEY
COUNCIL OF GOVERNMENTS**
San Angelo, Texas

ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2021

CONCHO VALLEY COUNCIL OF GOVERNMENTS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2021

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Financial Section

February 28, 2022

Independent Auditors' Report on Financial Statements

Executive Committee
Concho Valley Council of Governments
2801 W. Loop 306, Suite A
San Angelo, Texas 76904

Members of the Executive Committee:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major funds, and the discretely presented component unit of Concho Valley Council of Governments as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 general-purpose financial statements are free of 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 Council'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, the major funds, and the discretely presented component unit of Concho Valley Council of Governments as of September 30, 2021, and the respective changes in financial position, for the year then ended in conformity with the 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 and Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios - Pension Plan and Schedule of Contributions - Pension Plan on pages 3-7 and 32-33 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.

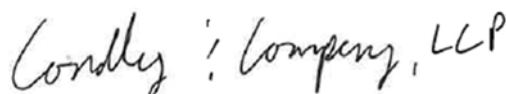
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The other supplementary information and Schedule of Expenditures of Federal/State Awards, as required by title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Single Audit Circular are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, and Schedule of Expenditures of Federal/State Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and Schedule of Expenditures of Federal/State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022 on our consideration of the Concho Valley Council of Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Concho Valley Council of Government's internal control over financial reporting and compliance.



Certified Public Accountants

**Management's Discussion and Analysis
Required Supplementary Information**

CONCHO VALLEY COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Our discussion and analysis of **Concho Valley Council of Governments' (Council)** financial performance provides an overview of the Council's financial activities for the fiscal year ended September 30, 2021.

FINANCIAL HIGHLIGHTS

- The Council's net position was \$11,591,924 and \$10,642,917 at September 30, 2021 and 2020, respectively.
- The Council's revenues totaled \$21,608,697 and \$21,445,320 for the years ended September 30, 2021 and 2020, respectively. Expenses totaled \$20,659,690 and \$18,390,966 for the years ended September 30, 2021 and 2020, respectively. Net position increased by \$949,007 and \$3,054,354 for the years ended September 30, 2021 and 2020, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Council's financial statements consist of four parts – management's discussion and analysis (this section), the basic financial statements, other required supplementary information, and other supplementary information that present expenditures by grant program, indirect costs, and fringe benefit schedules. These financial statements and related notes provide information about the activities of the Council, including resources held by the Council but restricted for specific purposes by grantors, contributors, or enabling legislation.

The basic financial statements include two kinds of statements that present different views of the Council:

- The first two statements are *government-wide statements* that provide both *long-term* and *short-term* information about the Council's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Council, reporting the Council's operations in *more* detail than the government-wide statements.
 - The *governmental* fund statements present how *general government* services were financed in the *short term* as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. Required supplementary information includes management's discussion and analysis and schedule of funding progress for the Council's pension plan. *Other supplementary information* includes expenditures by grant program, indirect costs, and fringe benefit schedules. The following summarizes the major features of the Council's financial statements, including the portion of the Council's operations they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Type of Statement	Government-Wide	Governmental Funds
Scope	Entire agency (except fiduciary funds)	The activities of the Council that are not proprietary or fiduciary
Required Financial Statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures & changes in fund balances
Accounting Basis And Measurement Focus	Accrual accounting and economic measurement focus	Modified accrual accounting and current measurement focus
Asset/Liability Information	All assets and liabilities, both financial and capital – short-term and long-term	Only assets expected to be used up & liabilities that come due during the year or 60 days thereafter, no capital assets included
In Flow/Out Flow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during year or 60 days after the end of year, expenditures when goods or services have been received and payment is due during the year or 60 days thereafter

Government-Wide Statements

The government-wide statements report information about the Council as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the entity's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Council's *net position* and how it has changed. *Net position*, the difference between the Council's assets and liabilities, is one way to measure the Council's financial health or *position*.

- Over time, increases or decreases in the Council's net position *could* be an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Council, you need to consider additional non-financial factors.

The government-wide financial statements of the Council include:

- *Governmental activities* – All of the Council's services are included here. Federal, state, and local grants finance the primary activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Council's most significant funds, not the Council as a whole. Funds are accounting devices that the Council uses to keep track of specific sources of funding and spending for particular purposes.

- *Governmental funds* – All of the Council's services are included in governmental funds, which focus on (1) how *cash* and *other financial assets* that can be readily converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a *short-term* view that helps

determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs.

FINANCIAL ANALYSIS OF THE COUNCIL AS A WHOLE – GOVERNMENT WIDE FINANCIAL STATEMENTS

Net Position - The Council's net position is the difference between its assets (including deferred outflows of resources) and liabilities (including deferred inflows of resources) reported in the Statement of Net Position. The Council's net position was \$11,591,924 and \$10,642,917 at September 30, 2021 and 2020, respectively.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position – Governmental Activities

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets	\$ 4,981,718	\$ 5,520,342
Net pension asset	269,557	705,565
Capital assets, net	<u>8,450,523</u>	<u>8,114,136</u>
Total assets	<u>\$ 13,701,798</u>	<u>\$ 14,340,043</u>
Deferred Outflows of Resources:		
Deferred outflows of resources related to pensions	<u>\$ 1,518,697</u>	<u>\$ 1,108,092</u>
Total deferred outflows of resources	<u>\$ 1,518,697</u>	<u>\$ 1,108,092</u>
Liabilities:		
Current liabilities	<u>3,119,956</u>	<u>4,101,027</u>
Total liabilities	<u>\$ 3,119,956</u>	<u>\$ 4,101,027</u>
Deferred Inflows of Resources:		
Deferred inflows of resources related to pensions	<u>\$ 508,615</u>	<u>\$ 704,191</u>
Total deferred inflows of resources	<u>\$ 508,615</u>	<u>\$ 704,191</u>
Net position:		
Net investment in capital assets	\$ 8,450,523	\$ 6,305,621
Restricted for federal and state programs	23,850	23,850
Restricted for debt service	-	1,800,000
Unrestricted	<u>3,117,551</u>	<u>2,513,446</u>
Total net position	<u>\$ 11,591,924</u>	<u>\$ 10,642,917</u>

Current assets decreased from 2020 to 2021 primarily due to timing of grants receivable. As of September 30, 2021, there was a decrease in the net pension asset as compared to September 30, 2020. Capital assets increased with the additions to the Link Road property in 2021 while liabilities decreased due to the payoff of the notes payable also associated with the property.

OPERATING RESULTS AND CHANGES IN THE COUNCIL'S NET POSITION

The Council's total revenues were \$21,608,697 for the year ended September 30, 2021. In the 2021 fiscal year, approximately 66% of the Council's revenue came from federal grants or federal grants passed through the state, 19% from state grants, 5% from matching and in-kind, 1% from a variety of local funds, 5% from member government contributions, 3% from transit medical, charter, aging and toll credits and the remainder 1% is from other miscellaneous sources.

Changes in Net Position

	2021	2020
Revenues:		
Federal grants	\$ 14,355,124	\$ 14,235,022
State grants	4,120,080	3,575,326
Matching / in-kind	1,173,520	1,436,095
Local funds:		
Member government contributions	891,241	841,460
Program income	280,826	312,177
Transit charter	13,361	18,638
Transit medical	218,974	275,136
Local contracts	91,300	127,680
Aging vendor	175,226	176,963
Membership dues	108,978	107,918
Toll credits	38,211	120,903
Other local revenues	118,379	210,662
Interest and miscellaneous	102	511
Sale of assets	23,375	6,829
Total revenues	<u>21,608,697</u>	<u>21,445,320</u>
Expenses:		
General government	77,830	(96,376)
Family and children services	8,282,010	8,059,689
Aging services	2,481,683	2,393,059
Emergency communications	2,726,616	1,731,562
Emergency management	340,012	327,672
Criminal justice	267,555	250,797
Community and environmental	187,457	47,056
Information and referral	194,485	194,794
Economic development	119,409	-
Transportation	5,982,633	5,482,713
Total expenses	<u>20,659,690</u>	<u>18,390,966</u>
Increase in net position	949,007	3,054,354
Net position at beginning of year	<u>10,642,917</u>	<u>7,588,563</u>
Net position end of year	<u>\$ 11,591,924</u>	<u>\$ 10,642,917</u>

Programs experienced increases or decreases typical to cyclical funding which caused increases or decreases in expenses proportionately.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2021 and 2020, the Council had \$8,450,523 and \$6,305,621 invested in capital assets net of accumulated depreciation and related debt, respectively. See Note 4 to the financial statements for additional information regarding capital assets.

Debt

During the year ended August 31, 2020, the Transit District entered into note payable agreements totaling \$1,800,000 for property on Link Road and at August 31, 2021, the balances were paid in full. See Note 6 to the financial statements for additional information regarding notes payable.

OTHER ECONOMIC FACTORS

Overall, the program funding environment for the Council's operations was relatively stable during the period covered by the annual financial report. Funding fluctuations as discussed above are a pattern typical of the Council funding over many years.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, granting agencies, suppliers, taxpayers, and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Council's Administrative Offices at 5430 Link Road, San Angelo, Texas 76904 or 325-944-9666.

Basic Financial Statements

CONCHO VALLEY COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government	Component Unit
	Governmental Activities	Concho Valley Economic Development District, Inc.
ASSETS		
Cash	\$ 2,284,114	\$ 199,672
Receivables:		
Grants	2,579,677	33,224
Other	115,629	
Notes receivable - current		175,403
Prepaid expenses	2,298	
Notes receivable		237,019
Net pension asset	269,557	
Capital assets:		
Land	789,099	
Construction in progress	989,768	
Leasehold improvements	75,000	
Buildings and improvements	6,402,265	
Equipment and vehicles	5,195,524	
Less: accumulated depreciation	(5,001,133)	
	<u>13,701,798</u>	<u>645,318</u>
Total Assets		
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	<u>1,518,697</u>	
Total Deferred Outflows of Resources	<u>1,518,697</u>	<u>-</u>
LIABILITIES		
Accounts payable	1,795,928	
Payroll payable	511,299	
Due to primary government		35,167
Unearned revenue	479,300	357
Accrued liabilities	57,264	
Due to other local organizations	93,896	
Compensated absences	182,269	
	<u>3,119,956</u>	<u>35,524</u>
Total Liabilities		
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	<u>508,615</u>	
Total Deferred Outflows of Resources	<u>508,615</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	8,450,523	
Restricted for federal and state programs	23,850	113,682
Unrestricted	3,117,551	496,112
	<u>11,591,924</u>	<u>609,794</u>
Total Net Position	<u>\$ 11,591,924</u>	<u>\$ 609,794</u>

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

CONCHO VALLEY COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Indirect Cost Allocation	Expenses After Allocation of Indirect Costs
GOVERNMENTAL ACTIVITIES			
General government	\$ 21,322	\$ 56,508	\$ 77,830
Family and children services	7,936,998	345,012	8,282,010
Aging services	2,435,324	46,359	2,481,683
Emergency communications	2,693,769	32,847	2,726,616
Emergency management	334,229	5,783	340,012
Criminal justice	258,340	9,215	267,555
Community and environmental	183,186	4,271	187,457
Information and referral	184,922	9,563	194,485
Economic development	112,542	6,867	119,409
Transportation	5,982,633		5,982,633
Indirect costs	516,425	(516,425)	-
Total Governmental Activities	<u>20,659,690</u>	<u>-</u>	<u>20,659,690</u>
COMPONENT UNIT			
Concho Valley Economic Development District, Inc.	<u>413,574</u>		<u>413,574</u>
Total Component Unit	<u>413,574</u>	<u>-</u>	<u>413,574</u>

General Revenues:
 Membership dues
 Gain on sale of assets
 Unrestricted investment earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenues and Changes
in Net Position

Program Revenues		Primary Government	Component Unit
Charges for Services	Operating Grants and Contributions	Governmental Activities	Concho Valley Economic Development District, Inc.
\$	\$	\$	\$
	62,407	(15,423)	
	8,311,554	29,544	
58,474	2,411,211	(11,998)	
	2,744,704	18,088	
	145,011	(195,001)	
56,036	176,453	(35,066)	
	193,691	6,234	
	195,726	1,241	
	120,163	754	
	7,000,812	1,018,179	
		-	
114,510	21,361,732	816,552	-
77,084	614,694		278,204
77,084	614,694	-	278,204
		108,978	
		23,375	
		102	
		132,455	-
		949,007	278,204
		10,642,917	331,590
		\$ 11,591,924	\$ 609,794

CONCHO VALLEY COUNCIL OF GOVERNMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General</u>	<u>Transit District</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 1,258,496	\$ 1,025,618	\$ 2,284,114
Receivables:			
Grants	1,747,485	832,192	2,579,677
Other	27,985	87,644	115,629
Prepaid expenses	<u>2,298</u>	<u> </u>	<u>2,298</u>
 Total Assets	 <u>\$ 3,036,264</u>	 <u>\$ 1,945,454</u>	 <u>\$ 4,981,718</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 1,001,080	\$ 794,848	\$ 1,795,928
Payroll payable	511,299		511,299
Unearned revenue	479,300		479,300
Accrued liabilities		57,264	57,264
Due to other local organizations	<u>93,896</u>	<u> </u>	<u>93,896</u>
 Total Liabilities	 <u>2,085,575</u>	 <u>852,112</u>	 <u>2,937,687</u>
Fund Balance:			
Nonspendable fund balance	2,298		2,298
Restricted fund balance for:			
Federal and state programs	23,850		23,850
Assigned fund balance for:			
Aging services	15,776		15,776
Emergency management	18,047		18,047
Criminal justice	291,945		291,945
Community and environmental	66,061		66,061
Information referral	42,282		42,282
Transportation		1,093,342	1,093,342
Unassigned fund balance	<u>490,430</u>	<u> </u>	<u>490,430</u>
 Total Fund Balance	 <u>950,689</u>	 <u>1,093,342</u>	 <u>2,044,031</u>
 Total Liabilities and Fund Balance	 <u>\$ 3,036,264</u>	 <u>\$ 1,945,454</u>	 <u>\$ 4,981,718</u>

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

CONCHO VALLEY COUNCIL OF GOVERNMENTS
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2021*

Total fund balances - governmental funds balance sheet	\$ 2,044,031
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Deferred outflows of resources related to pensions are not reported in the funds.	1,518,697
Capital assets used in governmental activities are not reported in the funds.	8,450,523
Liabilities for compensated absences are not reported in the funds.	(182,269)
Net pension asset is not reported in the funds.	269,557
Deferred inflows of resources related to pensions are not reported in the funds.	<u>(508,615)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 11,591,924</u>

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

CONCHO VALLEY COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General</u>	<u>Transit District</u>	<u>Total Governmental Funds</u>
Revenues			
Federal grants	\$ 9,616,039	\$ 4,739,085	\$ 14,355,124
State grants	3,452,981	667,099	4,120,080
Local funds:			
Member government contributions		891,241	891,241
Program income	114,511	166,315	280,826
Transit charter		13,361	13,361
Transit medical		218,974	218,974
Local contracts		91,300	91,300
Aging vendor		175,226	175,226
Membership dues	108,978		108,978
Toll credits		38,211	38,211
Other local revenues	118,379		118,379
Interest income	102		102
	<u>13,410,990</u>	<u>7,000,812</u>	<u>20,411,802</u>
Expenditures			
General government	75,298		75,298
Family and children services	8,311,554		8,311,554
Aging services	2,498,037		2,498,037
Emergency communications	2,744,704		2,744,704
Emergency management	140,778		140,778
Criminal justice	269,291		269,291
Community and environmental	188,686		188,686
Information and referral	195,726		195,726
Economic development	120,163		120,163
Transportation		6,602,380	6,602,380
	<u>14,544,237</u>	<u>6,602,380</u>	<u>21,146,617</u>
Excess (deficit) of revenues over expenditures	(1,133,247)	398,432	(734,815)
Other Sources (Uses)			
Payments on debt		(1,800,000)	(1,800,000)
Match / in-kind	1,173,520		1,173,520
Sale of capital assets		23,375	23,375
	<u>1,173,520</u>	<u>(1,776,625)</u>	<u>(603,105)</u>
Excess (deficit) of revenues and other sources (uses) over expenditures	<u>40,273</u>	<u>(1,378,193)</u>	<u>(1,337,920)</u>
Fund balances, October 1	<u>910,416</u>	<u>2,471,535</u>	<u>3,381,951</u>
Fund balances, September 30	<u>\$ 950,689</u>	<u>\$ 1,093,342</u>	<u>\$ 2,044,031</u>

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

CONCHO VALLEY COUNCIL OF GOVERNMENTS

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021*

Net change in fund balances - total governmental funds	\$ (1,337,920)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Governmental funds report capital outlays as expenditures, but are reported as increases in capital assets in governmental activities.	1,216,931
Governmental funds report debt payments as other uses, but are reported in governmental activities as liabilities.	1,800,000
Depreciation is not recognized as an expense in governmental funds since it does not require use of current financial resources.	(880,544)
Change in compensated absences is not recognized in the governmental funds since it does not require use of current financial resources.	(19,634)
The change in net pension asset and the related deferred outflows and inflows of resources reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds.	<u>170,174</u>
Change in net assets of governmental activities - Statement of Activities	<u><u>\$ 949,007</u></u>

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

CONCHO VALLEY COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Concho Valley Council of Governments (the Council or CVCOG) have been prepared in conformity with the accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Concho Valley Council of Governments (the Council or CVCOG) is a voluntary association of cities, counties, school districts, and special districts within the thirteen county Concho Valley of Texas region. The Council was established to assist local government in planning common needs, cooperating for mutual benefit, and coordinating for sound regional development. CVCOG is a political subdivision of the State of Texas under Article 391 of the Texas Local Government Code. The basic operations of the Council are financed by membership dues and by financial assistance provided by federal and state grants, and other local funds. The Council serves as fiscal agent for the Concho Valley Transit District.

Membership in the CVCOG is voluntary. Any county, city, or special purpose district within the Concho Valley of Texas region may become a member of the independent association by passing a resolution to join the Council and paying annual dues. Each member government is entitled to have one voting representative on the Council's Board of Directors which is the Council's governing board. Each year the Board of Directors elects a sixteen (16) member Executive Committee which is the policy making and oversight body of the Council.

Reporting Entity

The Council's basic financial statements include the accounts of all its operations. The Council evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the Council's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity", include whether:

- the organization is legally separate (can sue or be sued in its name)
- the Council holds the corporate powers of the organization
- the Council appoints a voting majority of the organization's board
- the Council is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Council
- there is fiscal dependency by the organization on the Council
- the exclusion of the organization would result in misleading or incomplete financial statements

Blended Component Unit

Concho Valley Transit District (CVTD) is a local governmental body and political subdivision of the State of Texas established under Chapters 458 of the Transportation Code and 791 of the Government Code of the State of Texas. CVTD offers fixed route transit services for the City of San Angelo and demand-response transit services in the rural Concho Valley region for the Counties of Coke, Concho, Crockett, Irion, Kimble, McCulloch, Menard, Reagan, Schleicher, Sutton, Sterling and Tom Green, and the Cities of Bronte, Robert Lee, Eden, Ozona, Mertzon, Junction, Brady, Menard, Big Lake, Eldorado, and Sterling City. CVTD has identified public transportation, particularly the transportation of its widely scattered rural population, as a high priority goal and has achieved this objective by the operation of this rural public transportation project.

The governing body of CVTD is substantively the same as the governing body of the Council and there is a financial benefit or burden relationship between CVTD and the Council, and the Council has operational responsibility for CVTD.

CVTD has an August 31 fiscal year end. Accordingly, the financial information included in this report for CVTD is as of and for the fiscal year ended August 31, 2021. This disparity in fiscal year within the reporting entity can cause differences between how balances and activities are reported in the financial statements. The government-wide financial statements include activity of both the Council and CVTD as of and for the period ending September 30, 2021 and August 31, 2021, respectively.

Discretely Presented Component Unit

The Concho Valley Economic Development District, Inc. (the District) is a nonprofit organization whose primary purpose and objectives are to further economic development and social welfare in the Concho Valley by promoting and assisting the economic growth and development of this geographic region. The principal objectives of the District are to increase the employment opportunities of the unemployed and underemployed through expansion of the business and industry base within the economy.

The Council appoints a voting majority of the governing body of the District and is able to impose its will on the District by significantly influencing the programs, projects, activities, and level of service performed by the District.

The District has a June 30 fiscal year end. Accordingly, the financial information included in this report for the District is as of and for the fiscal year ended June 30, 2021. This disparity in fiscal year within the reporting entity can cause differences between how balances and activities are reported between the primary government and the discretely presented component unit. For example, in the Statement of Net Position, amounts reported for "Due from component unit" may not agree to amounts reported as "Due to primary government".

Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities (if any). Eliminations have been made to minimize the double-counting of internal activities. Government activities generally are financed through memberships, federal, state, and local grants, and other miscellaneous transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Council's government activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Council's funds with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Council reports the following governmental funds:

General Fund: This fund is used to account for all activities of the primary government.

Transit District Fund: This fund is used to account for all activities of CVTD.

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The major sources of revenue are federal and state grants, member government dues, local contributed cash, contributed services, and other revenue as discussed below:

Federal and State Grant Revenues

Recognized when program expenditures are incurred in accordance with program guidelines.

Member Government Dues

Recognized as revenue when assessed as they are measurable and are collectible within the current period. Dues may be used to meet the matching requirements of the grants, if necessary.

Local Contributed Cash

Contributions to grant programs from local governments and other participants are recognized when grant expenditures are incurred.

In-Kind Contributed Services

Local contributions, which include contributed services by individuals, private organizations, and local governments, are used to match federal funding on various grants. Contributed services are therefore reflected as revenue and expenditures in accordance with legal requirements of the individual grants. The amounts of such services are recorded at their estimated fair values at date of receipt.

Other Revenues

Other revenues are composed primarily of interest and miscellaneous charges for services. Interest income is recorded as earned. Miscellaneous charges for services are recorded as revenue when received in cash because they are generally not measurable until actually received.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Council considered all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues received from Federal and State grants are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the Council incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the Council's policy to use restricted resources first, then unrestricted resources.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

a. Cash, Cash Equivalents

Highly liquid investments are considered to be cash equivalents if they have an original maturity of three months or less when purchased.

b. Investments and Fair Value

Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application (GASB Statement No. 72), establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

GASB Statement No. 72 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 - Inputs to the valuation methodology are unobservable.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

c. Inventories and Prepaid Items

The Council records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Notes Receivable (Discretely presented component unit)

The District reports notes receivable of \$412,422 at June 30, 2021, which represent notes made to various businesses from the EDA revolving loan fund. These notes are collateralized with real property and / or business equipment. The notes bear interest of rates ranging from 4% to 8%. The District considers these notes to be fully collectible and/or secured adequately and accordingly, no allowance for doubtful accounts is considered necessary at June 30, 2021. If amounts become uncollectible, they will be charged to operations when that determination is made. The notes mature in fiscal years 2022, 2023, 2024, 2025, and 2026 and beyond in the amounts of \$175,403, \$70,706, \$68,476, \$62,590, and \$35,247, respectively.

e. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	7.5
Building and improvements	40
Vehicles	5
Office equipment	5
Computer equipment	5
Playground equipment	15

f. Receivable and Unearned Revenue Balances

Grants receivable represents allowable expenditures in excess of receipts for specific grants. Unearned revenue represents receipts in excess of corresponding eligible expenditures. Grants receivable and unearned revenue are summarized by source in Note 3 and Note 5, respectively. All receivable balances are considered fully collectible, and accordingly, no allowances have been recorded.

g. Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense / expenditure) until then. The Council had deferred outflows of resources related to pensions of \$1,518,697 as of September 30, 2021.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Council had deferred inflows of resources related to pensions of \$508,615 as of September 30, 2021.

h. Notes Payable / Debt

All debt arising from cash basis transactions to be repaid from governmental resources is reported as a liability in the government-wide statements.

Debt arising from cash basis transactions of governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

i. Fund Balance – Fund Financial Statements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different classifications of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires that fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned).

2. Restricted fund balance category includes amounts that can be spent for only the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the Council's highest level of decision-making authority).
4. Assigned fund balance classification includes amounts intended to be used by the Council for specific purposes but does not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the Council's general fund and includes all spendable amounts not contained in the other classifications.

The Council does not have committed fund balance as of September 30, 2021. Restricted fund balance totaling \$23,850 is restricted for federal and state programs. The Council also has \$2,298 in nonspendable fund balance relating to prepaid items and \$1,527,453 in assigned fund balance relating to various programs.

Fund balance categories applicable for the Council are identified and described as such on the governmental funds balance sheet.

In the fund financial statements, the Council considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and whether committed, assigned or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. Designations of fund balance represent tentative management plans that are subject to change. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended are restricted first followed by assigned and unassigned.

The Council does not operate under a minimum fund balance policy.

j. Net Position – Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position totaling \$23,850 is restricted for federal and state programs.

Unrestricted net position – All other net positions that do not meet the definition of the “restricted” or “net investment in capital assets”.

It is the Council's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

k. Employee Benefits

The Council provides various benefits to regular employees including medical and dental insurance coverage, disability benefits, life insurance, retirement, vacation, personal leave, and other released times. In addition, the Council is covered under the Texas Municipal League Workforce Compensation Insurance program and Texas Unemployment Compensation Insurance program for which the Council pays the premiums.

Compensated Absences

It is the Council's policy to permit employees to accumulate a limited amount of earned, but unused, vacation leave, which will be paid upon separation from the Council's service which may be paid in lieu of vacation time with the approval of the Executive Director. Vested or accumulated vacation leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

l. Indirect Costs Allocation

General and administrative costs are allocated to grant programs based upon a negotiated indirect cost rate. Indirect costs are defined by Office of Management and Budget (OMB) Circular A87, Attachment "A" as costs "(a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved." The Council's indirect cost rate is based upon prior cost experience, documented by a cost allocation plan, and is approved by a federal cognizant agency. It is the Council's policy to negotiate with the cognizant agency a provisional rate which is used for billing purposes during the fiscal year. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is finalized with the cognizant agency.

m. Use of Estimates

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

n. Subsequent Events

The Council has evaluated subsequent events through February 28, 2022, the day the financial statements were available to be issued.

o. Recent Accounting Pronouncements

NOT ADOPTED

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting by requiring reporting of certain lease liabilities that currently are not reported. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2021. The Council is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements related to Statement 87 and implementation guide 2019-3 are effective upon issuance. The other requirements of the statement are effective for fiscal years beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which improves accounting and financial reporting for subscription-based information technology arrangements for government end users. The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Stewardship, Compliance and Accountability

The Council's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending September 30. It is not a legally adopted budget; therefore presentation of budget comparisons is not required.

The Council's primary funding source is federal, state, and other local grants which have grant periods that may or may not coincide with the Council's fiscal year. These grants normally are for the twelve-month period however, they can be awarded for periods shorter or longer than twelve months.

Because of the Council's dependency on federal, state, and local budgetary decisions, revenue estimates are based upon the most available information as to potential sources of funding. The Council's annual budget differs from that of a local government in two respects: (1) the uncertain nature of grant awards from other entities; and (2) conversion of grant budgets to a fiscal year basis.

The resultant annual budget change within a fiscal year would be due to: (1) increases/decreases in actual grant awards from those estimated; (2) changes in grant periods; (3) unanticipated grant awards not included in the budget; and (4) expected grant awards fail to materialize.

The Board of Directors formally approves the annual budget, but greater emphasis is placed on complying with the budgets and terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances. All budget appropriations lapse at year end.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

NOTE 2: DEPOSITS AND INVESTMENTS

Cash Deposits

At September 30, 2021, the carrying amount of the Council's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in cash and short-term investments) all of which mature in less than three months was \$2,284,114 and the bank balance was \$1,752,902. The Council's cash deposits at September 30, 2021, and during the year ended September 30, 2021, were entirely covered by FDIC insurance or by pledged collateral held by the Council's agent bank in the Council's name.

Custodial Credit Risk

The Council's funds are required to be deposited and invested under the terms of the depository contract. The depository bank deposits for safekeeping and trust with the Council's agent bank approved pledged securities in an amount sufficient to protect Council funds on a daily basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Interest Rate Risk

In accordance with its investment policy, the Council manages its exposure to declines in fair value by limiting the maximum allowable maturity to one year, unless otherwise provided in a specific investment strategy that complies with current law.

Credit Risk

State law and Council policy limits investments in public funds investment pools to those rated no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service. Additional authorized investments are consistent with governing law (Government Code 2256).

Concentration of Credit Risk

The Council's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

The Public Funds Investment Act ("ACT") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the Council adhered to the requirements of the ACT. Additionally, investment practices of the Council were in accordance with local policies.

Investment Accounting Policy

The Council's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

NOTE 3: GRANTS RECEIVABLE

Grants receivable at September 30, 2021, is summarized as follows:

Grant Number	Name	Amount
820	Child Food Service Program FY 20-21	\$ 58,867
804	COVID-19 Disaster Recovery Initiative 20-22	20,163
582	Community and Economic Development Assistance 21-22	8,373
818	C.J. Purchase of Services FY 20-21	15,437
822	VAWA Training Project 20-21	7,426
821	Homeland Security Program – SHSP FY 20-21	22,023
819	Area Agency on Aging FY 20-21	478,345
811/T01	2-1-1 Operations	28,861
811	2-1-1 Child Care Contract	1,818
811	2-1-1 Kinship Navigation	525
812	Aging and Disability Resource Centers 20-21	24,777
D01	Aging and Disability Resource Centers 21-22	11,043
829	Head Start FY 21-23	287,823
809/F01/F02	Foster Grandparent Program FY 21-22	28,871
810/S01/S02	Senior Companion Program FY 21-22	16,195
826/G01	Retired Senior Volunteer Program FY 20-22	48,542
C02	C.J. Planning Services FY 21-23	3,542
C01	Law Enforcement Special Training FY 21-23	4,925
W01	Solid Waste FY 21-23	6,760
805/809	9-1-1 Emergency Communications 20-21	544,414
Z01	9-1-1 Emergency Communications 21-22	126,836
X02	Homeland Security Grants Division FY 21-22	1,458
800, 813	Urban Transportation	202,747
814, 825	Rural Transportation	266,937
823, 824	Transportation for Elderly and Disabled FY 18-19	6,900
817	State Planning and Research	17,408
020	Economic Adjustment Assistance	338,200
-	Other	461
	Total grants receivable	\$ <u><u>2,579,677</u></u>

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

Governmental activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 789,099	\$	\$	\$ 789,099
Construction in progress	<u>8,515</u>	<u>981,253</u>		<u>989,768</u>
Total capital assets not being depreciated	<u>797,614</u>	<u>981,253</u>	<u>-</u>	<u>1,778,867</u>
Capital assets being depreciated:				
Buildings and improvements	6,332,393	69,872		6,402,265
Leasehold improvements	75,000			75,000
Equipment and vehicles	<u>6,017,535</u>	<u>165,806</u>	<u>(987,817)</u>	<u>5,195,524</u>
Total capital assets being depreciated	<u>12,424,928</u>	<u>235,678</u>	<u>(987,817)</u>	<u>11,672,789</u>
Less accumulated depreciation for:				
Buildings and improvements	(882,630)	(162,200)		(1,044,830)
Leasehold improvements	(75,000)			(75,000)
Equipment and vehicles	<u>(4,150,776)</u>	<u>(718,344)</u>	<u>987,817</u>	<u>(3,881,303)</u>
Total accumulated depreciation	<u>(5,108,406)</u>	<u>(880,544)</u>	<u>987,817</u>	<u>(5,001,133)</u>
Total capital assets being depreciated, net	<u>7,316,522</u>	<u>(644,866)</u>	<u>-</u>	<u>6,671,656</u>
Governmental activities capital assets, net	<u>\$ 8,114,136</u>	<u>\$ 336,387</u>	<u>\$ -</u>	<u>\$ 8,450,523</u>

Depreciation was charged to functions as follows:

Family and children services	\$ 41,676
Emergency management	200,134
Transportation	636,075
General government	<u>2,659</u>
	<u>\$ 880,544</u>

NOTE 5: UNEARNED REVENUE

Unearned revenue at September 30, 2021, is summarized as follows:

Name	Amount
Membership dues FY 21-22	\$ 214,740
9-1-1 Program	354
VISTA	162,420
C.J. Regional Law Academy	26,437
C.J. Planning	1,022
CACFP COVID-19	21,780
Head Start Nutrition	6,361
Retired Senior Volunteer Program	34,731
HSGD contract	544
Solid waste program	5,159
Area of Aging	4,000
Senior Companion	<u>1,752</u>
Total unearned revenue	<u>\$ 479,300</u>

NOTE 6: NOTES PAYABLE AND CHANGES IN LONG-TERM OBLIGATIONS

On March 5, 2020, the Council authorized a note payable in the amount of \$550,000 for the Link Road property purchase, payable in one year with principal and interest due by March 5, 2021, with an interest rate of 2%, secured by a certificate of deposit of \$550,000. This loan was paid in full on March 24, 2021.

On March 6, 2020, the Council authorized a note payable in the amount of \$1,250,000 for the Link Road property purchase, payable in one year with interest due monthly beginning April 2020 and the principal balance due March 6, 2021, with an interest rate of 4.25%, secured by the deed to the property. This note was paid in full on September 29, 2020.

The Council has no other debt outstanding as of September 30, 2021.

Long-Term Obligation Activity

A summary of long-term liability activity for the year ended September 30, 2021, are as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Direct borrowings	\$ 1,800,000	\$ -	\$ (1,800,000)	\$ -	\$ -
Total	\$ 1,800,000	\$ -	\$ (1,800,000)	\$ -	\$ -

NOTE 7: COMMITMENTS UNDER NON-CAPITALIZED LEASES

Commitments under operating (non-capitalized) lease agreements for equipment provide for minimum future rental payments as of September 30, 2021, as follows:

Year Ending September 30,	
2022	243,569
2023	3,880
2024	3,234
Total Minimum Rentals	\$ 250,683
Rental Expenditures in 2020	\$ 457,061

NOTE 8: RISK MANAGEMENT AND UNCERTAINTIES

The Council is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2021, the Council obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TMLIRP). TMLIRP is a self-funded pool operating as a common risk management and insurance program. The Council pays an annual premium to TMLIRP for insurance coverage. The agreement for the formation of TMLIRP provides that TMLIRP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level or reinsurance. The Council continues to carry commercial insurance of other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and any settled claims have not exceeded coverage in any of the past three fiscal years.

The COVID-19 outbreak in the United States has created economic uncertainties that may impact future operations. The extent of the impact on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and impact on the Council's grant sources, employees, and vendors, all of which are uncertain and cannot be

predicted. At this point, the extent to which COVID-19 may impact the District's financial condition or results of operations is uncertain.

NOTE 9: PENSION PLAN

Retirement Pension Plan

Plan Description

The Council provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system serving over 800 participating counties and districts throughout Texas. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available on written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034, or by calling (800) 823-7782. TCDRS's CAFR is also available at www.tcdrs.org.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members have the flexibility and local control to adjust benefits annually and pay for those benefits based on their needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan.

Benefits Provided

At retirement, the employee's account balance is combined with employer matching and converted into a lifetime monthly benefit. Employees receive a month of service time for each month that they make a deposit into their account. Members can retire at ages 60 and above with ten or more years of services, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after ten years of services but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdrew their personal contributions in a lump sum are not entitled to any amounts contributed by their employer. Retirees elect to receive their lifetime benefit by choosing one of seven actuarially equivalent payment options.

As of the most recent measurement date which was December 31, 2020, membership data for the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	38
Inactive employees entitled to but not yet receiving benefits	317
Active employees	248
Total participants	<u>603</u>

Funding Policy

The Council elected, effective January 1, 2000, the annually determined contribution rate (variable rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employees, members, and employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. However, the governing body chose to contribute at an elected rate in 2000 that exceeded the actuarially determined rate as allowed by the provisions of the TCDRS Act. The rate contributed for 2021 was 11.50%.

The deposit rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer.

Annual Pension Cost

For the employer’s accounting year ended September 30, 2021, the annual pension cost for the TCDRS plan for its employees was \$936,708 and actual contributions were \$936,708.

Net Pension Asset

The net pension liability (asset) (NPL) is the difference between the total pension liability (TPL) and the plan’s fiduciary net position. The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service. The fiduciary net position is determined on the same basis used by the pension plans. The Council’s NPA was measured as of December 31, 2020, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

Total pension liability	\$	13,428,893
Fiduciary net position		<u>13,698,450</u>
Net pension asset	\$	<u><u>(269,557)</u></u>

Actuarial Assumptions

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of actuarial experience studies. The experience study was for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB Statement No. 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	
Overall payroll growth	2.00%	
Investment rate of return	7.60%	This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB Statement No. 68

Salary increases were based on a service-related table. Regarding mortality rates, for depositing members - 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014; for service retirees, beneficiaries, and non-depositing members – 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014; for disabled retirees – 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The long-term expected rate of return on pension plan investments is 7.60%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The valuation assumption for the long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon. The most recent analysis was performed in 2020. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Geometric Real Rate of Return (expected minus inflation)
U.S. equities	11.50%	4.25%
Private equity	25.00%	7.25%
Global equities	2.50%	4.55%
International equities – developed	5.00%	4.25%
International equities - emerging	6.00%	4.75%
Investment grade bonds	3.00%	-0.85%
Strategic credit	9.00%	2.11%
Direct lending	16.00%	6.70%
Distressed debt	4.00%	5.70%
REIT equities	2.00%	3.45%
Master limited partnerships	2.00%	5.10%
Private real estate partnerships	6.00%	4.90%
Hedge funds	6.00%	1.85%

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Schedule of Changes in the Net Pension Liability (Asset)

Changes in the Council's net pension liability (asset) presented below is calculated on the same basis as the plan.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a)-(b)
Balances as of December 31, 2019	\$ 10,656,691	\$ 11,362,256	\$ (705,565)
Changes for the year:			
Service cost	1,114,229		1,114,229
Interest on total pension liability	940,532		940,532
Effect of economic / demographic gains or losses	169,342		169,342
Effect of assumptions changes or inputs	873,250		873,250
Refund of contributions	(78,899)	(78,899)	-
Benefit payments	(246,252)	(246,252)	-
Administrative expenses		(10,023)	10,023
Member contributions		552,652	(552,652)
Net investment income		1,176,117	(1,176,117)
Employer contributions		907,943	(907,943)
Other		34,656	(34,656)
Balances as of December 31, 2020	\$ 13,428,893	\$ 13,698,450	\$ (269,557)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension asset of the Council calculated using the discount rate of 7.60% as well as what the Council's net pension asset would have been if it were calculated using a discount rate that is 1% lower and 1% higher than the current rate:

	1% Decrease (6.60%)	Current Rate (7.60%)	1% Increase (8.60%)
Total pension liability	\$ 15,475,534	\$ 13,428,893	\$ 11,743,100
Fiduciary net position	13,698,450	13,698,450	13,698,450
Net pension liability (asset)	\$ 1,777,084	\$ (269,557)	\$ (1,955,350)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the Council recognized total pension benefit of \$170,175.

As of September 30, 2021, the Council reported on the Statement of Net Position deferred outflows of resources related to pensions from the following sources:

Contributions subsequent to measurement date	\$ 673,753
Difference between expected and actual experience	125,135
Change of assumptions	471,444
Difference between projected and actual investment earnings	<u>248,365</u>
Total	\$ <u>1,518,697</u>

As of September 30, 2021, the Council reported on the Statement of Net Position deferred inflows of resources related to pensions from the following sources:

Difference between expected and actual experience	\$ (65,299)
Difference between projected and actual investment earnings	<u>(443,316)</u>
Total	\$ <u>(508,615)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date of \$673,753 will be recognized as an increase of the net pension asset for the year ending September 30, 2021. Remaining net deferred outflows of resources related to pensions totaling \$844,944 will be recognized in pension expense for the years ending September 30, 2022, 2023, and 2024 in the amounts of \$115,545, \$452,266, and \$277,133, respectively. Net deferred inflows of resources related to pensions totaling \$508,615 will be recognized in pension income for the years ending September 30, 2022, 2023, 2024, and 2025 in the amounts of (\$93,457), (\$186,608), (\$186,608), and (\$41,942), respectively.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Contingencies

The Council participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the Council, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Federal and State Grants

In the normal course of operations, the Council receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authorities the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

The Council's primary source of revenue is in the form of federal and state grants and for the year ended September 30, 2021, these grants represented approximately 85% of total revenue.

Required Supplementary Information

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY / (ASSET)
AND RELATED RATIOS - PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2021 *

	Measurement Date 12/31/2020	Measurement Date 12/31/2019	Measurement Date 12/31/2018	Measurement Date 12/31/2017	Measurement Date 12/31/2016	Measurement Date 12/31/2015	Measurement Date 12/31/2014
Total Pension Liability:							
Service cost	\$ 1,114,229	\$ 744,822	\$ 768,449	\$ 732,566	\$ 775,387	\$ 666,764	\$ 584,835
Interest on total pension liability	940,532	804,806	734,827	646,004	555,230	529,438	453,496
Effect of plan changes	-	-	-	-	-	(104,945)	-
Effect of assumption or plan changes	873,250	-	-	49,589	-	93,517	-
Effect of economic / demographic (gains) or losses	169,342	82,443	(319,710)	(106,837)	(326,593)	(754,257)	1,612
Benefit payments / refunds of contributions	(325,151)	(326,510)	(266,668)	(254,813)	(217,471)	(126,199)	(147,292)
Net change in total pension liability	2,772,202	1,305,561	916,898	1,066,509	786,553	304,318	892,651
Total pension liability, beginning	10,656,691	9,351,130	8,434,232	7,367,723	6,581,170	6,276,852	5,384,201
Total pension liability, ending (a)	13,428,893	10,656,691	9,351,130	8,434,232	7,367,723	6,581,170	6,276,852
Fiduciary Net Position:							
Employer contributions	907,943	683,673	546,477	661,060	490,610	494,898	480,495
Member contributions	552,652	416,148	332,638	308,495	305,352	292,099	271,671
Investment income net of investment expenses	1,176,117	1,490,247	(153,540)	1,015,037	433,316	(182,116)	288,438
Benefit payments / refunds of contributions	(325,151)	(326,510)	(266,668)	(254,813)	(217,471)	(126,199)	(147,292)
Administrative expenses	(10,023)	(8,658)	(7,293)	(5,725)	(4,711)	(4,040)	(3,781)
Other	34,656	27,874	19,079	9,524	69,325	2,296	2,800
Net change in fiduciary net position	2,336,194	2,282,774	470,693	1,733,578	1,076,421	476,938	892,331
Fiduciary net position, beginning	11,362,256	9,079,482	8,608,789	6,875,211	5,798,790	5,321,852	4,429,521
Fiduciary net position, ending (b)	13,698,450	11,362,256	9,079,482	8,608,789	6,875,211	5,798,790	5,321,852
Net pension liability (asset), ending ((a) - (b))	\$ (269,557)	\$ (705,565)	\$ 271,648	\$ (174,557)	\$ 492,512	\$ 782,380	\$ 955,000
Fiduciary net position as a % of total pension liability	102.01%	106.62%	97.10%	102.07%	93.32%	88.11%	84.79%
Pensionable covered payroll	\$ 7,895,024	\$ 5,944,972	\$ 4,751,973	\$ 4,407,065	\$ 4,362,170	\$ 4,172,841	\$ 3,881,021
Net pension liability (asset) as a % of covered payroll	-3.41%	-11.87%	5.72%	-3.96%	11.29%	18.75%	24.61%

* A full 10-year schedule will be displayed as it becomes available

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF CONTRIBUTIONS - PENSION PLAN
FOR THE LAST 10 FISCAL YEARS

Period Ending December 31, (Measurement Date)	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll**	Actual Contribution as a % of Covered Payroll
2011	\$ 481,913	\$ 481,913	\$ -	\$ 3,737,934	12.89%
2012	\$ 501,617	\$ 501,617	\$ -	\$ 3,906,698	12.84%
2013	\$ 476,496	\$ 476,496	\$ -	\$ 3,802,846	12.53%
2014	\$ 480,470	\$ 480,495	\$ (25)	\$ 3,881,021	12.38%
2015	\$ 494,898	\$ 494,898	\$ -	\$ 4,172,841	11.86%
2016	\$ 490,610	\$ 490,610	\$ -	\$ 4,362,170	11.25%
2017	\$ 535,899	\$ 661,060	\$ (125,161)	\$ 4,407,065	15.00%
2018	\$ 546,477	\$ 546,477	\$ -	\$ 4,751,973	11.50%
2019	\$ 655,730	\$ 683,673	\$ (27,943)	\$ 5,944,972	11.50%
2020	\$ 835,293	\$ 907,943	\$ (72,649)	\$ 7,895,024	11.50%

Notes to Schedule of Contributions:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/20 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service with a 4.6% average over career including inflation
Investment Rate of Return	7.50%, net of administrative investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule 2016: No changes in plan provisions were reflected in the Schedule 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017 2018: No changes in plan provisions were reflected in the Schedule 2019: No changes in plan provisions were reflected in the Schedule 2020: No changes in plan provisions were reflected in the Schedule

** Payroll is calculated based on contributions as reported to TCDRS

Other Supplementary Information

CONCHO VALLEY COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES BY GRANT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Homeland Security SHSP	Head Start	Senior Companion
Salaries	\$ 60,629	\$ 3,511,527	\$ 37,851
Fringe benefits	24,679	1,581,286	8,374
 Total personnel	 85,308	 5,092,813	 46,225
Indirect costs	5,783	345,012	3,134
Stipend	-	-	136,446
Recognition	5,402	351,258	21,259
Counseling services	-	-	-
Contract services	-	88,566	-
HS policy council	-	169	-
HS nutrition service	-	335,189	-
HS parent service	-	438	-
Head Start T & T A	-	103,604	-
Congregate meals	-	-	-
Home delivered meals	-	-	-
Meals	-	-	1,266
Travel	-	5,605	14,083
Fuel	-	-	-
Vehicle maintenance	305	-	-
Rent	-	150,800	-
Utilities	-	112,551	-
Building maintenance	30,110	194,758	5,549
Supplies	10,483	381,427	7,131
Copier	-	27,711	80
Insurance	931	10,616	557
Printing / publications / ads	-	3,127	16
Training	-	956	-
Dues and fees	289	7,176	168
Communications	2,153	20,470	-
Postage / freight	14	877	209
911 wireless service, network, and equipment maintenance	-	-	-
Project equipment	-	-	-
Passed through to delegate agency	-	-	-
Delegate agency in-kind	-	-	-
In-kind	-	1,077,978	4,732
Other	-	453	3,676
 Total Expenditures	 \$ 140,778	 \$ 8,311,554	 \$ 244,531

Foster Grandparent	Criminal Justice Academy	Criminal Justice Planning	Criminal Justice Juvenile Svs	Criminal Justice VAWA
\$ 50,136	\$ 59,235	\$ 23,639	\$ 6,055	\$ 9,637
11,118	21,686	9,355	2,709	3,611
<u>61,254</u>	<u>80,921</u>	<u>32,994</u>	<u>8,764</u>	<u>13,248</u>
4,151	5,486	2,237	594	898
239,096	-	-	-	-
33,467	12,655	-	-	-
-	-	-	31,016	-
-	23,148	-	-	3,196
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,909	239	-	-	-
7,185	516	-	-	-
-	1,052	-	-	-
-	324	-	-	-
-	25	-	-	-
-	-	-	-	-
7,661	45,448	-	-	-
6,686	703	440	-	601
167	692	-	-	-
739	2,572	-	-	-
23	-	-	-	-
-	-	-	-	-
240	391	169	-	-
-	937	-	-	-
147	25	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,681	-	-	-	-
5,829	-	-	-	-
<u>\$ 374,235</u>	<u>\$ 175,134</u>	<u>\$ 35,840</u>	<u>\$ 40,374</u>	<u>\$ 17,943</u>

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY GRANT (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>911 Emergency Communications</u>	<u>Area Agency on Aging</u>	<u>211 Info and Referral</u>
Salaries	\$ 356,040	\$ 413,033	\$ 97,312
Fringe benefits	128,450	163,661	43,528
Total personnel	<u>484,490</u>	<u>576,694</u>	<u>140,840</u>
Indirect costs	32,847	39,074	9,563
Stipend	-	-	-
Recognition	129,165	96,764	15,795
Counseling services	-	-	-
Contract services	-	261,123	6,000
HS policy council	-	-	-
HS nutrition service	-	-	-
HS parent service	-	-	-
Head Start T & T A	-	-	-
Congregate meals	-	146,751	-
Home delivered meals	-	525,960	-
Meals	-	141	-
Travel	7,057	3,199	-
Fuel	-	-	-
Vehicle maintenance	-	-	-
Rent	699	10,320	-
Utilities	-	-	-
Building maintenance	114,828	78,824	14,628
Supplies	18,655	24,881	378
Copier	-	8,327	228
Insurance	-	1,153	-
Printing / publications / ads	3,151	1,164	12
Training	4,078	-	-
Dues and fees	288	9,742	6,870
Communications	3,978	5,771	1,412
Postage / freight	1,050	3,254	-
911 wireless service, network, and equipment maintenance	1,789,180	-	-
Project equipment	155,238	-	-
Passed through to delegate agency	-	-	-
Delegate agency in-kind	-	-	-
In-kind	-	86,129	-
Other	-	-	-
Total Expenditures	<u>\$ 2,744,704</u>	<u>\$ 1,879,271</u>	<u>\$ 195,726</u>

Solid Waste	CEDAF	EDA CARES Act	Other	Total
\$ 40,797	\$ 5,558	\$ 72,144	\$ -	\$ 4,743,593
14,600	2,005	31,294	-	2,046,356
<u>55,397</u>	<u>7,563</u>	<u>103,438</u>	<u>-</u>	<u>6,789,949</u>
3,758	513	6,867	56,508	516,425
-	-	-	-	375,542
7,103	-	6	-	672,874
-	-	-	-	31,016
-	-	-	-	382,033
-	-	-	-	169
-	-	-	-	335,189
-	-	-	-	438
-	-	-	-	103,604
-	-	-	-	146,751
-	-	-	-	525,960
-	-	-	-	4,555
(61)	-	122	-	37,706
-	-	-	-	1,052
-	-	-	-	629
-	-	-	-	161,844
-	-	-	-	112,551
4,468	-	-	-	496,274
-	-	-	-	451,385
-	-	-	-	37,205
-	-	-	-	16,568
122	-	-	-	7,615
-	-	-	-	5,034
201	-	-	-	25,534
-	-	4,453	-	39,174
-	-	2	-	5,578
-	-	-	-	-
-	-	-	-	1,789,180
109,622	-	5,275	-	270,135
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,173,520
-	-	-	18,790	28,748
<u>\$ 180,610</u>	<u>\$ 8,076</u>	<u>\$ 120,163</u>	<u>\$ 75,298</u>	<u>\$ 14,544,237</u>

CONCHO VALLEY TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES BY GRANT
FOR THE YEAR ENDED AUGUST 31, 2021

	778, 813	800	779, 814
	Urban Operating	Urban CARES	Rural Operating
Salaries	\$ 821,674	\$ 525,033	\$ 300,763
Fringe benefits	395,830	221,295	156,926
Total personnel	1,217,504	746,328	457,689
Indirect costs	82,414	51,620	30,950
Audit and legal	9,585	-	7,531
Contract services	65,106	-	1,729
Uniforms	263	23,999	123
Human resource service center	36,138	11,485	20,453
Procurement service center	36,339	14,493	25,953
Information technology service center	33,990	7,868	21,297
Pass-thru	-	-	-
Management service fee	-	-	-
Travel	-	9	-
Fuel	168,292	42,278	52,894
Lubricant	6,306	3,699	2,434
Preventative maintenance	189,677	69,606	31,941
Tires	19,784	12,654	2,096
Rent	-	-	-
Shop and yard space	120,000	-	-
Utilities	-	-	-
Building maintenance	1,271	570	876
Capital facility improvements	9,352	19,740	4,334
Supplies	36,680	31,964	29,485
Capital technology	-	13,759	-
Capital equipment	-	92,613	-
Tools	6,984	2,980	788
Copier	403	172	251
Insurance	37,706	17,902	16,379
Communications - bus	32,254	60,657	38,620
Cell phones	1,974	668	2,005
Internet	-	-	265
Printing / ads and promotions	6,360	5,720	1,641
Publications	391	549	-
Repeater rental	-	-	-
Capital construction	-	-	-
Capital construction planning	-	-	-
Capital construction administration	-	-	-
Training	-	-	-
Dues and fees	7,546	3,500	1,065
Vehicle registration	212	41	55
Postage / freight	795	623	653
Other	13,657	-	2,183
Coffee	279	-	219
Physicals	2,191	225	710
Safety	4,249	1,361	1,934
Multi-modal terminal operations	57,733	30,647	30,699
Toll credits	-	-	9,859
Total Expenditures	\$ 2,205,435	\$ 1,267,730	\$ 797,111

801, 825	823, 824	817	802	019, 020, 023
Rural CARES	Elderly & Disabled TXDOT	Reg Planning TXDOT	Bus & Bus Facilities TXDOT	Link Road Facility US Commerce
\$ 453,819	\$ 47,037	\$ 14,822	\$ -	\$ -
207,395	20,012	6,485	-	-
<u>661,214</u>	<u>67,049</u>	<u>21,307</u>	<u>-</u>	<u>-</u>
45,398	4,545	1,444	-	-
-	-	-	-	2,973
2,500	-	4,696	-	-
18,940	-	-	-	-
16,965	-	-	-	-
5,700	-	-	-	37,661
11,592	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7	-	-	-	-
70,523	-	-	-	-
3,038	-	-	-	-
33,231	-	-	-	-
3,371	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	20,687
570	-	-	-	19,843
29,334	-	-	-	-
23,783	-	4,384	-	1,974
-	-	-	-	-
4,353	-	-	106,298	-
3,465	-	-	-	-
196	-	-	-	-
16,496	-	-	-	22,046
33,398	-	-	-	-
2,173	-	-	-	-
382	-	-	-	-
1,414	-	-	-	-
562	-	-	-	-
-	-	-	-	-
-	-	-	-	707,845
-	-	-	-	126,530
-	-	-	-	4,125
-	-	-	-	-
2,770	-	-	-	12,902
95	-	-	-	-
763	-	-	-	-
-	-	-	-	-
-	-	-	-	-
560	-	-	-	-
913	-	-	-	-
38,680	-	-	-	-
-	13,411	-	14,941	-
<u>\$ 1,032,386</u>	<u>\$ 85,005</u>	<u>\$ 31,831</u>	<u>\$ 121,239</u>	<u>\$ 956,586</u>

CONCHO VALLEY TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES BY GRANT (CONT'D)
FOR THE YEAR ENDED AUGUST 31, 2021

	010	018	013	
	ICB Program	Extended	General	Total
	Local	Medicaid Trips		
		Local		
Salaries	\$ 6,050	\$ 14,040	\$ -	\$ 2,183,238
Fringe benefits	1,090	6,825	-	1,015,858
Total personnel	7,140	20,865	-	3,199,096
Indirect costs	483	1,419	-	218,273
Audit and legal	-	-	-	20,089
Contract services	-	-	-	74,031
Uniforms	-	-	-	43,325
Human resource service center	-	-	-	85,041
Procurement service center	-	-	-	120,146
Information technology service center	-	-	-	74,747
Pass-thru	-	-	-	-
Management service fee	-	-	-	-
Travel	-	-	-	16
Fuel	-	-	-	333,987
Lubricant	-	-	-	15,477
Preventative maintenance	-	-	-	324,455
Tires	-	-	-	37,905
Rent	-	-	-	-
Shop and yard space	-	-	-	120,000
Utilities	-	-	-	20,687
Building maintenance	-	-	-	23,130
Capital facility improvements	-	-	-	62,760
Supplies	-	-	-	128,270
Capital technology	-	-	-	13,759
Capital equipment	-	-	-	203,264
Tools	-	-	-	14,217
Copier	-	-	-	1,022
Insurance	-	-	-	110,529
Communications - bus	-	-	-	164,929
Cell phones	-	-	-	6,820
Internet	-	-	-	647
Printing / ads and promotions	-	-	-	15,135
Publications	-	-	-	1,502
Repeater rental	-	-	-	-
Capital construction	-	-	-	707,845
Capital construction planning	-	-	-	126,530
Capital construction administration	-	-	-	4,125
Training	-	-	-	-
Dues and fees	-	-	-	27,783
Vehicle registration	-	-	-	403
Postage / freight	-	-	-	2,834
Other	-	-	-	15,840
Coffee	-	-	-	498
Physicals	-	-	-	3,686
Safety	-	-	-	8,457
Multi-modal terminal operations	-	-	75,150	232,909
Toll credits	-	-	-	38,211
Total Expenditures	\$ 7,623	\$ 22,284	\$ 75,150	\$ 6,602,380

CONCHO VALLEY COUNCIL OF GOVERNMENTS

SCHEDULE OF INDIRECT COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance</u>
Salaries	\$ 400,359	\$ 340,122	\$ 60,237
Fringe benefits	150,668	122,090	28,578
Subtotal indirect payroll costs	<u>551,027</u>	<u>462,212</u>	<u>88,815</u>
Audit and legal	43,500	33,414	10,086
Contract services	10,000	2,153	7,847
Human Resources Cost Allocation	8,460	7,200	1,260
Procurement Cost Allocation	3,454	7,045	(3,591)
Travel-in region	12,357	6,774	5,583
Travel-out of region	10,626	844	9,782
Facility cost allocation	40,705	42,732	(2,027)
Supplies	29,045	8,887	20,158
Network cost allocation	14,557	15,196	(639)
Copier	(16,800)	(7,180)	(9,620)
Cell Phones	360	-	360
Insurance	-	1,486	(1,486)
Printing	2,260	584	1,676
Ads and promotions	-	1,129	(1,129)
Publications	2,186	1,162	1,024
Training	12,600	4,772	7,828
Dues and fees	23,600	28,413	(4,813)
Postage/freight	14,438	4,113	10,325
Subtotal other indirect costs	<u>211,348</u>	<u>158,724</u>	<u>52,624</u>
Total indirect costs	<u>762,375</u>	<u>620,936</u>	<u>141,439</u>
Less: Prior period over allocation of indirect costs	<u>-</u>	<u>-</u>	
Less: Current year under recovery of indirect costs	<u>-</u>	<u>121,290</u>	
Net indirect costs recovered in 2020	<u>762,375</u>	<u>742,226</u>	

CALCULATION OF INDIRECT COST RATE

Total salaries (less salaries billed to Fringe)	8,059,150	7,945,743
Net fringe benefits direct billed	3,719,783	3,467,793
Less: indirect personnel costs	<u>(551,027)</u>	<u>(462,212)</u>
Total program personnel costs	<u>\$ 11,227,906</u>	<u>\$ 10,951,324</u>
Actual net indirect costs / total program personnel costs	<u>6.79%</u>	<u>5.67%</u>
Net indirect costs recovered / total program personnel	<u>6.79%</u>	<u>6.78%</u>

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance</u>
Direct salaries	\$ 4,286,328	\$ 4,281,658	\$ 4,670
Indirect salaries	<u>359,299</u>	<u>340,122</u>	<u>19,177</u>
Total salaries	<u>4,645,627</u>	<u>4,621,780</u>	<u>23,847</u>
Payroll taxes associated with release time	4,673	4,078	595
Retirement contributions associated with release time	29,299	25,276	4,023
Employee life, disability, health premiums associated with release time	62,137	45,578	16,559
Worker's compensation associated with release time	4,308	3,420	888
Release time	<u>244,507</u>	<u>219,995</u>	<u>24,512</u>
Total release time fringe	<u>344,924</u>	<u>298,347</u>	<u>\$ 46,577</u>
Plus: Payroll adjustments due to terminations and rounding		659	
Less: Prior period employer insurance adjustment		(29,133)	
Plus: Current year over recovery		<u>73,647</u>	
Net release time fringe recovered by CVCOG in FY 20-21	\$ <u>344,924</u>	\$ <u>343,520</u>	

CALCULATION OF RELEASE TIME FRINGE BENEFIT RATE

Total fringe benefits/total salaries	<u>7.42%</u>	<u>6.46%</u>
Net fringe benefits recovered in FY 20-21 total salaries	<u>7.42%</u>	<u>7.43%</u>

Note: Fringe is only calculated on Employee ID number series 1000 and 4000.

**Federal/State Awards Section
as Supplementary Information**

February 28, 2022

Independent Auditors' Report

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*

Executive Committee
Concho Valley Council of Governments
2801 W. Loop 306, Suite A
San Angelo, Texas 76904

Members of the Executive Committee:

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, the major funds, and the discretely presented component unit of Concho Valley Council of Governments as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Concho Valley Council of Governments' basic financial statements, and have issued our report thereon dated February 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Concho Valley Council of Governments' internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Concho Valley Council of Governments' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Concho Valley Council of Government's internal control over financial reporting.

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.

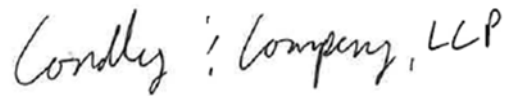
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Condley & Company, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants

February 28, 2022

Independent Auditors' Report

Report on Compliance for each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Texas Single Audit Circular

Executive Committee
Concho Valley Council of Governments
2801 W. Loop 306, Suite A
San Angelo, Texas 76904

Members of the Executive Committee:

Report on Compliance for Each Major Federal Program

We have audited Concho Valley Council of Governments' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the Council's major federal and state programs for the year ended September 30, 2021. 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 the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditors' 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 Single Audit Circular*. Those standards, the Uniform Guidance, and Circular 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 and state program occurred. An audit includes examining, on a test basis, evidence about Concho Valley Council of Governments' 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, Concho Valley Council of Governments 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 September 30, 2021.


Report on Internal Control Over Compliance

Management 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 Concho Valley Council of Governments' 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 Uniform Guidance, and the State of Texas Single Audit Circular 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 Concho Valley Council of Governments' 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 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 Uniform Guidance and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

CONCHO VALLEY COUNCIL OF GOVERNMENTS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

A. Summary of Auditors' Results

1. Financial Statements

Type of auditor's report issued? Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes No

One of more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

2. Federal/State Awards

Internal control over major programs:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes 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 200.516(a)? Yes No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.507, 20.526	Federal Transit Cluster
93.044, 93.045, 93.053	Aging Cluster
n/a – State	Commission on State Emergency Communications – 9-1-1
n/a – State	Transportation

Dollar threshold used to distinguish between type A and type B programs: \$750,000 (Federal)
\$300,000 (State)

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

None

C. Federal/State Award Findings and Questioned Costs

None

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Findings/Recommendations	Current Status	Management's Explanation If Not Implemented
None		

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal/State Grantor/Pass-Through Grantor/ CVCOG Grant Number / Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>EXPENDITURES OF FEDERAL AWARDS</u>				
<u>U. S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through Texas Department of Agriculture</i>				
820 Child Food Service Program	10.558	806780706	\$ _____	\$ 437,988
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	437,988
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed through Texas Department of Agriculture</i>				
582 Community and Economic Development Assistance Fund	14.218	C719204	_____	13,081
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	13,081
<u>U. S. DEPARTMENT OF COMMERCE</u>				
<i>Passed through the Economic Development Administration</i>				
<i>Economic Development Cluster</i>				
020 Economic Adjustment Assistance-Title II, Section 209	11.307	EDA 08-79-05344		641,355
019 Economic Adjustment Assistance-Title II, Section 209	11.307	ED20AUS3070076		120,163
CARES Act Revolving Loan Fund	11.307	87905411		345,772
Economic Development District Planning for Regional Services	11.302	ED18AUS3020017		35,000
Economic Development District Planning for Regional Services	11.302	ED21AUS3020012	_____	35,000
<i>Economic Development Cluster Total</i>				1,177,290
TOTAL U.S. DEPARTMENT OF COMMERCE			-	1,177,290
<u>U. S. DEPARTMENT OF JUSTICE</u>				
<i>Passed through the Office of the Governor - Criminal Justice Division</i>				
818 Criminal Justice Juvenile Justice Purchase of Service	16.523	1484321		40,374
822 VAWA Training Project	16.588	3973002	_____	12,325
TOTAL U.S. DEPARTMENT OF JUSTICE			-	52,699
<u>U. S. DEPARTMENT OF TRANSPORTATION (1)</u>				
<i>Federal Transit Administration:</i>				
<i>Federal Transit Cluster</i>				
<i>Direct Program</i>				
778/813 Section 5307 Urban Transportation	20.507	TX-2019-109-00 Y318		198,645
813 Section 5307 Urban Transportation	20.507	TX-2020-175-00		992,947
800 Section 5307 Urban Transportation	20.507	TX-2020-096-00 Y364 CARES		1,264,461
<i>Passed through the Office of the Governor:</i>				
<i>Section 5310 Transp. For Elderly and Disabled ED 1904 (07)074_19</i>				
	20.513	51016040719		164,014
802 Section 5339 Bus and Bus Facilities	20.526	51003020720	_____	99,608
<i>Federal Transit Cluster Total</i>				2,719,675
<i>Passed through the Office of the Governor:</i>				
<i>Texas Department of Transportation</i>				
814 Section 5311 Rural Transportation RPT 2102(07) 045-20	20.509	51018020719		411,945
825 Section 5311 Rural Transportation - CAF 2102 (07) 072_20	20.509	51018020720		360,478
801 Section 5311 Rural Transportation - CARES	20.509	51016070719		670,780
823/824 Section 5310 Transp. For Elderly and Disabled ED 2102 (07)0741_19	20.513	51016020721		67,039
817 Section 5304 State Planning and Research	20.505	51008010721	_____	31,826
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	4,261,743

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal/State Grantor/Pass-Through Grantor/ CVCOG Grant Number / Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<u>Passed Through Texas Health and Human Services Commission</u>				
819 Special Programs for the Aging-Title VII, Chapter 3- Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	HHS000874100008		1,942
819 Special Programs for the Aging-Title VII, Chapter 2- Long-Term Care Ombudsman Services for Older Individuals	93.042	HHS000874100008		15,443
819 Special Programs for the Aging-Title VII, Chapter 2- Long-Term Care Ombudsman Services for Older Individuals - CARES ACT	93.042	HHS000874100008		10,386
819 Special Programs for the Aging-Title III, Part D- Disease Prevention and Health Promotion Services	93.043	HHS000874100008		7,708
<u>Aging Cluster</u>				
819 Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	HHS000874100008		247,025
819 Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers - CARES Act	93.044	HHS000874100008		117,878
819 Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers - CDC Vaccination	93.044	HHS000874100008		2,908
819 Special Programs for the Aging-Title III, Part C- Nutrition Services	93.045	HHS000874100008		305,949
819 Special Programs for the Aging-Title III, Part C- Nutrition Services - CARES Act	93.045	HHS000874100008		252,579
819 Special Programs for the Aging-Title III, Part C- Nutrition Services - COVID-19	93.045	HHS000874100008		124,823
819 Nutrition Services Incentive Program	93.053	HHS000874100008		4,200
				1,055,362
<u>Aging Cluster Total</u>				
819 CMS Access and Assistance Coord.	93.324	HHS000874100008		58,982
819 Medicare Enrollment Assistance Program MIPPA	93.071	HHS000874100008		3,738
819 Title III - E	93.052	HHS000874100008		86,539
819 Title III - E - CARES Act	93.052	HHS000874100008		16,530
<u>Passed Through Texas Health and Human Services Commission</u>				
811 2-1-1 Operations	93.767	HHS000979200003		22,062
811 2-1-1 Operations	10.561	HHS000979200003		22,033
811 2-1-1 Operations	93.778	HHS000979200003		22,033
811 2-1-1 Operations	93.558	HHS000979200003		22,033
811 2-1-1 Child Care Contract	93.575	HHS000979200003		4,353
D01 Aging and Disability Resource Centers (ADRC)	93.791	HHS000270200007		659
D01 Aging and Disability Resource Centers (ADRC)	93.071	HHS000270200007		176
812 Aging and Disability Resource Centers (ADRC)	93.048	HHS000270200007		3,038
812 Aging and Disability Resource Centers (ADRC)	93.791	HHS000270200007		5,333
812 Aging and Disability Resource Centers (ADRC)	93.071	HHS000270200007		28,327
<u>Direct Program</u>				
798 Head Start - Administration for Children and Families	93.600	06CH010970-02-02		4,327,401
799 Head Start - Administration for Children and Families	93.600	06CH010970-02-01		138,136
829 Head Start - Administration for Children and Families	93.600	06CH010970-03		2,201,512
829 Head Start - Administration for Children and Families	93.600	06HE00100001		109,203
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				- 8,162,929
U. S. DEPARTMENT OF HOMELAND SECURITY				
<u>Passed through the Office of the Governor - Criminal Justice Division</u>				
764 State Homeland Security Program (SHSP)	97.067	2952904		3,377
784 State Homeland Security Program (SHSP)	97.067	2952905		6,176
821 State Homeland Security Program (SHSP)	97.067	2952906		118,352
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				- 127,905

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal/State Grantor/Pass-Through Grantor/ CVCOG Grant Number / Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
<i><u>Direct Program</u></i>				
<i><u>Foster Grandparent/Senior Companion Cluster</u></i>				
775 Foster Grandparent Program	94.011	19SFWTX002		292,344
755 Foster Grandparent Program	94.011	16SFWTX005		66,575
794 Retired Senior Volunteer Program (RSVP)	94.002	20SRWTX024		38,031
794 Retired Senior Volunteer Program (RSVP)	94.002	20SRWTX024		76,355
796 Senior Companion Program	94.016	20SCWTX002		38,197
776/803 Senior Companion Program	94.016	19SCWTX001	_____	189,773
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			-	701,275
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ _____	\$ 14,934,910

CONCHO VALLEY COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal/State Grantor/Pass-Through Grantor/ CVCOG Grant Number / Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>EXPENDITURES OF STATE AWARDS</u>				
<u>OFFICE OF THE GOVERNOR OF TEXAS</u>				
<i>Passed Through the Criminal Justice Division</i>				
807 Criminal Justice Planning	N/A	21-00089	\$	\$ 41,549
C02 Criminal Justice Planning	N/A	22-00076		2,519
785 Law Enforcement Special Training	N/A	1480417		4,925
C01 Law Enforcement Special Training	N/A	1480416		56,674
<i>Passed Through the Homeland Security Division</i>				
808 Homeland Security Program	N/A	21-00089		16,192
X02 Homeland Security Program	N/A	30001920		914
TOTAL OFFICE OF THE GOVERNOR OF TEXAS			-	122,773
<u>TEXAS DEPARTMENT OF TRANSPORTATION (1)</u>				
814 Rural Transportation RUR 2102(07)	N/A	51218020721		311,722
813 Urban Transportation URB 2101(07)	N/A	51309010721		355,377
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION			-	667,099
<u>TEXAS COMMISSION ON ENVIRONMENTAL QUALITY</u>				
781 Solid Waste Coordination	N/A	582-20-10209		173,850
W01 Solid Waste Coordination	N/A	582-20-10209		6,760
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY			-	180,610
<u>COMMISSION ON STATE EMERGENCY COMMUNICATIONS</u>				
805/806 Emergency Communications	N/A	FY 2021		2,613,925
Z01 Emergency Communications	N/A	FY2022		126,836
758 Emergency Communications	N/A	FY 2019		3,943
TOTAL COMMISSION ON STATE EMERGENCY COMMUNICATIONS			-	2,744,704
<u>TEXAS HEALTH AND HUMAN SERVICES COMMISSION</u>				
811 2-1-1 Operations	N/A	HHS000979200003		84,213
811 2-1-1 One Star Foundation	N/A	HHS000979200003		1,175
811 2-1-1 Kinship Navigation	N/A	HHS000979200003		1,833
T01 2-1-1 Operations	N/A	HHS000979200003		15,990
809/F02 Foster Grandparent	N/A	HHS000871100029		10,632
810/S02 Senior Companion	N/A	HHS000871100039		11,831
826/G01 Retired Senior Volunteer Program	N/A	HHS000871100009		62,354
812 Aging and Disability Resource Centers	N/A	HHS000270200007		103,681
D01 Aging and Disability Resource Centers	N/A	HHS000270200007		10,208
819 Department of Aging and Disability	N/A	HHS000874100008		102,974
TOTAL TEXAS HEALTH AND HUMAN SERVICES COMMISSION			-	404,891
TOTAL EXPENDITURES OF STATE AWARDS			\$ -	\$ 4,120,077

(1) Federal and state expenditures of blended component unit CVTD
 See notes to the schedule of expenditures of federal/state awards.

CONCHO VALLEY COUNCIL OF GOVERNMENTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal/state awards includes the federal/state award activity of Concho Valley Council of Governments under programs of the federal/state government for the year ended September 30, 2021, and the Concho Valley Transit District, a blended component unit of the Council, for the year ended August 31, 2021. 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, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations; and the State of Texas Single Audit Circular. Because the Schedule presents only a selected portion of the operations of Concho Valley Council of Governments, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Concho Valley Council of Governments.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

Since the Council has an approved Indirect Recovery Rate, it has elected not to use the 10% de minimis cost rate as permitted in the UG, Section 200.414.