

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TABLE OF CONTENTS

	PAGE NO.
Independent Auditors’ Report .....	1-3
Management’s Discussion and Analysis .....	4-10
 <b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position .....	11
Statement of Activities.....	12
Balance Sheet – Governmental Funds .....	13-14
Reconciliation of Balance Sheet – Governmental Funds to Statement of Net Position .....	15
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds .....	16-17
Reconciliation of Changes in Fund Balance – Governmental Funds to Change in Net Position – Government Activities.....	18
Statement of Net Position – Proprietary Funds.....	19
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	20
Statement of Cash Flows – Proprietary Funds.....	21
Notes to Financial Statements.....	22-43
 <b>REQUIRED SUPPLEMENTARY INFORMATON</b>	
Schedule of Changes in Net Pension Liability and Related Ratios Texas County and District Retirement System .....	44
Schedule of Contributions Texas County and District Retirement System .....	45
 <b>COMBINING NONMAJOR GOVERNMENTAL FUNDS AND OTHER SCHEDULES</b>	
Combining Balance Sheet – Nonmajor Governmental Funds .....	46-47
Combining Statement of Revenues and Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds .....	48-49
Schedule of Indirect Costs .....	50
Schedule of Fringe Benefits.....	51

(Continued)

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TABLE OF CONTENTS

	PAGE NO.
<b>COMBINING NONMAJOR GOVERNMENTAL FUNDS AND OTHER SCHEDULES (Continued)</b>	
Grant Schedules By Grantor Agency	
State of Texas – Commission on State Emergency Communications – Schedule of Receipts and Expenditures and Reconciliation to Financial Status Report .....	52
United States Department of Homeland Security – Schedule of Expenditures by Grant .....	53-54
Texas Department on Aging Schedule of Expenditures by Grant.....	55-61
Office of the Governor – Criminal Justice Division – Schedule of Expenditures by Grant .....	62
Texas Department of Agriculture – Office of Rural Community Affairs – Community and Economic Development and Assistance Schedule of Expenditures by Grant .....	63
United States Department of Commerce – Economic Development Administration Schedule of Expenditures by Grant.....	64
Texas Commission on Environmental Quality – Schedule of Expenditures by Grant.....	65
Texas Health and Human Services Commission – Schedule of Expenditures by Grant.....	66
University of Texas at San Antonio – Schedule of Expenditures by Grant.....	67
Lower Rio Grande Development Council – Schedule of Expenditures by Grant.....	68
<b>SINGLE AUDIT SECTION</b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	69-70
Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and the State of Texas Single Audit Circular .....	71-72
Schedule of Findings and Questioned Costs.....	73-74
Schedule of Expenditures Federal Awards.....	75-76
Schedule of Expenditures of State Awards.....	77
Notes on the Schedule of Expenditures of Federal and State Awards .....	78-79
Schedule of Status of Prior Audit Findings .....	80

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Middle Rio Grande Development Council (the Council) presents our discussion and analysis of the Council's financial performance during the fiscal year ended August 31, 2015. Please read it in conjunction with the Council's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Council adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 68 requires the Council to report their portion of the pension liability of the Texas County and District Retirement System pension plan. The Council recognized \$466,362 in deferred outflows of resources; \$89,665 in deferred inflows of resources; and, \$1,238,268 in long-term liabilities for its share of the net pension liability. The effect decreased net position by \$974,948.
- Total revenues decreased by \$1,701,921 in comparison to the prior year. The decrease was attributable to the decrease in funding of the U.S. Department of Homeland Security grants.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The Financial Section consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements with accompanying notes, and other optional supplementary information that presents combining financial statements for non-major governmental funds. The financial statements are intended to be organized so that the reader can understand the Council as an entire operating entity.

The basic financial statements include two kinds of statements that present different views of the Council in addition to the notes that explain some of the information in the financial statements and provide data that are more detailed:

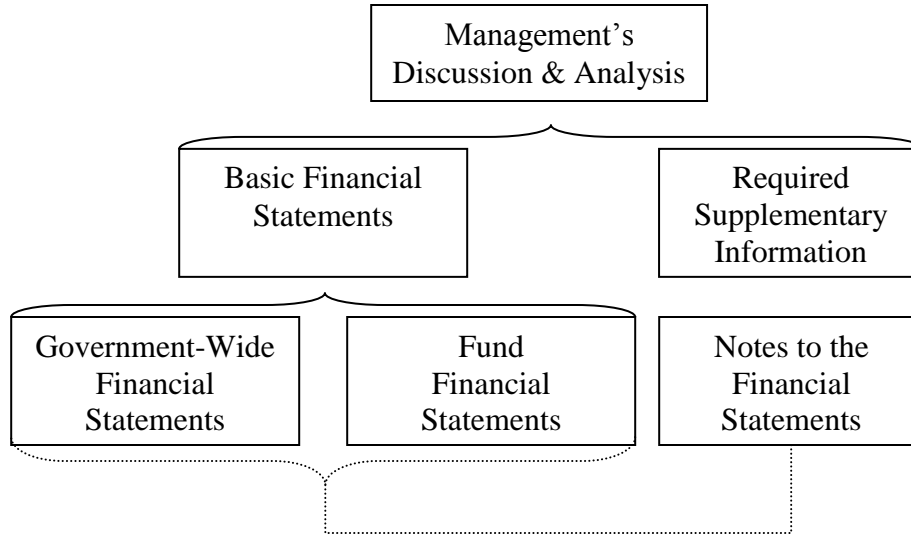
- The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities, provide both long-term and short-term information about the Council's overall financial status.
- The remaining statements are fund financial statements that focus on individual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

Figure A-1 shows how the required parts of this annual report are arranged and related do one another.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Figure A-1**  
**Required Components of the Council's Financial Report**



**Government-Wide Financial Statements**

The *Statement of Net Position* presents information on all of the Council's assets, deferred outflow of resources, liability and deferred inflow of resources, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

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

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

These two government-wide financial statements distinguish functions of the Council that are principally supported by federal and state grants, membership dues and other local activities.

Change in net position is important because it tells the reader that, for the Council as a whole, the financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include changes in legislative laws and appropriations and facility needs.

The Council reports government activities in the Statement of Net Position and the Statement of Activities.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Council can be divided into two categories: governmental funds and proprietary funds. The Council's major governmental funds are the General Fund, the Texas Workforce Commission funds, the Texas Dept. of Aging and Disability Service funds and the Texas Commission on State Emergency Communications.

- **Governmental Funds** – Most of the Council's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- **Proprietary Funds** – Proprietary funds, like government-wide statements, provide both long and short-term financial information. We use internal service funds to report the activities that provide services for the Council's programs and activities, such as the Indirect Cost pool.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE COUNCIL AS A WHOLE

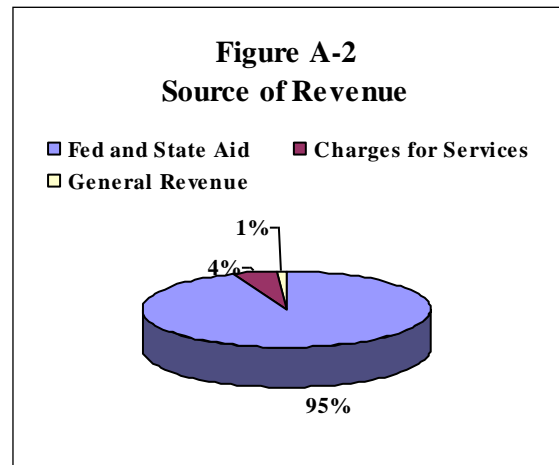
The Council's net position was approximately \$1.05 million at August 31, 2015.

**Table A-1  
Net Position**

	Fiscal Year 2014-2015	Fiscal Year 2013-2014
Current and Other Assets	\$ 1,378,071	\$ 1,954,007
Capital Assets	1,773,607	2,265,875
Total Assets	\$ 3,151,678	\$ 4,219,882
Deferred Outflows of Resources	\$ 466,362	\$ -
Current and Other Liabilities	\$ 1,244,039	\$ 1,753,226
Long-term Liabilities	1,238,268	-
Total Liabilities	2,482,307	1,753,226
Deferred Inflows of Resources	\$ 89,665	\$ -
Net Position		
Net Investment in Capital Assets	1,773,607	2,265,875
Restricted for Federal and State Grants	3,677	2,540
Unrestricted	(731,216)	198,241
Total Net Position	\$ 1,046,068	\$ 2,466,656

**Changes in Net Position**

The Council's total revenues were \$11.7 million (See Table A-2). A significant portion, 95%, (See Figure A-2) of the Council's revenue comes from federal and state funding. The total cost of all programs and services was \$12.1 million (See Table A-2); 60% of these costs are for economic opportunity services.



MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table A-2**  
**Change in Net Position**

	Fiscal Year 2014-2015	Fiscal Year 2013-2014
Revenues		
Program Revenues:		
Charges for Services	\$ 521,414	\$ 574,601
Operating Grants and Contributions	11,116,053	12,701,649
General Revenues:		
Membership Dues	31,863	25,157
Miscellaneous and Other Revenues	44,870	114,714
Total Revenues	<u>11,714,200</u>	<u>13,416,121</u>
Expenses		
General Government	633,792	744,027
Economic Opportunity	7,280,211	7,835,113
Health and Welfare	1,595,569	1,632,280
Economic Development	174,157	202,681
Environmental	142,325	86,676
Public Safety	2,333,786	3,247,411
Total Expenses	<u>12,159,840</u>	<u>13,748,188</u>
Change in Net Position	(445,640)	(332,067)
Beginning Net Position (restated)	1,491,708	2,798,723
Ending Net Position	<u>\$ 1,046,068</u>	<u>\$ 2,466,656</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SIGNIFICANT EXPENSES FOR THE COUNCIL**

- Payroll and payroll related expenses comprised 27% of the Council's total expenditures.
- Texas Workforce Commission grant payments to clients comprised 33% of the Council's total expenditures.
- Pass-Thru costs and equipment to Other Governmental Entities comprised 4% of the Council's total expenditures.

**CAPITAL ASSETS**

At August 31, 2015, the Council had invested \$1,773,607 in a broad range of capital assets, including furniture and equipment, (see Table A-3).

**Table A-3  
Council's Capital Assets**

	Fiscal Year 2014-2015	Fiscal Year 2013-2014
Furniture, Equipment and Buildings	\$ 7,572,499	\$ 7,484,621
Totals at historical cost	<u>7,572,499</u>	<u>7,484,621</u>
Total accumulated depreciation	(5,798,892)	(5,218,746)
Net investment in capital assets	<u>\$ 1,773,607</u>	<u>\$ 2,265,875</u>

The funding source used to pay for capital asset additions during the current fiscal year was public safety.

**COMPENSATED ABSENCES**

The Council's compensated absences liability totals \$41,017 at August 31, 2015.



MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ECONOMIC FACTORS AND FUTURE OUTLOOK**

The Council's 2015-16 adopted budget reflects that both the general fund and special revenue fund expenditures, for federal and state programs, decreased by about 8% compared to actual 2014-15 expenditures. This was in accordance with the appropriated funding levels at the time the budget was prepared. However, funding levels will remain stable and more than likely be slightly reduced due to initial projections proposed for 2016 – 2017. The region continues to prosper; however with the price of crude oil dropping the Eagle Ford Shale oil and gas play has dramatically slowed. We are experiencing lay-offs throughout the region at a very high rate and project that his trend will continue into next year. The Eagle Ford Shale play will not come back until the price of crude oil increases.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Middle Rio Grande Development Council's finances for all those with an interest to the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed:

Middle Rio Grande Development Council  
Office of the Controller  
P.O. Box 1199  
307 West Nopal Street  
Carrizo Springs, Texas 78834  
Telephone Number: (830) 876-3533 ext. 1210  
Email address: [Joe.Cruz@mrgdc.org](mailto:Joe.Cruz@mrgdc.org)

## **BASIC FINANCIAL STATEMENTS**

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

STATEMENT OF NET POSITION

AUGUST 31, 2015

	Governmental Activities	Component Unit
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 286,475	\$ 219,415
Accounts Receivables:		
Grantor	688,271	-
Other	23,406	1,197
Due from Council	-	74,696
Due From WSMRG	355,493	-
Prepaid Expenses	23,955	-
Restricted Cash	471	-
Capital Assets (net of accumulated depreciation)	1,773,607	-
 Total Assets	 3,151,678	 295,308
 <b>Deferred Outflows of Resources</b>		
Deferred Outflow Related to TCDRS	\$ 466,362	\$ -
 Total Deferred Outflows of Resources	 \$ 466,362	 \$ -
 <b>LIABILITIES</b>		
Accounts Payable	\$ 951,237	\$ -
Accrued Liabilities	172,735	-
Compensated Absences - Current Portion	41,017	-
Contribution Payable	-	50,000
Due to Funding Source	3,008	-
Due to WSMRG	1,346	-
Due to Foundation	74,696	-
Noncurrent Liabilities:		
Net Pension Liability	1,238,268	-
Total Liabilities	2,482,307	50,000
 <b>Deferred Inflows of Resources</b>		
Deferred Inflow Related to TCDRS	89,665	-
 Total Deferred Inflows of Resources	 89,665	 -
 <b>NET POSITION</b>		
Net Investment in Capital Assets	1,773,607	-
Restricted for Federal and State Grants	3,677	-
Unrestricted Net Position	(731,216)	245,308
 Total Net Position	 \$ 1,046,068	 \$ 245,308

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

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2015

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total</u>	<u>Component Unit</u>
Governmental Activities					
General Government	\$ 633,792	\$ 521,399	\$ -	\$ (112,393)	
Economic Opportunity	7,280,211	-	7,330,531	50,320	
Health and Welfare	1,595,569	-	1,620,675	25,106	
Economic Development	174,157	-	158,572	(15,585)	
Environmental	142,325	-	143,414	1,089	
Public Safety	2,333,786	15	1,862,861	(470,910)	
Total Government Activities	<u>12,159,840</u>	<u>521,414</u>	<u>11,116,053</u>	<u>(522,373)</u>	
Component Unit					
Middle Rio Grande Development Foundation	<u>\$ 203,561</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (203,561)</u>
General Revenues:					
Miscellaneous revenues				25,798	125,630
Membership Fees				31,863	-
Other Revenues				19,072	-
Total General Revenues				<u>76,733</u>	<u>125,630</u>
Change in Net Position				(445,640)	(77,931)
Net Position - Beginning (restated)				<u>1,491,708</u>	<u>323,239</u>
Net Position - Ending				<u>\$ 1,046,068</u>	<u>\$ 245,308</u>

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

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

BALANCE SHEET  
GOVERNMENTAL FUNDS

August 31, 2015

	General Fund	Texas Workforce Commission	Texas Commission on State Emergency Communications
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 24,522	\$ 55,891	\$ 184,289
Accounts Receivable			
Grantor	-	-	74,054
Other	22,982	-	-
Due from WSMRG	-	304,983	-
Due from Other Funds	980,316	-	-
Due from Foundation	-	-	-
Prepaid Expenses	1,053	21,530	550
Restricted Assets - Cash	471	-	-
	<u>1,029,344</u>	<u>382,404</u>	<u>258,893</u>
Total Assets	<u>\$ 1,029,344</u>	<u>\$ 382,404</u>	<u>\$ 258,893</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 514,044	\$ 57,541	\$ 111,142
Accrued Liabilities	142,540	1,486	5,789
Due to Funding Source	-	-	721
Due to WSMRG	-	-	-
Due to Foundation	92,921	223	-
Due to Other Funds	-	323,154	140,575
	<u>749,505</u>	<u>382,404</u>	<u>258,227</u>
Total Liabilities	<u>749,505</u>	<u>382,404</u>	<u>258,227</u>
<b>FUND BALANCES</b>			
NonSpendable:			
Prepaid Items	1,053	-	-
Restricted:			
Federal and State Grant Funds	471	-	666
Unassigned	278,315	-	-
	<u>279,839</u>	<u>-</u>	<u>666</u>
Total Fund Balances	<u>279,839</u>	<u>-</u>	<u>666</u>
Total Liabilities and Fund Balances	<u>\$ 1,029,344</u>	<u>\$ 382,404</u>	<u>\$ 258,893</u>

Texas Department of Aging and Disability Services	Other Funds	Total Governmental Funds
\$ -	\$ 21,773	\$ 286,475
367,860	246,357	688,271
-	424	23,406
-	50,510	355,493
-	-	980,316
-	18,448	18,448
-	822	23,955
-	-	471
<u>\$ 367,860</u>	<u>\$ 338,334</u>	<u>\$ 2,376,835</u>
\$ 192,482	\$ 70,208	\$ 945,417
4,588	18,332	172,735
-	2,287	3,008
-	1,346	1,346
-	-	93,144
<u>170,790</u>	<u>300,446</u>	<u>934,965</u>
<u>367,860</u>	<u>392,619</u>	<u>2,150,615</u>
-	-	1,053
-	2,540	3,677
<u>-</u>	<u>(56,825)</u>	<u>221,490</u>
<u>-</u>	<u>(54,285)</u>	<u>226,220</u>
<u>\$ 367,860</u>	<u>\$ 338,334</u>	<u>\$ 2,376,835</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO  
STATEMENT OF NET POSITION

August 31, 2015

Total Fund Balances - Governmental Funds	\$	226,220
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds. The net effect is to increase net position.		1,773,607
Other liabilities including compensated absences are not reported in the funds. The net effect is to decrease net position.		(41,017)
Internal service funds are used by management to charge the costs of indirect costs to individual funds. The assets and liabilities are included in governmental activities in the statement of net position. The net effect is to decrease net position.		(51,171)
Included in the items related to debt is the recognition of the Council's proportionate share of the net pension liability required by GASB 68 in the amount of (\$1,238,268), a deferred resource inflow related to TCDRS in the amount of (\$89,665) and a deferred resource outflow related to TCDRS in the amount of \$466,362. The net effect is to decrease net position.		<u>(861,571)</u>
Total Net Position - Governmental Activities	\$	<u><u>1,046,068</u></u>

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

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

For The Year Ended August 31, 2015

	General Fund	Texas Workforce Commission	Texas Commission on State Emergency Communications
<b>REVENUES</b>			
Grant Revenue	\$ -	\$ 7,247,644	\$ 1,393,576
Membership Dues	31,863	-	-
Charges for Services	521,399	-	-
Other Revenue	25,798	50	15
<b>Total Revenues</b>	<b>579,060</b>	<b>7,247,694</b>	<b>1,393,591</b>
<b>EXPENDITURES</b>			
Economic Opportunity	-	7,247,694	-
Health and Welfare	-	-	-
Economic Development	-	-	-
Public Safety	-	-	1,393,591
Environmental	-	-	-
General Government	644,947	-	-
<b>Total Expenditures</b>	<b>644,947</b>	<b>7,247,694</b>	<b>1,393,591</b>
Net Change in Fund Balance	(65,887)	-	-
Fund Balances - Beginning	345,726	-	666
Fund Balances - Ending	<b>\$ 279,839</b>	<b>\$ -</b>	<b>\$ 666</b>

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



Texas Department of Aging and Disability Services	Other Governmental Funds	Total Governmental Funds
\$ 1,416,233	\$ 1,058,600	\$ 11,116,053
-	-	31,863
-	-	521,449
-	19,022	44,835
<u>1,416,233</u>	<u>1,077,622</u>	<u>11,714,200</u>
-	82,887	7,330,581
1,416,233	193,120	1,609,353
-	177,594	177,594
-	469,285	1,862,876
-	143,414	143,414
-	-	644,947
<u>1,416,233</u>	<u>1,066,300</u>	<u>11,768,765</u>
-	11,322	(54,565)
-	(65,607)	280,785
<u>\$ -</u>	<u>\$ (54,285)</u>	<u>\$ 226,220</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

RECONCILIATION OF CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO  
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES

August 31, 2015

Net Change in Fund Balance - Governmental Funds	\$ (54,565)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Current year capital outlays, note principal payments, and decreases to compensated absences, are expenditures in the fund financial statements, but they are reported as increases in capital assets and reductions in debt in the government-wide financial statements. The net effect is to increase net position.	85,172
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation expense is to decrease net position.	(580,146)
The Council uses internal service funds to charge the indirect costs of certain activities, such as personnel, travel and space/occupancy. The net income of internal service funds are reported with governmental activities. The net effect is to decrease net position.	(9,478)
The implementation of GASB 68 required that contributions in the amount of \$290,299 made after the measurement date of December 31, 2014 be de-expended and recorded as deferred resource outflows. The Council amortized its share of unrecognized deferred inflows and outflows of resources for TCDRS as of the measurement date in the amount of (\$176,922). The net effect is to increase net position.	<u>113,377</u>
Change in Net Position - Governmental Activities	<u>\$ (445,640)</u>

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

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

For The Year Ended August 31, 2015

	Governmental Activities
	Internal Service Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ -
Due from Other Funds	-
Total Assets	<u>\$ -</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 5,820
Due to Other Funds	45,351
Total Liabilities	<u>51,171</u>
<b>NET POSITION</b>	
Unrestricted	<u>(51,171)</u>
Total Net Position	<u>(51,171)</u>
Total Liabilities and Net Position	<u>\$ -</u>

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

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

For The Year Ended August 31, 2015

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 448,628
Total Operating Revenues	448,628
OPERATING EXPENSES	
Personnel and Fringe Benefits	356,611
Contractual	10,642
Space & Utilities	4,132
Travel	50,018
Supplies	12,981
Printing	1,379
Communications	6,833
Other	15,510
Total Operating Expenses	458,106
Operating Income (Loss)	(9,478)
Change in Net Position	(9,478)
Total Net Position - Beginning	(41,693)
Total Net Position - Ending	\$ (51,171)

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

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For The Year Ended August 31, 2015

	Governmental Activities
	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts From Charges	\$ 448,628
Payments to Employees	(356,611)
Payments for Goods or Services	(99,866)
Net Cash Used by Operating Activities	(7,849)
Net Decrease in Cash and Cash Equivalents	(7,849)
Cash and Cash Equivalents, September 1, 2014	7,849
Cash and Cash Equivalents, August 31, 2015	\$ -
 Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating Income (Loss)	\$ (9,478)
 Effect of Changes in Current Assets and Liabilities:	
Decrease in Accounts payable	(9,590)
Increase in Due to Other Funds	11,219
Net Cash Used by Operating Activities	\$ (7,849)

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

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Middle Rio Grande Development Council (Council) is the regional planning and intergovernmental coordination agency for the southwest region of Texas bordered by Mexico, and was created pursuant to legislation of the Texas State Legislature. The area served by the Council encompasses La Salle, Dimmit, Uvalde, Maverick, Edwards, Val Verde, Real, Kinney, and Zavala Counties. The Council is governed by a 32 member, self-appointed Board of Directors. It does not have stockholders or equityholders and is not subject to income taxes.

The Council's financial statements include the accounts of all Council functions and activities. In accordance with GASB 14, *"The Financial Reporting Entity, GASB Statement No. 39, Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. Management has determined that the Middle Rio Grande Development Foundation, Inc. is a component unit for which the Council is financially accountable. This component unit is discretely presented in a separate column in the combined financial statements to emphasize it is legally separate from the Council.

The accounting policies and financial reporting practices of the Council conform in all material respects to generally accepted accounting principles as applicable to units of government, as issued by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting standards.

**Discretely Presented Component Unit**

The Middle Rio Grande Development Foundation, Inc. (Foundation) is a Texas non-profit corporation organized for the exclusive purpose of (a) charitable; (b) educational; and (c) the promotion of social welfare, as further stated in the Internal Revenue Code. The Foundation is considered a component unit of the Council because the composition of the Foundation's Board of Directors is comprised entirely of the Executive Board members of the Council, through which the Council is able to impose its will on the Foundation. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

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

Designation of Grant Recipient/Fiscal Agent

Effective July 1, 1998, in accordance with the Chief Elected Official - Workforce Solutions Middle Rio Grande (the Board) partnership agreement, the Middle Rio Grande Development Council was designated as the grant recipient/fiscal agent for all Workforce programs. As such, the Council maintains the books of account for the Board, receives and disburses funds, procures service providers, materials, supplies and equipment, and bills for services provided to the Texas Workforce Commission. Financial statements for the Board have been issued separately.

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

The Council's financial statements are prepared in accordance with the provisions of GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- For State and Local Governments*. GASB Statement No. 34 requires financial statements to include a Management's Discussion and Analysis (MD&A), government-wide financial statements, and required supplementary information. It also eliminates the use of account groups from the fund financial statements and notes.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information for the Council as a whole. The primary government and component unit are presented separately within the financial statements with the focus on the primary government. Net position is segregated into net investment in capital assets, restricted, and unrestricted.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

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

The Statement of Activities demonstrates how other people or entities that participate in programs the Council operates have shared in the payment of the direct costs. Thus, it shows the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expense allocations that have been made have been reversed for the statement of activities. Program revenues include charges for services and operating grants and contributions. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function of the Council, such as program management fees. The "operating grants and contributions" column includes amounts paid by organizations outside the Council to help meet the operational requirements of a given function, examples include Texas Workforce Commission grants, as well as Texas Department of Aging and Disability grants. Other items not properly included among program revenues are reported as general revenues, which are used to support all of the Council's functions, such as membership dues.

Interfund activities between governmental funds appear as due to/due from other funds on the Governmental Funds Balance Sheet and as other resources and other uses on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide financial statements.

**Fund Financial Statements**

The fund financial statements provide reports on the financial condition and results of operations for one fund category - governmental. Proprietary funds distinguish operating revenues and expenses from nonoperating items, operating revenues, and expenses generally result from indirect cost allocations in accordance with the Council's indirect cost allocation plan.

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



MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

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

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

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

Governmental fund financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A sixty-day availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

The proprietary funds and component unit are accounted for on a flow of *economic resources measurement focus* and the *accrual basis of accounting*. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position (i.e., total net position) is segregated into the appropriate components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**D. Fund Types and Major Funds**

The Council reports the following major governmental funds:

The *General Fund* is the Council’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Texas Workforce Commission Fund* accounts for the Council’s workforce funds. Major programs include the Workforce Investment Act and the Child Care and Development Block Grant.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

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

The *Texas Commission on State Emergency Communications Fund* accounts for the funds received from the State of Texas to administer emergency communications programs.

The *Texas Department of Aging and Disability Services Fund* accounts for the funds received to provide services to persons age 60 or older, such services include but are not limited to, nutrition services, personal care and transportation services.

Additionally, the Council reports the following fund types:

Governmental Funds:

The *Special Revenue Fund* accounts for the proceeds of specific revenue resources that are legally restricted to expenditures for special purposes.

Proprietary Funds:

The *Internal Service Fund* is used to account for the financing of services provided by the indirect cost fund on a cost reimbursement basis.

**E. Other Accounting Policies**

1. Capital Assets

Capital assets are stated at historical cost. Donated capital assets are valued at their estimated fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Council capitalization threshold for capital assets is \$5,000. The following represents the useful lives for the various capital asset types:

Capital Asset Type	Estimated Useful Life
Audio/video & Sound Equipment	7 years
Computers and Peripheral Equipment	4 years
Furniture, Fixtures and Leasehold Improvements	10 years
Vehicles	5 years

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

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

2. Allocation of Indirect Costs

The Council's indirect costs are allocated to grant projects based upon estimated expenditures in accordance with the Office of Management and Budget Circular A-87. Indirect costs necessary to sustain the overall Council operations are allocated as a percentage of total direct salary, plus fringe benefits charged to grant projects. Actual indirect costs are accounted for in an Internal Service Fund. Variances between actual and estimate indirect costs are carried-forward to future years in accordance with the cost allocation plan.

3. Compensated Absences

Employees accrue vacation, personal leave, and sick leave based on years of service with the Council within certain limitations. Employees with less than 5 years service may accrue up to a maximum of 5 days, while employees with more than 5 years may accrue up to a maximum of 10 days. The maximum amount of leave payable upon termination is 20 hours for employees with less than 5 years of service, and 40 hours for employees with more than 5 years of service. Vacation accruals are reflected on the Government-Wide Financial Statements. The general and special revenue funds are the primary funds used to liquidate current liabilities. Employees are not paid for unused sick or personal days upon termination of employment; accordingly, sick and personal pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick or personal leave since they do not vest with the employees.

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Council considers all highly liquid investments with a maturity of three months or less from the purchase date to be cash equivalents.

5. 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 revenue and expenses during the reported period. Accordingly, actual results could differ from those estimates.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

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

6. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Council itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Nonspendable

Amounts not available to be spent either because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact. Examples include inventories, prepaid items, and deferred expenditures.

Restricted

The restricted fund balance includes the portion of the spendable fund balance that reflects constraints on spending because of legal restrictions stipulated by outside parties, state statutes, or grant requirements placed on the use for specific purposes. Examples include encumbrances for goods or services with outside creditors or grantors outstanding at the end of the year.

Committed

The committed fund balance includes the portion of the spendable fund balance that reflects constraints that the Council has imposed upon itself by a formal action of the Board of Directors. This constraint must be imposed prior to year end but the amount can be determined at a later date.

Assigned

The assigned fund balance is the portion of the spendable fund balance that reflects funds intended to be used by the Council for specific purposes, as determined by an official in which the Council has delegated authority, such as the Controller.

Unassigned

This is the residual classification for the Council's general fund and includes all spendable amounts not contained in the other classifications, and therefore, not subject to any constraints. Unassigned amounts are available for any purpose. Although there is generally no set spending plan for the unassigned portion, there is no need to maintain a certain funding level. Unassigned fund balance is commonly used for emergency expenditures not previously considered; in addition, the resources can be used to cover expenditures for revenues not yet received.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

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

7. Spending Order

Fund balance amounts that are restricted, committed, or assigned are considered to have been spent when an expenditure is incurred for the respective purpose. If an expenditure is incurred that meets the criteria in more than one fund balance category, then the Council considers that fund balance is relieved in the following order: restricted, committed, assigned, and then unassigned.

8. Annual Budget

The Council prepares annual operating budgets based on expected revenues from the various state and federal grantor agencies. The grants related to specific programs that contemplate revenues and expenditures over the lives of each program generally have funding periods different from the budget year. The annual budget, which is approved by the Council, is based on estimates of the various programs that will be completed during the fiscal year. The budgets are revised periodically, primarily when anticipated grants are ratified by the various funding agencies. Budget discussions, including revisions, are conducted by the Council's Board of Directors in open meetings. However, as the Council has no taxing or oversight authority, the budgetary process is not one which culminates in an appropriated bill or an ordinance enacted into law. In this respect, the budget for the Council is not an appropriated budget as defined by GASB. As such, a Statement of Revenues and Expenditures-Budgeted and Actual has not been included as part of the financial statements.

9. Fund Balance/Net Position Deficits

The Texas Department of Health and Human Services fund reports a deficit fund balance of (\$56,825) as of August 31, 2015. The Council plans to subsidize the deficit with transfers from the general fund.

The Internal Service fund represents a deficit net position of (\$51,171). The Council intends to monitor the indirect cost rates in order to align the rates with future projections of expenses.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

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

10. Deferred Inflows/Outflows of Resources

The deferred outflows/inflows of resources accounted for on the Government Wide Statement of Net Position relate to the GASB 68 recognition of the Council's portion of the Texas County and District Retirement System (TCDRS) net pension liability.

11. New Accounting Policies – Adoption of GASB Statement No. 68

Effective September 1, 2014, the Council adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*; and, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. GASB Statement No. 68, as amended and clarified by GASB Statement No. 71 requires State and local government agencies to display the actuarially determined net pension liability in its financial statements. See additional information on the adoption of GASB statements in Note 12 and the required disclosures for the pension plan in Note 7.

**2. CASH**

Deposits and Investments

As authorized by state law, the Council may invest its funds in Obligations of the United States or its instrumentalities, Direct Obligation of the State of Texas or its agencies, certain obligations which are guaranteed or insured by the State of Texas or the United States and similar governmental investments. The Council had no such investments at year end.

As of August 31, 2015, the Council's deposits had a carrying balance of \$286,475 and the bank balance was \$403,104. The Foundation's carrying balance was \$219,415 and the bank balance was \$212,183. It is the Council's policy that no deposits will be held in any institution that is not a member of the Federal Deposit Insurance Corporation, and amounts in excess of \$250,000 will be fully insured. Deposits were adequately insured throughout the year.

Restricted cash in the General Fund of \$471 is reserved for 911 program capital equipment.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**3. CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2015, was as follows:

	Beginning Balance 9/1/2014	Additions	Deductions	Ending Balance 8/31/2015
Capital Assets, Being Depreciated:				
Furniture and Equipment	\$ 5,397,659	\$ 87,878	\$ -	\$ 5,485,537
Buildings	2,086,962	-	-	2,086,962
Total Capital Assets, Being Depreciated	<u>7,484,621</u>	<u>87,878</u>	<u>-</u>	<u>7,572,499</u>
Less Accumulated Depreciation For:				
Furniture and Equipment	(3,465,837)	(347,079)	-	(3,812,916)
Buildings	(1,752,909)	(233,067)	-	(1,985,976)
Total Accumulated Depreciation	<u>(5,218,746)</u>	<u>(580,146)</u>	<u>-</u>	<u>(5,798,892)</u>
Total Capital Assets, Net	<u>\$ 2,265,875</u>	<u>\$ (492,268)</u>	<u>\$ -</u>	<u>\$ 1,773,607</u>

Depreciation expense for the year ended August 31, 2015 was charged to functions of the primary government as follows:

	<u>Amount</u>
Public Safety	\$ 574,663
Economic Opportunity	1,889
General Government	<u>3,594</u>
Total Depreciation Expense	<u>\$ 580,146</u>

The Foundation's fixed assets are fully depreciated.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**4. GRANTS RECEIVABLE**

Grants receivable as of August 31, 2015 consists of the following:

Program	Amounts
Texas Criminal Justice Division	\$ 28,435
Texas Commission on Environmental Quality	90
Texas Commission on State Emergency Communications	74,054
Texas Department of Aging and Disability Services	367,860
U.S. Department of Commerce	47,773
Texas Department of Health and Human Services	4,728
U.S. Department of Homeland Security	161,772
U.S. Department of Housing and Urban Development	3,559
Total Grants Receivable	<u>\$ 688,271</u>

**5. DUE TO FUNDING SOURCES**

Due to funding sources as of August 31, 2015 consists of the following:

Program	Amounts
Texas Military Family Access	\$ 1,826
U.S. Department of Justice	461
Texas Commission on State Emergency Communications	721
Total Due to Funding Sources	<u>\$ 3,008</u>



MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**6. DUE TO/FROM OTHER FUNDS**

The composition of due to/from other funds at August 31, 2015 are as follows:

	<u>Amount Payable to General Fund</u>
General Fund:	
Texas Workforce Commission	\$ 323,154
Texas Commission on State Emergency Communications	140,575
Texas Department of Aging & Disability Services	170,790
Other Funds	300,446
Internal Service Fund	<u>45,351</u>
Total Due to/from Other Funds	<u>\$ 980,316</u>

Receivables in the General Fund represent amounts transferred to Special Revenue Funds pending reimbursement from grantors.

Interfund loans are expected to be repaid within one year.

**7. RETIREMENT PLAN**

1. Plan Description

Beginning January 1, 2001 the Council began its participation in the statewide Texas County and District Retirement System (TCDRS). The Board participates as part of the Council's Plan. The Council provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the TCDRS.

The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 677 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a Comprehensive Annual Financial Report (CAFR) on a calendar year basis. The CAFR is publicly available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or on their website at [www.tcdrs.org](http://www.tcdrs.org).

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**7. RETIREMENT PLAN (Continued)**

The plan provisions are adopted by the governing body of the employer (Council and Board), and can be amended, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump-sum are not entitled to any amounts contributed by their employer.

2. Funding Policy

The Council and Board have elected the Annually Determined Contribution Rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The Council and Board contributed using the actuarially determined rate of 17.09% for the fiscal year ended August 31, 2015. The contribution rate payable by all employee members for the current fiscal year is the rate of 7% as adopted by the governing body of the Council and Board. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

3. Benefits Provided

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act, so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employees' accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**7. RETIREMENT PLAN (Continued)**

*Employees covered by benefit terms.*

At the December 31, 2014 valuation and measurement date, the following number of employees were covered by the benefit terms:

	Board	Council
1. Inactive employees or beneficiaries currently receiving benefits	2	21
2. Inactive employees entitled to but not yet receiving benefits	-	82
3. Active employees	3	75
	5	178

4. Net Pension Liability

The Council's Net Pension Liability was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions:*

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contribution are reported
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method: Smoothing Period Recognition method Corridor	5 years Non-asymptotic None
Inflation	3%
Investment Rate of Return	8.10%
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**7. RETIREMENT PLAN (Continued)**

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group, therefore, Salary increases were based on a service-related table. Mortality rates for active members were based on the RP2000 Active Employee Mortality Table, for males with a two-year set-forward and for females with a four-year setback, both with the projection scale AA. For retirees, and beneficiaries, mortality rates were based on the RP2000 Combined Mortality Table with a one-year set-forward for males and no age adjustment for females. For disabled annuitants, the RP2000 Disabled Retiree Mortality Table for males with no age adjustment and for females with a two-year set-forward is used, both with the projection scale AA. Retirement Age is based on tables showing the annual rates of service retirement for both males and females. Deferred members are assumed to retire at the later of age 60 or earliest retirement eligibility and for all eligible members age 75 and later, retirement is assumed to occur immediately. Cost-of-Living Adjustments for Middle Rio Grande Development Council are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68. TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience, TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed.

The long-term expected rate of return on pension plan investments is 8.0%. 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. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**7. RETIREMENT PLAN (Continued)**

The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Geometric Real Rate of Return (Expected minus Inflation)</b>
US Equities	16.50%	5.35%
Private Equity	12.00%	8.35%
Global Equities	1.50%	5.65%
International Equities – Developed	11.00%	5.35%
International Equities – Emerging	9.00%	6.35%
Investment- Grade Bonds	3.00%	0.55%
High-Yield Bonds	3.00%	3.75%
Opportunistic Credit	5.00%	5.54%
Direct Lending	2.00%	5.80%
Distressed Debt	3.00%	6.75%
REIT Equities	2.00%	4.00%
Commodities	2.00%	-0.20%
Master Limited Partnerships	2.00%	5.30%
Private Real Estate Partnerships	3.00%	7.20%
Hedge Funds	25.00%	5.15%
Total	100.0%	

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**7. RETIREMENT PLAN (Continued)**

*Discount Rate*

In order to determine the discount rate to be used by the employer TCDRS has used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act: 1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods, 2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy, 3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less, when this point is reached the employer is still required to contribute at least the normal cost, 4) Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable. 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. The long term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses. The discount rate used to measure the Total Pension Liability was 8.10%.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**7. RETIREMENT PLAN (Continued)**

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)- (b)
Balance at December 31, 2013	\$ 15,147,303	\$ 13,770,644	\$ 1,376,659
Changes for the year:			
Service Cost	477,976	-	477,976
Interest	1,230,616	-	1,230,616
Change of benefit terms	-	-	-
Effect of economic/demographic (gains) or losses	(129,794)	-	(129,794)
Changes of assumptions	-	-	-
Contributions- employer	-	505,181	(505,181)
Contributions- employee	-	198,667	(198,667)
Net investment income	-	900,517	(900,517)
Benefit payments, including refunds of employee contributions	(385,207)	(385,207)	-
Administrative expense	-	(11,101)	11,101
Other changes	-	17,868	(17,868)
Net Changes	1,193,591	1,225,925	(32,334)
Balance at December 31, 2014	\$ 16,340,894	\$ 14,996,569	\$ 1,344,325

The total net pension liability above of \$1,344,325 represents the combined Council and Board. The following represents the disaggregation between them:

	Net Pension Liability at August 31, 2015
Total Liability	\$ 1,344,325
Board's Share Liability	(106,057)
Net Council Liability	\$ 1,238,268

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**7. RETIREMENT PLAN (Continued)**

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the Council and Board, calculated using the discount rate of 8.10%, as well as what the Council's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.10%) or 1-percentage-point higher (9.10%) than the current rate:

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 18,329,114	\$ 16,340,894	\$ 14,673,946
Fiduciary net position	14,996,569	14,996,569	14,996,569
Net Pension Liability/(Asset)	\$ 3,332,545	\$ 1,344,325	\$ (322,623)

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

**5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.**

For the measurement date ended December 31, 2014, the Council recognized pension expense of \$348,725 and the Board recognized \$30,324.



MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**7. RETIREMENT PLAN (Continued)**

At August 31, 2015, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (97,345)
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	191,143	-
Contributions subsequent to the measurement date	315,163	-
<b>Total</b>	<b>\$ 506,306</b>	<b>\$ (97,345)</b>

The above deferred outflow and deferred inflow of resources represent the combined Council and Board. The following represents the disaggregation between them:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Total Deferred Outflows/Inflows	\$ 506,306	\$ (97,345)
Less Board Portion	(39,944)	7,680
<b>Net Council Deferred Outflows/Inflows</b>	<b>\$ 466,362</b>	<b>\$ (89,655)</b>

Council contributions subsequent to the measurement date of \$291,116 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability for the year ending August 31, 2015. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended August 31:	Amount
2015	\$ 15,337
2016	15,337
2017	15,337
2018	47,786
<b>Total</b>	<b>\$ 93,797</b>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**8. OPERATING LEASES**

The Council has entered into a non-cancelable lease agreement for the rental of equipment. The future minimum lease payments under the terms of the lease are as follows:

Year Ended August 31,	Amount
2016	\$ 23,220
2017	23,220
2018	17,415
Total	<u>\$ 82,995</u>

Total rental expense for office space and equipment totaled \$134,944 for the year. The total contingent rentals included in the operating statement total \$16,167 for the year ended August 31, 2015.

**9. COMPENSATED ABSENCES**

The Council's vacation leave payable as of August 31, 2015 is as follows:

Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015	Current Portion
\$ 38,311	\$ 150,202	\$ 147,496	\$ 41,017	\$ 41,017

The general and special revenue funds are utilized to liquidate current liabilities.

**10. COMMITMENTS AND CONTINGENCIES**

The Council receives a substantial amount of funding from federal and state grants. The majority of funds are received from the Texas Workforce Commission, passed through the Workforce Solutions Middle Rio Grande. A significant reduction in the level of this funding, if this were to occur, may have a significant effect on the Council's programs and activities. The disbursement of funds under these programs generally requires compliance with terms and conditions specified in the agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability for the Council.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO FINANCIAL STATEMENTS

For The Year Ended August 31, 2015

**11. RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Council carries commercial insurance. There have been no significant reductions in insurance coverage for these risks of loss since the prior year, and there have been no settlements in excess of the insurance coverage for any of the past three fiscal years.

The Council contracts with the Texas Municipal League (TML) to provide workers' compensation insurance. This multiple-employer account provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the Council is generally limited to the contributed amounts.

**12. NET POSITION RESTATEMENT**

The beginning net position at September 1, 2014 was restated as follows:

Description	Governmental Activities
Net Position September 1, 2014	\$ 2,466,656
Recognize Council's Proportionate Share of Net Pension Liability	(1,268,051)
Recognize Deferred Outflows – Council's 2014 Contribution	293,103
Total Prior Period Adjustment	(974,948)
Net Position – September 1, 2014 (restated)	<u>\$ 1,491,708</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

August 31, 2015

	<b>Year Ended December 31, 2014</b>	<b>Council</b>	<b>Board</b>
<b>A. Total Pension Liability</b>			
Service Cost	\$ 477,976	\$ 440,267	\$ 37,709
Interest (on the Total Pension Liability)	1,230,616	1,133,530	97,086
Changes of Benefit Terms	-	-	-
Effect of economic/demographic (gains)/ or losses	(129,794)	(119,554)	(10,240)
Changes of Assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	<u>(385,207)</u>	<u>(354,817)</u>	<u>(30,390)</u>
Net change in Total Pension Liability	\$ 1,193,591	\$ 1,099,426	\$ 94,165
Total Pension Liability - Beginning	<u>15,147,303</u>	<u>13,952,296</u>	<u>1,195,007</u>
Total Pension Liability - Ending	<u>\$ 16,340,894</u>	<u>\$ 15,051,722</u>	<u>\$ 1,289,172</u>
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 505,181	\$ 455,326	\$ 39,855
Contributions - Employee	198,667	182,994	15,673
Net Investment Income	900,517	829,473	71,044
Benefit Payments, including refunds of employee contributions	(385,207)	(354,817)	(30,390)
Administrative Expense	(11,101)	(10,225)	(876)
Other	<u>17,868</u>	<u>18,458</u>	<u>1,410</u>
Net Change in Plan Fiduciary Net Position	\$ 1,225,925	\$ 1,121,209	\$ 96,716
Plan Fiduciary Net Position - Beginning	<u>13,770,644</u>	<u>12,684,245</u>	<u>1,086,399</u>
Plan Fiduciary Net Position - Ending	<u>\$ 14,996,569</u>	<u>\$ 13,805,454</u>	<u>\$ 1,183,115</u>
<b>Net Pension Liability (a) - (b)</b>	\$ 1,344,325	\$ 1,238,268	\$ 106,057
<b>Plan fiduciary Net Position as a Percentage of the Total Pension Liability</b>	91.77%	91.77%	91.77%
<b>Covered Employee Payroll</b>	2,838,097	2,614,193	223,904
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	47.37%	47.37%	47.37%

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138, since this is the only information available that is measured in accordance with this statement.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF CONTRIBUTIONS  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

August 31, 2015

	<b>2015</b>	<b>Council</b>	<b>Board</b>
Actuarially Determined Contribution	\$ 502,137	\$ 462,522	\$ 39,615
Contributions in Relation to the Actuarially Determined Contributions	<u>502,137</u>	<u>462,522</u>	<u>39,615</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>
Covered Employee Payroll	\$ 2,844,938	\$ 2,620,494	\$ 224,444
Contributions as a Percentage of Covered Employee Payroll	17.65%	17.65%	17.65%

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138, since this is the only information available that is measured in accordance with this statement.

**COMBINING NONMAJOR GOVERNMENTAL FUNDS AND  
OTHER SCHEDULES**

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended August 31, 2015

	U.S. Department of Homeland Security	Texas Criminal Justice Division	Texas Department of Agriculture	U.S. Department of Commerce	Texas Commission on Environmental Quality
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 15,600
Accounts Receivable					
Grantor	161,772	28,435	3,559	47,773	90
Other	320	-	-	-	44
Due from Foundation	-	-	-	18,448	-
Due from WSMRG	-	-	-	-	-
Prepaid Expenses	822	-	-	-	-
<b>Total Assets</b>	<b>\$ 162,914</b>	<b>\$ 28,435</b>	<b>\$ 3,559</b>	<b>\$ 66,221</b>	<b>\$ 15,734</b>
<b>LIABILITIES</b>					
Accounts Payable	53,189	7,178	-	-	5,450
Accrued Liabilities	6,232	2,065	-	3,687	469
Due to Funding Source	-	-	-	-	-
Due to WSMRG	-	-	-	-	-
Due to Other Funds	103,493	19,192	3,559	62,534	9,815
<b>Total Liabilities</b>	<b>162,914</b>	<b>28,435</b>	<b>3,559</b>	<b>66,221</b>	<b>15,734</b>
<b>FUND BALANCES</b>					
Restricted:					
Federal and State Grant Funds	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 162,914</b>	<b>\$ 28,435</b>	<b>\$ 3,559</b>	<b>\$ 66,221</b>	<b>\$ 15,734</b>



<u>Texas Veterans Commission</u>	<u>U.S. Department of Justice</u>	<u>Texas Department of HHS</u>	<u>Lower Rio Grande</u>	<u>Texas Department of Transportation</u>	<u>Texas Military Family Access Project</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,346	\$ 461	\$ -	\$ -	\$ -	\$ 4,366	\$ 21,773
-	-	4,728	-	-	-	246,357
-	-	-	-	60	-	424
-	-	-	-	-	-	18,448
-	-	-	50,510	-	-	50,510
-	-	-	-	-	-	822
<u>\$ 1,346</u>	<u>\$ 461</u>	<u>\$ 4,728</u>	<u>\$ 50,510</u>	<u>\$ 60</u>	<u>\$ 4,366</u>	<u>\$ 338,334</u>
-	-	333	4,058	-	-	70,208
-	-	5,879	-	-	-	18,332
-	461	-	-	-	1,826	2,287
1,346	-	-	-	-	-	1,346
-	-	55,341	46,452	60	-	300,446
<u>1,346</u>	<u>461</u>	<u>61,553</u>	<u>50,510</u>	<u>60</u>	<u>1,826</u>	<u>392,619</u>
-	-	-	-	-	2,540	2,540
-	-	(56,825)	-	-	-	(56,825)
-	-	(56,825)	-	-	2,540	(54,285)
<u>\$ 1,346</u>	<u>\$ 461</u>	<u>\$ 4,728</u>	<u>\$ 50,510</u>	<u>\$ 60</u>	<u>\$ 4,366</u>	<u>\$ 338,334</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended August 31, 2015

	U.S. Department of Homeland Security	Texas Criminal Justice Division	Texas Department of Agriculture	U.S. Department of Commerce
<b>Revenues</b>				
Grant Revenue	\$ 327,528	\$ 141,757	\$ 3,557	\$ 155,015
Charges for Services	-	-	-	-
Other Revenue	-	-	-	19,022
<b>Total Revenues</b>	<u>327,528</u>	<u>141,757</u>	<u>3,557</u>	<u>174,037</u>
<b>Expenditures</b>				
Economic Opportunity	-	-	-	-
Health and Welfare	-	-	-	-
Economic Development	-	-	3,557	174,037
Public Safety	327,528	141,757	-	-
Environmental	-	-	-	-
<b>Total Expenditures</b>	<u>327,528</u>	<u>141,757</u>	<u>3,557</u>	<u>174,037</u>
Excess (Deficiency of Revenues Over Expenditures)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Texas Commission on Environmental Quality	Texas Veterans Commission	Texas Department of HHS	Texas Military Family Access Project	Lower Rio Grande	Total Nonmajor Governmental Funds
\$ 143,414	\$ 7,258	\$ 204,442	\$ -	\$ 75,629	\$ 1,058,600
-	-	-	-	-	-
-	-	-	-	-	19,022
143,414	7,258	204,442	-	75,629	1,077,622
-	7,258	-	-	75,629	82,887
-	-	193,120	-	-	193,120
-	-	-	-	-	177,594
-	-	-	-	-	469,285
143,414	-	-	-	-	143,414
143,414	7,258	193,120	-	75,629	1,066,300
-	-	11,322	-	-	11,322
-	-	(68,147)	2,540	-	(65,607)
\$ -	\$ -	\$ (56,825)	\$ 2,540	\$ -	\$ (54,285)

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF INDIRECT COSTS

For The Year Ended August 31, 2015

Indirect Salaries	\$ 271,066	
Release Time and Fringe Benefits	<u>85,545</u>	
Total Indirect Salaries and Fringe Benefits		<u>\$ 356,611</u>
Contractual	9,730	
Travel	50,166	
Space and Facilities	4,132	
Consumable Supplies	12,981	
Printing/Advertising	1,379	
Communications	5,137	
Equipment/Lease/Rent	4,263	
Subscription/Dues	11,627	
Postage/Freight	1,298	
Insurance/Bonding	<u>782</u>	
Total Non-Personal		<u>101,495</u>
Total Indirect Costs (A)		<u>\$ 458,106</u>
<b>Basis for Allocation of Indirect Costs</b>		
Direct Salaries Costs	\$ 2,426,375	
Release Time and Fringe Benefits	<u>904,574</u>	
Total Direct Personnel Costs (B)		<u>\$ 3,330,949</u>
Indirect Cost Rate (A/B)		<u>13.75%</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF INDIRECT COSTS (Continued)

For The Year Ended August 31, 2015

FRINGE BENEFITS		
Fringe Benefits	\$ -	
Social Security (FICA) Tax	7,804	
Medicare Tax	34,995	
Group Medical Insurance	326,999	
Group Dental Insurance	23,641	
Staff Workmen's Compensation	12,248	
NACO Def Compensation	70,991	
TCDRS Pension	417,368	
Unemployment Insurance	10,528	
Contractual	9,730	
Travel	50,166	
Space and Facilities	4,132	
Consumable Supplies	12,981	
Printing/Advertising	1,379	
Communications	5,137	
Equipment/Lease/Rent	4,263	
Subscription/Dues	11,627	
Postage/Freight	1,298	
Insurance/Bonding	<u>782</u>	
 Total Fringe Benefits (A)		 <u><u>\$ 904,574</u></u>
 Gross Salaries (B)		 <u><u>\$ 2,426,375</u></u>
 Fringe Benefit Rate (A/B)		 <u><u>37.28%</u></u>

Grant Schedules by Grantor Agency

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

STATE OF TEXAS  
COMMISSION ON STATE EMERGENCY COMMUNICATIONS  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
AND RECONCILIATION TO FINANCIAL STATUS REPORT

For The Year Ended August 31, 2015

	911 PY14	911 PY15	TOTAL
<b>RECEIPTS</b>			
Grant and Surcharge Revenue	\$ 252,263	\$ 1,067,375	\$ 1,319,638
Interest Income	-	15	15
Total Revenues	<u>252,263</u>	<u>1,067,390</u>	<u>1,319,653</u>
<b>EXPENDITURES</b>			
Personnel	-	243,994	243,994
Fringe Benefits	-	87,194	87,194
Indirect Costs	-	52,343	52,343
Contractual	1,800	58,519	60,319
Space & Utilities	1,629	46,437	48,066
Travel	432	27,787	28,219
Printing	-	1,363	1,363
Supplies	-	9,316	9,316
Equipment	243,342	235,663	479,005
Communication	-	122,728	122,728
Other	-	170	170
Program Costs	4,944	255,930	260,874
Total Expenditures	<u>252,147</u>	<u>1,141,444</u>	<u>1,393,591</u>
Program Year 2015 Expenditures			1,141,444
Expenditures as reported on FY 2015 Financial Status Report:			<u>1,237,400</u>
Difference			(95,957) (1)

(1) Difference was included in amended report.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

UNITED STATES DEPARTMENT OF HOMELAND SECURITY  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	Homeland Security Program 13-SR-99014-01	Homeland Security Program 13-SR-99014-02	Homeland Security Program 13-SR-99014-03	Homeland Security Program 14-SR-99014-01
<b>EXPENDITURES</b>				
Salaries	\$ 12,262	\$ -	\$ 307	\$ 23,168
Fringe Benefits	3,643	-	96	7,579
Indirect Costs	1,847	-	47	3,581
Contractual	-	6,996	1,429	5,202
Space & Utilities	1,949	-	-	2,052
Travel	309	-	-	607
Printing	-	-	-	-
Supplies	-	596	-	191
Equipment	48,850	747	-	816
Communications	270	-	-	729
Other	-	-	-	26
Program Costs	342	20,630	-	16,897
Total Expenditures	\$ 69,472	\$ 28,969	\$ 1,879	\$ 60,848



Homeland Security Program 14-SR 99014-02		Homeland Security Program 14-SR-99014-03		Total
\$	43,322	\$	3,333	\$ 82,392
	12,568		1,035	24,921
	6,436		509	12,420
	10,179		1,388	25,194
	15,819		249	20,069
	64		1	981
	-		6	6
	641		61	1,489
	7,535		52	58,000
	2,773		-	3,772
	36		3	65
	60,350		-	98,219
\$	159,723	\$	6,637	\$ 327,528

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TEXAS DEPARTMENT ON AGING  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	539-11-0027-00001 CMS Basic	539-11-0027-00001 Title III NSIP	539-11-0027-00001 Title III B	539-11-0027-00001 Title III C-1	539-11-0027-00001 Title III C-2
<b>EXPENDITURES</b>					
Administration	\$ -	\$ -	45,082	\$ 46,735	\$ 22,993
Ombudsman	-	-	20,789	-	-
Information/Referral	3,024	-	46,620	-	-
Care Coordination	-	-	18,441	-	-
Legal Asst'nce 60 & over	27,254	-	44,865	-	-
Legal Awareness	-	-	-	-	-
Caregiver Supp Coord.	-	-	-	-	-
Congregate Meals	-	9,737	-	386,755	-
Home Delivered Meals	-	93,525	-	-	147,175
Transportation	-	-	69,986	-	-
Residential Repair	-	-	-	-	-
Homemaker	-	-	20,109	-	-
Personal Assistance	-	-	17,769	-	-
Health Maintenance	-	-	-	-	-
Caregiver Respite In-Home	-	-	-	-	-
Instruction and Training	-	-	-	-	-
Participant Assessment	-	-	-	-	-
Income Support	-	-	-	-	-
Data Management	-	-	9,122	4,473	2,456
Legal Asst'nce Under 60	137	-	-	-	-
Caregiver Infor Services	-	-	-	-	-
Evidence Based Intervention	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 30,415</b>	<b>\$ 103,262</b>	<b>\$ 292,783</b>	<b>\$ 437,963</b>	<b>\$ 172,624</b>

<u>539-11-0027-00001</u> <u>Title III E</u>	<u>539-11-0027-00001</u> <u>Title III E - Match</u>	<u>539-11-0027-00001</u> <u>Title III E - Other</u>	<u>539-11-0027-00001</u> <u>Title VII - EAP</u>	<u>539-11-0027-00001</u> <u>Title VII - OAG</u>
\$ 16,734	\$ -	\$ 16,449	\$ -	\$ -
-	-	-	1,312	8,550
774	-	-	-	-
-	-	-	-	-
-	-	-	-	-
11,321	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7,715	16,785	31,500	-	-
-	-	5,216	-	-
-	-	5,124	-	-
357	-	-	-	-
16,706	20,946	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,003	1,562	-	-
-	-	-	-	-
-	-	-	-	-
6,621	-	-	-	-
-	-	-	-	-
<u>\$ 60,228</u>	<u>\$ 40,734</u>	<u>\$ 59,851</u>	<u>\$ 1,312</u>	<u>\$ 8,550</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TEXAS DEPARTMENT ON AGING  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	<u>539-11-0027-00001</u> <u>Title III D-Evidence</u>	<u>539-11-0027-00001</u> <u>Title III E - GOECSC</u>	<u>539-11-0027-00001</u> <u>ALC MIPPA</u>	<u>539-11-0027-00001</u> <u>OMB ALF</u>	<u>539-11-0027-00001</u> <u>PY Title III B</u>
<b>EXPENDITURES</b>					
Administration	\$ -	\$ -	\$ -	\$ -	\$ -
Ombudsman	-	-	-	4,021	460
Information/Referral	-	151	-	-	-
Care Coordination	-	-	-	-	-
Legal Asst'nce 60 & over	-	-	4,082	-	-
Legal Awareness	-	-	13,864	-	-
Caregiver Supp Coord.	-	623	-	-	-
Congregate Meals	-	-	-	-	-
Home Delivered Meals	-	-	-	-	-
Transportation	-	-	-	-	-
Residential Repair	-	-	-	-	-
Homemaker	-	-	-	-	-
Personal Assistance	-	-	-	-	-
Health Maintenance	-	-	-	-	1,569
Caregiver Respite In-Home	-	-	-	-	-
Instruction and Training	-	-	-	-	-
Participant Assessment	-	-	-	-	-
Income Support	-	1,099	-	-	6,085
Data Management	-	-	-	-	-
Legal Asst'nce Under 60	-	-	-	-	-
Caregiver Infor Services	-	-	-	-	-
Evidence Based Intervention	1,545	-	-	-	-
Total Expenditures	<u>\$ 1,545</u>	<u>\$ 1,873</u>	<u>\$ 17,946</u>	<u>\$ 4,021</u>	<u>\$ 8,114</u>

<u>539-11-0027-00001</u> <u>PY Title III C-1</u>	<u>539-11-0027-00001</u> <u>PY Title III C-2</u>	<u>539-11-0027-00001</u> <u>PY Title III E</u>	<u>539-11-0027-00001</u> <u>PY OMB MFPD</u>	<u>539-11-0027-00001</u> <u>PY CMS Basic</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,480	-
-	-	-	-	3,758
-	-	-	-	-
-	-	-	-	29,958
-	-	-	-	247
-	-	-	-	-
7,681	-	-	-	-
-	5,405	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	323	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	242
-	-	-	-	-
-	-	-	-	-
<u>\$ 7,681</u>	<u>\$ 5,405</u>	<u>\$ 323</u>	<u>\$ 1,480</u>	<u>\$ 34,205</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TEXAS DEPARTMENT ON AGING  
SCHEDULE OF RECEIPTS AND EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	539-11-0027-00001 CMS Basic	539-11-0027-00001 Title III NSIP	539-11-0027-00001 Title III B	539-11-0027-00001 Title III C-1	539-11-0027-00001 Title III C-2
<b>EXPENDITURES</b>					
Administration	\$ -	\$ -	\$ 7,372	\$ 3,760	\$ -
Ombudsman	-	-	3,243	-	-
Information/Referral	349	-	2,803	-	-
Care Coordination	-	-	816	-	-
Legal Asst'nce 60 & over	2,814	-	-	-	-
Legal Awareness	-	-	-	-	-
Caregiver Supp Coord.	-	-	-	-	-
Congregate Meals	-	2,149	-	30,861	-
Home Delivered Meals	-	-	-	-	25,848
Transportation	-	-	10,236	-	-
Residential Repair	-	-	-	-	-
Homemaker	-	-	300	-	-
Personal Assistance	-	-	300	-	-
Health Maintenance	-	-	-	-	-
Caregiver Respite In-Home	-	-	-	-	-
Instruction and Training	-	-	-	-	-
Participant Assessment	-	-	-	-	184
Income Support	-	-	-	-	-
Data Management	-	-	292	477	318
Legal Asst'nce Under 60	-	-	-	-	-
Caregiver Infor Services	-	-	-	-	-
Evidence Based Intervention	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,163</b>	<b>\$ 2,149</b>	<b>\$ 25,362</b>	<b>\$ 35,098</b>	<b>\$ 26,350</b>

<u>539-11-0027-0001</u> <u>Title III D Evid.</u>	<u>539-11-0027-00001</u> <u>Title III E</u>	<u>539-11-0027-00001</u> <u>OMB MFPD</u>	<u>539-11-0027-00001</u> <u>Title III - E GOECSC</u>	<u>539-11-0027-00001</u> <u>ATRA MIPPA 2</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	57	-	-
-	456	-	210	-
-	-	-	-	-
-	-	-	-	6,335
-	-	-	-	-
-	969	-	246	-
-	-	-	-	-
-	-	-	-	-
-	12,000	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,314	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,009	-	-	-	-
<u>\$ 9,009</u>	<u>\$ 13,425</u>	<u>\$ 57</u>	<u>\$ 1,770</u>	<u>\$ 6,335</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TEXAS DEPARTMENT ON AGING  
SCHEDULE OF RECEIPTS AND EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	539-11-0027-00001 PY Title III B	539-11-0027-00001 PY Title III C	539-11-0027-00001 PY Title III E	539-11-0027-00001 PY Title III D Evid	TOTAL
<b>EXPENDITURES</b>					
Administration	\$ -	\$ -	\$ -	\$ -	\$ 159,125
Ombudsman	-	-	-	-	39,912
Information/Referral	-	-	-	-	58,145
Care Coordination	-	-	-	-	19,257
Legal Asst'nce 60 & over	-	-	-	-	115,308
Legal Awareness	-	-	-	-	14,111
Caregiver Supp Coord.	-	-	-	-	13,159
Congregate Meals	-	41	-	-	437,224
Home Delivered Meals	-	-	-	-	271,953
Transportation	-	-	-	-	80,222
Residential Repair	-	-	-	-	68,000
Homemaker	-	-	-	-	25,625
Personal Assistance	-	-	-	-	23,193
Health Maintenance	-	-	157	-	2,406
Caregiver Respite In-Home	-	-	-	-	37,652
Instruction and Training	-	-	-	-	-
Participant Assessment	-	-	-	-	184
Income Support	437	-	491	-	13,991
Data Management	-	-	-	-	17,138
Legal Asst'nce Under 60	-	-	-	-	379
Caregiver Infor Services	-	-	-	-	6,621
Evidence Based Intervention	-	-	-	2,074	12,628
Total Expenditures	\$ 437	\$ 41	\$ 648	\$ 2,074	\$ 1,416,233



MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

OFFICE OF THE GOVERNOR - CRIMINAL JUSTICE DIVISION  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	CJD		TOTAL
	SF-14-A10-23611	CE14A1027946-01	
<b>EXPENDITURES</b>			
Personnel	\$ 1,390	\$ -	\$ 1,390
Fringe Benefits	499	-	499
Indirect Costs	275	-	275
Contractual	65,651	-	65,651
Space & Utilities	-	-	-
Travel	-	-	-
Printing	-	-	-
Supplies	-	-	-
Equipment	2	19,190	19,192
Communications	-	-	-
Other	-	-	-
Program Costs	-	16,460	16,460
Total Expenditures	<u>\$ 67,817</u>	<u>\$ 35,650</u>	<u>\$ 103,467</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TEXAS DEPARTMENT OF AGRICULTURE - OFFICE OF RURAL COMMUNITY AFFAIRS  
COMMUNITY AND ECONOMIC DEVELOPMENT AND ASSISTANCE  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	<u>CEDA</u>	
	<u>C714216</u>	
<b>EXPENDITURES</b>		
Salaries	\$	2,050
Fringe Benefits		639
Indirect Costs		-
Contractual		573
Space & Utilities		215
Travel		-
Printing		-
Supplies		5
Equipment		9
Communications		41
Other		2
Program Costs		23
		<hr/>
Total Expenditures	\$	<u>3,557</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

UNITED STATES DEPARTMENT OF COMMERCE  
ECONOMIC DEVELOPMENT ADMINISTRATION  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	EDA 08-83-04748	EDA 08-83-05033	TOTAL
<b>EXPENDITURES</b>			
Personnel	\$ 1,617	\$ 25,541	\$ 27,158
Fringe Benefits	493	8,758	9,251
Indirect Costs	2,555	4,937	7,492
Contractual	6,938	6,309	13,247
Space & Utilities	2,193	1,956	4,149
Travel	3,055	3,633	6,688
Printing	689	-	689
Supplies	97	772	869
Equipment	265	1,520	1,785
Communications	522	444	966
Other	17	2	19
Program Costs	3,709	45	3,754
Total Expenditures	<u>\$ 22,150</u>	<u>\$ 53,917</u>	<u>\$ 76,067</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

<b>EXPENDITURES</b>	<u>Regional Solid Waste 582-14-40584</u>	<u>TOTAL</u>
Personnel	\$ 23,051	\$ 23,051
Fringe Benefits	8,937	8,937
Indirect Costs	3,726	3,726
Contractual	8,209	8,209
Space & Utilities	3,028	3,028
Travel	1,512	1,512
Printing	439	439
Supplies	7,575	7,575
Equipment	2,380	2,380
Communication	392	392
Other	36	36
Implementation Projects	<u>84,129</u>	<u>84,129</u>
Total Expenditures	<u>\$ 143,414</u>	<u>\$ 143,414</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

TEXAS HEALTH AND HUMAN SERVICES COMMISSION  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	211 529-11-0001-00008G	211 - Childcare 529-11-0063-0001D	TOTAL
<b>EXPENDITURES</b>			
Personnel	\$ 86,801	\$ -	\$ 86,801
Fringe Benefits	30,392	-	30,392
Indirect Costs	15,729	-	15,729
Contractual	23,567	-	23,567
Space & Utilities	6,960	-	6,960
Travel	5,047	894	5,941
Printing	1,273	3,960	5,233
Supplies	649	154	803
Equipment	5,915	-	5,915
Communication	1,934	-	1,934
Other	753	-	753
Program Costs	7,130	1,962	9,092
Total Expenditures	\$ 186,150	\$ 6,970	\$ 193,120

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

UNIVERSITY OF TEXAS AT SAN ANTONIO  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	<u>Eagle Ford Shale Community Development Program 2460-15-MRGDC</u>	
<b>EXPENDITURES</b>		
Personnel	\$	45,434
Fringe Benefits		16,439
Indirect Costs		9,971
Contractual		11,040
Space & Utilities		3,763
Travel		7,972
Printing		-
Supplies		133
Equipment		2,127
Communication		772
Other		22
Program Costs		<u>297</u>
Total Expenditures	\$	<u><u>97,970</u></u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

LOWER RIO GRANDE DEVELOPMENT COUNCIL  
SCHEDULE OF EXPENDITURES BY GRANT

For The Year Ended August 31, 2015

	<u>Project GROW</u> <u>PROGRO102</u>	
<b>EXPENDITURES</b>		
Personnel	\$	7,053
Fringe Benefits		3,147
Indirect Costs		-
Contractual		-
Space & Utilities		-
Travel		-
Printing		3,678
Supplies		-
Equipment		-
Communication		-
Other		-
Program Costs		<u>61,751</u>
Total Expenditures	\$	<u><u>75,629</u></u>

**SINGLE AUDIT SECTION**



MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended August 31, 2015

**SECTION I --- SUMMARY OF AUDITORS' RESULTS**

<i>Financial Statements</i>			
	Type of auditor's report issued:	Unmodified	
	Internal control over financial reporting: • Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	• Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
	Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

<i>Federal/State Awards</i>			
	Internal control over major programs: • Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	• Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 Circular A-133, Section. 510(a) and the State Single Audit Circular?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

<i>Identification of Major Programs</i>		
	CFDA Numbers(s)	Name of Federal/State Program or Cluster
	93.575, 93.596	Child Care Development Fund Cluster
	17.258, 17.259, 17.278	Workforce Investment Act (WIA) Cluster

(Continued)

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended August 31, 2015

**SECTION I --- SUMMARY OF AUDITORS' RESULTS (Continued)**

<i>Identification of Major Programs</i>		
	CFDA Numbers(s)	Name of Federal/State Program or Cluster
	97.067	Homeland Security Grant Program
	State	Child Care Development Block Grant
	State	Texas Commission on State Emergency Communications (911)
Dollar threshold used to distinguish between Type A and Type B programs:		Federal                      \$300,000 State                              \$300,000
Auditee qualified as low-risk auditee?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**SECTION II --- FINANCIAL STATEMENT FINDINGS**

There were no findings required to be reported.

**SECTION III --- FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS**

There were no federal or state award findings required to be reported.

Schedule of Expenditures of Federal Awards

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2015

Source and Program Type	Program Year	Federal CFDA Number	Pass-Thru Grantor's Number	Program Expenditures
<b>U.S. Department of Agriculture</b>				
Passed Through Texas Workforce Commission/WSMRG				
Supplemental Nutrition Assistance Program Cluster:				
Employment & Training	10/01/13-10/31/14	10.561	2714 SNE 000	\$ 9,301
Employment & Training (ABAWD)	10/01/13-10/31/14	10.561	2714 SNA 000	1,918
Employment & Training	10/01/14-09/30/15	10.561	2715 SNE 000	187,049
Employment & Training (ABAWD)	10/01/14-09/30/15	10.561	2715 SNA 000	136,295
Total U.S. Department of Agriculture				<u>334,563</u>
<b>U.S. Department of Commerce</b>				
Economic Development	1/1/12-12/31/14	11.302	08-83-04748	22,150
Economic Development	1/01/15-12/31/17	11.302	08-83-05033	53,917
Passed Through The University of Texas at San Antonio				
Eagle Ford Shale Community Development Program	10/01/12-8/26/16	11.307	2406-15-MRGDC	97,970
Total U.S. Department of Commerce				<u>174,037</u>
<b>U.S. Department of Labor</b>				
Passed Through Texas Workforce Commission/WSMRG				
Employment Services Cluster:				
Wagner-Peysler - Employment Services	10/01/13-12/31/14	17.207	2714 WPA 000	15,781
Wagner-Peysler - Employment Services	10/01/14-12/31/15	17.207	2715 WPA 000	8,409
Resource Administration Grant				
Long-Term Unemployed Initiative	10/01/14-9/30/15	17.225	2715 RAG 000	3,129
	1/01/15-6/30/16	17.267	2715 LTU 000	6,615
WIA Cluster:				
WIA - Adult Funds	7/01/13-6/30/15	17.258	2713 WIA 000	74
WIA - Adult Funds	7/01/14-6/30/16	17.258	2714 WIA 000	455,832
WIOA - Adult Funds	7/01/15-6/30/17	17.258	2715 WOA 000	32,549
WIA - Youth Funds	7/01/13-6/30/15	17.259	2713 WIY 000	4,655
WIA - Youth Funds	7/01/14-6/30/16	17.259	2714 WIY 000	411,378
WIOA - Youth Funds	7/01/15-6/30/17	17.259	2715 WOY 000	25,113
WIA - Dislocated Worker Funds	7/01/13-6/30/15	17.278	2713 WID 000	298
WIA - Dislocated Worker Funds	7/01/14-6/30/16	17.278	2714 WOD 000	277,654
WIOA - Dislocated Worker Funds	7/01/15-6/30/17	17.278	2715 WID 000	41,276
Lower Rio Grande Workforce Development Board/WSMRG				
Project GROW	7/01/12-8/31/16	17.283	PROGRO102	75,629
Total U.S. Department of Labor				<u>1,358,392</u>
<b>U.S. Department of Health and Human Services</b>				
Passed Through Texas Workforce Commission/WSMRG				
Child Care Development Fund Cluster:				
Child Care Management Service	10/01/13-10/31/14	93.575	2714 CCF 000	327,223
Child Care Management Service	10/01/14-10/31/15	93.575	2715 CCF 000	1,581,839
Child Care Attendance Automation	10/01/13-9/30/14	93.575	2714 CAA 000	4,207
Child Care Attendance Automation	10/01/14-9/30/15	93.575	2715 CAA 000	41,844
Child Care Quality Improvement	10/01/13-10/31/14	93.575	2714 CCQ 000	13,580
Child Care Quality Improvement	10/01/14-10/31/15	93.575	2715 CCQ 000	98,633
Child Care Quality Military	10/01/14-10/31/15	93.575	2715 CQM 000	2,501
Child Care Quality Initiatives	01/01/15-12/13/16	93.575	2715 CQI 000	13,776
Child Care Management Service	10/01/13-10/31/14	93.596	2714 CCF 000	231,213
Child Care Management Service	10/01/14-10/31/15	93.596	2715 CCF 000	1,009,556
Child Care Match	10/01/13-12/31/14	93.596	2714 CCM 000	419,052
Child Care Match	10/01/14-12/31/15	93.596	2715 CCM 000	228,000

(Continued)

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2015

Source and Program Type	Program Year	Federal CFDA Number	Pass-Thru Grantor's Number	Program Expenditures
<b>U.S. Department of Health and Human Services</b>				
Temporary Assistance for Needy Families Cluster:				
Child Care Management Service	10/01/13-10/31/14	93.667	2714 CCF 000	\$ 3,298
Child Care Management Service	10/01/14-10/31/15	93.667	2715 CCF 000	14,539
Temporary Assistance for Needy Families	10/01/13-10/31/14	93.558	2714 TAN 000	49,788
Temporary Assistance for Needy Families	10/01/14-10/31/15	93.558	2715 TAN 000	755,650
Total Passed Through Texas Workforce Commission/WSMRG				<u>4,794,699</u>
Passed Through Texas Department of Aging and Disability Services:				
Special Programs for Aging- Title III B	10/01/13-9/30/14	93.044	539-11-0027-00001	25,362
Special Programs for Aging- Title III C-1	10/01/13-9/30/14	93.045	539-11-0027-00001	35,098
Special Programs for Aging- Title III C-2	10/01/13-9/30/14	93.045	539-11-0027-00001	26,350
Special Programs for Aging- Title III E	10/01/13-9/30/14	93.052	539-11-0027-00001	13,425
Special Programs for Aging- Title III D Evidence Based	10/01/13-9/30/14	93.043	539-11-0027-00001	9,009
Special Programs for Aging- OMB MFPD	10/01/13-9/30/14	93.791	539-11-0027-00001	57
Special Programs for Aging- Title VII- EAP	10/01/13-9/30/14	93.041	539-11-0027-00001	-
Special Programs for Aging- Title VII- OAG	10/01/13-9/30/14	93.042	539-11-0027-00001	-
Special Programs for Aging- Title III E GEOCSC	10/01/13-9/30/14	93.052	539-11-0027-00001	1,770
Special Programs for Aging- ATTRA MIPPA Priority 2	10/01/13-9/30/14	93.071	539-11-0027-00001	6,335
Special Programs for Aging- CMS Basic	10/01/13-9/30/14	93.779	539-11-0027-00001	3,163
Special Programs for Aging- Title III NSIP	10/01/13-9/30/14	93.053	539-11-0027-00001	2,149
Special Programs for Aging- PY Title III B	10/01/13-9/30/14	93.044	539-11-0027-00001	437
Special Programs for Aging- PY Title III C-1	10/01/13-9/30/14	93.045	539-11-0027-00001	41
Special Programs for Aging- PY Title III C-2	10/01/13-9/30/14	93.045	539-11-0027-00001	-
Special Programs for Aging- PY Title III E	10/01/13-9/30/14	93.052	539-11-0027-00001	648
Special Programs for Aging- PY Title III D Evidence Based	10/01/13-9/30/14	93.043	539-11-0027-00001	2,074
Special Programs for Aging- Title III B	10/01/13-9/30/14	93.044	539-11-0027-00001	292,783
Special Programs for Aging- Title III C-1	10/01/14-9/30/15	93.045	539-11-0027-00001	437,963
Special Programs for Aging- Title III C-2	10/01/14-9/30/15	93.045	539-11-0027-00001	172,624
Special Programs for Aging- Title III E	10/01/14-9/30/15	93.052	539-11-0027-00001	60,228
Special Programs for Aging- Title III D Evidence Based	10/01/14-9/30/15	93.043	539-11-0027-00001	1,545
Special Programs for Aging- Title VII- EAP	10/01/14-9/30/15	93.041	539-11-0027-00001	1,312
Special Programs for Aging- Title VII- OAG	10/01/14-9/30/15	93.042	539-11-0027-00001	8,550
Special Programs for Aging- Title III E GEOCSC	10/01/14-9/30/15	93.052	539-11-0027-00001	1,873
Special Programs for Aging- CMS Basic	10/01/14-9/30/15	93.779	539-11-0027-00001	30,415
Special Programs for Aging- ATTRA MIPPA Priority 2	10/01/14-9/30/15	93.071	539-11-0027-00001	17,946
Special Programs for Aging- Title III NSIP	10/01/14-9/30/15	93.053	539-11-0027-00001	103,262
Special Programs for Aging- PY Title III B	10/01/14-9/30/15	93.044	539-11-0027-00001	8,114
Special Programs for Aging- PY Title III C-1	10/01/14-9/30/15	93.045	539-11-0027-00001	7,681
Special Programs for Aging- PY Title III C-2	10/01/14-9/30/15	93.045	539-11-0027-00001	5,405
Special Programs for Aging- PY Title III E	10/01/14-9/30/15	93.052	539-11-0027-00001	323
Special Programs for Aging- PY CMS Basic	10/01/14-9/30/15	93.779	539-11-0027-00001	34,205
Special Programs for Aging- OMB MFPD	10/01/14-9/30/15	93.791	539-11-0027-00001	1,480
Total Passed Through Texas Department of Aging and Disability Services				<u>1,311,627</u>
Total U.S. Department of Health and Human Services				<u>6,106,326</u>
<b>U.S. Department of Homeland Security</b>				
Passed Through Governor's Division of Emergency Management				
Homeland Security Grant Program	9/01/13-5/31/15	97.067	13-SR-99014-01	69,472
Homeland Security Grant Program	9/01/13-5/31/15	97.067	13-SR-99014-02	28,969
Homeland Security Grant Program	9/01/13-5/31/15	97.067	13-SR-99014-03	1,879
Homeland Security Grant Program	9/01/14-5/31/16	97.067	14-SR-99014-01	60,848
Homeland Security Grant Program	9/01/14-5/31/16	97.067	14-SR-99014-02	159,723
Homeland Security Grant Program	9/01/14-5/31/16	97.067	14-SR-99014-03	6,637
Total U.S. Department of Homeland Security				<u>327,528</u>
Total Federal Assistance				<u>\$ 8,300,846</u>

The notes to the Schedule of Expenditures of Federal and State Awards form an integral part of this schedule.

Schedule of Expenditures of State Awards

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For The Year Ended August 31, 2015

Source and Program Description	Program Year	Grantor's Number	Program Expenditures
<b>Texas Workforce Commission</b>			
Passed Through Workforce Solutions Middle Rio Grande (WSMRG)			
Supplemental Nutrition Assistance Program			
Employment & Training	10/01/14-09/31/15	2715 SNE 000	\$ 71,570
			<u>71,570</u>
Temporary Assistance for Needy Families	10/01/13-10/31/14	2715 TAN 000	92,238
			<u>92,238</u>
Child Care Management Service	10/01/14-10/31/15	2715 CCF 000	526,276
Child Care Management Service - PRS	9/01/13-8/31/14	2714 CCP 000	145,584
			<u>671,860</u>
Total Texas Workforce Commission			<u>835,668</u>
<b>Criminal Justice Division</b>			
Regional Law Enforcement Training Project	9/01/13-8/31/15	SF-14-A10-23611-03	67,817
CJD County Essentials Program	1/1/13 - 11/30/14	CE14A1027946-01	35,650
			<u>103,467</u>
Total Criminal Justice Division			<u>103,467</u>
<b>Texas Commission on Environmental Quality</b>			
Regional Solid Waste Grants Program	9/1/13-8/31/15	582-14-40584	143,414
Total Texas Commission on Environmental Quality			<u>143,414</u>
<b>Texas Department of Aging and Disability Services</b>			
Special Programs for Aging - Title III E Match	10/1/14-9/30/15	539-11-0027-00001	40,734
Special Programs for Aging - Title III E Other	10/1/14-9/30/15	539-11-0027-00001	59,851
Special Programs for Aging- (ALF) Long Term Care Ombudsman	10/1/14-9/30/15	539-11-0027-00001	4,021
			<u>104,606</u>
Total Texas Department of Aging and Disability Services			<u>104,606</u>
<b>Texas Commission on State Emergency Communications</b>			
911 Surcharge and Service Fee	9/01/13-8/31/15	911 PY2014	252,147
911 Surcharge and Service Fee	9/01/14-8/31/16	911 PY2015	1,141,444
			<u>1,393,591</u>
Total Texas Commission on State Emergency Communications			<u>1,393,591</u>
<b>Texas Veterans Commission</b>			
Passed Through Workforce Solutions Middle Rio Grande (WSMRG)			
Veterans Services - DVOP/LVER	10/01/12-9/30/14	VES-14-27	600
Veterans Services - DVOP/LVER	10/01/14-9/30/15	VES-15-27	6,658
			<u>7,258</u>
Total Texas Veterans Commission			<u>7,258</u>
<b>Texas Department of Agriculture</b>			
Passed Through Office of Rural Community Affairs			
Community & Economic Development Assistance	9/01/14-8/31/15	C714216	3,557
Total Texas Department of Agriculture			<u>3,557</u>
Total State Assistance			<u>\$ 2,591,561</u>

The notes to the Schedule of Expenditures of Federal and State Awards form an integral part of this schedule.

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For The Year Ended August 31, 2015

1. The Council utilizes special revenue funds to account for its federal and state awards.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources focus. All federal and state grant funds were accounted for in the Special Revenue Fund, a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The expenditures corresponding to the 211 Program totaling \$193,120 are not considered federal expenditures and are not included in the schedule of expenditures of federal awards. Similarly, the Council expended \$38,290 in program funds granted by the Criminal Justice Division that are not considered federal expenditures and are also not included in the schedule of expenditures of federal awards. These grants are administered through inter-local agreements.



MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For The Year Ended August 31, 2015

4. The Council's program income for the year ended August 31, 2015 are as follows:

Texas Workforce Commission – Program Income	\$	50
U.S. Department of Commerce – Program Income		<u>19,022</u>
Total Program Income	\$	<u>19,072</u>

The above amounts are included in the Schedule of Expenditures of Federal and State Awards.

5. Reconciliation of the total expenditures of federal and state awards to total federal and state grant revenues reported in the Statement of Revenues, Expenditures and Changes in Fund Balance:

Total Expenditures reported on the Schedule of Expenditures of Federal/State Awards:	\$	10,892,407
Add: Criminal Justice Division non-federal expenditures not reflected on SEFA/SESA (Note 3)		38,291
Add: 211 program non-federal revenues not reflected on SEFA/SESA		204,442
Less: Program Income & Matching	\$	(19,072)
Other Revenue		<u>(15)</u>
Total Grant Revenues (page 17)	\$	<u>11,116,053</u>

MIDDLE RIO GRANDE DEVELOPMENT COUNCIL  
Carrizo Springs, Texas

SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS

For The Year Ended August 31, 2015

There were no findings required to be reported.

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