



Executive Committee Meeting | Agenda

10:00 a.m., Wednesday, May 11, 2022

CAPCOG Pecan Room

6800 Burleson Road, Bld. 310, Ste. 155

Austin, Texas 78744

Mayor Brandt Rydell, City of Taylor, **Chair**
Judge James Oakley, Burnet County, **First Vice Chair**
Mayor Lew White, City of Lockhart, **Second Vice Chair**
Commissioner Debbie Ingalsbe, Hays County, **Secretary**
Mayor Jane Hughson, City of San Marcos, **Parliamentarian**
Judge Paul Pape, Bastrop County, **Immediate Past Chair**
Council Member Mackenzie Kelly, City of Austin
Council Member Kevin Hight, City of Bee Cave
Mayor Connie Schroeder, City of Bastrop
Judge Brett Bray, Blanco County
Mayor Lee Urbanovsky, City of Buda
Commissioner Joe Don Dockery, Burnet County
Judge Hoppy Haden, Caldwell County
Judge Joe Weber, Fayette County
Mayor Pro Tem Kevin Pitts, City of Georgetown

Council Member Esmeralda Mattke Longoria, City of Leander
Commissioner Steven Knobloch, Lee County
Judge Ron Cunningham, Llano County
Mayor Pro Tem Doug Weiss, City of Pflugerville
Council Member Matthew Baker, City of Round Rock
Council Member Janice Bruno, City of Smithville
Commissioner Ann Howard, Travis County
Commissioner Bridgid Shea, Travis County
Commissioner Russ Boles, Williamson County
Commissioner Cynthia Long, Williamson County
Representative John Cyrier
Representative Celia Israel
Representative Terry Wilson
Representative Erin Zwiener

1. **Call to Order and opening remarks by the Chair**
2. **Consider Approving Minutes for the April 13, 2022 Meeting**
3. **Consider Electing Replacement to Serve Remainder of Term for Georgetown Mayor Pro Tem Kyle Pitts Betty Voights, Executive Director**
4. **Consider Accepting the Quarterly Investment Report**
Silvia Alvarado, Director of Finance
5. **Consider Accepting the Annual Financial Report of the Capital Area Council of Governments for the Year Ended September 30, 2021**
Silvia Alvarado, Director of Finance
Lupe Garcia, CPA – Audit Partner of Whitley Penn, LLP
6. **Consider Amending Nutrition Provider Contracts with Meals on Wheels of Central Texas, Combined Community Action, Inc, Opportunities for Williamson & Burnet Counties and Hill Country Community Action**
Patty Bordie, Director of Aging Services
7. **Consider Adopting a Resolution Recognizing June 2022 as Alzheimer’s and Brain Awareness Month**
Patty Bordie, Director of Aging Services

A closed executive session may be held on any of the above agenda items when legally justified pursuant to Subchapter D of the Texas Open Meetings Act (Texas Government Code Chapter 551).

8. **Consider Appointment of Subcommittee on 2023-2024 TxCDBG Community Development Grant Priorities**

Andrew Hoekzema, Director of Regional Planning and Services

9. **Consider Adopting a Resolution Delegating Authority to Establish 2023-2024 TxCDBG CD Grant Priorities to Subcommittee**

Andrew Hoekzema, Director of Regional Planning and Services

10. **Consider Approving Appointments to Advisory Committees**

Deborah Brea, Executive Assistant

11. **Staff Reports**

Betty Voights, Executive Director

12. **Adjourn**



Executive Committee | Summary Minutes

10 a.m., Wednesday, April 13, 2022
6800 Burleson Road
Building 310, Suite 165
Austin, Texas 78744

Present (20)

Mayor Brandt Rydell, City of Taylor, **Chair**
Judge James Oakley, Burnet County, **1st Vice Chair**
Mayor Lew White, City of Lockhart, **2nd Vice Chair**
Commissioner Debbie Ingalsbe, Hays County, **Secretary**
Judge Paul Pape, Bastrop County, **Immediate Past Chair**
Council Member Kevin Hight, City of Bee Cave
Judge Brett Bray, Blanco County
Commissioner Joe Don Dockery, Burnet County
Judge Hoppy Haden, Caldwell County
Judge Joe Weber, Fayette Count

Council Member Esme Mattke Longoria, City of Leander
Commissioner Steven Knobloch, Lee County
Judge Ron Cunningham, Llano County
Mayor Pro Tem Doug Weiss, City of Pflugerville
Council Member Matthew Baker, City of Round Rock
Council Member Janice Bruno, City of Smithville
Commissioner Ann Howard, Travis County
Commissioner Brigid Shea, Travis County
Commissioner Russ Boles, Williamson County
Commissioner Cynthia Long, Williamson County

Absent (8)

Mayor Jane Hughson, City of San Marcos,
Parliamentarian
Council Member Mackenzie Kelly, City of Austin
Mayor Lee Urbanovsky, City of Buda
Mayor Pro Tem Kevin Pitts, City of Georgetown

Representative John Cyrier
Representative Celia Israel
Representative Terry Wilson
Representative Erin Zwiener

1. **Call to Order by the Chair**

Mayor Rydell said there was no announcement and called the meeting to order at 10:05 a.m. and asked people to follow him the pledges of allegiance to the U.S. and Texas flags.

2. **Consider Approval of Minutes for the March 9, 2022 Executive Committee Meeting**

Mayor Rydell asked for approval of the minutes. A motion was made by Judge Oakley to approve the March 9, 2022, Executive Committee minutes. Mayor White seconded the motion. The motion passed unanimously.

3. **Consider Adopting a Resolution Providing Signature Authority to Individuals for the Capital Area Council of Governments**

Silvia Alvarado, Director of Finance

Ms. Alvarado explained that the CAPCOG bylaws and policies as well as its bank policies require a resolution to allow five members of the organization to sign and countersign checks for CAPCOG. She noted since there two staff position changes the signature authority needed to be updated to reflect current positions and personnel.

A motion was made by Commissioner Long to approve the resolution providing signature authority to individuals for CAPCOG and to adopt a resolution amending authorized representatives for CAPCOG's TexPool Fund accounts noting that both items were before the board for the same reason. Commissioner Shea seconded the motion. The motion passed unanimously.

4. **Consider Adopting a Resolution Amending Authorized Representatives for the Capital Area Council of Governments TexPool Fund Accounts**

Silvia Alvarado, Director of Finance

No discussion on item 4. Item was approved with item 3.

5. Consider Adopting a Resolution Recognizing May 2022 as Older Americans Month
Patty Bordie, Director of Aging Services

Ms. Siena Lindemann, CAPCOG's assistant director of aging services, spoke on behalf of Ms. Bordie. She said that U.S. Administration on Aging leads the nation in recognizing Older Americans Month. This year's theme, Age My Way, focuses on how older adults play a vital role in our communities and how they can age and live independently for as long as possible while participating in community activities in the way they choose. She noted that CAPCOG's Aging Services Division will help communities around the CAPCOG region celebrate their older adults during the month.

A motion was made by Commissioner Dockery to recognize May as Older Americans Month. Judge Oakley seconded the motion.

Commissioner Shea asked about emergency preparedness kits for older adults. Ms. Lindemann said the Aging Services Council of Central Texas collected supplies for about 550 emergency preparedness bags, which included go-kit items and information on WarnCentralTexas.org, for older adults. CAPCOG helped distribute them to underserved older adults in the region.

Mayor Rydell called for a vote. The motion passed unanimously.

6. Consider Adopting a Resolution Declaring May CAPCOG Wildfire Awareness Month
Martin Ritchey, Director of Homeland Security

Mr. Ritchey said wildfires have affected all the communities in the region, and that it can take multiple communities to respond to these disasters. May is a time to call attention to the damage that can be done by wildfires, and it's time for people to focus on preparedness for when wildfires occur.

A motion was made by Judge Pape to declare May as Wildfire Awareness Month. Council Member Bruno seconded the motion. The motion passed unanimously.

7. Consider Adopting a Resolution Declaring May 15 -20, 2022 as CAPCOG Hurricane Preparedness Week
Martin Ritchey, Director of Homeland Security

Mr. Ritchey said hurricane activity this season is predicted to be high, and while the CAPCOG region is not on the coast, these events affect multiple CAPCOG communities all at once. Hurricane Preparedness Week is a time to talk to all communities and individuals about what can be done to prepare for hurricanes.

A motion was made by Commissioner Ingalsbe made to recognize May 15 through 20, 2022 as Hurricane Preparedness Week. Commissioner Shea seconded the motion.

Commissioner Shea said CAPCOG should recognize a heat season as well because increase temperatures are becoming a greater issue.

Mayor Rydell called for a vote. The motion passed unanimously.

8. Consider Adopting a Proclamation Declaring May 2-May 6, 2022, Air Quality Awareness Week
Andrew Hoekzema, Director of Regional Planning and Services

Mr. Hoekzema said the Environmental Protection Agency and several of its federal partner agencies such as the National Weather Service lead the effort to recognize the first full week of May as National Air Quality Awareness Week. He said very few people in the region pay attention to air quality on a routine basis, and this public awareness campaign is an effort to increase visibility on air quality issues. He also noted the Capital Area just entered its Ozone season, when ozone levels can get high enough to affect people's health. He also noted that while the region is currently in attainment of the federal air quality standards, the EPA is reviewing those standards which could affect the region's attainment status.

A motion was made by Commissioner Shea to proclaim May 2 through May 6 as Air Quality Awareness Week. Council Member Baker seconded the motion. The motion passed unanimously.

9. **Consider Nomination to the Unified Scoring Committee (USC) for the Texas Community Development Block Grant (TxCDBG) Program**

Andrew Hoekzema, Director of Regional Planning and Services

Mr. Hoekzema explained that the TxCDBG Program is part of the national program, and that the Unified Scoring Committee helps distribute funds to communities that don't get CDBG funds directly from the federal government by setting the states grant project criteria and scoring. He noted criteria development and scoring used to be done on a regional level, but it is now a state-wide process in which each planning region sends a representative. He also noted if a region doesn't select a representative, the Texas Department of Agriculture would select one. CAPCOG sent out to General Assembly members a request for volunteers to join the USC and received one late applicant, Johnson City Council Member Stephanie Fisher. Mr. Hoekzema introduced her to the board and read a portion of her background and qualifications.

Ms. Voights asked if the scoring criteria will come back to the board. Mr. Hoekzema said the board will be reviewing criteria in June.

A motion was made by Commissioner Shea to appoint Council Member Fisher to the USC. Council Member Bruno seconded the motion. The motion passed unanimously.

10. **Consider Approving Scoring and Funding Recommendations for 2023 General Victim Assistance (VC/VOCA) Criminal Justice Grants**

Ken May, Regional Programs Manager

Mr. Hoekzema presented the board with a brief timeline of the CAPCOG Criminal Justice Grant process which included events such as the Executive Committee accepting the CAPCOG policy statement, mandatory grant workshops, and application scoring meetings. He highlighted that there was a follow-up scoring meeting that translated scores into funding recommendations. He also noted in each Office of the Governor (OOG) request for applications, a COG can set their own processes and criteria for making application recommendations. Mr. Hoekzema mentioned that applicants couldn't submit more than three applications and that the applicant must rank project priority if they submit to the same grant category. He also stated applicants were required to tell CAPCOG how much they are willing to reduce their funding request and the impact of said reductions, which the board requested to be done during last year's discussion on the grants.

Mr. Hoekzema said five applicants that submitted seven applications didn't attend a mandatory grant workshop, so those applications couldn't be reviewed and ranked by the CJAC based on this year's policy. He noted that CAPCOG would reflect to the OOG that the scores of zero in these cases were not based on the projects' merit but rather an adherence to CAPCOG's policy. He also mentioned the OOG makes the final decision on funding projects and may award more funds to the region than the state's regional budget estimate. Ms. Voights explained that CAPCOG is not the only COG that requires applicants to attend workshops and that there were ample opportunities to learn about attending a grant workshop. Mr. Hoekzema mentioned the CJAC will reconvene in May to discuss possible changes to the grants process.

Commissioner Howard asked if there was a strategy for aiding viable projects seeking OOG funding that didn't follow CAPCOG's policies to make sure the region isn't losing an opportunity for more funds coming into the region. Mr. Hoekzema restated that CAPCOG would denote in its recommendation on such project applications that their rank and score is because they didn't follow policy and not based on merit.

Mayor Pro Tem Wiess asked how the scoring and ranking compared to the regional budget estimate. Mr. Hoekzema explained that the regional budget estimate provides context to the Criminal Justice Advisory Committee about how much money the region could get. CAPCOG does not submit the estimate with its recommendations, rather hopes that projects on the cusp of the budget estimate could receive funding from the OOG as well as other projects ranked below the budget estimate.

A motion was made by Commissioner Long to approve the scoring and funding recommendations from the CAPCOG Criminal Justice Advisory Committee for all the criminal justice grants — items 10 through 15. Judge Pape seconded the motion. Mayor Rydell asked if anyone would like to talk about a specific grant area before the vote.

Commissioner Shea asked why the MELJ scored badly. Mr. May said the grant project was presented and written poorly; it also lacked data. He noted that CAPCOG has already spoken with the applicant about scoring better in the future, and CAPCOG gives applicants the CJAC's comments when requested so that they can improve their applications in the future.

Judge Cunningham asked if all the applications were reviewed and ranked on the same objective standards. Mr. Hoekzema said yes. Commissioner Ingalsbe asked why Travis County withdrew an application when it scored the highest in its grant category. Mr. May explained the project's scope decreased during the grant process taking a proposed state-wide project to a local one, so Travis County pulled the application and plans to resubmit it during the next funding cycle.

Mayor Rydell called for a vote. Commissioner Long's motion passed unanimously.

11. Consider Approving Scoring and Funding Recommendations for 2023 Violence Against Women Justice and Training Program (WF/VAWA) Criminal Justice Grants

Ken May, Regional Programs Manager

Motion and vote occurred during item 10.

12. Consider Approving Scoring and Funding Recommendations for 2023 Truancy Prevention (TP) Criminal Justice Grants

Ken May, Regional Programs Manager

Motion and vote occurred during item 10.

13. Consider Approving Scoring and Funding Recommendations for 2023 Juvenile Justice (JJ) Criminal Justice Grants

Ken May, Regional Programs Manager

Motion and vote occurred during item 10.

14. Consider Approving Scoring and Funding Recommendations for 2023 Criminal Justice Program (DJ/JAG) Criminal Justice Grants

Ken May, Regional Programs Manager

Motion and vote occurred during item 10.

15. Consider Approving Submission of Scoring for 2023 Commercial Sexual Exploitation (CSE) Criminal Justice Grants

Ken May, Regional Programs Manager

Motion and vote occurred during item 10.

16. Consider Approving Appointments to Advisory Committees

Deborah Brea, Executive Assistant

Ms. Brea said the Homeland Security Task Force recommended two appointments to fill vacancies on the advisory committee — La Grange Police Chief, Charles Gilbreath, to fill the small law enforcement agency position and Williamson County Undersheriff, Ken Evans, to fill the large law enforcement agency position.

A motion was made by Commissioner Ingalsbe to appoint the two to the Homeland Security Task Force. Council Member Mattke Longoria seconded the motion. The motion passed unanimously.

17. Consider Electing Replacement to Serve Remainder of Term for Bastrop Mayor Pro Tem Lyle Nelson
Betty Voights, Executive Director

Ms. Voights said she reached out to Mayor Pro Tem Nelson to see if he had a recommendation on who should fill his vacated seat on the board, and Mayor Pro Tem Nelson had recommended City of Bastrop

Mayor Connie Schroeder.

A motion was made by Judge Pape to elect Mayor Schroeder to the board. Judge Cunningham seconded the motion. The motion passed unanimously.

18. Staff Reports

Betty Voights, Executive Director

Ms. Voights said all congregate meal sites in the region have reopened after being closed for COVID-19 precautions and older adults can start visiting them again.

Ms. Voights also said there were changes to the state homeland security program grants for which CAPCOG submitted recommendations in May, and Mr. Ritchey would explain them along with his Warn Central Texas update. Mr. Ritchey said changes were made to the grant program’s critical priority investment areas which created two additional investment areas and removed one. The changes also increase the amount of funding required for law enforcement terrorism prevention activities from 25 to 30 percent of a region’s allocation. Mr. Ritchey noted the changes mean the OOG is going to be moving around CAPCOG’s recommendations to meet the new requirements. He also mentioned that the OOG has not indicated that they will be sending the recommendations back to the COGs to be re-evaluated.

Mr. Ritchey updated the board on Warn Central Texas. He noted a decrease in the of number residents contacted but the number of incidents for which the system was used increased significantly — pinpointing areas where tornados were spotted in the region as well as red flag warnings issued by Bastrop County. Commissioner Shea said she was glad to see the number of self-registrations increase, and Judge Pape said the county has received some complaints about the frequency of the red flag warnings, but the tool was working in educating residents and preventing outdoor burning during the red-flag days.

19. Adjourn

Mayor Rydell adjourned the meeting at 11:23 a.m.

Commissioner Debbie Ingalsbe, Secretary
Executive Committee
Capital Area Council of Governments

Date

EXECUTIVE COMMITTEE MEETING

MEETING DATE: May 11, 2022

AGENDA ITEM: #3 Consider Electing Replacement to Serve Remainder of Term for Georgetown Mayor Pro Tem Kyle Pitts

GENERAL DESCRIPTION OF ITEM:

Mayor Pro Tem Pitts has notified us that due to a change in his work schedule, he will be unable to attend our Wednesday morning meetings; therefore, he has recommended Georgetown Council Member-elect Ron Garland (May 7th, no opponent) be considered to complete his unexpired term. We are placing this item on the May agenda for consideration contingent upon the Georgetown City Council appointing newly-elected Council Member Garland to one of the city's three General Assembly slots and the receipt of his Nomination Form.

As you know, CAPCOG's Bylaws provide that the Executive Committee shall elect a replacement; this action can be taken with or without a request for the Nominating Committee to meet, per Section 5.7(d). This slot must be filled by a city official from the category of cities between 25,000 and 100,000 – the cities currently in this category are Cedar Park, Georgetown, Hutto (new with 27,000), Kyle, Leander, Pflugerville, and San Marcos.

THIS ITEM REPRESENTS A:

- New issue, project, or purchase
- Routine, regularly scheduled item
- Follow-up to a previously discussed item
- Special item requested by board member
- Other

PRIMARY CONTACT/STAFF MEMBER:

Betty Voights, Executive Director

BUDGETARY IMPACT:

Total estimated cost: N/A

Source of Funds: _____

Is item already included in fiscal year budget? Yes No

Does item represent a new expenditure? Yes No

Does item represent a pass-through purchase? Yes No

ACTION REQUESTED:

Consider electing Council Member-elect Ron Garland to serve the unexpired term of Mayor Pro Tem Pitts.

BACK-UP DOCUMENTS ATTACHED:

1. Mayor Pro Tem Pitts resignation and recommendation email
2. Excerpt from Bylaws regarding Executive Committee membership replacement

BACK-UP DOCUMENTS NOT ATTACHED:

1. Executive Committee Nomination Form from Council Member-elect Garland
2. Appointment for from Georgetown City Council for General Assembly slot

Voights, Betty

From: District5 <district5@georgetown.org>
Sent: Thursday, April 21, 2022 3:43 PM
To: Voights, Betty
Subject: CAPCOG Executive Committee

Betty,

I recently changed banks and my new bank has loan committee every Wednesday morning in Waco. It will be impossible for me to continue serving. However, I have a replacement that I would recommend to fill my vacancy.

Ron Garland is the Georgetown City Council Member-elect for District 4. He is unopposed and will be sworn in before the May meeting. Could you have that added to the agenda for the May meeting?

I have enjoyed serving and wish I would've been able to get more involved. Ron is retired and will have much more time and will be an upgrade for CAPCOG.

Thanks

KP

Sent from my iPhone

Section 5.6 – Term

Executive Committee members serve one-year terms, beginning on the date they are elected and expiring on December 31. An Executive Committee member may complete his or her term if or until his or her successor is elected and the member continues to meet the requirements as set out in Section 5.2.

Section 5.7 – Vacancy

(a) A vacancy on the Executive Committee occurs:

- (1) when a member dies;
- (2) when a member resigns;
- (3) when a member is removed;
- (4) when a member becomes disqualified to serve; or
- (5) when a member incurs four absences as described in subsection (b).

(b) If an Executive Committee member misses three Executive Committee meetings in a calendar year,

the Executive Director shall notify the Executive Committee member in writing of the absences and that a fourth absence will vacate the member's position on the Executive Committee. If the Executive Committee member misses a fourth Executive Committee meeting, having received the Executive Director's notice, the Executive Committee shall declare the absent member's position on the Executive Committee vacant unless the member persuades the Executive Committee, at its next meeting, that there was good cause for the absence.

(c) Executive Committee members shall also serve on the Board of Managers of the CAECD; a missed meeting of the CAECD shall be counted toward the absences described in (b).

(d) If a vacancy occurs on the Executive Committee, the Nominating Committee may nominate at the request of the Executive Committee, and the Executive Committee shall elect a replacement to serve for the remainder of the unexpired term if the vacancy occurs and the nomination process is completed no later than June 15 of that year.

Section 5.8 – Powers and Responsibilities

(a) The Executive Committee has the following general powers:

- (1) to sue and be sued in the name of the Council;
- (2) to contract;
- (3) to acquire, own, lease, transfer, or otherwise dispose of real and personal property, tangible or intangible, or any interest in it;
- (4) to invest the Council's assets in real or personal property, tangible or intangible, or any interest in it;
- (5) to sell, assign, mortgage, or pledge all or any part of the Council's real or personal property, or any interest in it;
- (6) to borrow or lend money or other property;
- (7) to apply for, receive, and use contributions and grants.

(b) The Executive Committee has the following general responsibilities:

EXECUTIVE COMMITTEE MEETING

MEETING DATE: May 11, 2022

AGENDA ITEM: #4 Consider Accepting the Quarterly Investment Report

GENERAL DESCRIPTION OF ITEM:

The Public Funds Investment Act and the CAPCOG Investment Policy require that a quarterly investment report be prepared for the Executive Committee. This report is for the quarter ending March 31, 2022. All of CAPCOG's investments are in the Texas Local Government Investment Pool (TexPool).

The beginning and ending balances for each fund reflect the operating needs of the organization and not the performance of the investments. CAPCOG's use of TexPool as our investment pool is to provide ready access to idle funds for operating purposes while still earning a market interest rate for short term investments.

During the quarter the market interest rate earned was approximately 0.85%.

Total interest earnings for the quarter were \$6,229.76.

THIS ITEM REPRESENTS A:

- New issue, project, or purchase
- Routine, regularly scheduled item
- Follow-up to a previously discussed item
- Special item requested by board member
- Other

PRIMARY CONTACT/STAFF MEMBER: Silvia Alvarado, Director of Finance

BUDGETARY IMPACT:

Total estimated cost: N/A

Source of Funds: N/A

Is item already included in fiscal year budget? Yes No

Does item represent a new expenditure? Yes No

Does item represent a pass-through purchase? Yes No

If so, for what city/county/etc.? _____

PROCUREMENT:

N/A

ACTION REQUESTED:

Accept the Quarterly Investment Report

BACK-UP DOCUMENTS ATTACHED:

1. Quarterly Investment Report (5 pages)

BACK-UP DOCUMENTS NOT ATTACHED (to be sent prior to meeting or will be a handout at the meeting): None



Capital Area Council of Governments

Quarterly Investment Report Summary January 1, 2022 - March 31, 2022

All Investments are held in the Texas Local Government Investment Pool (TexPool)

	<u>Book Value</u> <u>Beginning</u>	<u>Book Value</u> <u>Ending</u>	<u>Market Value</u> <u>Beginning</u>	<u>Market Value</u> <u>Ending</u>	<u>Interest</u> <u>Earnings</u>
General Fund - Operating Fund	1,237,805.91	1,220,689.84	1,237,805.91	1,220,689.84	281.93
Solid Waste - TCEQ Grant Advances	40,104.23	230,140.36	40,104.23	230,140.36	36.13
Air Quality - Local Funds for Monitoring	57,770.32	57,782.42	57,770.32	57,782.42	12.10
CAECD 911 Funds	27,128,915.66	28,177,213.26	27,128,915.66	28,177,213.26	5,899.60
Total All Investments	<u>28,464,596.12</u>	<u>29,685,825.88</u>	<u>28,464,596.12</u>	<u>29,685,825.88</u>	<u>6,229.76</u>

Average Daily Balance 29,358,532.47

Average Yield 0.085%

At March 31, 2022:

TexPool Average Weighted Average Maturity	29 Days
TexPool Average Daily Net Yield	0.1536%
6 Month US Treasury Bill Rate	1.0200%

TexPool's S&P Global Pool Rating is AAAm. The AAAm is the highest principal stability fund rating assigned by S&P Global. A fund rated AAAm demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.

Book Value Equals Market Value because TexPool seeks to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act.

This quarterly report has been prepared in compliance with the investment policy and strategy as established for the Capital Area Council of Governments and the Public Funds Investment Act (Chapter 2256, Government Code).

Prepared by:

Silvia Alvarado
Director of Finance
Investment Officer

CAPITAL AREA COUNCIL OF GOVERNMENTS
General Fund
 Quarterly Investment Report
 January 1, 2022 - March 31, 2022

<i>TexPool Investment</i>	<u>Interest</u>	<u>Net Transactions</u>	<u>Account Balance</u>
Beginning Balance			1,237,805.91
January		231,762.10	1,469,568.01
Monthly interest	34.77		1,469,602.78
February		211,677.57	1,681,280.35
Monthly interest	76.18		1,681,356.53
March		(460,837.67)	1,220,518.86
Monthly interest	170.98		1,220,689.84
Activity for the Quarter	281.93	(17,398.00)	
Ending Balance			1,220,689.84

Average Daily Balance	January	1,101,714.94
	February	1,552,764.55
	March	1,399,155.51
Average Daily Balance for the Quarter		1,351,211.67
Average Annual Interest Rate		0.083%

CAPITAL AREA COUNCIL OF GOVERNMENTS
Solid Waste
 Quarterly Investment Report
 January 1, 2022 - March 31, 2022

<i>TexPool Investment</i>	<u>Interest</u>	<u>Net Transactions</u>	<u>Account Balance</u>
Beginning Balance			40,104.23
January		0.00	40,104.23
Monthly interest	1.32		40,105.55
February		190,000.00	230,105.55
Monthly interest	4.77		230,110.32
March			230,110.32
Monthly interest	30.04	0.00	230,140.36
Activity for the Quarter	36.13	190,000.00	
Ending Balance			230,140.36

Average Daily Balance	January	40,104.27
	February	114,748.58
	March	230,111.29
Average Daily Balance for the Quarter		128,321.38
Average Annual Interest Rate		0.113%

CAPITAL AREA COUNCIL OF GOVERNMENTS
CAECD 911 Fund
 Quarterly Investment Report
 January 1, 2022 - March 31, 2022

<i>TexPool Investment</i>	<u>Interest</u>	<u>Net Transactions</u>	<u>Account Balance</u>
Beginning Balance			27,128,915.66
January		768,237.90	27,897,153.56
Monthly interest	871.80		27,898,025.36
February		(211,677.57)	27,686,347.79
Monthly interest	1,347.46		27,687,695.25
March			27,687,695.25
Monthly interest	3,680.34	485,837.67	28,177,213.26
Activity for the Quarter	5,899.60	1,042,398.00	
Ending Balance			28,177,213.26

Average Daily Balance	January	27,394,068.13
	February	27,814,914.44
	March	28,254,697.93
Average Daily Balance for the Quarter		27,821,226.83
Average Annual Interest Rate		0.085%

CAPITAL AREA COUNCIL OF GOVERNMENTS

Air Quality

Quarterly Investment Report

January 1, 2022 - March 31, 2022

<i>TexPool Investment</i>	<u>Interest</u>	<u>Net Transactions</u>	<u>Account Balance</u>
Beginning Balance			57,770.32
January		0.00	57,770.32
Monthly interest	1.84		57,772.16
February		0.00	57,772.16
Monthly interest	2.73		57,774.89
March			57,774.89
Monthly interest	7.53	0.00	57,782.42
Activity for the Quarter	12.10	0.00	
Ending Balance			57,782.42

Average Daily Balance	January	57,770.38
	February	57,772.26
	March	57,775.13
Average Daily Balance for the	Quarter	57,772.59
Average Annual Interest Rate		0.084%

EXECUTIVE COMMITTEE MEETING

MEETING DATE: May 11, 2022

AGENDA ITEM: #5 Consider Accepting the Annual Financial Report of the Capital Area Council of Governments for the Year Ended September 30, 2021

GENERAL DESCRIPTION OF ITEM:

The Annual Financial Report of the Capital Area Council of Governments for the Year Ended September 30, 2021 has been prepared by Whitley Penn, LLP, in accordance with state and federal regulations. A representative from the audit firm will present the Annual Financial Report to the Executive Committee and answer any questions from committee members. All the programs and service areas of CAPCOG's operations were included in the general standard audit procedures. The programs chosen for additional Single Audit testing are listed in the Annual Financial Report on pages 51 and 52. There were no audit findings.

THIS ITEM REPRESENTS A:

- New issue, project, or purchase
- Routine, regularly scheduled item
- Follow-up to a previously discussed item
- Special item requested by board member
- Other

PRIMARY CONTACT/STAFF MEMBER:

Silvia Alvarado, Director of Finance
Lupe Garcia, CPA – Audit Partner of Whitley Penn, LLP

BUDGETARY IMPACT:

Total estimated cost: N/A

Source of Funds: _____

Is item already included in fiscal year budget? Yes No

Does item represent a new expenditure? Yes No

Does item represent a pass-through purchase? Yes No

If so, for what city/county/etc.? _____

PROCUREMENT: The audit services were acquired based on response to an RFP.

ACTION REQUESTED:

Accept the Annual Financial Report of the Capital Area Council of Governments for the Year Ended September 30, 2021.

BACK-UP DOCUMENTS ATTACHED:

1. Required Auditor Disclosure Letter from Whitley Penn, LLP
2. Annual Financial Report of the Capital Area Council of Governments for the Year Ended September 30, 2021.

BACK-UP DOCUMENTS NOT ATTACHED (to be sent prior to meeting or will be a handout at the meeting): None

April 22, 2022

To the Executive Committee Members of
Capital Area Council of Governments
Austin, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Capital Area Council of Governments ("CAPCOG") as of and for the year ended September 30, 2021 and have issued our report thereon dated April 22, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 9, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of CAPCOG solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and our firm, including its employees, have complied with all relevant ethical requirements regarding independence. As part of our audit, we assisted with the preparation of the financial statements and related notes. We have implemented safeguards to reduce the threats to independence to an acceptable level.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by CAPCOG is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements was:

- Management's estimate of depreciation expense for depreciable capital assets is based on estimated useful lives.

We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We did not identify any such misstatements.

In addition, professional standards require us to communicate to you all material journal entries that were brought to the attention of management as a result of our audit procedures. The attached list of journal entries that we proposed as a result of our audit procedures were brought to the attention of, and approved by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to CAPCOG's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the letter dated April 22, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with CAPCOG, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as CAPCOG's auditors.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the Executive Committee and management of CAPCOG and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Austin, Texas
April 22, 2022

Account	Description	Debit	Credit
GASB 34 Entries			
GASB 34 Entries JE # 1			
GASB To record Beginning Comp Abs			
999-3111	Unrestricted Net Position	269,017.00	
999-2522	Compensated Absences		269,017.00
Total		269,017.00	269,017.00
GASB 34 Entries JE # 2			
GASB To Record Beg. Cap Assets			
999-1631	Equipment and Furniture	4,606,176.00	
999-1641	Leasehold improvements	1,748,340.00	
999-1681	Accumulated Depreciation - Leasehold Improvements		669,632.00
999-1691	Accumulated Depreciation - Equip and Furniture		2,242,316.00
999-3211	Net Investment in Capital Assets		3,442,568.00
Total		6,354,516.00	6,354,516.00
GASB 34 Entries JE # 3			
GASB To Record Change in Comp Abs			
999-100-5291	Admin Compensated	6,012.00	
999-2522	Compensated Absences	12,258.00	
999-860-5291	Homeland Compensated	579.00	
999-910-5291	Emergency Comm. Compensated	6,039.00	
999-210-5291	Aging Compensated		11,511.00
999-410-5291	Criminal Compensated		11,409.00
999-780-5291	Regional Services Compensated		1,968.00
Total		24,888.00	24,888.00
GASB 34 Entries JE # 4			
GASB To Record Cap Asset Additions			
999-1631	Equipment and Furniture	2,083,866.00	
999-5841	Air Quality Equipment		12,198.00
999-5844	Network Equipment		2,071,668.00
999-1641	Leasehold improvements		
999-5422	Computer Hardware		
999-5842	Homeland Security Equipment		
999-5843	RTA Equipment		
999-58571	Office Buildout- 911		
Total		2,083,866.00	2,083,866.00

GASB 34 Entries JE # 5

GASB To Record Depreciation Exp

999-100-5899	Depreciation Expense General Government	10,204.00	
999-410-5899	Depreciation Expense Criminal Justice	8,967.00	
999-711-5899	Depreciation Expense Environmental Quality	10,824.00	
999-860-5899	Depreciation Expense Homeland Security	6,022.00	
999-910-5899	Depreciation Expense Emergency Communications	1,246,215.00	
999-1681	Accumulated Depreciation - Leasehold Improvements		174,834.00
999-1691	Accumulated Depreciation - Equip and Furniture		1,107,398.00
Total		<u>1,282,232.00</u>	<u>1,282,232.00</u>

GASB 34 Entries JE # 6

GASB To record Deletions

999-1691	Accumulated Depreciation - Equip and Furniture	127,859.00	
999-1631	Equipment and Furniture		127,859.00
999-1641	Leasehold improvements		
999-1681	Accumulated Depreciation - Leasehold Improvements		
Total		<u>127,859.00</u>	<u>127,859.00</u>
	Total GASB 34 Entries	<u>10,142,378.00</u>	<u>10,142,378.00</u>
	Total All Journal Entries	<u>10,142,378.00</u>	<u>10,142,378.00</u>



ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2021

CAPITAL AREA COUNCIL OF GOVERNMENTS

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information)	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Notes to Financial Statements	21
Other Supplementary Information	
Combining Balance Sheet - Nonmajor Special Revenue Funds by Funding Source	34
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds by Funding Source	36
Schedule of Indirect Costs	38
Schedule of Fringe Benefits	39
Federal and State Awards	
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>	43
Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State of Texas Uniform Grant Management Standards	45
Schedule of Findings and Questioned Costs	47
Schedule of Expenditures of Federal Awards	49
Schedule of Expenditures of State Awards	50
Notes to Schedules of Expenditures of Federal and State Awards	51
Summary Schedule of Prior Audit Findings	52
Corrective Action Plan	53



INDEPENDENT AUDITOR'S REPORT

To the Executive Committee Members of
Capital Area Council of Governments
Austin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Capital Area Council of Governments ("CAPCOG"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise CAPCOG's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to CAPCOG's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CAPCOG's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of CAPCOG, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Executive Committee Members of
Capital Area Council of Governments

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CAPCOG’s basic financial statements. The combining nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Texas *Uniform Grant Management Standards* and are also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022 on our consideration of CAPCOG’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CAPCOG’s internal control over financial reporting and compliance.

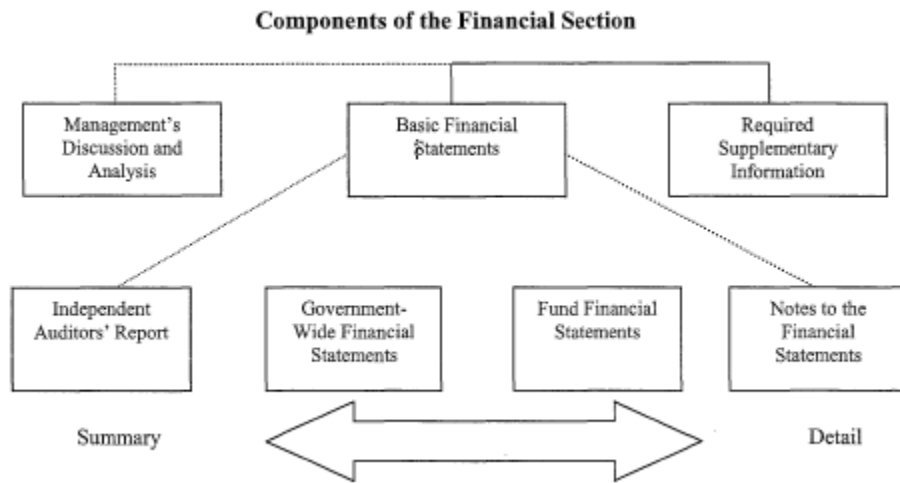


Austin, Texas
April 22, 2022

CAPITAL AREA COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of management's discussion and analysis ("MD&A") is to give the readers an objective and easily readable analysis of the financial activities of Capital Area Council of Governments ("CAPCOG") for the year ending September 30, 2021. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of CAPCOG's activities. Please read the MD&A in conjunction with CAPCOG's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



CAPCOG's basic financial report include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for CAPCOG as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of CAPCOG as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in CAPCOG's financial statements, report information on CAPCOG's activities that enable the reader to understand the financial condition of CAPCOG. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of CAPCOG's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of CAPCOG is improving or deteriorating.

The Statement of Activities presents information showing how CAPCOG's net position changed during the most recent 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 - the accrual method rather than the modified accrual method that is used in the fund level statements.

CAPITAL AREA COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Statement of Net Position and the Statement of Activities present one class of activities:

1. Governmental Activities - CAPCOG's basic services are reported here including services from the Capital Area Emergency Communication District ("CAECD"), general government, aging, agriculture, economic development, transportation, criminal justice, homeland security, and environmental quality. Emergency District state mandated 911 fees, grants, membership dues, and contract service revenue finance most of these activities.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is CAPCOG. They are usually segregated for specific activities or objectives. CAPCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. CAPCOG uses only one category of funds, which is governmental.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating CAPCOG's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

CAPCOG maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, aging fund, and the CAECD, which are considered to be major funds for reporting purposes.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of CAPCOG's financial position. Assets exceed liabilities by \$36,103,392 as of September 30, 2021 for the primary government. A portion of the CAPCOG's net position in the amount of \$4,244,202 (11.8%) reflects its investments in capital assets (e.g., property, equipment, and leasehold improvements). CAPCOG uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CAPITAL AREA COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Total Dollar
	2021	2020	Change
			2021-2020
Current and other assets	\$ 35,384,131	\$ 34,571,538	\$ 812,593
Capital assets, net	4,244,202	3,442,568	801,634
Total Assets	39,628,333	38,014,106	1,614,227
Other liabilities	3,524,941	2,600,746	924,195
Total Liabilities	3,524,941	2,600,746	924,195
Net Position:			
Investment in capital assets	4,244,202	3,442,568	801,634
Restricted	28,174,395	29,725,607	(1,551,212)
Unrestricted	3,684,795	2,245,185	1,439,610
Total Net Position	\$ 36,103,392	\$ 35,413,360	\$ 690,032

A portion of CAPCOG's net position in the amount of \$28,174,395 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$3,684,795 may be used to meet CAPCOG's ongoing obligations to members.

CAPCOG's total net position increased by \$690,032. This increase was largely due to the increase in aging operating grants and contributions related to Coronavirus Aid, Relief, and Economic Security (CARES) Act programs. The increase was offset by the decrease in general revenues and interest income. General revenues decreased by \$555,073 due to the decrease in contract service revenue as the related grants and programs in aging and homeland security division ended in the current fiscal year. In addition, interest income decreased significantly due to downturn in the economy as a result of pandemic.

CAPITAL AREA COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

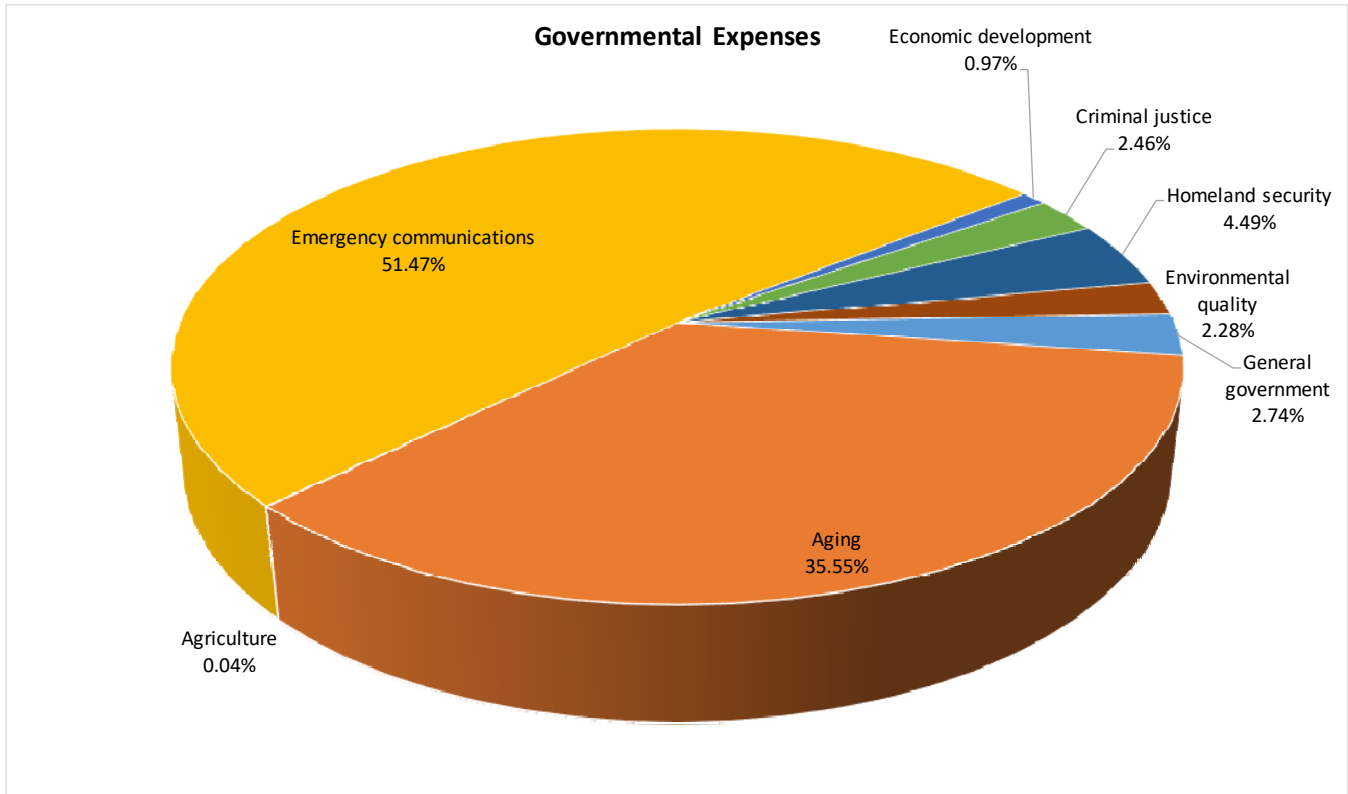
Statement of Activities

The following table provides a summary of CAPCOG's changes in net position:

	Governmental Activities		Total Dollar
	2021	2020	Change 2021-2020
Revenues			
Program revenues:			
Charges for services	\$ 15,191,285	\$ 14,471,223	\$ 720,062
Operating grants and contributions	12,492,850	11,965,521	527,329
General revenues:			
Membership dues	294,751	287,220	7,531
Contract service revenue	376,132	563,619	(187,487)
Miscellaneous	336,733	492,759	(156,026)
Interest income	13,538	232,629	(219,091)
Total Revenues	28,705,289	28,012,971	692,318
Expenses			
General government	768,953	564,779	204,174
Aging	9,958,934	10,475,259	(516,325)
Agriculture	12,061	49,306	(37,245)
Emergency communications	14,419,456	12,301,667	2,117,789
Economic development	272,185	206,678	65,507
Transportation	-	118,962	(118,962)
Criminal justice	689,688	674,524	15,164
Homeland security	1,256,043	684,098	571,945
Environmental quality	637,937	264,819	373,118
Total Expenses	28,015,257	25,340,092	2,675,165
Change in Net Position	690,032	2,672,879	(1,982,847)
Beginning net position	35,413,360	29,503,697	5,909,663
Prior period adjustment	-	3,236,784	(3,236,784)
Ending net position	\$ 36,103,392	\$ 35,413,360	\$ 690,032

CAPITAL AREA COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Graphic presentations of selected data from the summary tables follow to assist in the analysis of CAPCOG's activities.



For the year ended September 30, 2021, revenues from governmental activities totaled \$28,705,289, an increase of \$692,318 over the prior year. This increase was primarily due to the increase in operating grants and contributions related to aging offset by the decrease in charges for services, contract service revenue, and interest income.

As of the end of the fiscal year, expenses for governmental activities totaled \$28,015,257, which represents an increase of \$2,675,165 over the prior year. This increase was primarily due to the increase in emergency communication expenses due to the maintenance and support for the training software and replacement of equipment paid during the fiscal year.

CAPITAL AREA COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

FINANCIAL ANALYSIS OF CAPCOG'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of CAPCOG's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing CAPCOG's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of CAPCOG's net resources available for spending at the end of the year.

CAPCOG's governmental funds reflect a combined fund balance of \$32,115,949. Of this, \$2,429,021 is unassigned, \$1,512,533 is nonspendable related to general fund prepaid items, and \$28,174,395 is restricted for various purposes.

The general fund reported a fund balance of \$2,619,176 , an increase of \$104,974 over the prior year. In the aging fund, expenditures exceeded revenues by \$1,657 resulting in a restricted fund balance of \$119,668 at fiscal year-end. The CAECD fund reported a fund balance of \$29,008,314, which is an increase of \$261,806 from the prior year.

CAPITAL ASSETS

At the end of the year, CAPCOG's governmental activities had invested \$4,244,202, in a variety of capital assets, including equipment for emergency communications net of accumulated depreciation.

More detailed information about CAPCOG's capital assets, is presented in Note 3 - C to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

CAPCOG is dependent on federal and state funding, which may vary widely from year to year. The federal economic condition and federal and state budget deficits can impact the re-authorization of funds available to local governments.

For fiscal year 2022, CAPCOG has expected revenues of \$32,381,092.

CONTACTING CAPCOG'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of CAPCOG's finances. Questions concerning this report or requests for additional financial information should be directed to Capital Area Council of Governments, 6800 Burleson Road, Building 310, Suite 165, Austin, Texas 78744.

BASIC FINANCIAL STATEMENTS



CAPITAL AREA COUNCIL OF GOVERNMENTS

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government Governmental Activities
Assets	
Cash and cash equivalents	\$ 30,868,596
Receivables	1,185,047
Due from grantor agencies	1,817,955
Prepaid items	<u>1,512,533</u>
	<u>35,384,131</u>
Capital assets:	
Net depreciable capital assets	<u>4,244,202</u>
Total Assets	<u><u>39,628,333</u></u>
Liabilities	
Accounts payable	2,869,668
Employee retirement payable	189,631
Accrued compensated absences	256,759
Unearned revenue	<u>208,883</u>
Total Liabilities	<u><u>3,524,941</u></u>
Net Position	
Investment in capital assets	4,244,202
Restricted	28,174,395
Unrestricted	<u>3,684,795</u>
Total Net Position	<u><u>\$ 36,103,392</u></u>

CAPITAL AREA COUNCIL OF GOVERNMENTS

STATEMENT OF ACTIVITIES

September 30, 2021

Functions/Programs	Expenses	Indirect and Internal Cost Allocation	Expenses After Indirect and Internal Cost Allocation
Primary Government:			
Governmental Activities			
General government	\$ 2,642,242	\$ (1,873,289)	\$ 768,953
Aging	9,339,682	619,252	9,958,934
Agriculture	9,897	2,164	12,061
Emergency communication	13,457,994	961,462	14,419,456
Economic development	213,112	59,073	272,185
Criminal justice	570,847	118,841	689,688
Homeland security	1,188,054	67,989	1,256,043
Environmental quality	593,429	44,508	637,937
Total Governmental Activities	28,015,257	-	28,015,257
Total Primary Government	\$ 28,015,257	\$ -	\$ 28,015,257

CAPITAL AREA COUNCIL OF GOVERNMENTS

STATEMENT OF ACTIVITIES

September 30, 2021

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	
Primary Government:			
Governmental Activities			
General government	\$ -	\$ -	\$ (768,953)
Aging	-	9,968,624	9,690
Agriculture	-	12,061	-
Emergency communication	14,944,086	-	524,630
Economic development	-	272,185	-
Criminal justice	247,199	339,732	(102,757)
Homeland security	-	1,258,969	2,926
Environmental quality	-	641,279	3,342
Total Governmental Activities	<u>15,191,285</u>	<u>12,492,850</u>	<u>(331,122)</u>
Total Primary Government	<u>\$ 15,191,285</u>	<u>\$ 12,492,850</u>	<u>(331,122)</u>
General Revenues:			
Membership dues			294,751
Contract service revenue			376,132
Miscellaneous			336,733
Interest income			13,538
Total General Revenues			<u>1,021,154</u>
Change in Net Position			690,032
Beginning Net Position			<u>35,413,360</u>
Ending Net Position			<u>\$ 36,103,392</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

	<u>General</u>	<u>Aging</u>	<u>Capital Area Emergency Communication District</u>
Assets			
Cash and cash equivalents	\$ 2,338,178	\$ -	\$ 28,530,315
Receivables	38,009	83,148	1,030,751
Due from grantor agencies	-	1,538,308	-
Due from other funds	1,887,042	-	-
Prepaid items	190,155	-	1,322,378
Total Assets	<u>4,453,384</u>	<u>1,621,456</u>	<u>30,883,444</u>
Liabilities			
Accounts payable	1,214,758	28	1,654,882
Employee retirement payable	189,631	-	-
Due to other funds	319,812	1,501,760	220,248
Unearned revenue	110,007	-	-
Total Liabilities	<u>1,834,208</u>	<u>1,501,788</u>	<u>1,875,130</u>
Fund Balances			
Nonspendable	190,155	-	1,322,378
Restricted	-	119,668	27,685,936
Unassigned	2,429,021	-	-
Total Fund Balances	<u>2,619,176</u>	<u>119,668</u>	<u>29,008,314</u>
Total Liabilities and Fund Balances	<u>\$ 4,453,384</u>	<u>\$ 1,621,456</u>	<u>\$ 30,883,444</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

	Nonmajor Special Revenue Funds	Total Governmental Funds
Assets		
Cash and cash equivalents	\$ 103	\$ 30,868,596
Receivables	33,139	1,185,047
Due from grantor agencies	279,647	1,817,955
Due from other funds	319,812	2,206,854
Prepaid items	-	1,512,533
Total Assets	632,701	37,590,985
Liabilities		
Accounts payable	-	2,869,668
Employee retirement payable	-	189,631
Due to other funds	165,034	2,206,854
Unearned revenue	98,876	208,883
Total Liabilities	263,910	5,475,036
Fund Balances		
Nonspendable	-	1,512,533
Restricted	368,791	28,174,395
Unassigned	-	2,429,021
Total Fund Balances	368,791	32,115,949
Total Liabilities and Fund Balances	\$ 632,701	\$ 37,590,985



CAPITAL AREA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
September 30, 2021

Total fund balances - governmental funds	\$ 32,115,949
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	8,310,523
Accumulated depreciation has not been included in the fund financial statements.	(4,066,321)
Accrued liabilities for compensated absences are not due and payable in the current period and have not been reflected in the fund financial statements.	<u>(256,759)</u>
Total Net Position of Governmental Activities	<u><u>\$ 36,103,392</u></u>

CAPITAL AREA COUNCIL OF GOVERNMENTS
STATEMENT REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	<u>General</u>	<u>Aging</u>	<u>Capital Area Emergency Communication District</u>
Revenues			
Federal grants	\$ -	\$ 6,823,000	\$ -
State grants	-	615,262	-
Membership dues	294,751	-	-
Local match	(206,203)	-	-
Other local revenue	-	-	14,944,086
Miscellaneous	309,549	-	20,050
Interest	610	-	12,928
Tuition fees	-	-	-
Contract service revenue	245,667	180,117	-
Contractual local match	-	2,350,409	-
Total Revenues	<u>644,374</u>	<u>9,968,788</u>	<u>14,977,064</u>
Expenditures			
General government	539,400	-	-
Aging	-	9,970,445	-
Agriculture	-	-	-
Emergency communications	-	-	15,238,870
Economic development	-	-	-
Criminal justice	-	-	-
Homeland security	-	-	-
Environmental quality	-	-	-
Total Expenditures	<u>539,400</u>	<u>9,970,445</u>	<u>15,238,870</u>
 Net Change in Fund Balances	 104,974	 (1,657)	 (261,806)
Beginning Fund Balances	<u>2,514,202</u>	<u>121,325</u>	<u>29,270,120</u>
Ending Fund Balances	<u>\$ 2,619,176</u>	<u>\$ 119,668</u>	<u>\$ 29,008,314</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS

STATEMENT REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	Nonmajor Special Revenue Funds	Total Governmental Funds
Revenues		
Federal grants	\$ 544,097	\$ 7,367,097
State grants	1,816,145	2,431,407
Membership dues	-	294,751
Local match	-	(206,203)
Other local revenue	-	14,944,086
Miscellaneous	-	329,599
Interest	-	13,538
Tuition fees	247,199	247,199
Contract service revenue	168,082	593,866
Contractual local match	126,203	2,476,612
Total Revenues	<u>2,901,726</u>	<u>28,491,952</u>
Expenditures		
General government	-	539,400
Aging	-	9,970,445
Agriculture	12,061	12,061
Emergency communications	-	15,238,870
Economic development	272,185	272,185
Criminal justice	692,130	692,130
Homeland security	1,249,442	1,249,442
Environmental quality	641,279	641,279
Total Expenditures	<u>2,867,097</u>	<u>28,615,812</u>
Net Change in Fund Balances	34,629	(123,860)
Beginning Fund Balances	<u>334,162</u>	<u>32,239,809</u>
Ending Fund Balances	<u>\$ 368,791</u>	<u>\$ 32,115,949</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Net changes in fund balances - total governmental funds \$ (123,860)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital purchases	2,083,866
Depreciation expense	(1,282,232)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and , therefore, are not reported as expenditures in governmental funds.

Compensated absences	<u>12,258</u>
----------------------	---------------

Change in Net Position of Governmental Activities	<u><u>\$ 690,032</u></u>
--	---------------------------------

CAPITAL AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

Capital Area Council of Governments ("CAPCOG") is a voluntary association of local government units created under Chapter 391 of the Texas Local Government Code.

CAPCOG has been designated as State Planning Region 12 located in central Texas with the stated purpose of improving health, safety, and the general welfare of their citizens and to plan for the future development of the region. It does not have stockholders or equity holders and is not subject to income taxes. The region served includes Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Llano, Travis, and Williamson counties of Texas.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in CAPCOG's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether CAPCOG is a part of any other governmental or other type of reporting entity. The overriding elements associated with the prescribed criteria considered in determining that CAPCOG's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The employees' pension plan is a defined contribution plan, which does not meet the Governmental Accounting Standards Board ("GASB") criteria for inclusion. Accordingly, the employees' pension plan is not included in CAPCOG's financial statements.

Capital Area Emergency Communication District

Capital Area Emergency Communication District ("CAECD") has been included in the reporting entity as a blended component unit. CAECD was established in 2013 by local governments in State Planning Region 12 under Chapter 772, Health and Safety Code, Subchapter G. CAECD oversees 9-1-1 services to local governments in State Planning Region 12. The 25-member Executive Committee, CAPCOG's governing body, serves as CAECD's Board of Managers charged with determining funding sources, setting governing policy, appointing a technical advisory committee, adopting a budget, and staffing CAECD. CAECD is responsible for managing revenue collected from state set fees for land line and wireless phones. CAECD is included in CAPCOG's reporting entity because of the significance of its operational and financial relationship with CAPCOG. CAPCOG's Executive Committee is either able to impose its will on CAECD or has a financial benefit/burden due to its existence.

Capital Area Economic Development District

Capital Area Economic Development District ("CAEDD"), a nonprofit corporation, has been included in the reporting entity as a blended component unit. CAEDD was established in 1989 by local governments in State Planning Region 12 under section 403 of the Public Works and Economic Development Act of 1965. CAEDD serves the State Planning Region 12 by providing services to promote economic growth in the region. The Board of Directors of CAEDD must be appointed by CAPCOG's Executive Committee. CAEDD is responsible for managing revenue collected from grants and local government match dollars to promote economic growth. CAEDD is included in the CAPCOG's reporting entity because of the significance of their operational and financial relationship with CAPCOG.

Capital Area Initiative Foundation

Capital Area Initiatives Foundation, a nonprofit organization exempt under Internal Revenue Code Section 501(c)(3), is not financially accountable to CAPCOG and, therefore, is not considered a component unit.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. Governmental activities are normally supported by intergovernmental revenues.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about CAPCOG's funds including its blended component units. Separate statements for each governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

CAPCOG reports the following governmental funds:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal source of revenues is intergovernmental revenues. Expenditures include general government costs. The general fund is always considered a major fund for reporting purposes.

The *special revenue funds* are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. The special revenue funds include the aging fund, CAECD, criminal justice division fund, economic development administrative fund, Texas department of agriculture fund, homeland security division fund, Texas department of transportation fund, and Texas commission on environmental quality fund. The Aging and CAECD special revenue funds are considered major funds for reporting purposes. The remaining special revenue funds are considered nonmajor.

During the course of operations, CAPCOG has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using 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 related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, CAPCOG considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by CAPCOG.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

CAPCOG's cash and cash equivalents are considered to be cash on hand, demand deposits, and investment pools with original maturities of three months or less from the date of acquisition. CAPCOG maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

2. Investments

CAPCOG reports all investments at fair value based on quoted market prices at year-end date, except for local government investment pools. CAPCOG's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

CAPCOG categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

2. Investments (continued)

CAPCOG has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. CAPCOG is authorized to invest in the following types of securities, within the restrictions of the Public Funds Investment Act. CAPCOG is not required to liquidate investments that were authorized investments at the time of purchase:

- U.S. Government Obligations
- State of Texas Direct Obligations
- Certificates of Deposit
- Collateralized Mortgage Obligations (CMOs)
- Commercial Paper
- Repurchase Agreements
- Investment Pools

3. Receivables

Receivables are comprised of grants due from other governments, membership dues, tuition fees, employee travel advances, and other miscellaneous receivables. Balances in receivables accounts are expected to be collected within one year.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

5. Capital Assets

Capital assets, which include property, equipment, and leasehold improvements, are reported in the governmental column in the government-wide financial statements. Capital assets are defined by CAPCOG as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. CAPCOG does not capitalize net interest cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of assets are not capitalized.

Property, equipment, and leasehold improvements of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Furniture	3 years
Office and computer equipment	5 years
Emergency communications equipment	5 years
Leasehold improvements	10 years (lease term)

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. CAPCOG has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. CAPCOG has no items that qualify for reporting in this category.

7. Compensated Absences

It is CAPCOG's policy to permit employees in permanent, full-time positions to accumulate earned but unused vacation, sick, and compensatory time. Earned time that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

8. Net Position Flow Assumption

Sometimes CAPCOG will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CAPCOG's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund Balance Flow Assumptions

Sometimes CAPCOG will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CAPCOG's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned. Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Nonspendable includes amount that cannot be spent because they are either not in spendable form, or for legal or contractual reasons, must be kept intact. This classification includes prepaid items. Restricted fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes state and federal grants. Unassigned fund balance is a residual classification within the General Fund.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

10. Fund Balance Policies (continued)

CAPCOG itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of CAPCOG's highest level of decision-making authority. The Executive Committee is the highest level of decision-making authority for CAPCOG that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by CAPCOG for specific purposes but do not meet the criteria to be classified as committed. The Executive Committee may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Estimates

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

12. CAPCOG Cash Match Allocation

In accordance with terms and provisions of the various grant contracts, CAPCOG is required to provide a specific percentage of local matching funds to support some of the grant programs.

13. Local In-Kind Contributions

Personnel, goods, and services contributed by subcontractors and local governments are recorded as revenue when they serve as the matching funds required under the provisions of the grant. Offsetting charges of equal amounts are recorded as expenditures of the appropriate grant project.

The value assigned to personnel services of volunteers is based upon the rates paid for similar work in other state and local governments or on the federal minimum wage. The value assigned for use of space is based on the estimated fair market value of the space.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

14. Indirect Cost Rate

Administrative costs are recorded in the general fund as indirect costs in CAPCOG's accounting system and allocated to elements of the special revenue funds based upon a calculated indirect cost rate. Indirect costs are defined as "costs (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved." CAPCOG's indirect cost rate is based upon prior cost experience, documented by a cost allocation plan, and is submitted to a cognizant federal agency in accordance with the provisions of OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (codified in 2 CFR Part 200). The indirect cost rates used for fiscal year 2021 were 23 percent from the months of October 2020 through August 2021 and 13.35 percent for the month of September 2021 which were calculated using a direct cost rate base type of salaries and wages.

15. Unearned Revenue

Unearned revenues arise from the receipt of grant funds and other revenues prior to the expenditure for its restricted purpose. The unearned revenue is recognized as revenue when the related expenditure is made.

G. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

H. Implementation of New Accounting Standards

GASB No. 84 *Fiduciary Activities* was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. CAPCOG has evaluated the effects of this standard and has determined that implementation is not required or not material.

GASB No. 90 *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. CAPCOG has determined that this Statement does not have an effect on the financial statements as of September 30, 2021.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

H. Implementation of New Accounting Standards (continued)

GASB No. 98 *The Annual Comprehensive Financial Report*. This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 31, 2021, but earlier application is encouraged. CAPCOG has determined that this Statement does not have an effect on the financial statements as of September 30, 2021.

Note 2 - Stewardship, Compliance, and Accountability

CAPCOG prepares annual operating budgets based on expected revenues from various state and federal grantor agencies. The grants relate to specific programs that contemplate revenues and expenditures over the lives of each program and generally have funding periods different from the budget year. The annual budget, which is approved by CAPCOG's Executive Committee (the "Committee"), is based on estimates of the portions of the various programs that will be completed during the fiscal year. Additionally, grants applied for may not be funded, other grants not anticipated at the time that the budget is prepared may be obtained and funded during the budget year, or supplemental funding may be received for existing grants. As a result, the actual revenues and expenditures may vary substantially from original budget estimates.

The budgets are reviewed and approved by the Committee, but are not legally adopted budgets or appropriations as defined in *Governmental Accounting and Financial Reporting Principles, Statement 1*. Accordingly, comparative budget and actual results are not presented in the basic financial statements.

Note 3 - Detailed Notes on all Funds

A. Deposits and Investments

As of September 30, 2021, CAPCOG had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
Local government investment pools	\$ 28,286,972	34
Total Amortized Cost	<u>\$ 28,286,972</u>	
Portfolio weighted average maturity		34

Custodial credit risk- deposits. In the case of deposits, this is the risk that in the event of a bank failure, CAPCOG's deposits may not be returned to it. As of September 30, 2021, the primary government had bank deposits of \$2,598,499. CAECD's bank deposits represented \$1,543,126 of this balance. As of September 30, 2021, the carrying amount of the deposits of the primary government were \$2,581,623. CAECD's carrying amount of deposits represented \$1,540,236 of this balance.

CAPCOG's investment policy requires funds on deposit at the depository bank to be collateralized by securities. At year-end, market values of CAPCOG's pledged securities and Federal Deposit Insurance Corporation ("FDIC") insurance exceeded bank balances.

Credit risk. CAPCOG's investment policy limits investments to those rated as to investment quality not less than "AAA" by a nationally recognized investment rating firm. As of September 30, 2021, CAPCOG's investments in TexPool were rated "AAAm" by Standard & Poor's.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

TexPool

TexPool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act (“PFIA”) of 1987, as amended. The Texas State Comptroller of Public Accounts has oversight responsibility for TexPool. TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (“Trust Company”) to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, CAPCOG’s investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor’s. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, TexPool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

B. Receivables

Amounts are aggregated into a single accounts receivable line for certain funds and aggregated columns. Below is the detail of receivables for the general, aging, capital area emergency communication district, and nonmajor special revenue funds.

Receivables	General	Aging	Capital Area Emergency Communication District	Nonmajor Special Revenue	Total
Federal Grants	\$ -	\$ 1,412,153	\$ -	\$ 208,033	\$ 1,620,186
State Grants	-	126,155	-	71,614	197,769
Contract Revenue	30,069	83,148	-	28,159	141,376
Private Switch	-	-	4,823	-	4,823
Wireless fees	-	-	892,095	-	892,095
Wireline fees	-	-	133,833	-	133,833
Tuition fees	120	-	-	4,980	5,100
Miscellaneous	7,820	-	-	-	7,820
	<u>\$ 38,009</u>	<u>\$ 1,621,456</u>	<u>\$ 1,030,751</u>	<u>\$ 312,786</u>	<u>\$ 3,003,002</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

C. Capital Assets

A summary of changes in capital assets at year-end is as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balances</u>
Governmental Activities				
Capital assets being depreciated:				
Furniture and equipment	\$ 4,606,176	\$ 2,083,866	\$ (127,859)	\$ 6,562,183
Leasehold improvements	1,748,340	-	-	1,748,340
Total capital assets being depreciated	<u>6,354,516</u>	<u>2,083,866</u>	<u>(127,859)</u>	<u>8,310,523</u>
Less accumulated depreciation for:				
Furniture and equipment	(2,242,316)	(1,107,398)	127,859	(3,221,855)
Leasehold improvements	(669,632)	(174,834)	-	(844,466)
Total accumulated depreciation	<u>(2,911,948)</u>	<u>(1,282,232)</u>	<u>127,859</u>	<u>(4,066,321)</u>
Total capital assets, net	<u>3,442,568</u>	<u>801,634</u>	<u>-</u>	<u>4,244,202</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 3,442,568</u>	<u>\$ 801,634</u>	<u>\$ -</u>	<u>\$ 4,244,202</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 10,204
Emergency communications	1,246,215
Criminal justice	8,967
Homeland security	6,022
Environmental quality	10,824
Total	<u>\$ 1,282,232</u>

D. Commitments

CAPCOG leases office space and certain equipment under several long-term operating leases. CAPCOG entered into a ten-year office space lease with payments beginning April 1, 2017. At September 30, 2021, CAPCOG was committed for rental payments as follows:

<u>Fiscal Year Ended</u>	<u>Amounts</u>
2022	\$ 832,716
2023	857,862
2024	880,056
2025	905,940
2026	931,824
2027	472,383
Total	<u>\$ 4,880,781</u>

Lease expenses for office space and office equipment was \$1,005,054 for the year ended September 30, 2021.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Detailed Notes on all Funds (continued)

E. Interfund Transactions

The composition of interfund balances as of year-end was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From / To Other Funds</u>
General	Aging	\$ 1,501,760
General	Capital Area Emergency Communication District	220,248
General	Nonmajor funds	165,034
Nonmajor funds	General	319,812
		<u>\$ 2,206,854</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

F. Accrued Compensated Absences

Employees in permanent, full-time positions earn eight hours of vacation with pay and one day of sick leave for each month of service for the first three years of employment and ten hours per month of vacation thereafter. Employees may accumulate up to 30 days of vacation and six days of sick leave (after three years of service) that are vested in the event of termination. Accrued vacation and sick leave included in accrued compensated absences was \$256,759 at September 30, 2021.

	<u>Beginning Balances</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balances</u>
Governmental Activities				
Compensated Absences	\$ 269,017	\$ 12,630	\$ (24,888)	\$ 256,759
Total	<u>\$ 269,017</u>	<u>\$ 12,630</u>	<u>\$ (24,888)</u>	<u>\$ 256,759</u>

G. Unearned Revenues

Amounts are aggregated into a single unearned revenues line for general and nonmajor special revenue funds. Below is the detail of unearned revenues.

<u>Unearned Revenues</u>	<u>General</u>	<u>Nonmajor Special Revenue</u>	<u>Total</u>
Membership Dues	\$ 110,007	\$ -	\$ 110,007
CJD Basic Peace Officer Course	-	83,030	83,030
EDA Disaster Recovery	-	15,846	15,846
	<u>\$ 110,007</u>	<u>\$ 98,876</u>	<u>\$ 208,883</u>

H. Subsequent Event

In preparing these financial statements, CAPCOG has evaluated events and transactions for potential recognition or disclosure through April 22, 2022, the date on which the financial statements were available to be issued.

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (continued)

Note 4 - Other Information

A. Risk Management

CAPCOG 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 CAPCOG participates along with 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at a group rate for participants in the Pool. CAPCOG has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. CAPCOG has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Delegate Agency Costs and Contingent Liabilities

For grants classified as secondary recipient grants, CAPCOG contracts with local governments and other local delegate agencies to perform the specific services set forth in the grant agreements. CAPCOG disburses grant funds to the delegate agencies based on monthly expenditure reports received from each delegate agency.

Each delegate agency is required to comply with federal and state audit requirements. CAPCOG requires each of its delegate agencies to submit audit reports. If such audits disclose expenditures not in accordance with the terms of the grants, the grantor agency could disallow the costs and require reimbursement of the disallowed costs either from CAPCOG or the delegate agency. CAPCOG generally has the right of recovery from the delegate agency.

The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although CAPCOG expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

C. Pension Plans

CAPCOG provides pension benefits for all of its full-time employees through a defined contribution plan, which qualifies as a pension plan with 401(k) profit sharing provisions (the "Plan"). In a defined contribution plan, benefits depend solely on annual contributions by CAPCOG, voluntary contributions by employees, length of time an employee participates in the Plan, and investment earnings. The Plan covers all employees of CAPCOG immediately upon beginning their first full month of service.

CAPCOG's pension plan benefits are calculated on a calendar year basis. CAPCOG's total payroll for the calendar year 2021 was \$2,785,551. During calendar year 2021, CAPCOG accrued \$222,135 (8.0 percent of total base salaries) to the Plan which was paid out in March 2022. Employees made contributions of \$211,007 (8.0 percent of eligible payroll) during calendar year 2021. If an employee terminates during the calendar year, the employee forfeits the employer contribution of 8.0 percent, unless they are of retirement age.

OTHER SUPPLEMENTARY INFORMATION

CAPITAL AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS BY FUNDING SOURCE
September 30, 2021

	<u>Economic Development Administration</u>	<u>Texas Department of Agriculture</u>	<u>Criminal Justice Division</u>
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables	-	-	26,696
Due from grantor agencies	41,625	-	-
Due from other funds	-	-	319,812
Total Assets	<u>41,625</u>	<u>-</u>	<u>346,508</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	25,779	-	-
Unearned revenue	15,846	-	83,030
Total Liabilities	<u>41,625</u>	<u>-</u>	<u>83,030</u>
Fund Balances			
Restricted	-	-	263,478
Total Fund Balances	<u>-</u>	<u>-</u>	<u>263,478</u>
Total Liabilities and Fund Balances	<u>\$ 41,625</u>	<u>\$ -</u>	<u>\$ 346,508</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS BY FUNDING SOURCE
September 30, 2021

	Homeland Security Division	Texas Commission on Environmental Quality	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	\$ -	\$ 103	\$ 103
Receivables	6,443	-	33,139
Due from grantor agencies	166,408	71,614	279,647
Due from other funds	-	-	319,812
Total Assets	<u>172,851</u>	<u>71,717</u>	<u>632,701</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	67,538	71,717	165,034
Unearned revenue	-	-	98,876
Total Liabilities	<u>67,538</u>	<u>71,717</u>	<u>263,910</u>
Fund Balances			
Restricted	<u>105,313</u>	-	<u>368,791</u>
Total Fund Balances	<u>105,313</u>	<u>-</u>	<u>368,791</u>
Total Liabilities and Fund Balances	<u>\$ 172,851</u>	<u>\$ 71,717</u>	<u>\$ 632,701</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS BY FUNDING SOURCE
For the Year Ended September 30, 2021

	Economic Development Administration	Texas Department of Agriculture	Criminal Justice Division
Revenues			
Federal grants	\$ 192,459	\$ -	\$ -
State grants	-	12,061	293,255
Contract service revenue	-	-	130,301
Tuition fees	-	-	247,199
Contractual local match	79,726	-	46,477
Total Revenues	<u>272,185</u>	<u>12,061</u>	<u>717,232</u>
Expenditures			
Current:			
Personnel services	166,895	7,516	338,838
Contractual services	-	-	93,153
Travel	1,943	-	466
Supplies and materials	-	-	46,107
Office space	9,269	-	91,980
Delegate agency costs	-	-	-
Miscellaneous	35,005	2,381	2,745
Internal expense allocation	34,297	-	69,307
Indirect cost allocation	24,776	2,164	49,534
Total Expenditures	<u>272,185</u>	<u>12,061</u>	<u>692,130</u>
Net Change in Fund Balances	-	-	25,102
Beginning Fund Balances	<u>-</u>	<u>-</u>	<u>238,376</u>
Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,478</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS BY FUNDING SOURCE
For the Year Ended September 30, 2021

	Homeland Security Division	Texas Commission on Environmental Quality	Total Nonmajor Special Revenue Funds
Revenues			
Federal grants	\$ 351,638	\$ -	\$ 544,097
State grants	869,550	641,279	1,816,145
Contract service revenue	37,781	-	168,082
Tuition fees	-	-	247,199
Contractual local match	-	-	126,203
Total Revenues	1,258,969	641,279	2,901,726
Expenditures			
Current:			
Personnel services	191,832	125,979	831,060
Contractual services	66,050	193,099	352,302
Travel	-	1,064	3,473
Supplies and materials	892,561	44,605	983,273
Office space	31,010	19,113	151,372
Delegate agency costs	-	212,911	212,911
Miscellaneous	-	-	40,131
Internal expense allocation	39,907	-	143,511
Indirect cost allocation	28,082	44,508	149,064
Total Expenditures	1,249,442	641,279	2,867,097
Net Change in Fund Balances	9,527	-	34,629
Beginning Fund Balances	95,786	-	334,162
Ending Fund Balances	\$ 105,313	\$ -	\$ 368,791

CAPITAL AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF INDIRECT COSTS

For the Year Ended September 30, 2021

	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 301,394	\$ 325,967
Benefits	154,564	168,852
	<u>455,959</u>	<u>494,819</u>
Accounting/Auditing	31,217	31,842
Communications	5,249	4,864
Insurance	12,453	10,000
Legal	665	2,500
Postage	4,576	7,000
Printing	1,532	2,000
Photocopy expense	12,146	10,000
Other expense	1,369	-
Advertising	-	500
Professional development	2,041	1,900
Subscriptions dues	38,438	39,680
Travel	1,792	11,000
Office space	96,548	99,958
Professional Services	-	2,000
Equipment	-	4,000
Consumable supplies	11,134	10,254
Personnel payroll services	14,257	13,742
Computer support services	38,378	50,987
Total Indirect Expenditures	<u>727,754</u>	<u>797,046</u>
Indirect carry forward	45,997	-
Cost recovery CAECD	(238,970)	(238,970)
Total Indirect Costs Allocated	<u>\$ 534,781</u>	<u>\$ 558,076</u>
Indirect Cost Allocation Base	<u>\$ 1,714,500</u>	<u>\$ 2,750,413</u>
Indirect Rate	<u>31.19%</u>	<u>20.29%</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FRINGE BENEFITS

For the Year Ended September 30, 2021

	<u>Actual</u>	<u>Budget</u>
Payroll taxes	\$ 284,601	\$ 313,348
Group insurance	586,297	722,330
Workers' compensation insurance	10,907	13,731
Unemployment insurance	18,991	16,384
Retirement contribution	232,061	278,530
Professional Services	22,999	-
Other	28,431	68,235
Release time	<u>504,141</u>	<u>478,655</u>
Fringe Benefit Expenditures	\$ 1,688,427	\$ 1,891,213
Fringe carry forward	<u>11,614</u>	<u>-</u>
Total Fringe Benefits Allocated	<u>\$ 1,700,041</u>	<u>\$ 1,891,213</u>
Total wages	\$ 3,868,402	\$ 4,096,034
Release time	<u>(504,141)</u>	<u>(478,655)</u>
Basis for Allocation	<u>\$ 3,364,262</u>	<u>\$ 3,617,379</u>
Employee Benefit Rate	<u>50.53%</u>	<u>52.28%</u>



FEDERAL AND STATE AWARDS



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

To the Executive Committee Members of
Capital Area Council of Governments
Austin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Capital Area Council of Governments ("CAPCOG"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise CAPCOG's basic financial statements, and have issued our report thereon dated April 22, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

To the Executive Committee Members of
Capital Area Council of Governments

Purpose of this Report

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

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Austin, Texas
April 22, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

To the Executive Committee Members of
Capital Area Council of Governments

Report on Compliance for Each Major Federal and State Program

We have audited Capital Area Council of Governments’ (“CAPCOG”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of CAPCOG’s major federal and state programs for the year ended September 30, 2021. CAPCOG’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, CAPCOG complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2021.

To the Executive Committee Members of
Capital Area Council of Governments

Report on Internal Control Over Compliance

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

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

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

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

The logo for Whitley Penn LLP is written in a cursive, handwritten style. The word "Whitley" is in a larger, more prominent script, while "Penn LLP" is in a smaller, simpler script to its right.

Austin, Texas
April 22, 2022

CAPITAL AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None

Identification of major programs:

Name of Federal Programs or Cluster:

Federal Assistance Listing Number:

**U.S. Department of Health and Human Services
Aging Cluster**

Title III, Part B Grants for Supportive Services and Senior Centers and Title III, Part B Grants for Supportive Services and Senior Centers – CARES Act	93.044
Title III, Part C Nutrition Services, Title III, Part C Nutrition Services-Cares Act, Title III, Part C Disaster Flex, Title III, Part C Nutrition Services-COVID 19	93.045
Nutrition Services Incentive Program (NSIP)	95.053

Dollar Threshold Considered Between Type A and Type B Federal Programs \$750,000

Federal Single Audit - Auditee qualified as low-risk auditee? Yes

CAPITAL AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2021

I. Summary of Auditors' Results (continued)

State Awards:

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major state programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with State of Texas <i>Uniform Grant Management Standards</i> Section 510(a)?	None

Identification of major programs:

Name of State Programs:

Grant/Contract Numbers:

Texas Commission on Environmental Quality
Regional Solid Waste Management 2020-21
Regional Solid Waste Management 2022-23

582-20-10206
582-22-30110

Office of the Governor State Wide Emergency Radio Infrastructure
CAPCOG Regional Interoperability Project

4057401

Dollar Threshold Considered Between Type A and Type B Programs

\$300,000

State Single Audit - Auditee qualified as low-risk auditee?

Yes

II. Financial Statement Findings

There were no current year findings.

III. Federal and State Award Findings and Questioned Costs.

There were no current year findings or questioned costs.

CAPITAL AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number *	Pass Through Grant/Contract Number	Expenditures	Pass Through To Sub Recipients
U.S. Department of Health and Human Services				
Pass-through Texas Health and Human Services Commission:				
		<u>HHSC Contract No. 539-16-0024-00001:</u>		
<i>Title III, Part B Grants for Supportive Services and Senior Centers</i>	93.044	Title III-B	\$ 1,487,140	\$ 178,124
<i>Title III, Part B Grants for Supportive Services and Senior Centers - CARES Act</i>	93.044	CARES Title III-B	9,656	-
<i>Title III, Part C Nutrition Services</i>	93.045	Title III-C1	137,703	3,796
<i>Title III, Part C Nutrition Services</i>	93.045	Title III-C2	1,645,979	1,645,979
<i>Title III, Part C Nutrition Services-Cares Act</i>	93.045	CARES Title III-C2	290,545	290,545
<i>Title III, Part C Disaster Flex</i>	93.045	Disaster Flex Title III-C1	998,008	998,008
<i>Title III, Part C Nutrition Services-COVID 19</i>	93.045	COVID-19 Title III-C2	693,036	693,036
<i>Nutrition Services Incentive Program (NSIP)</i>	93.053	NSIP	532,315	532,315
<i>Total Aging Cluster ALN 93.044, 93.045, 93.053</i>			<u>5,794,382</u>	<u>4,341,803</u>
<i>Title III, Part D Disease Prevention and Health Promotion Services</i>	93.043	Title III-D Evidence Based-Intervention	81,750	-
<i>Title III, Part E, National Family Caregiver Support</i>	93.052	Title III-E	471,260	-
<i>Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation (EAP)</i>	93.041	Title VII-EAP	16,656	-
<i>Title VII, Chapter 2 Long-Term Care Ombudsman Services for Older Individuals (OAM)</i>	93.042	Title VII-OAM	67,257	-
<i>HICAP Health Insurance Counseling Advocacy Program</i>	93.324	HICAP	128,578	-
<i>Medicare Improvements for Patients and Providers ACT (MIPPA)</i>	93.071	MIPPA Priority Area 2-2021	16,264	-
<i>Medicare Improvements for Patients and Providers ACT (MIPPA)</i>	93.071	MIPPA Priority Area 2-2022	510	-
<i>Medicare Enrollment Assistance Program</i>	93.071	ADRC-MIPPA	15,116	-
<i>Total ALN 93.071</i>			<u>31,890</u>	<u>-</u>
<i>Older Adult Opioid Grant Program</i>	93.788	HHS000733800001 Opioid Reduction	14,366	-
<i>Money Follows the Person Local Contact Agency Demonstration</i>	93.791	HHS000270200014 ADRC-Local Contact Agency	11,274	-
<i>Money Follows the Person Housing Navigator Demonstration</i>	93.791	ADRC - Navigator	23,117	-
<i>Total ALN 93.791</i>			<u>34,391</u>	<u>-</u>
<i>Texas Lifespan Respite Care Program-Respite Innovative Technology Enhancements</i>	93.072	ARDC-Respite RITE	3,038	-
<i>No Wrong Door: Critical Relief Funds for COVID-19 Pandemic Response</i>	93.048	ADRC-NWD COVID-19	179,431	-
			<u>182,469</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>6,822,999</u>	<u>4,341,803</u>
U.S. Department of Commerce				
Direct Award:				
<i>District Partnership Planning for the Capital Region of Texas</i>	11.302	ED18AUS3020022	17,500	-
<i>Economic Development District Planning Grant</i>	11.302	ED21AUS3020011	36,654	-
<i>Total ALN 11.302</i>			<u>54,154</u>	<u>-</u>
<i>C19 Economic Disaster Recovery Support for Texas Capital Area</i>	11.307	ED20AUS3070077	138,306	-
<i>Total Economic Development Cluster ALN 11.307</i>			<u>138,306</u>	<u>-</u>
Total U.S. Department of Commerce			<u>192,460</u>	<u>-</u>
U.S. Department of Homeland Security				
Pass-through Office of the Governor - Homeland Security Grant Division:				
<i>2020 State Homeland Security Program Regional Planning</i>	97.067	2956906	267,868	-
<i>2021 State Homeland Security Program Regional Planning</i>	97.067	2956907	17,719	-
<i>2020 State Homeland Security Program Training and Exercise</i>	97.067	2956805	31,350	-
<i>2020 State Homeland Security Program Tier II Reporting</i>	97.067	3757802	20,000	-
<i>2020 State Homeland Security Program Recovery and Resiliency Project-Cyber</i>	97.067	3759102	14,700	-
<i>Total ALN 97.067</i>			<u>351,637</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>351,637</u>	<u>-</u>
Total Federal Awards			<u>\$ 7,367,096</u>	<u>\$ 4,341,803</u>

* Formerly known as CFDA Number

CAPITAL AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2021

Grantor/Pass-through Grantor/Program Title	Grant/Contract Number	Expenditures	Pass Through To Sub Recipients
Texas Health and Human Services Commission			
State General Revenue Title III E Match	539-16-0024-00001	\$ 181,007	\$ -
State General Revenue - Other	539-16-0024-00001	48,248	-
State General Revenue - OMB ALF Services - 2021	539-16-0024-00001	158,756	-
State General Revenue - OMB ALF Services - 2022	539-16-0024-00001	888	-
State General Revenue - ADRC Respite	HHS000270200014	28,341	-
State General Revenue - ADRC Promoting Independence	HHS000270200014	10,859	-
State General Revenue - ADRC Operations	HHS000270200014	187,163	-
Total Texas Health and Human Services Commission		<u>615,262</u>	<u>-</u>
Office of the Governor Criminal Justice Division			
Regional Training Academy 2020-21	1544416	293,255	-
Total Office of the Governor Criminal Justice Division		<u>293,255</u>	<u>-</u>
Texas Commission on Environmental Quality			
Regional Solid Waste Management 2020-21	582-20-10206	451,423	212,911
Regional Solid Waste Management 2021-22	582-22-30110	19,031	-
Rider 7 Local Air Quality Planning Grant	582-20-11982	170,826	-
Total Texas Commission on Environmental Quality		<u>641,280</u>	<u>212,911</u>
Office of the Governor State Wide Emergency Radio Infrastructure (SERI)			
CAPCOG Regional Interoperability Project	4057401	869,550	869,550
Total Office of the Governor State Wide Emergency Radio Infrastructure (SERI)		<u>869,550</u>	<u>869,550</u>
Texas Department of Agriculture			
Consumer Protection Project	TDA-19-ARED-04	12,061	-
Total Texas Department of Agriculture		<u>12,061</u>	<u>-</u>
Total State Awards		<u>\$ 2,431,408</u>	<u>\$ 1,082,461</u>

CAPITAL AREA COUNCIL OF GOVERNMENTS

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended September 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of CAPCOG under programs of the federal and state government for the year ended September 30, 2021. The information in these Schedules is presented in accordance with the requirements of Office of Management and Budget (OMB) Uniform Guidance and the State of Texas *Uniform Grant Management Standards*. Because these Schedules present only a selected portion of the operations of CAPCOG, they are not intended to and do not present the financial position and changes in net position of CAPCOG.

2. Summary of Significant Accounting Policies

CAPCOG accounts for all federal and state awards under programs of the federal and state governments in special revenue funds. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally 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.

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance). 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 liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds for governmental funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When such funds are advanced to CAPCOG, they are recorded as unearned revenues until earned. Otherwise, federal and state grant funds are received on a reimbursement basis from the respective federal or state program agencies. Generally, unused balances are returned to the grantor at the close of specified project periods. CAPCOG has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CAPITAL AREA COUNCIL OF GOVERNMENTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2021

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None Noted

CAPITAL AREA COUNCIL OF GOVERNMENTS

CORRECTIVE ACTION PLAN

For the Year Ended September 30, 2021

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

I. Corrective Action Plan

Not Applicable

EXECUTIVE COMMITTEE MEETING

MEETING DATE: May 11, 2021

AGENDA ITEM: #6 Consider Amending Nutrition Provider Contracts with Meals on Wheels of Central Texas, Combined Community Action, Inc, Opportunities for Williamson & Burnet Counties and Hill Country Community Action

GENERAL DESCRIPTION OF ITEM:

In October 2020, Texas Department of Health and Human Services issued its contract with the Capital Area Council of Governments (CAPCOG) to include a new requirement that CAPCOG include “not to exceed” budget amounts in all subrecipient contracts. Nutrition Program and Senior Center Operations providers are the only aging services providers identified as subrecipient.

In reviewing the monthly requests for reimbursement, staff identified all four providers were spending at a pace that would require a contract amendment for this year. Meals on Wheels of Central Texas and Combined Community Action contracts were amended in FY21. This amendment will be Amendment No. 2 (of the current 2-year contract). Opportunities for Williamson & Burnet Counties and Hill Country Community Action were not amended last fiscal year so this will be Amendment No.1 (of the current 2-year contract) for these two providers.

- Meals on Wheels of Central Texas contract requires an increase of \$1,493,971 to continue to provide services through the end of FY22 (Amendment No. 2)
- Combined Community Action, Inc. contract requires an increase of \$1,249,894 to continue to provide services through the end of FY22 (Amendment No. 2)
- Opportunities for Williamson & Burnet Counties contract requires an increase of \$774,582 to continue to provide services through the end of FY22 (Amendment No. 1)
- Hill Country Community Action contract requires an increase of \$147,032 to continue to provide services through the end of FY22 (Amendment No. 1)

Increased demand began with the continued closure of congregate meal sites along with unprecedented high demand due to the pandemic. Additional federal funding was allocated to address the overarching issue of food insecurity throughout the pandemic and we continue to have funding for ongoing increases of nutrition services. With new rate setting and contract renewal processes slated for FY23 providers will have the opportunity to adjust budgets to reflect sustained increase in numbers served and projected costs. This should reduce the need for amendments in the upcoming fiscal year.

THIS ITEM REPRESENTS A:

- New issue, project, or purchase
- Routine, regularly scheduled item
- Follow-up to a previously discussed item
- Special item requested by board member
- Other

PRIMARY CONTACT/STAFF MEMBER: **Patty Bordie, Director Aging Services**

BUDGETARY IMPACT:

Total estimated cost: \$3,665,479 in additional funds to nutrition providers

Source of Funds: Title III – Older Americans Act funding, CARES Act Funding, American Rescue Plan

Funding

Is item already included in fiscal year budget? Yes No

Does item represent a new expenditure? Yes No
Does item represent a pass-through purchase? Yes No
If so, for what city/county/etc.? _____

PROCUREMENT: The contracts were awarded through a competitive RFP process in March 2020.

ACTION REQUESTED: Consider authorization to amend contracts for nutrition providers – Meals on Wheels of Central Texas, Combined Community Action, Inc, Opportunities for Williamson & Burnet Counties and Hill Country Community Action.

BACK-UP DOCUMENTS ATTACHED:

1. Sample contract Amendment No. 2

BACK-UP DOCUMENTS NOT ATTACHED: None

**Capital Area Council of Governments Contract
for Older Americans Act Programs**

AMENDMENT No. 2

The Capital Area Council of Governments, hereinafter referred to as CAPCOG, and **MEALS ON WHEELS OF CENTRAL TEXAS**, hereinafter referred to as SUBRECIPIENT, who are collectively referred to in this Amendment as the “Parties,” to a services contract effective October 1, 2020, now want to further amend the Contract.

Whereas, the Parties want to exercise the option to extend the Contract in accordance with Section 5 of the Contract, Contract Amendments; and

Whereas, CAPCOG wants to add funds to pay for services provided by Contractor during the term as funding resources have been made available through the Health and Human Services Commission (HHSC).

The Parties therefore amend the Contract as follows:

1. **Amendment to Section 6**

Section 6 of the Contract, Funding, is hereby amended and restated in its entirety to read as follows:

A. Total Contract Amount

The total amount of this Contract is not to exceed **\$2,469,024 (new amount \$2,794,371)**. The funding allocated for each federal fiscal year (FFY) is not to exceed the following amounts:

1. FFY 2021 – **\$1,300,400** for October 1, 2020 through September 30, 2021; and
 2. FFY 2022 – **~~\$1,234,512~~ (new amount \$1,493,971)** for October 1, 2021 through September 30, 2022.
2. This Amendment shall be effective when signed by both parties.
 3. Except as amended and modified by this Amendment, all terms and conditions of this Contract, as amended, shall remain in full force and effect.
 4. Any further revisions of the Contract shall be by written agreement of the Parties.

SIGNATURE PAGE FOLLOWS

Capital Area Council of Governments

Subrecipient:

MEALS ON WHEELS OF CENTRAL TEXAS

Subrecipient's VIN or EIN

Betty Voights

Authorized by

Executive Director

Title

Date:

Date:

SAMPLE

EXECUTIVE COMMITTEE MEETING

MEETING DATE: May 11, 2022

AGENDA ITEM: #7 Consider Adopting a Resolution Recognizing June 2022 as Alzheimer's and Brain Awareness Month

GENERAL DESCRIPTION OF ITEM:

6.5 million Americans are living with Alzheimer's disease. By 2050, this number is projected to rise to nearly 13 million. National Alzheimer's and Brain Awareness month in June each year raises awareness of this challenging disease and the efforts being made to support families affected. The more people know about Alzheimer's the more action is inspired. National Alzheimer's and Brain Awareness month raises awareness and highlights the people and organizations working toward a time when there will be effective treatments, preventive strategies, and gold-standard care for all persons affected by Alzheimer's disease. In submitting this resolution, key elements include:

- The Area Agency on Aging of the Capital Area supports and provides services for persons with Alzheimer's as well as their caregivers through providing information and referral to key resources; funding for respite care for caregivers; home modifications that allow persons to stay in their homes; and health and wellness education that supports brain health and caregiver training.
- Communities and individuals may consider participating in raising awareness through the following: Turn Facebook Purple – change your profile picture to raise awareness; wear purple and share why you go purple at #ENDALZ.
- More information is available from Alzheimer's Association of the Capital Area

The attached resolution declares June 2022 to be Alzheimer's and Brian Awareness Month in the Capital Area Council of Governments (CAPCOG) region.

THIS ITEM REPRESENTS A:

- New issue, project, or purchase
- Routine, regularly scheduled item
- Follow-up to a previously discussed item
- Special item requested by board member
- Other

PRIMARY CONTACT/STAFF MEMBER: **Patty Bordie, Director Aging Services**

BUDGETARY IMPACT:

Total estimated cost: N/A

Source of Funds: _____

Is item already included in fiscal year budget? Yes No

Does item represent a new expenditure? Yes No

Does item represent a pass-through purchase? Yes No

If so, for what city/county/etc.? _____

PROCUREMENT: N/A

ACTION REQUESTED:

Adopt the Resolution recognizing June 2022 as Alzheimer's and Brain Awareness Month in the Capital Area Council of Governments (CAPCOG) region.

BACK-UP DOCUMENTS ATTACHED:

1. Resolution

BACK-UP DOCUMENTS NOT ATTACHED: None



A PROCLAMATION AUTHORIZING RECOGNITION OF JUNE 2022 AS ALZHEIMER’S AND BRAIN AWARENESS MONTH

WHEREAS, the ten-county Capital Area Council of Governments (CAPCOG) is committed supporting a strong framework to raise awareness of Alzheimer’s and brain health; and,

WHEREAS, the communities in the CAPCOG region benefit when people of all ages, abilities, and backgrounds are made more aware of the resources available regarding Alzheimer’s and brain health; and,

WHEREAS, “Alzheimer’s and Brain Awareness” month creates an opportunity for the communities in the CAPCOG region to learn more about Alzheimer’s prevention and services, brain health, and awareness efforts; and,

WHEREAS, CAPCOG recognizes the need to create a community that provides services and supports for persons with Alzheimer’s and their caregivers. CAPCOG Aging Services ensures this support through direct services including information and referral, in-home services, home modifications, caregiver respite, health and wellness education, and ombudsman advocacy in nursing facilities and assisted living facilities.

THEREFORE, BE IT RESOLVED, that the Executive Committee of the Capital Area Council of Governments declares the month of June 2022 to be Alzheimer’s and Brain Awareness Month in the CAPCOG Region to recognize the importance of Alzheimer’s awareness and brain health as key to building a stronger and healthier community across the CAPCOG region.

Resolution adopted by the Capital Area Council of Governments Executive Committee on this 11th day of May 2022.

Mayor Brandt Rydell, Chair
Executive Committee
Capital Area Council of Governments

Commissioner Debbie Ingalsbe, Secretary
Executive Committee
Capital Area Council of Governments

EXECUTIVE COMMITTEE MEETING

MEETING DATE: May 11, 2022

AGENDA ITEM: #8 Consider Appointment of Subcommittee on 2023-2024 TxCDBG Community Development Grant Priorities

GENERAL DESCRIPTION OF ITEM:

The Texas Community Development Block Grant (TxCDBG) program provides funding to smaller communities across the state. Whereas City of Austin, City of Round Rock, City of Pflugerville, City of San Marcos, and other selected communities in Travis and Williamson counties receive CDBG funding from the U.S. Department of Housing and Urban Development (HUD), smaller communities are eligible to compete for TxCDBG Community Development (CD) funding against other communities within the CAPCOG region through a competitive grant application process. TxCDBG grants are an important source of funding for smaller communities, particularly for water and wastewater projects. For the 2021-2022 cycle, the CAPCOG region was allocated \$2,362,700 and received \$7,000,000 in applications for the Community Development fund. Under the Texas Department of Agriculture’s (TDA’s) rules for the Texas Community Development Block Grant (TxCDBG) program:

- 10% of the score is assigned by TDA based on factors such as prior contract performance in the past 4 years;
- 65% of the scores are based on factors determined by a “Unified Scoring Committee” (USC) that includes representatives from each of the state’s 24 planning areas, such as the applicant’s recent receipt of another TxCDBG grant and socioeconomic data; and
- **25% of the scores are based on regional priorities for activity type (such as water and wastewater) established by each of the state’s 24 COGs, which apply only to applications in those COGs.**

CAPCOG’s Executive Committee may wish to consider appointing a subcommittee consisting of Executive Committee members from non-entitlement communities and CAPCOG’s nominee to the Unified Scoring Committee (USC) to help establish these priorities for the 2023-2024 cycle. Such a subcommittee could serve in either an advisory role or could be delegated the responsibility to determine the priorities directly.

THIS ITEM REPRESENTS A:

- New issue, project, or purchase
- Routine, regularly scheduled item
- Follow-up to a previously discussed item
- Special item requested by board member
- Other

PRIMARY CONTACT/STAFF MEMBER: **Andrew Hoekzema, Director of Regional Planning and Services**

BUDGETARY IMPACT:

Total estimated cost: N/A

Source of Funds: N/A

- | | | |
|---|------------------------------|--|
| Is item already included in fiscal year budget? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does item represent a new expenditure? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does item represent a pass-through purchase? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If so, for what city/county/etc.? N/A

PROCUREMENT: N/A

ACTION REQUESTED:

Consider appointment of 2023-2024 TxCDBG Regional Priorities Subcommittee.

BACK-UP DOCUMENTS ATTACHED:

1. Instructions from TDA
2. List of TxCDGB-Eligible Jurisdictions in CAPCOG Region

BACK-UP DOCUMENTS NOT ATTACHED (*to be sent prior to meeting or will be a handout at the meeting*): None

Instructions to State Planning Region Directors and Staff
2022-2023 CD Fund

Unified Scoring Committee (USC) Representative

The adopted rule calls for one representative from each state planning region.

- The governing body for the region is responsible for this nomination.
- Nominations shall be submitted in the form of a completed *Application for Appointment to the USC* and must be received by TDA no later than **April 15, 2022**. If no nomination is received by that date, TDA staff will make an alternate recommendation to the Commissioner in order to ensure regional representation for the Committee. A region may request an extension to this date to accommodate a schedule meeting of the governing body.
- The governing body may elect to renominate the region's 2021-2022 USC Member, so long as they still meet the nomination criteria and are available to travel to the Unified Scoring Committee meeting on May 5, 2022.
 - The region's Executive Director may notify TDA staff via email of the governing body's intent to pursue renomination and provide written confirmation from the Member of their willingness to participate.
 - Renominated members will not be required to resubmit an Application for Appointment to TDA and will not be subject to additional background checks.
- TDA has not specified any particular process for making this decision – we recommend following your normal practices for similar decisions. If the governing body opts to delegate the decision to a subcommittee, executive director, or other party, please contact TDA.
- The nominee must meet the following criteria:
 - Currently serving as an elected or appointed official of a non-entitlement community;
 - Able to pass a basic background check; and
 - Available to travel to the Unified Scoring Committee meeting and related training:
Corpus Christi, Texas
Committee Meeting: May 5, 2022, 9:00am
- The governing body may also consider appointing a proxy to represent the region in discussions of scoring criteria, however proxy members are NOT permitted to vote. Proxy appointments do not require the submittal of an *Application for Appointment* form.
- TDA does not have a budget to reimburse USC members for travel costs, however, we are willing to amend CEDAF contracts to allow for these costs.
 - Travel costs must adhere to TDA travel policies, using the most cost effective method as determined by TDA travel staff:
 - Hotel, air travel, or vehicle rental must be reserved through TDA staff and will be direct billed to the TDA;
 - Personal Vehicle Mileage will be reimbursed at 58.5¢ per mile;
 - Meals may be reimbursed for actual costs (please retain receipts) not to exceed the daily maximum reimbursement rate (varies by travel schedule, with a maximum of \$56 per day);
 - The amendments will be processed after the actual costs are calculated:
 - Standard language for the performance statement will be provided,
 - Costs will be deducted from the General TA budget line item of the CEDAF contract by the amount of eligible travel costs incurred.
 - To request travel funding, the appointee must contact Julie Rodriguez at julie.rodriguez@TexasAgriculture.gov no later than **April 1, 2022**.

Instructions to State Planning Region Directors and Staff
2022-2023 CD Fund

Project Priorities

The adopted rule also calls for each state planning region to establish project priorities.

- The governing body for the region is responsible for this determination; the governing body may appoint a separate committee to establish these priorities.
- Project priorities should be received by TDA no later than **July 1, 2022**. Grant applications in regions for which no project priorities are received by July 1 will be scored according to the priorities identified on the last page of the Verified Scoring Guide, as posted to the TDA website prior to the Unified Scoring Committee meeting.
- The region's decision must be established during a public meeting, subject to the Texas Open Meetings Act.
 - The region must directly notify each non-entitlement community within the region of the meeting in writing (please retain copies of this notification).
 - The region must notify the public of the meeting by publishing the information in a regional newspaper or using similar media – please contact TDA to confirm if you are planning to use an alternate media type.
 - The region must notify Aubrey-Ann.Gilmore@TexasAgriculture.gov of the date of the public meeting. If sufficient notice is provided, TDA will post the meeting information on the agency website and make our best efforts to be available by phone for technical assistance as needed.
 - The meeting must include opportunity for public comment.
 - The region will document the established project priorities using the attached form.
- Regions that intend to prepare grant applications and/or administer contracts that may result from the 2023-2024 Community Development Fund application process must ensure that actual or perceived conflicts of interest are addressed.
 - Staff that will be responsible for preparing applications or administering contracts must not participate in the planning or coordination of the public meeting in any way. This includes sending notices to communities, coordinating newspaper publications, discussing past or future priorities with members of the governing body (or committee) prior to the meeting, presenting a staff recommendation for project during the meeting, or documenting and submitting the decision to TDA. These duties should be assigned to staff not otherwise involved in TxCDBG grants.
 - Staff responsible for preparing applications or administering contracts are encouraged to participate in the public discussion of project priorities, in the same manner in which other grant administrators are permitted to participate.
- For reference, TDA has compiled and included in this document:
 - A table identifying the project priorities adopted by each planning region in the 2021-2022 application cycle can be found here: [2021-2022 Regional Project Priorities](#)
 - A table of eligible TxCDBG activities using the definitions established by HUD. Please review these definitions carefully, as HUD's project descriptions may differ from the assumptions of those not as familiar with the CDBG program. For example:
 - Drainage Improvements do not include storm drains, curb and gutter, or other improvements along a roadway – to prioritize this type of project, use Street Improvements.
 - First-time public water connections are not automatically included by selecting Water Improvements as a priority – to ensure this type of project is prioritized, either specifically list “First-Time Water Service” or include Housing Rehabilitation in the priorities.

Instructions to State Planning Region Directors and Staff
2022-2023 CD Fund

Recommended Public Discussion

Although not required, TDA recommends that state planning regions use the public meeting called to establish project priorities to also discuss with the regional nominee the local communities' primary goals for the scoring committee. The draft Verified Scoring Guide that will be provided to members of the Committee is included as a reference. Example discussions:

- TDA has described the primary goals of scoring criteria in past years as 1) ensure all communities have an opportunity to receive funding, 2) help communities with few resources, and 3) help communities that are using the resources they do have. Which of these is most important to you?
- Of the criteria previously used by your RRC, which should your nominee advocate most strongly for?
- Of the criteria previously used by your RRC, did any have unintended consequences?
- Of the criteria previously used by your RRC, is it most important that these ideas are generally reflected in the Committee's decisions? Are there criteria where the specific calculation is very important to your communities?
- Are there objective, verifiable criteria your region has not previously used that could be valuable to the Committee? (if not included in the draft Verified Scoring Guide these must be submitted to TDA by [April 15, 2022](#), to be considered.)

2023-2024 Community Development Fund

Regional Project Priority Scoring

State Planning Region	
Date of Public Meeting	
List Names of Persons Responsible for Establishing Priorities (if a standing committee, identify name of committee or group rather than list individuals)	

For each category of Project Priority, list the activities that qualify for the category, and the number of points assigned.

- Up to three categories may be identified, which may include “all other eligible activities”.
- All activities within a category will receive the same number of points.
- First Priority Activities will receive the full 50 points available for this scoring element.
- Second and/or Third Priority should receive less than 50 points.

Category	Activities	Number of Points (maximum 50 points)
First Priority		50 Points
Second Priority		
Third Priority		

As Presiding Officer of the [State Planning Region], I certify that the above Regional Project Priorities were established in accordance with 4 TAC §30.50(e)(1) for the 2021-2022 TxCDBG Community Development Fund.

[Name, Title]

Date

Reference: TxCDBG Activity Codes

Code	Description
01	<p>Acquisition of Real Property Acquisition of real property that will be developed for a public purpose. Use code 01 for the CDBG-funded purchase of real property on which, for example, a public facility or housing will be constructed.</p> <p>When CDBG funds are used to:</p> <ul style="list-style-type: none"> • acquire a public facility that will be rehabilitated with CDBG funds and continue to be used as a public facility, assign the appropriate 03* code. • acquire housing that will be rehabilitated, use code 14G.
02	<p>Disposition of Real Property Costs related to the sale, lease, or donation of real property acquired with CDBG funds or under urban renewal. These include the costs of temporarily maintaining property pending disposition and costs incidental to disposition of the property.</p>
03A	<p>Senior Centers Acquisition, construction, or rehabilitation of facilities (except permanent housing) for seniors. 03A may be used for a facility serving both the elderly and the handicapped, provided it is not intended primarily to serve persons with handicaps. If it is, use 03B instead. For the construction of permanent housing for the elderly, use code 12; for the rehabilitation of such housing, use the appropriate 14* code.</p>
03D	<p>Youth Centers Acquisition, construction, or rehabilitation of facilities intended primarily for young people age 13 to 19. These include playground and recreational facilities that are part of a youth center. For the acquisition, construction or rehabilitation of facilities intended primarily for children age 12 and under, use 03M; for facilities for abused and neglected children, use 03Q.</p>
03E	<p>Neighborhood Facilities Acquisition, construction, or rehabilitation of facilities that are principally designed to serve a neighborhood and that will be used for social services or multiple purposes (including recreational). Such facilities may include libraries and public schools.</p>
03F	<p>Parks, Recreational Facilities Development of open space areas or facilities intended primarily for recreational use.</p>
03G	<p>Parking Facilities Acquisition, construction, or rehabilitation of parking lots and parking garages. Also use 03G if the primary purpose of rehabilitating a public facility or carrying out a street improvement activity is to improve parking. If parking improvements are only part of a larger street improvement activity, use 03K.</p>
03I	<p>Flood Drainage Improvements Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins.</p>

	Do not use 03I for construction/rehabilitation of storm sewers, street drains, or storm drains. Use 03J for storm sewers and 03K for street and storm drains.
03J	<p>Water/Sewer Improvements Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. Costs of street repairs (usually repaving) made necessary by water/sewer improvement activities are included under 03J.</p> <p>For water/sewer improvements that are part of:</p> <ul style="list-style-type: none"> • more extensive street improvements, use 03K (assign 03K, for example, to an activity that involves paving six blocks of Main Street and installing 100 feet of new water lines in one of those blocks). • a housing rehabilitation activity, use the appropriate 14* matrix code. <p>For construction or rehabilitation of flood drainage facilities, use 03I.</p>
03K	<p>Street Improvements Installation or repair of streets, street drains, storm drains, curbs and gutters, tunnels, bridges, and traffic lights/signs.</p> <p>Also use 03K:</p> <ul style="list-style-type: none"> • for improvements that include landscaping, street lighting, and/or street signs (commonly referred to as “streetscaping”). • if sidewalk improvements (see code 03L) are part of more extensive street improvements.
03L	<p>Sidewalks Improvements to sidewalks. Also use 03L for sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees.</p>
03M	<p>Child Care Centers Acquisition, construction, or rehabilitation of facilities intended primarily for children age 12 and under. Examples are daycare centers and Head Start preschool centers.</p> <p>For the construction or rehabilitation of facilities for abused and neglected children, use 03Q. For the construction or rehabilitation of facilities for teenagers, use 03D.</p>
03O	<p>Fire Stations/Equipment Acquisition, construction, or rehabilitation of fire stations and/or the purchase of fire trucks and emergency rescue equipment.</p>
03P	<p>Health Facilities Acquisition, construction, or rehabilitation of physical or mental health facilities. Examples of such facilities include neighborhood clinics, hospitals, nursing homes, and convalescent homes. Health facilities for a specific client group should use the matrix code for that client group. For example, use 03Q for the construction or rehabilitation of health facilities for abused and neglected children.</p>
03	<p>Other Public Facilities and Improvements One legitimate use of 03 is for activities that assist persons with disabilities by removing architectural barriers from or providing ADA improvements to government buildings (activities that otherwise would not be eligible for CDBG funding).</p>
04	<p>Clearance and Demolition Clearance or demolition of buildings/improvements, or the movement of buildings to other sites.</p>

05D	<p>Youth Services Services for young people age 13 to 19 that include, for example, recreational services limited to teenagers and teen counseling programs. Also use 05D for counseling programs that target teens but include counseling for the family as well. For services for children age 12 and under, use 05L; for services for abused and neglected children, use 05N.</p>
05L	<p>Child Care Services Services that will benefit children (generally under age 13), including parenting skills classes. For services exclusively for abused and neglected children, use 05N.</p>
05M	<p>Health Services Services addressing the physical health needs of residents of the community. For mental health services, use 05O.</p>
05R	<p>Homeownership Assistance (not direct) Homeowner downpayment assistance provided as a public service. If housing counseling is provided to those applying for downpayment assistance, the counseling is considered part of the 05R activity.</p> <p>Assistance provided under 05R must meet the low/mod housing national objective. Therefore, unless the assistance is provided by an 105(a)(15) entity in a CRSA, it is subject to the public service cap and only low/mod households may be assisted. If the assistance is provided by a 105(a)(15) in a CRSA, the housing units for which CDBG funds are obligated in a program year may be aggregated and treated as a single structure for purposes of meeting the housing national objective (that is, only 51% of the units must be occupied by LMI households). For more extensive types of homeownership assistance provided under authority of the National Affordable Housing Act, use code 13.</p>
05U	<p>Housing Counseling Housing counseling for renters, homeowners, and/or potential new homebuyers that is provided as an independent public service (i.e., not as part of another eligible housing activity).</p>
05	<p>Other Public Services Examples of legitimate uses of this code are referrals to social services, neighborhood cleanup, graffiti removal, and food distribution (community kitchen, food bank, and food pantry services).</p>
06	<p>Interim Assistance Only for activities undertaken either to:</p> <ul style="list-style-type: none"> • Make limited improvements (e.g., repair of streets, sidewalks, or public buildings) intended solely to arrest further deterioration of physically deteriorated areas prior to making permanent improvements. • Alleviate emergency conditions threatening public health and safety, such as removal of tree limbs or other debris after a major storm.
08	<p>Relocation Relocation payments and other assistance for permanently or temporarily displaced individuals, families, businesses, non-profit organizations, and farms.</p>
14A	<p>Rehab: Single-Unit Residential Rehabilitation of privately owned, single-unit homes.</p>

14A	Rehab: Single-Unit Residential Water Services First-time yardlines/service connections.
14A	Rehab: Single-Unit Residential Sewer Services First-time yardlines/service connections and on-site sewage facilities.
14B	Rehab: Multi-Unit Residential Rehabilitation of privately owned buildings with two or more permanent residential units. For the rehabilitation of units that will provide temporary shelter or transitional housing for the homeless, use 03C.
14C	Rehab: Public Housing Modernization Rehabilitation of housing units owned/operated by a public housing authority (PHA).
14D	Rehab: Other Publicly Owned Residential Buildings Rehabilitation of permanent housing owned by a public entity other than a PHA. For the rehabilitation of other publicly owned buildings that will provide temporary shelter or transitional housing for the homeless, use 03C.
14H	Rehab: Administration All delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Examples include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing; survey, site, and utility plans; application processing; and other fees. Do not use 14H for the costs of actual rehabilitation and do not use it for costs unrelated to running a rehab program (e.g., tenant/landlord counseling). For housing rehabilitation administration activities carried out as part of general program administration (and thus not required to meet a national objective), use code 21.
15	Code Enforcement Salaries and overhead costs associated with property inspections and followup actions (such as legal proceedings) directly related to the enforcement (not correction) of state and local codes. For the correction of code violations, use the appropriate rehabilitation code.
16A	Residential Historic Preservation Rehabilitation of historic buildings for residential use.
16B	Non-Residential Historic Preservation Rehabilitation of historic buildings for non-residential use. Examples include the renovation of an historic building for use as a neighborhood facility, as a museum, or by an historic preservation society.
18A	Economic Development: Direct Financial Assistance to For-Profits Financial assistance to for-profit businesses to (for example) acquire property, clear structures, build, expand or rehabilitate a building, purchase equipment, or provide operating capital. Forms of assistance include loans, loan guarantees, and grants. With one exception, a separate 18A activity must be set up for each business assisted. The exception is an activity carried out under 570.483(b)(4)(vi), for which job aggregation is allowed.
19C	CDBG Non-Profit Organization Capacity Building

	Activities specifically designed to increase the capacity of non-profit organizations to carry out eligible community revitalization or economic development activities. Such activities may include providing technical assistance and specialized training to staff.
20	Planning Program planning activities, including the development of comprehensive plans (e.g., a consolidated plan), community development plans, energy strategies, capacity building, environmental studies, area neighborhood plans, and functional plans.
21A	General Program Administration Overall program administration, including (but not limited to) salaries, wages, and related costs of grantee staff or others engaged in program management, monitoring, and evaluation. Also use 21A to report the use of CDBG funds to administer Federally designated Empowerment Zones or Enterprise Communities. For CDBG funding of HOME admin costs, use 21H; for CDBG funding of HOME CHDO operating expenses, use 21I.

For a more comprehensive list of activity codes, go to:

(http://archives.hud.gov/offices/cpd/systems/idis/library/refmanual/ref_man_b.pdf)

Reference: Text of Rule as Adopted
Text discussed above highlighted for convenience

Subchapter A.

Division 3.

§30.50. Community Development (CD) Fund.

(a) Eligibility. In addition to meeting the application threshold requirements in §30.25 of this subchapter (relating to Application Threshold Requirements), in order to be eligible to apply for community development funds, a community must document that at least 51.00% of the persons who would directly benefit from the implementation of each activity and target area proposed in the application are of low to moderate income.

(b) Application cycle. Applications are accepted on a biennial basis and selected for award pursuant to regional competitions held during the first year of the biennial cycle. An eligible community may submit one application per cycle as prescribed in the most recent application guide for this fund.

(c) Regional allocations. Each state planning region is provided with a regional CD Fund allocation for each program year of the biennial cycle once HUD releases the state's annual CDBG allocation.

(d) Selection procedures.

(1) Initial review. Upon receipt of an application, the department performs an initial review for application completeness and eligibility in accordance with §30.29 of this subchapter (relating to Application Review). Only the department may disqualify an application from consideration.

(2) Scoring process. During the first program year of the application cycle, eligible applications are scored and ranked by the department using criteria determined by the state planning region, the Unified Scoring Committee, and the department as described in subsection (e) of this section.

(3) Awards. After the department determines the final rankings of applications, awards are made based on each region's allocation and awarded until funds allocated to the region are depleted. If the program year allocation is insufficient to completely fund the next highest ranked application in the region, projects may be funded using TxCDBG deobligated funds or other funds, to the extent available. The department may also pool the remaining funds from each region to maximize the total number of applications to be fully funded.

(e) Scoring criteria.

(1) Regional project priority category. Each state planning region, as defined by Chapter 391 of the Local Government Code, is responsible for establishing the project types that will be considered first, second, or third priority projects.

(A) The governing body of the state planning region shall establish the priorities and communicate the decision to the department or may appoint a committee to carry out these tasks.

(B) Public meeting. The public must be given an opportunity to comment on the project priorities to be considered. The designated committee must convene in an open meeting for discussion and action to adopt project priorities.

(i) Notice of the public meeting must be advertised to the general public through a regional newspaper or other similar media. Each community eligible to participate in the application cycle must also be contacted directly with written notice of the public meeting.

(ii) The public meeting is subject to the Texas Open Meetings Act.

(C) The department will provide a format for establishing the criteria and a deadline for submitting the regional decision to the department to be incorporated into the application guide.

(D) State planning regions that use internal staff to prepare applications and administer CDBG grants must address the potential conflicts of interest of regional participation in selecting project priorities. For these regions, staff responsible for any part of the grant application process:

(i) may not participate in the planning or administration of the public meeting or committee duties, including distributing public meeting notices, explaining public meeting requirements to committee members, conducting the committee meeting, or submitting the results of the committee to the department; and

(ii) may attend the public meeting but may not present recommendations to the committee except during the public comment portion of the meeting, subject to the same time limits applied to other commenters.

(E) Twenty-five percent of the total available points will be determined by regional project priority categories.

(2) Department scoring criteria. The following factors are considered by the department when scoring CD Fund applications (detailed application and scoring information are available in the application guidelines):

(A) past performance--the department will consider a community's performance on all previously awarded TxCDBG contracts within the past 4 years preceding the application deadline. Evaluation of a community's past performance will include the following:

(i) completion of contract activities within the original contract period;

(ii) submission of environmental review requirements within prescribed deadlines;

(iii) submission of the required close-out documents within the period prescribed for such submission; and

(iv) maximum utilization of grant funds awarded.

(B) other programmatic priorities--the department may establish other scoring criteria to meet programmatic goals, so long as the application cycle allows sufficient time after the publication of such scoring criteria for communities to take action to maximize their score.

(C) Ten percent of the total available points will be determined by department scoring criteria.

(3) Unified Scoring Committee (USC) criteria. The USC is responsible for determining objective scoring factors for all regions in accordance with the requirements of this section and the current TxCDBG Action Plan. The USC must establish the numerical value of the points assigned to each scoring factor as described in the Committee Guidelines provided by the department.

(A) USC composition. The Agriculture Commissioner will appoint each member of the USC, to serve at the discretion of the Commissioner.

(i) Twenty-four (24) members shall be appointed to the USC. The Commissioner shall ensure geographic representation for each state planning region when appointing members.

(ii) Each member must be either an elected or appointed official of a non-entitlement community at the time of appointment.

(iii) The governing body of each state planning region may nominate one individual to be considered for appointment. The department will establish a timeline for such nominations.

(B) Public hearing. The public must be given an opportunity to comment on the scoring criteria considered. The department will convene a public hearing for the USC to discuss and select the objective scoring criteria that will be used to score and rank applications within each region.

(i) Notice of public hearing. USC proceedings are subject to the Texas Open Meetings Act. The department will publish notice of the hearing in the Texas Register, post the notice on its website, and announce the hearing details through the CDBG email listserv that is available for all stakeholders.

(ii) Attendance at meetings. A quorum is required for the USC public meeting. A USC member may designate a proxy to attend the meeting. Proxies are counted for purposes of determining the presence of a quorum and may participate in the discussion regarding potential scoring criteria but may not vote on matters before the USC.

(C) Requirements for scoring criteria.

(i) All scoring criteria selected by the USC must be in compliance with 24 CFR §91.320(k)(1)(i), which states in relevant part, "The statement of method of distribution must provide sufficient information so that units of general local government will be able to understand and comment on it, understand what criteria and information their application will be judged, and be able to prepare responsive applications."

(ii) Prior to the scheduled USC public hearing, the department will publish a list of previously approved scoring criteria that comply with objective scoring requirements. The department will also provide an opportunity for USC members, communities, and other stakeholders to submit additional scoring criteria to the department to be reviewed for compliance prior to the public hearing.

(iii) The USC may not adopt scoring factors that directly negate or offset the department's scoring factors.

(D) Final selection of scoring criteria.

(i) The final selection of the scoring criteria is the responsibility of the USC and must be consistent with the requirements of the current TxCDBG Action Plan.

(ii) The department will review the scoring factors selected to ensure that all scoring factors are objective and publish the approved scoring methodology in the application guide. The department may provide further details or elaboration on the objective scoring methodology, data sources, and other clarifying details without the necessity of a subsequent USC meeting.

(E) Sixty-five percent of the total available points will be determined by USC scoring criteria.

(f) Other department responsibilities. The department may:

(1) establish the maximum number of USC scoring factors that may be used in order to improve review and verification efficiency, or exclude certain scoring factors if the data is not readily available or verifiable in a timely manner. To ensure consistency, the department may determine the acceptable data source for a particular scoring factor;

(2) establish a deadline for each state planning region to select and submit to the department its project type priorities and nomination for the USC;

(3) publish Committee Guidelines to assist the USC in selecting scoring criteria that meet federal, state and program requirements:

(A) For any region for which no project priorities are submitted, applications will be scored according to the priorities published in the Committee Guidelines.

(B) In the event the USC fails to approve an objective scoring methodology to the satisfaction of the department consistent with the requirements in the current TxCDBG Action Plan, the department will establish scoring factors using the scoring factors identified in the Committee Guidelines; and

(4) make a site visit to recommended application localities.

TxCDGB-Eligible Local Governments in CAPCOG Region

Eligible Counties:

- Bastrop County
- Blanco County
- Burnet County
- Fayette County
- Hays County
- Lee County
- Llano County

Eligible Cities:

- Bartlett
- Bastrop
- Bear Creek
- Bertram
- Blanco
- Briarcliff
- Buda
- Burnet
- Carmine
- Cottonwood Shores
- Double Horn
- Dripping Springs
- Elgin
- Ellinger
- Fayetteville
- Flatonia
- Florence
- Giddings
- Granite Shoals
- Hays
- Highland Haven
- Horseshoe Bay
- Johnson City
- Jonestown
- Kyle
- La Grange

Eligible Cities (cont.):

- Lakeway
- Lexington
- Lockhart
- Luling
- Manor
- Marble Falls
- Martindale
- Meadowlakes
- Mountain City
- Mustang Ridge
- Niederwald
- Point Venture
- Rollingwood
- Round Mountain
- Round Top
- Schulenburg
- Smithville
- Sunrise Beach
- Sunset Valley
- The Hills
- Thorndale
- Thrall
- Uhland
- Volente
- Wimberley
- Woodcreek

Ineligible Jurisdictions/Areas

- *Cities that directly receive CDBG funds:* Austin, Pflugerville, Round Rock, and San Marcos
- *Counties that directly receive CDBG funds:* Travis and Williamson
- *Cities in a County CDGB service area:* Cedar Park, Coupland, Creedmoor, Georgetown, Granger, Hutto, Jarrell, Lago Vista, Leander, Liberty Hill, San Leanna, Taylor, Webberville, and West Lake Hills

EXECUTIVE COMMITTEE MEETING

MEETING DATE: May 11, 2022

AGENDA ITEM: #9 Consider Adopting a Resolution Delegating Authority to Establish 2023-2024 TxCDBG CD Grant Priorities to Subcommittee

GENERAL DESCRIPTION OF ITEM:

As described in the previous item, CAPCOG’s Executive Committee has the opportunity to establish regional priorities for the types of activities that should be funded under the Community Development (CD) fund in the Texas Community Development Block Grant (TxCDBG) program, which will be responsible for 25% of the scores for grant applications within the region. The instructions provided by TDA for the 2023-2024 funding cycle indicates that the governing board of each COG is responsible for this determination, but it may appoint a separate committee to establish these priorities.

- If the Executive Committee wishes to delegate this responsibility to the committee recommended in the prior item, this resolution would document that decision and the associated instructions to the subcommittee.
- If the Executive Committee delegates this responsibility, the subcommittee would conduct the required public meeting prior to July 1 and would approve the priorities at that meeting.
- If the subcommittee is only going to act in an advisory manner, it will need to meet by May 20th and the June 8 Executive Committee meeting will need to serve as the required public meeting with an opportunity for public comment.

THIS ITEM REPRESENTS A:

- New issue, project, or purchase
- Routine, regularly scheduled item
- Follow-up to a previously discussed item
- Special item requested by board member
- Other

PRIMARY CONTACT/STAFF MEMBER: **Andrew Hoekzema, Director of Regional Planning and Services**

BUDGETARY IMPACT:

Total estimated cost: N/A

Source of Funds: N/A

Is item already included in fiscal year budget? Yes No

Does item represent a new expenditure? Yes No

Does item represent a pass-through purchase? Yes No

If so, for what city/county/etc.? N/A

PROCUREMENT: N/A

ACTION REQUESTED:

Consider adoption of Resolution for Establishment 2023-2024 TxCDBG Regional Priorities Subcommittee.

BACK-UP DOCUMENTS ATTACHED:

1. Resolution for Creation of a 2023-2024 TxCDBG Regional Priorities Subcommittee

BACK-UP DOCUMENTS NOT ATTACHED (to be sent prior to meeting or will be a handout at the meeting): None

Resolution Creating Subcommittee for Establishing Regional Priorities for the 2023-2024 Texas Community Development Block Grant for the CAPCOG Region

Whereas, Section 5.9 of the Capital Area Council of Governments (CAPCOG) Bylaws allows the CAPCOG Executive Committee to create subcommittees authorized to exercise its powers, and

Whereas, the Texas Department of Agriculture (TDA) allows each Council of Governments (COG) to establish regional priorities for Texas Community Development Block Grant (TxCDBG) Community Development (CD) funds for the 2023-2034 funding cycle worth 25% of the total score for the projects; and

Whereas, TDA allows COGs to delegate the responsibility to a separate committee;

Now, therefore, CAPCOG’s Executive Committee hereby establishes the 2023-2024 TxCDBG Regional Priorities Subcommittee and empowers it to establish regional priorities on its behalf for the 2023-2024 Planning Cycle in accordance with the following instructions.

Instructions to the Subcommittee

- 1: The subcommittee shall establish regional priorities in accordance with TDA instructions in public meeting convened by CAPCOG prior to the July 1, 2022, deadline set by the Texas Department of Agriculture (TDA).
- 2: The subcommittee shall establish the priorities using the following format as determined by the Texas Department of Agriculture:

Category	Activities	Number of Points (Maximum 50 Points)
First Priority		50
Second Priority		TBD
Third Priority		TBD

- “Activities” should refer back to the specific TxCDBG Activities and Activity Codes provided as reference from the Texas Department of Agriculture (TDA).
- Up to 3 categories may be identified, which may include “all other eligible activities.”
- All activities within a category will receive the same number of points.
- First priority activities will receive the full 50 points available for this scoring element.
- Second and/or Third priority should receive less than 50 points.
- A recommendation that all eligible activities be given 50 points is a valid recommendation.

3: The subcommittee shall convene at least one meeting held in accordance with the Texas Public Meetings Act to accept public comment and vote on the priorities by June 24, 2022. Each member of the public who has registered prior to the beginning of the meeting being given the opportunity to comment for up to 3 minutes. Following public comments, the subcommittee will vote on the priorities and CAPCOG staff will record the results and will communicate the priorities to TDA and to CAPCOG's Executive Committee. At the discretion of the Chair of the subcommittee, additional meetings may be held virtually or in-person prior to the final meeting when the subcommittee votes on the priorities.

4: A quorum shall be considered a majority of appointed members.

Mayor Brandt Rydell, Chair
Executive Committee
Capital Area Council of Governments

Commissioner Debbie Ingalsbe, Secretary
Executive Committee
Capital Area Council of Governments

EXECUTIVE COMMITTEE MEETING

MEETING DATE: May 11, 2022

AGENDA ITEM: #10 Consider Approving Appointments to Advisory Committees

GENERAL DESCRIPTION OF ITEM:

This is the monthly item for filling positions on our Advisory Committees; please let us know if our staff can assist in identifying interested persons to serve. It is presumed that both city and county representatives will collaborate when making appointments.

THIS ITEM REPRESENTS A:

- New issue, project, or purchase
- Routine, regularly scheduled item
- Follow-up to a previously discussed item
- Special item requested by board member
- Other

PRIMARY CONTACT/STAFF MEMBER: **Deborah Brea, Executive Assistant**

BUDGETARY IMPACT:

Total estimated cost: N/A

Source of Funds: N/A

Is item already included in fiscal year budget? Yes No

Does item represent a new expenditure? Yes No

Does item represent a pass-through purchase? Yes No

If so, for what city/county/etc.? _____

PROCUREMENT: N/A

ACTION REQUESTED:

Approve any advisory committee recommendations.

BACK-UP DOCUMENTS ATTACHED:

1. Summary memo with recommended appointments and vacancies.

BACK-UP DOCUMENTS NOT ATTACHED (to be sent prior to meeting or will be a handout at the meeting):

1. Executive Committee attendance roster
2. Advisory Committee attendance rosters



6800 Burleson Road, Building 310, Suite 165
Austin, Texas 78744-2306
6800 Burleson Road, Building 310, Suite 165
Austin, Texas 78744-2306
Ph: 512-916-6000 Fax: 512-916-6001
www.capcog.org

BASTROP BLANCO BURNET CALDWELL FAYETTE HAYS LEE LLANO TRAVIS WILLIAMSON

MEMORANDUM

April 25, 2022

TO: Executive Committee Members

FROM: Deborah Brea, Executive Assistant

RE: Advisory Committee Recommendations

This memo identifies current recommendations to CAPCOG Advisory Committees and serves as a reminder of vacancies that still need to be filled. Please see the Attendance Rosters for the Requirements & Responsibilities. For questions, please contact the Advisory Committee staff liaison.

Blanco County

- The Aging Advisory Council (AAC) has a representative vacancy.

Burnet County

- The Aging Advisory Council (AAC) has a representative vacancy.
- The Criminal Justice Advisory Committee (CJAC) has a representative vacancy.
- The Law Enforcement Education Committee (LEEC) has a law enforcement representative vacancy

Hay County

- The Law Enforcement Education Committee (LEEC) has a citizen representative vacancy

City of Austin

- The Aging Advisory Council (AAC) has two representative vacancies.
- The Criminal Justice Advisory Committee (CJAC) has a representative vacancy.

Travis County

- The Law Enforcement Education Committee (LEEC) has a citizen representative vacancy.

Williamson County

- The Aging Advisory Council (AAC) has a representative vacancy.