



Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2018

50
years
1968-2018

Celebrating 50 Years of *Uniting the Region*

San Antonio, Texas

**ALAMO AREA
COUNCIL OF GOVERNMENTS**

SAN ANTONIO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

Prepared by:

John Clamp, Chief Financial Officer

Blanca Tapia, Controller

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**INTRODUCTORY
SECTION**

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Board of Directors

James C. Hasslocher, Chairman
Board Member, University Health System

Robert L. Hurley, Vice Chairman
County Judge, Atascosa County

Luana Buckner
Board Chair, Edwards Aquifer Authority

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Commissioner, Bexar County

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Mayor, City Balcones Heights

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Chief Operating Officer, CPS Energy

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County Judge, Kerr County

Sherman Krause
County Judge, Comal County

Arnulfo Luna
County Judge, Frio County

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County Judge, Kendall County

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State Representative, District 53

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Councilman, City of San Antonio

Clayton Perry
Councilman, City of San Antonio

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Mayor, City of Universal City

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Commissioner, Bexar County

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Commissioner, Guadalupe County

Kyle Biedermann (Ex-Officio)
State Representative, District 73

Ryan Guillen (Ex-Officio)
State Representative, District 31

John Kuempel (Ex-Officio)
State Representative, District 44

COL. Peter Velesky (Ex-Officio)
Joint Base San Antonio

Judith Zaffirini (Ex-Officio)
State Senator, District 21

June 25, 2019

Mr. James C. Hasslocher, Chairman
Members of the Board of Directors
Alamo Area Council of Governments
San Antonio, TX

Dear Chairman James C. Hasslocher and Members of the Board of Directors:

The Comprehensive Annual Financial Report (CAFR) of the Alamo Area Council of Governments (the "Council" or "AACOG") for the fiscal year ended December 31, 2018 is hereby submitted. This report was prepared by the Department of Accounting, which accepts responsibility for the accuracy, completeness, and fairness of the data presented. To provide a reasonable basis for making these representations, management of AACOG has established a comprehensive framework of internal controls that is designed to protect AACOG from loss and allow the compilation of reliable information to prepare the attached financial statements in conformity with GAAP. It should be noted that reasonable internal control measures weigh the cost of those procedures against their benefits and AACOG's internal control measures provide reasonable but not absolute assurance that the financial statements are free of material misstatement. We believe the data, as presented, is accurate in all material respects, that it properly reflects the financial position and the results of operation of the Council, and that all disclosures have been made to enable the reader to acquire the maximum understanding of the financial affairs concerning the Council.

These financial statements are presented annually in compliance with 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* as well as Article X of the Council's Bylaws. Patillo, Brown & Hill L.L.P., Certified Public Accountants have issued an unmodified opinion, sometimes referred to as a "clean" opinion on the AACOG financial statements included herein. This report is located on pages 1-3 at the front of the financial section of the report.

The Council has prepared Management's Discussion and Analysis (MD&A) which immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

Alamo Area Council of Governments profile:

In 1967, the Alamo Area Council of Governments (Council) was created under authority of State Law now re-codified as Local Government Code, Chapter 391 and is statutorily a political subdivision of the state. The Council is a voluntary membership organization of local governments in a thirteen-county region of Southcentral Texas. The organization is one of 24 regional councils in Texas. The Council was established to study and resolve area-wide problems through the cooperation and coordination action of member cities, counties, school districts and special purpose districts of the region. The Council continues to be dedicated to improving the quality of life of the citizens of the region through cooperative efforts to enhance the physical, social, and economic environment of the communities it serves.

AACOG is governed by a 32 member board of directors from member local governments. The board represents local and state elected officials to include: state house and senate, county governments, cities, school districts, and public utilities. During 2018, AACOG’s membership was comprised of the 13 county governments, 54 cities, and 6 school districts, 2 public utilities, 8 special districts, 16 associate members and 19 strategic partners. According to the 2010 Decennial Population Count from the U.S. Bureau of Census, these member governments represented approximately 2.25 million citizens and covered an area of 12,585 square miles. Below is a graphic representation of the AACOG region (18) and its location in the state of Texas.



Texas Economic Condition and Outlook:

Texas’ \$1.8 trillion economy is the second largest in the United States. It is also home to 105 of the 1,000 largest public and private U.S companies. The State Comptroller estimates the 2019 unemployment rate to be 3.5% compared to 3.9% in 2018. In addition, the comptroller estimates Real Gross State Product to increase in 2019 to 1.863 trillion from 1.767 trillion in 2018. Overall the state is in very good economic health.

San Antonio and Bexar Country continue to see accelerated growth in its population. It is estimated that the San Antonio metropolitan area will increase by 1 million residents by 2040.

50
years

Area Agencies on Aging



The AAAs were established under the Older Americans Act (OAA) in 1973 to respond to the needs of Americans 60 years and older in every local community. By providing a range of options that allow older adults to choose the home, community-based services and living arrangements that suit them best, AAAs make it possible for older adults to “age in place” in their homes and communities.

Programs and services provided by the Alamo and Bexar Area Agencies on Aging include case management; family caregiver support and respite; support for grandparents raising grandchildren; legal assistance; home delivered and congregate meals; health and wellness coaching, including Chronic Disease and Diabetes Self-Management programs; A Matter of Balance program; Stress Busting for Caregivers (Dementia) Program; Ombudsman Services; and home modifications for safety and independent living.

Ageing and Disability Resource Center (ADRC)

The ADRC provides a wealth of unbiased information to individuals seeking long-term care and support. Moreover, the ADRC helps seniors, people with disabilities, veterans, and caregivers navigate the network of accessible options to ensure they receive the best service and support for their situation. During fiscal year 2018, ADRC provided 41,587 referrals to 26,379 callers. 3,029 of those callers were veterans, spouses, or dependents of veterans.



Older Americans Month

Every May, the Administration on Aging, as part of the Administration for Community Living, leads our nation's observance of Older Americans Month (OAM). The 2018 theme, *Engage at Every Age*, emphasized that you are never too old (or young) to take part in activities that can enrich your physical, mental, and emotional well-being. In honor of AACOG's 50th Anniversary, the Area Agencies on Aging challenged AACOG Staff to participate in the OAM Selfie Challenge and post pictures of how they “Engage at Every Age” with someone 60+ years old. A Selfie Station was also set up at various senior events throughout the month.



TXServes

AACOG functions as the organizing provider for the TXServes program, a branch of AmericaServes. Services are coordinated through a network of public, private, and nonprofit organizations working together to serve veterans and their families.

This program, the first network in the state of Texas, launched in June 2017, with just over 40 providers. Today, 90 providers and 275 active users have administered over 2,300 service requests to more than 1,700 veterans and their family members. MSgt (Retired) Bobby Ehrig of the San Antonio Coalition for Veterans & Families stated *“TXServes San Antonio has provided an outstanding way for Military City, USA to better collaborate and connect the 100+ resources available to help more veterans and families access services quicker. It is definitely a force multiplier for our community.”*

The partnership with the VA South Texas Veterans Health Care System (STVHC) has resulted in a strong partnership between local and federal services, and more than 70% successful service outcomes. The strong referral contribution from STVHC produced an influx of supplementary

referrals, as several other providers, seeing the efficiency to make (and receive) referrals, adopted the initiative. This region became one of the top provider-adoption communities of the AmericaServes network.

Veteran’s Directed Home and Community Based Services (VDHCBS)

As an alternative to living in a long-term care facility, VDHCBS empowers veterans to choose and manage services and support in their own homes. VDHCBS serves veterans within 100 miles of San Antonio. To date, VDHCBS has served over 60 veterans throughout the region.

Benefits Counseling

Every year, AACOG Benefits Counseling program, also known as the State Health Insurance Assistance Program (SHIP), provides thousands of Medicare beneficiaries with information, counseling, and enrollment assistance. Through this free one-on-one counseling, benefits staff assisted over 600 Medicare beneficiaries in 2018.

The program also provides education, counseling and advocacy to Medicare beneficiaries of any age.

Some of the topics covered, include:

- Medicare
- Medicaid
- Public Benefits
- Entitlements
- Legal Rights
- Supplemental Security Income
- Senior Fraud
- Advance Directives
- Long-Term Care
- Non-Covered Health
- Other Insurance
- Veterans Issues
- Social Security
- Fraud/Scams
- Medicare and Medicaid Appeals/Hearings
- Legal Assistance
- Consumer Issues

AACOG



50
years

Alamo Regional Transit



Alamo Regional Transit

The Alamo Regional Transit (ART) provides public transportation to and from rural communities outside of San Antonio and Bexar County. With a mission to provide safe, reliable, professional and courteous transport at the lowest cost to residents, ART is the preferred method of transportation for more than 110,344 residents throughout the region, who have traveled over 1.2 million miles in 2018.

Residents use ART for a range of needs, including medical appointments, school (vocational and college), work, adult daycare, shopping, salon appointments, and visiting movie theatres and libraries. In celebration of AACOG's 50 years of service, ART is giving away 50 free rides each month to its riders.

Through its growth, ART has been able to develop several programs:

- 'Connect Seguin' is the only "fixed route" in the 12 rural county service area. This route loops through several designated stops in the City of Seguin. Funded by AACOG and the City of Seguin, the Connect Seguin route provided low-cost fares for 13,781 residents in 2018.
- In the cities of Fredericksburg, Kerrville, New Braunfels and Boerne, ART provides transportation for students that live within a two mile radius of their schools.
- In partnership with VIA Metropolitan Transit, ART provides public transportation to cities in the Urbanized Area (UZA), including the cities of Cibolo, New Braunfels, Schertz, Marion, and parts of Guadalupe County.

This year, ART began a capital improvement program to update its current fleet and introduce new technology to improve service and efficiency. In 2018, ART replaced older model vehicles by adding 16 new transit buses to its fleet. ART also implemented new software that provides scheduling efficiencies, and in turn, faster service for customers.

Alamo Call-A-Ride 4 Vets Transportation Program



In 2018, Call-A-Ride 4 Vets (CARV) provided over 5,600 rides to veterans, family members and surviving spouses. These rides helped veterans and their families attend medical appointments, counseling, senior centers, job interviews and community colleges. According the South Texas Veterans Health Care System, by ensuring clients attended counseling and support sessions on a regular basis, this program prevented at least 12 possible suicides. The success of this program resulted in a renewal of Texas Veterans Commission (TVC) funding for 2018-2019.



Intellectual and Developmental Disability (IDD)

Since 2006, AACOG has functioned as a part of a statewide network of 39 Local Intellectual and Developmental Disability (IDD) Authorities who serve as the single point of access and “front door” to publicly-funded services and supports for persons with IDD in Bexar County.

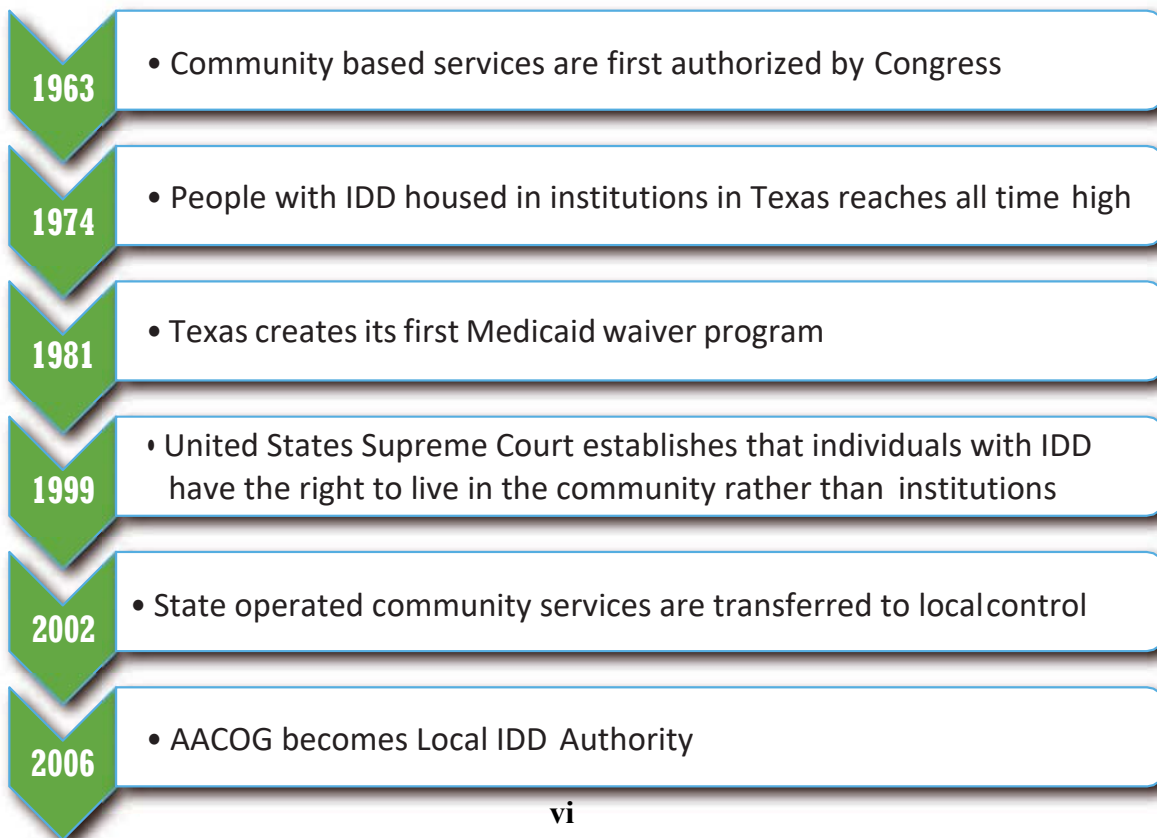
50 years of IDD Services

Fifty years ago, intellectual disability was a neglected issue, receiving minimal state or federal funding. Few scientist were researching its causes, and even fewer doctors and educators were trained to support people with intellectual disabilities and their families. The majority of children and adults with intellectual disabilities

were cared for in overcrowded, understaffed institutions that isolated them from their families and communities.

It was not until 1966, with what would become the Center for Healthcare Services, that community-based services for people with intellectual disabilities first became available in Bexar County.

By 1997, Texas had 4 waiver programs targeted specifically to individuals with intellectual and developmental disabilities. In May 2003, the Texas legislature passed multiple bills with significant impact on the organization, structure, and financing of community-based centers, which culminated in the transfer of the Local IDD Authority from the Center for Healthcare Service to AACOG in 2006.

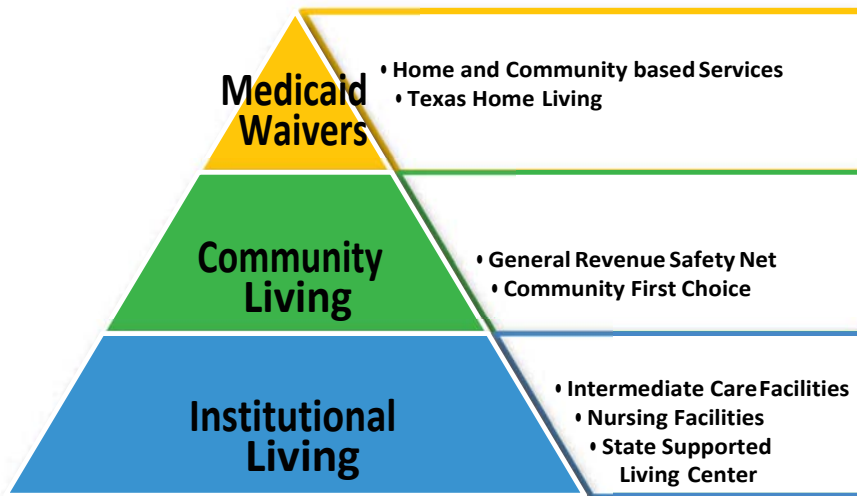




Service Coordination

Service Coordinators/Case Managers help people access medical, social, educational, and other services that will assist them to achieve an acceptable quality of life. Service Coordination is provided to individuals enrolling in, participating in, or transitioning from:

- Nursing Facilities (NF),
- Intermediate Care Facilities (ICF/IID),
- State Supported Living Centers (SSLC),
- Home and Community-based Services (HCS), Texas Home Living (TxHmL),
- General Revenue (GR), and
- Community First Choice (CFC)



Inter-agency Cooperation initiatives

This year, AACOG partnered with Autism Lifeline Links (ALL), a 501(c)(3) nonprofit organization founded in 2016 through an initiative funded by the Kronkosky Charitable Foundation. Autism Lifeline Links is a coalition of agencies and organizations working together to provide quality services, resources and care for individuals, families, caregivers, educators and others in the autism community. AACOG and other Autism Lifeline Links partners provide services in Bexar County and surrounding areas, specifically in the areas of: care coordination, diagnostic services, behavioral support and therapy services, education and support groups, financial assistance for medical expenses and basic needs, respite care, registration with long-term support programs, and much more.

Crisis Services initiatives

In a continued effort to address the significant need for behavioral crisis resolution services, we continue to enhance our IDD crisis respite program, which provides therapeutic respite in-home (72 hours) or out-of-home (up to 14 calendar days) to stabilize the situation. This year, AACOG partnered with the Southwest Texas Regional Advisory Council (STRAC) to develop, implement, and maintain the regional trauma and emergency healthcare system for Trauma Service Area -P (TSA-P). This helps law enforcement effectively coordinate navigation of emergency detention patients. Patients who are placed into emergency detention for their acute psychiatric needs, and are medically stable, are navigated to the appropriate psychiatric facility versus area emergency departments. This system change decompresses local emergency departments where psychiatric patients are often boarded, for hours, awaiting a more appropriate facility.

Vocational/Employment initiatives

AACOG, in partnership with the Academy at Morgan's Wonderland, was awarded a grant from Texas Workforce Commission for a targeted job readiness and skills training program. This pilot project, titled Skills Pipeline Investment in Regional Innovation & Training (SPIRIT) Project – Job Readiness for Individuals with IDD, develops employment opportunities for individuals with IDD who



may have been previously excluded from the workforce. It also provides these individuals with the assistance and training necessary to access and retain those opportunities. The program is designed as an educational environment that enables each student to reach his or her potential, and to contribute their gifts and talents as active participants in society.



AACOG's Natural Resources department studies data and sustainable ground-level ozone pollution strategies to improve air quality in the Alamo region.

In efforts to make the ozone standard more protective of overall human health and the environment, the U.S. Environmental Protection Agency (EPA) lowered the acceptable concentration for ground-level ozone to 70 parts per billion (ppb) in 2015. The new ozone standard has posed a particular challenge to the Alamo area due to its rapid growth in population and foreign transport of ozone precursors into the region.

On September 24, 2018, Bexar County was designated to be in nonattainment of the 2015 ozone standard. This designation will have impact on transportation projects and economic development. To overcome this concern, AACOG is working with local government and business to adopt best-practices that will continue to lower air pollution in the Alamo region.

Key Projects Completed

Two control strategies assessments were conducted in 2018: one was for the Alamo Area Metropolitan Planning Organization (AAMPO), which covered on-road controls. The other was for Texas Commission on Environmental Quality (TCEQ), which covered controls for all other emission sources. These assessments analyzed numerous controls that could be implemented across the region to reduce emissions of ozone precursors.

Photochemical modeling is used to predict future ozone levels based on anticipated reductions in ozone precursors. Two photo-chemical modeling projects were completed in 2018: one for AAMPO and one for TCEQ. Both reports projected future ozone levels given changes in emissions in the AACOG Region.

Additionally, the photochemical model estimated the potential contribution to local ozone levels from different geographic regions and emission sources.



Natural Resources

Air Quality

Stakeholder Support

The work AACOG performs is only made possible by the support of the local stakeholders. Through industry stakeholder funds, Natural Resources staff has completed an Industrial Equipment Emission Inventory and is currently developing a Truck Idling Emissions Inventory. Using joint City of San Antonio and Bexar County funds, the team is also working to complete a Construction Equipment Emission Inventory, another Control Strategies Assessment and a Photochemical Modeling project. Furthermore, CPS Energy continues to fund the operation and maintenance of AACOG's seven ozone monitors located throughout the region.



| Entity | Activity | Commitment |
|--|---|--|
| CPS Energy | Ambient Air Quality Monitoring | Active maintenance of six AACOG-owned air quality monitors for the collection of air quality data, and the addition of one new monitor at Government Canyon State Natural Area |
| City of San Antonio and Bexar County | Photochemical modeling, emissions inventory, local control strategy | \$250,000 to continue technical air quality planning activities through September 2019 |
| South Texas Energy and Economic Roundtable (STEER); Texas Aggregates and Concrete Association (TACA); Capitol Aggregates; Martin Marietta; Cemex; and Alamo Cement | Emissions inventories | \$57,500 to continue air quality planning activities through 2018 |

Natural Resources

Air Quality

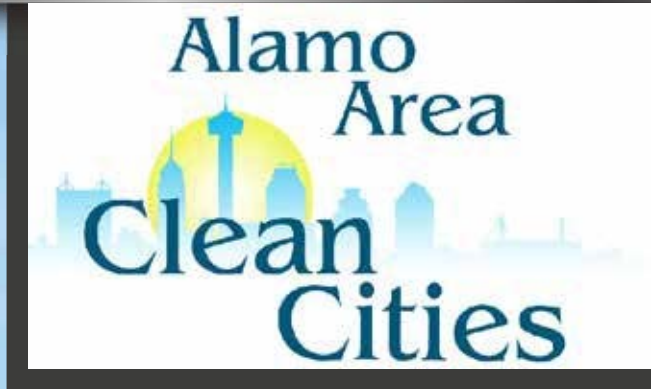
Alamo Area Clean Cities Coalition

The Alamo Area Clean Cities Coalition (AACCC) supports local activities to decrease the use of petroleum in transportation by providing technical assistance to fleets, pursuing funding opportunities, hosting educational events, as well as other services that expand the use of alternative and renewable fuels, idle-reduction measures, fuel economy improvements, and emerging transportation technologies.

In 2018, the AACCC performed a number of consultations with fleet managers and public outreach events. AACCC also presented information on the progress of the Volkswagen Environmental

Mitigation Trust funding to local governments and public and private fleets. The San Antonio area will see \$61 million for repowering or replacing outdated vehicles.

In September, the AACCC hosted the fourth annual Drive Electric Day - San Antonio at the Pearl Brewery's Farmers Market. With more than a dozen electric vehicles (EV) on display and



available for test drives, the event attracted over 500 attendees.

Commute Solutions Program

Commute Solutions strives to help reduce traffic congestion, and thus ozone emissions, through transportation alternatives. It promotes and facilitates carpooling, mass transit, biking, walking, compressed workweeks and telecommuting; and it features a carpool matching and emergency ride home service.

At this year's 13th annual Walk & Roll commuter challenge, one of Commute Solutions' more popular programs, 14 area companies competed for the highest percentage of employees using transportation



alternatives. The 2018 winners include Alamo Area Metropolitan Planning Organization; Southwest Research Institute; and Linebarger, Goggan, Blair & Sampson. The 827 participating individuals recorded an estimated 25,456 trips taken by alternative means that month, which reduced vehicle miles traveled by 362,250 miles.





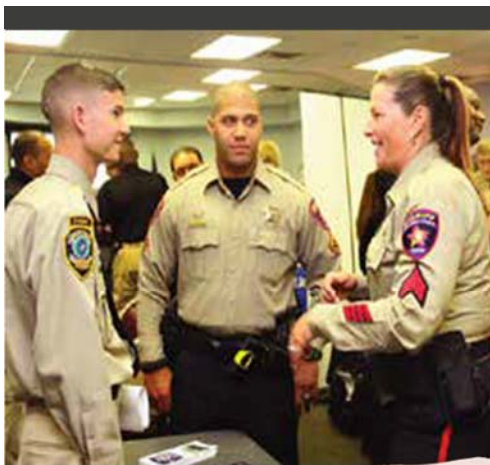
ACADEMY

The Alamo Area Regional Law Enforcement Academy (AARLEA) has been training future Texas Peace Officers, Correction Officers, and Emergency Telecommunications personnel in the AACOG Region for over 40 years. The Academy also provides dozens of specialized inservice (continuing education) courses for law enforcement personnel. In a single year, the Academy will provide training for more than 14,000 individuals with over 182,000 contact hours.

AARLEA is the recipient of the 2018 National Association of Development Organizations (NADO) Innovation Award. The academy was recognized for the creative approach to law enforcement training, especially the IDD law enforcement and training to JBSA Security Forces. In 2018, the AARLEA also became the first regional training provider to launch an online training platform.

The AARLEA online training platform launched in January with 533 users. By the end of 2018 we expect over 7,000 online users, servicing 127 of the 254 counties in Texas. The goal of the online training is to provide innovative training techniques for in-service peace officers through a unique platform that will optimize the reporting of training hours and production training certificates.

The Academy continued to partner with a local non-profit, through a grant with the US State Department, to host three week-long trainings for police administrators from Mexico. The Police Professionalization Exchange Program educates participants on the US / Texas Police Structure, the Use of Force Law, basic crime scene investigation techniques, and incorporates reality-based training scenarios.



Great Class. Very energetic presentation.

“What a terrific class! Thank you.”

Highly informative and very motivating for the students.

CRIMINAL JUSTICE PLANNING

The program provides information for law enforcement and non-profit agencies seeking funding from the Office of the Governor's Criminal Justice Division. In 2018, staff completed over 1,800 hours of technical assistance and provided grant-management assistance to more than 90 successfully funded projects. This year, the Criminal Justice Planning Program also sponsored a Grant Management workshop through Grant Writing USA®, to train 70 individuals throughout the AACOG Region.

HOMELAND

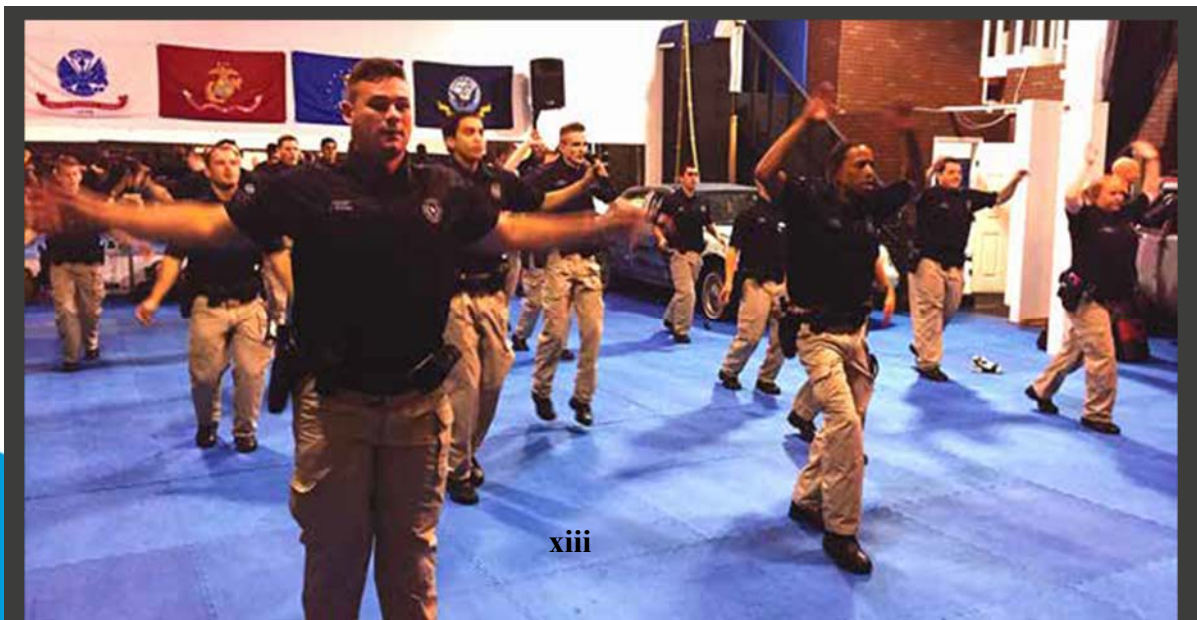
The Homeland Security Program supports the region's first responders, local jurisdictions, and local agencies by ensuring regional cooperation to maximize preparedness initiatives regarding terrorism related activities. By identifying threats and security weaknesses, this program helps incorporate these aspects into regional planning initiatives to ensure they are included in the annual multipurpose planning



documents. In addition, the program assists in administering federal and state homeland security grants for participating jurisdictions. This year, the program worked closely with the State of Texas Public Safety Communications Division and the Department of Homeland Security Office of Emergency Communications to overhaul our Regional Interoperable Communications Plan. This document will better serve the region and State when requesting communications upgrades and funding for homeland security preparedness.



Leading into 2019, the Homeland Security Program is working with regional partners to further prepare the Alamo region in Complex Coordinated Terrorist Attacks (CCTA). This preparedness program is a nationwide initiative that assesses recent types of terror attacks.





REGIONAL 911

The 9-1-1 Program maintains and monitors essential dispatch equipment and software at each of the 9-1-1 emergency call centers for seven rural counties in the Alamo region, (Atascosa, Bandera, Frio, Gillespie, Karnes, Kendall, and Wilson counties), servicing 52,109 landlines for 222,712 residents. This program provides Regional Strategic Planning and goal-setting for a prospective “Next Generation 9-1-1” system. The system is an emergency call-delivery and response method that will use information and latest technology for faster service in our communities. Some of these technologies include text to 9-1-1, short message service (SMS), pictures and video streaming. Funding provided by the Commission on State Emergency Communications (CSEC) is used to purchase equipment for the seven-county public safety answering points (PSAP’s), ensuring that rural county 9-1-1 facilities are equipped to handle calls and provide response services to their residents.

In 2018, the Program administered a successful Text Control Center (TCC) SMS testing and training of PSAP personnel on SMS call-handling. AACOG presented documentation to CSEC to implement Text-to-9-1-1 in the entire region and stands ready for final approval and rollout of public education materials for TXT2911.



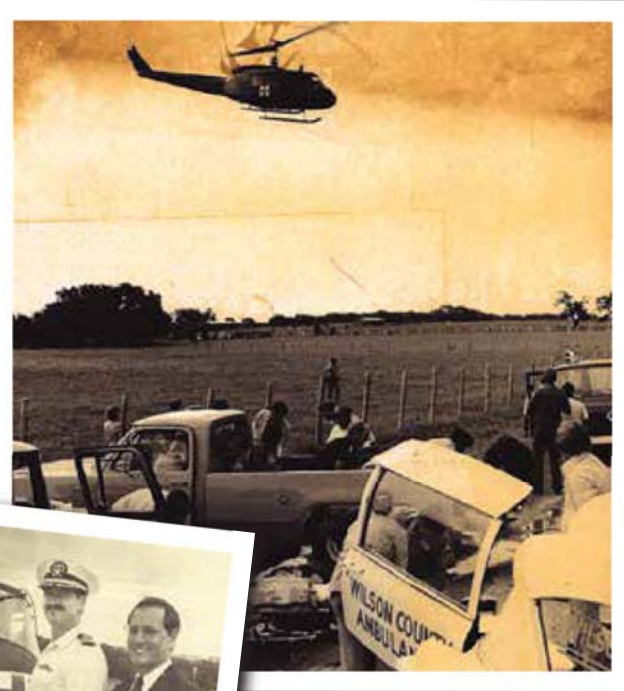
Joint Land Use Study (JLUS)

A Joint Land Use Study (JLUS) is a cooperative planning effort conducted as a joint venture between an active military installation, surrounding jurisdictions, state and federal agencies, and other affected stakeholders to address compatibility around military installations. Funded by a grant from the Department of Defense Office of Economic Adjustment (OEA), the goal of the JLUS is to reduce potential conflicts between military installations and surrounding areas while accommodating new growth and economic development, sustaining economic vitality, protecting public health and safety, and protecting the operational missions of JBSA. JLUS programs have three core objectives:

- *Understanding* - Increase communication between the military, local jurisdictions, and other stakeholders to promote an understanding of the strong economic and physical relationship between JBSA and its neighbors.
- *Collaboration* - Promote collaborative planning between the military, local jurisdictions, and other stakeholders in order to ensure a consistent approach in addressing compatibility issues.
- *Actions* - Develop and implement strategies for reducing the impacts of existing and future incompatible activities on the community and military operations.

JLUS recommendations may involve revisions to the communities' comprehensive plans and traditional land use and development controls, such as zoning, subdivision regulations, building codes, and so forth. Additional actions may include land exchanges, transfer of development rights, and real estate disclosure.

The JLUS team's initiative to promote awareness of light pollution and simple solutions to preserve our dark night skies was recognized by McDonald Observatory and UT Austin for their work on Dark Skies. Both organizations asked for permission to use the Dark Skies Story map to teach communities as part of their ongoing Dark Skies Initiative.



50
years

Regional Services

As the designated Economic Development District (EDD) for the region, the Regional Services program works to address issues related to economic and community development, workforce development, business recruitment and retention, entrepreneurship, small business support, and strategic planning in our local economies. Regional Services also provides technical assistance, resource development and information pertaining to accessible grants for our region.

The program hosts a series of workshops every year specializing in grant writing, planning, zoning and newly-elected officials training. This year, a number of government agencies provided sponsorships for seminars hosted by the Regional Services team, such as the Texas Department of Agriculture's fourth Texas Community Development Block Grant Program 2018 Implementation Training Workshop.



Every year, the U.S. Department of Housing and Urban Development provides federal Community Development Block Grant (TxCDBG) to the Texas Department of Agriculture (TDA). AACOG, in partnership with TDA, provides administrative and technical support to entities in the region. This year, the AACOG Regional Review Committee (RRC) adopted the AACOG Regional Review Committee Guidebook 2019-2020 for the TxCDBG Program. This guidebook outlines the application scoring guidelines for project funding under the program.

In the wake of Hurricane Harvey, AACOG received Economic Development Administration (EDA) funds for disaster recovery services. Within the AACOG region, three (3) counties were designated as impacted areas – Comal, Guadalupe and Karnes Counties. Along with EDA, TDA and the Texas General Land Office, Regional Services staff conducts ongoing research and outreach efforts to assist these communities gain access to available resources for infrastructure and housing repair, and other disaster recovery services.

Preparation for the 2020 census is underway, and AACOG is working with representatives from the U.S. Census Bureau to coordinate outreach efforts in the rural communities.



50
years

Resource Recovery



In 1968, communities were already voicing regional solid waste concerns. The Health, Education, and Welfare survey of landfills resulted in AACOG's decision to assume responsibility for the collection and transportation of waste, identifying methods of waste disposal, and the development of a preliminary waste study and cost analysis of alternate methods of disposal. The AACOG's Regional Development Division, in partnership with the League of Women Voters, St. Mary's University Research Center, and an independent consultant, produced the 1976 study, *Solid Waste Patterns in South Texas*. This study reviewed the existing solid waste management situation, and suggested possible alternatives and strategies for resolving the underlying issues.

In 1980, AACOG initiated a comprehensive solid waste fact-finding study through an interagency agreement with the Texas Department of Health (TDH), which identified the existence of 133 unauthorized trash dumping locations in Bexar County alone. In 1981, AACOG created a Solid Waste Advisory Taskforce, which began earnestly studying the solid waste

needs of the region.

Beginning in 1983, AACOG staff and the Taskforce started developing a study design for a Regional Municipal Solid Waste Plan.

The first AACOG Regional Solid Waste Management Plan was completed in 1987 and was adopted by TDH as part of the State's solid waste rules. Because only 2 regional plans were ever completed and sent to the State, in 1991, the Legislature provided the COGs with necessary funds to complete individual, regional waste plans. The Solid Waste Advisory Taskforce became the Solid Waste Advisory Committee (SWAC). In 1993, the Texas Natural Resource Conservation Commission (TNRCC) adopted the 1993 update to the 1987 plan into the State's rules. The current plan, *Solid Waste Management in the AACOG Region*, was adopted in by the Texas Commission for Environmental Quality (TCEQ) in 2005.

Texas

50
years

Resource Recovery

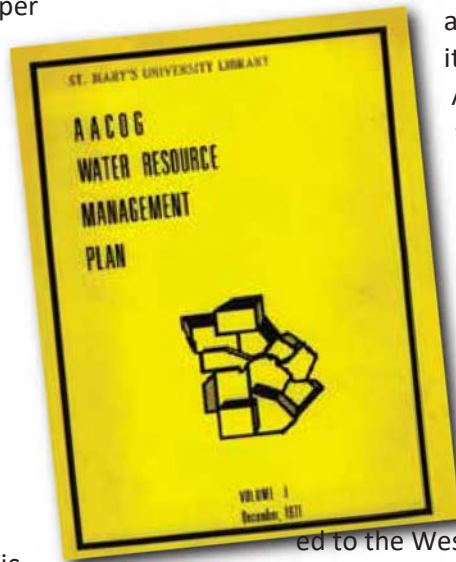
Through the development of each of the plans, the focus has now changed from burying waste, to diverting waste - now called "resources" - for other uses. Such resources can be converted into feedstock for developing new products or even energy. The Solid Waste Program eventually became the Resource Recovery Program, and the SWAC became the Resource Recovery Committee.

The program maintains the Closed Landfill Inventory within the region, which is used by realtors, environmental scientists, developers, planners, and residents seeking information on past uses of land parcels; and it reviews applications and registrations to TCEQ for solid waste facilities within the region. Most notably however, with funds from TCEQ, this program aids local governments to expand their waste diversion programs. Since 1996, AACOG has distributed \$10,347,943.35 to local governments for the purchase of recycling equipment; special collections of Household Hazardous Waste, electronics, and tires; and education on proper recycling and the prevention of illegal dumping.

In 2018, six local governments received funds for their projects. The City of Kerrville purchased recycling containers for the parks, pavilions, the new sports complex, and for the trail heads along the Guadalupe River. The City of Converse requested a chipper truck to expand their efforts of processing brush to useful mulch for its residents and public spaces. Kerr County's recently initiated recycling program received funds for a trailer that will travel to the remote areas of the county,



to provide recycling opportunities for those residents. The City of New Braunfels requested a vertical baler, allowing their recycling center to accept and bale recyclable material too big for the curbside carts and film bags. The San Antonio River Authority (SARA) received funds to promote SARA's HHW collections in Wilson and Karnes County. The funds spent on advertising, which resulted in increased participation at their collections, included colored newspaper ads, posted flyers, and direct mail. The City of San Antonio developed 30-second public service announcements to remind the community of how to properly use their brown, green, and blue carts, and how they can help the City reach its 60% recycling goal by 2025. Although the City's commercials were directed towards city residents, their educational efforts reach the greater San Antonio population.



To help celebrate the 50th year of AACOG service, the Resource Recovery Program challenged AACOG staff to recycle 50 pairs of prescription and nonprescription eyewear, which would be donated to the Westside Lions Club for their national eyewear collection and redistribution program. The two-week challenge raised 213 pairs of eyeglasses and several packs of contact lenses.

Weatherization

The AACOG Weatherization Program provides assistance with energy conservation measures that reduce energy costs for low-income households by increasing the energy efficiency of their homes and accessibility modifications to low income households within the AACOG Region. Professionally trained weatherization crews use computerized energy assessments and advanced diagnostic equipment, such as blower doors, manometers, and infrared cameras, to create a comprehensive analysis of the home and determine the most cost-effective measures to repair health and safety concerns. The program is funded through grants from the Texas Department of Housing and Community Affairs, Texas Veterans Commission, Department of Energy and Low Income Home Energy Assistance Program.

Low-income households carry a larger burden for energy costs, typically spending 16.3% of their total annual income, versus 3.5% for other households (2014 Oak Ridge National Laboratory study). In order to pay their monthly energy bills, families oftentimes have to reduce spending on healthcare, medicine, groceries, and childcare.

Weatherization helps alleviate this burden through cost-effective shell improvements such as insulation; air sealing; Heating, Ventilation, and Air Conditioning systems; lighting; and energy-efficient appliances. Overall health and safety is also enhanced through the removal of energy-related hazards. Once the installation is completed, these weatherization efficiencies save residents both energy and money, and eventually increase annual household income.



The Amy Young Barrier Removal Program provides a one-time home modification (of up to \$20,000) for persons with disabilities. This project typically improves accessibil-

ity throughout the home and eliminates hazardous conditions. Program beneficiaries can be either tenants or homeowners, but must have a disability and have a household income that does not exceed 80% of the Area Median Family Income.

The Texas Veterans Commission, through funds from Housing for Texas Heroes, also assists Texas veterans and their families with home modifications and improvements to ensure quality of life.

From January to October 2018, the AACOG Weatherization Program expended \$1,170,885 and assisted 192 beneficiaries with energy conservation renovations and 4 accessibility modifications.



The Council prepared and submitted the Comprehensive Annual Financial Report (CAFR) for Year ended December 31, 2017 to the Government Finance Officers Association (GFOA) for consideration of the Certificate of Achievement for Excellence in Financial Reporting, which was the first since 1991.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to AACOG for its comprehensive annual financial report for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

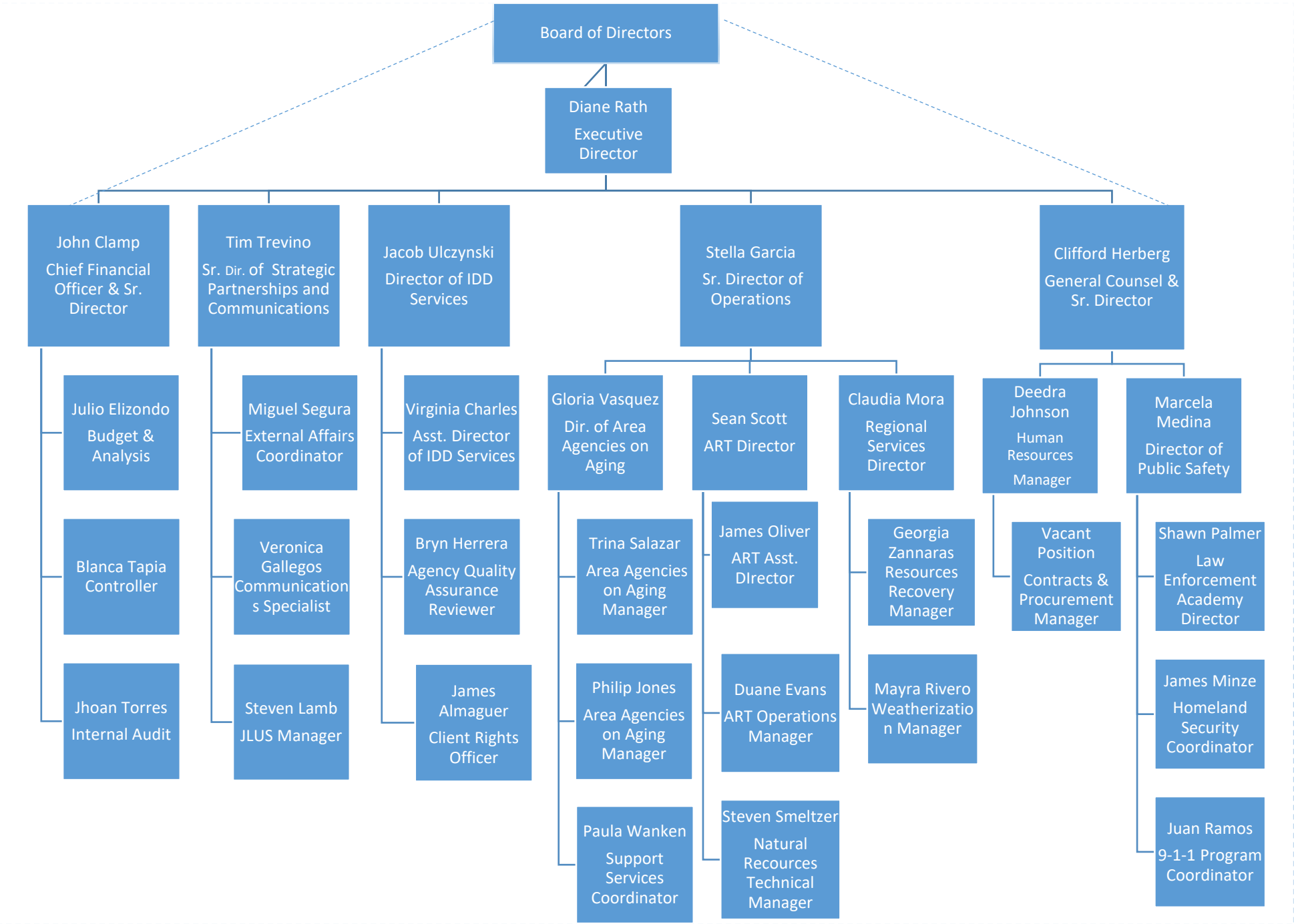
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate for the current year.

We want to express our thanks to all of the AACOG department staff, the Executive Director, Board Chairman and the Board Members for their continued oversight and guidance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John Clamp', is positioned above a vertical line that extends downwards to the text below.

John Clamp,
Chief Financial Officer



AACOG Leadership

OFFICERS OF THE BOARD OF DIRECTORS 2018

CHAIR

Chris Schuchart
Medina County Judge

VICE CHAIR

James C. Hasslocher
UHS Board Member

ADMINISTRATIVE STAFF

| | |
|---|------------------|
| Executive Director | Diane Rath |
| Chief Financial Officer | John Clamp |
| Senior Director of Operations | Stella Garcia |
| General Counsel/Senior Director | Clifford Herberg |
| Senior Director of Strategic Partnerships and Communications | Tim Trevino |



Government Finance Officers Association

Certificate of
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Presented to

**Alamo Area Council of Governments
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO

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**FINANCIAL
SECTION**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Alamo Area Council of Governments
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Alamo Area Council of Governments (the "Council"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Alamo Area Council of Governments, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The introductory section, supplementary information, statistical section and the schedule of expenditures of federal and state awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the State of Texas *Uniform Grant Management Standards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements on pages 42-49, the indirect cost schedule on page 50, the employee benefit schedule on page 51, and the schedule of expenditures of federal and state awards on pages 84-89 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, indirect cost and employee benefit schedules, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, the Intellectual and Developmental Disabilities (IDD) schedules on pages 52-67, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 25, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Alamo Area Council of Governments' (the "Council") discussion and analysis offers readers of the Council's financial statements a narrative overview and analysis of the Council's financial activities for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- ◆ The assets and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$11,671,155 (net position). This reflects an increase to net position of \$1,480,653. Of this amount, \$3,625,103 is unrestricted. \$4,232,400 represents the net investment in capital assets, and \$3,813,652 is restricted for grant programs.
- ◆ As of the close of the current fiscal year, the Council's governmental funds financial statements reported combined ending fund balances of \$6,234,554. The unassigned fund balance in the General Fund that is available for operations is \$2,011,899.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the Council's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, fluctuations in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

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

Fund Financial Statements – A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other similar governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council are classified as *governmental funds*.

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 expendable resources*, as well as on *balances of expendable resources* available at the end of the year. Such information may be useful in evaluating a government’s near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore 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 Council’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Council maintains 22 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 balance for each major fund: the General Fund, the Bexar Area Agency on Aging Fund, the Texas Department of Transportation Fund, the Intellectual and Developmental Disabilities Services Fund, and the Alamo Area Agency on Aging Fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The Council’s assets exceeded liabilities by \$11,671,155 at December 31, 2018. The following table reflects the condensed Statement of Net Position compared to prior year.

Alamo Area Council of Government’s Statement of Net Position

| | Governmental Activities | |
|--------------------------------|-------------------------|---------------|
| | 2018 | 2017 |
| Assets: | | |
| Current and other assets | \$ 14,396,224 | \$ 12,210,311 |
| Capital assets | 4,232,400 | 3,158,888 |
| Total assets | 18,628,624 | 15,369,199 |
| Deferred outflows of resources | 1,290,932 | 2,927,358 |
| Liabilities: | | |
| Current liabilities | 7,302,091 | 6,299,459 |
| Noncurrent liabilities | 355,096 | 641,045 |
| Total liabilities | 7,657,187 | 6,940,504 |
| Deferred inflows of resources | 591,214 | 1,165,551 |
| Net position: | | |
| Investment in capital assets | 4,232,400 | 3,158,888 |
| Restricted for grant programs | 3,813,652 | 3,832,310 |
| Unrestricted | 3,625,103 | 3,199,304 |
| Total net position | \$ 11,671,155 | \$ 10,190,502 |

The balance of *unrestricted net position*, \$3,625,103, may be used to meet the Council’s ongoing obligations.

Analysis of the Council’s Operations

The following table provides a summary of the Council’s operations for the year ended December 31, 2018, as compared to the year ended December 31, 2017. The Council’s net position increased by \$1,480,653.

| | Governmental Activities | |
|------------------------------------|-------------------------|----------------------|
| | 2018 | 2017 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 666,868 | \$ 858,285 |
| Operating grants and contributions | 43,172,279 | 46,719,605 |
| Capital grants and contributions | 1,515,394 | - |
| General revenues: | | |
| Investment earnings | 32,950 | 6,276 |
| Member dues | 342,501 | 332,780 |
| Gain on sale of capital assets | 41,014 | 9,600 |
| Total revenues | <u>45,771,006</u> | <u>47,926,546</u> |
| Expenses: | | |
| General government | 61,036 | 130,920 |
| Workforce development | 2,443,360 | 426,572 |
| Aging | 17,018,023 | 18,732,002 |
| Emergency communications | 1,413,105 | 1,812,052 |
| Economic development | 647,838 | 4,431,081 |
| Environmental quality | 704,083 | 992,880 |
| Community affairs | 2,475,773 | 2,078,269 |
| Homeland security | 287,900 | 281,861 |
| Transportation | 5,250,931 | 5,904,299 |
| Housing | - | 17,445 |
| Criminal justice | 1,536,841 | 1,417,596 |
| Health and welfare | 12,446,756 | 11,600,496 |
| Interest | 4,707 | 18,580 |
| Total expenses | <u>44,290,353</u> | <u>47,844,053</u> |
| Change in net position | 1,480,653 | 82,493 |
| Net position, beginning | <u>10,190,502</u> | <u>10,108,009</u> |
| Net position, ending | <u>\$ 11,671,155</u> | <u>\$ 10,190,502</u> |

The Council’s charges for services decreased by \$191,417, operating grants and contributions decreased by \$3,547,326, and capital grants and contributions increased by \$1,515,394 from fiscal year 2017 to 2018. The decrease in charges for services was caused by a decrease in program income from various grant activities. The decrease in operating grants and contributions was primarily caused by the closeout of the Defense Economic Adjustment Assistance Grant. The increase in capital grants and contributions came largely from funding by the Texas Department of Transportation for the purchase of new buses. Further, expenses decreased by \$3,553,700 from fiscal year 2017 to 2018. The majority of this decrease was caused by the closeout of the Defense Economic Adjustment Assistance Grant discussed earlier. The Council’s revenues and expenses are driven primarily by federal and state grant funding, which varies from year to year.

Analysis of Fund Financial Statements

The General Fund beginning balance at January 1, 2018 was \$2,165,030. The fund balance increased by \$259,068 for an ending balance at December 31, 2018 of \$2,424,098. The increase is primarily due to the following reasons.

- DEAAG program administrative fee
- Increase to membership dues collected
- Credit card rebate
- Decrease in expenditures

The Bexar Area Agency on Aging Fund balance at January 1, 2018 was \$24,715. The fund balance decreased by \$266 for an ending balance at December 31, 2018 of \$24,449. The decrease is a result of utilizing 2017 program income carryover for additional services.

The Alamo Area Agency on Agency Fund balance at January 1, 2018 was \$3,609. The fund balance increased by \$67 for an ending balance at December 31, 2018 of \$3,676. The increase is a result of program income carry forward that will be utilized in 2019.

The Texas Department of Transportation Fund balance at January 1, 2018 was \$2,864,600. The fund balance decreased by \$388,914 for an ending balance at December 31, 2018 of \$2,475,686. This decrease was a result of program expenditures exceeding grant funding during the year.

The Intellectual and Developmental Disabilities Fund balance at January 1, 2018 was \$156,411. The fund balance increased by \$254,984 for an ending balance at December 31, 2018 of \$411,395. The majority of the increase is a result of the additional Medicaid billing revenues.

BUDGETARY HIGHLIGHTS

The Council's annual budget is approved by the Board of Directors at the December annual meeting. Although the annual budget is reviewed and approved by the Council's Board, it is based on a project-length basis. Accordingly, budgetary information is not presented in this report. As grant funding changes, the Council's Board approves periodic budget modifications.

CAPITAL ASSET AND DEBT ADMINISTRATION

Alamo Area Council of Governments' Capital Assets at Year-end

The Council's investment in capital assets for its governmental activities as of December 31, 2018 amounts to \$4,232,400 (net of accumulated depreciation). This investment includes land, equipment, furniture and fixtures, software, vehicles, and buildings and improvements.

During 2018, the Council's total capital assets increased by \$1,073,512 largely due to the current year capital asset additions. The Council's capital asset additions totaled \$1,877,496 during 2018, primarily from the following categories and programs:

- \$1,273,910 for new buses for the Transportation department.
- \$452,512 for IT equipment.

A summary of the Council’s capital assets for the current and prior year can be found below. Additional information on the Council’s capital assets can be found in Note 4 on page 29 of this report.

| | Governmental Activities | |
|----------------------------------|-------------------------|---------------------|
| | 2018 | 2017 |
| Land | \$ 127,000 | \$ 127,000 |
| Equipment | 4,164,246 | 4,093,795 |
| Furniture and fixtures | 154,890 | 154,890 |
| Software | 1,620,571 | 1,168,059 |
| Vehicles | 6,724,896 | 5,898,457 |
| Buildings and improvements | 2,290,040 | 2,290,040 |
| Less: accumulated depreciation | (10,849,243) | (10,573,353) |
| Total capital assets, net | \$ 4,232,400 | \$ 3,158,888 |

Alamo Area Council of Governments’ Outstanding Debt at Year-end

| | Governmental Activities | |
|------------------------------------|-------------------------|-------------------|
| | 2018 | 2017 |
| Compensated absences | \$ 473,461 | \$ 353,771 |
| Total long-term liabilities | \$ 473,461 | \$ 353,771 |

The Council’s total debt increased by \$119,690, primarily driven by an increase in the compensated absences liability. This liability reflects the payout of vacation and holiday leave upon termination. Additional information on the Council’s long-term liabilities can be found in Note 8 on page 32 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S FINANCIAL PLAN

The Council’s approved 2019 annual budget reflects \$44,121,000 for revenues and \$44,426,000 for expenditures. The 2018 actual revenues are \$45,742,330 and actual expenditures are \$45,507,071 for an increase of \$1,621,330 and \$1,081,071 respectively.

The Council’s combined ending fund balance of \$6,234,554 includes \$3,705,070 of dedicated program fund balance and \$2,529,484 of general fund balance. The Council increased the general fund balance by \$364,454 during fiscal year 2018 and is projecting an increase of \$81,000 for 2019. The Council’s special revenue fund balance decreased by \$129,195 for 2018 and is projected to decrease by \$242,000 in 2019. The 2018 net increase to the general fund balance is primarily from the procurement card rebate program, membership dues and earned DEAAG administrative funds. The 2018 net decrease to the special revenue fund balances is primarily from the Texas Department of Transportation Fund.

The Council continues to contract with TeleResource for identifying, researching and re-negotiation of the Agency’s communication and network costs. The 9-1-1 program is scheduled to save approximately \$475k in communication costs in 2019 and over 2.3 million within five years.

The Council was able to support the Air Quality initiative through-out 2018 after accepting funding from the City of San Antonio, Bexar County and various other industries. The program will continue through 2019 while staff seeks additional funding required to continue this very important initiative.

AACOG has applied for funding from the Meadows Foundation and has received positive feedback therefore anticipates the award of these funds.

The Transportation Department successfully added 16 vehicles to the ART fleet and is applying for 5311 and 5339 Discretionary funding that will provide 19 to 22 additional new vehicles. These vehicles will enhance the ART fleet and replace older vehicles therefore decreasing maintenance and repair costs in future years.

The Council secured funding from the Texas Commission on Environmental Quality (TCEQ) for a public electric charging station. The dual charging station has been installed and located in front of the AACOG office building for easy access for AACOG employees and the general public. The charging station is also published on various websites that include but not limited to www.plugshare.com and www.chagehub.com.

The Council's JLUS program that is funded by the Office of Economic Adjustment (OEA) was extended through March 2019. AACOG has submitted an application for new funding in the amount of \$421k federal dollars with a match of \$242k and anticipates receiving the award in mid-2019. The new funding will be for JLUS for Camp Bullis, Lackland, Randolph, the Martindale Air Field and planning for the Port of San Antonio.

The Council's Aging department received new funding from the Corporation for National and Community Service (CNCS) for a Senior Demonstration Program, the National Council on Aging (NCOA) for a benefit enrollment center and local funding from the Masonic Home School of Texas for care coordination for Masonic wives. This funding was awarded in 2018 but will crossover to 2019 and 2020. Total amount of the new funding is approximately \$500k and enhances the Aging programs.

The Council IDD program secured funding from the Texas Workforce Commission for developing hiring and training initiatives that meet the needs of both business and the IDD population with the partnership of the Morgan's Wonderland. This funding enhances the Council's currently funding programs from HHSC.

The Council continues to invest in Certificates of Deposits (CD) in order to maximize interest earnings. The Council invested an additional \$2 million in CD purchases with various terms and rates. The monthly weighted interest rate is 2.30%. The Council earned approximately \$35k in interest earnings and since July 2015 has earned a cumulative \$84k from the CD investments. The Council anticipates earning \$95k from the current CD investments.

As part of the 2017 salary compensation study the Board of Directors requested a review and financial impact on changing the vesting years from 10 years to 8 years. Staff provided the analysis at the October 2018 Board meeting with a recommendation to change from a 10 year to an 8-year vesting period. The Board approved the recommendation for an effective date beginning January 1, 2019.

The Council currently resides at 8700 Tesoro Dr., San Antonio Texas in a multiple floor building leased from Cotter & Sons. The original lease commenced on August 14, 2000 and has been amended seven (7) times to accommodate additional program space and continues through December 31, 2020. Total leased space includes 51,883 square feet. The Council has been negotiating a lease purchase for a new location that is anticipated for year beginning 2021.

INFORMATION REQUESTS

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the organization. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the Chief Financial Officer, Alamo Area Council of Governments, 8700 Tesoro Drive, San Antonio, Texas 78217.

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Basic Financial Statements

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ALAMO AREA COUNCIL OF GOVERNMENTS

STATEMENT OF NET POSITION

DECEMBER 31, 2018

| | Primary Government | Component Unit |
|--|----------------------------|--|
| | Governmental Activities | Alamo Area Development Corporation |
| ASSETS | | |
| Cash and investments | \$ 6,306,487 | \$ 54,912 |
| Receivables: | | |
| Grantors | 6,526,523 | 1,873 |
| Deposits | 23,904 | - |
| Prepaid items | 561,366 | - |
| Capital assets, not being depreciated: | | |
| Land | 127,000 | - |
| Capital assets, net of accumulated depreciation: | | |
| Equipment | 665,110 | - |
| Furniture and fixtures | 3,243 | - |
| Software | 479,195 | - |
| Vehicles | 1,733,090 | - |
| Buildings and improvements | 1,224,762 | - |
| Net pension asset | 977,944 | - |
| Total assets | 18,628,624 | 56,785 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows of resources related to pensions | 1,290,932 | - |
| Total deferred outflows of resources | 1,290,932 | - |
| LIABILITIES | | |
| Accounts payable | 3,397,817 | 49 |
| Accrued liabilities | 413,608 | 174 |
| Unearned revenue | 3,372,301 | 4,864 |
| Noncurrent liabilities: | | |
| Due within one year: | | |
| Compensated absences | 118,365 | - |
| Due in more than one year: | | |
| Compensated absences | 355,096 | - |
| Total liabilities | 7,657,187 | 5,087 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources related to pensions | 591,214 | - |
| Total deferred inflows of resources | 591,214 | - |
| NET POSITION | | |
| Net investment in capital assets | 4,232,400 | - |
| Restricted for grant programs: | | |
| Workforce development | 294,821 | 203 |
| Aging | 141,624 | 47,361 |
| Economic development | 6,583 | - |
| Environmental quality | 30,715 | - |
| Community affairs | 54,993 | - |
| Homeland security | 46,159 | - |
| Transportation | 2,476,454 | 512 |
| Criminal justice | 350,908 | 3,622 |
| Health and welfare | 411,395 | - |
| Unrestricted | 3,625,103 | - |
| Total net position | \$ 11,671,155 | \$ 51,698 |

The notes to the financial statements are an integral part of this statement.

ALAMO AREA COUNCIL OF GOVERNMENTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

| Functions/Programs | Expenses | Indirect Cost Allocation | Program Revenues | |
|------------------------------------|--------------------------|-----------------------------|-------------------------|--|
| | | | Charges for Services | Operating Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 2,830,207 | \$(2,769,171) | \$ - | \$ 213,454 |
| Workforce development | 2,380,912 | 62,448 | - | 2,810,799 |
| Aging | 16,521,855 | 496,168 | 242,894 | 16,641,817 |
| Emergency communications | 1,333,393 | 79,712 | - | 1,413,558 |
| Economic development | 598,191 | 49,647 | - | 631,648 |
| Environmental quality | 640,064 | 64,019 | - | 689,690 |
| Community affairs | 2,375,996 | 99,777 | - | 2,534,156 |
| Homeland security | 254,724 | 33,176 | - | 304,747 |
| Transportation | 4,728,285 | 522,646 | - | 4,111,766 |
| Criminal justice | 1,395,287 | 141,554 | 423,974 | 800,899 |
| Health and welfare | 11,226,732 | 1,220,024 | - | 13,019,745 |
| Interest | <u>4,707</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total governmental activities | <u>44,290,353</u> | <u>-</u> | <u>666,868</u> | <u>43,172,279</u> |
| Total primary government | <u>\$ 44,290,353</u> | <u>\$ -</u> | <u>\$ 666,868</u> | <u>\$ 43,172,279</u> |
| Component unit: | | | | |
| Alamo Area Development Corporation | \$ - | \$ - | \$ - | \$ - |
| Total component unit | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| General revenues: | | | | |
| Unrestricted investment earnings | | | | |
| Membership dues | | | | |
| Gain on sale of capital assets | | | | |
| Total general revenues | | | | |
| Change in net position | | | | |
| Net position, beginning | | | | |
| Net position, ending | | | | |

The notes to the financial statements are an integral part of this statement.

| <u>Program Revenues</u> Capital Grants and Contributions | <u>Net (Expense) Revenue and Changes in Net Position</u> Primary Government Governmental Activities | <u>Component Unit</u> Alamo Area Development Corporation |
|---|--|---|
| \$ - | \$ 152,418 | |
| - | 367,439 | |
| - | (133,312) | |
| - | 453 | |
| - | (16,190) | |
| 39,176 | 24,783 | |
| - | 58,383 | |
| - | 16,847 | |
| 1,471,218 | 332,053 | |
| 5,000 | (306,968) | |
| - | 572,989 | |
| - | (4,707) | |
| 1,515,394 | 1,064,188 | |
| \$ <u>1,515,394</u> | 1,064,188 | |
| | | |
| \$ <u>-</u> | | \$ <u>-</u> |
| | | |
| \$ <u>-</u> | | <u>-</u> |
| | 32,950 | - |
| | 342,501 | - |
| | 41,014 | - |
| | 416,465 | - |
| | 1,480,653 | - |
| | 10,190,502 | 51,698 |
| | \$ <u>11,671,155</u> | \$ <u>51,698</u> |

ALAMO AREA COUNCIL OF GOVERNMENTS

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2018

| | | Special Revenue Funds | |
|-------------------------------------|--------------|----------------------------------|---|
| | General | Bexar Area Agency on Aging | Texas Department of Transportation |
| ASSETS | | | |
| Cash and investments | \$ 2,433,708 | \$ - | \$ 2,127,016 |
| Accounts receivable: | | | |
| Grantors | 10,651 | 1,259,796 | 1,033,654 |
| Due from other funds | 1,224,674 | - | - |
| Deposits | 10,000 | - | - |
| Prepaid items | 412,199 | 230 | 137,688 |
| Total assets | \$ 4,091,232 | \$ 1,260,026 | \$ 3,298,358 |
| LIABILITIES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 578,756 | \$ 1,075,891 | \$ 196,488 |
| Accrued liabilities | 413,608 | - | - |
| Due to other funds | - | 159,686 | 584,045 |
| Unearned revenue | 674,770 | - | 42,139 |
| Total liabilities | 1,667,134 | 1,235,577 | 822,672 |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid items | 412,199 | 230 | 137,688 |
| Restricted: | | | |
| Grants | - | 24,219 | 2,337,998 |
| Unassigned | 2,011,899 | - | - |
| Total fund balances | 2,424,098 | 24,449 | 2,475,686 |
| Total liabilities and fund balances | \$ 4,091,232 | \$ 1,260,026 | \$ 3,298,358 |

The notes to the financial statements are an integral part of this statement.

Special Revenue Funds

| Intellectual and Developmental Disabilities Services | Alamo Area Agency on Aging | Other Governmental Funds | Total Governmental Funds |
|---|----------------------------------|--------------------------------|--------------------------------|
| \$ 1,160,781 | \$ - | \$ 584,982 | \$ 6,306,487 |
| 2,001,170 | 429,073 | 1,792,179 | 6,526,523 |
| - | - | 1,080,805 | 2,305,479 |
| - | - | 13,904 | 23,904 |
| <u>-</u> | <u>-</u> | <u>11,249</u> | <u>561,366</u> |
| <u>\$ 3,161,951</u> | <u>\$ 429,073</u> | <u>\$ 3,483,119</u> | <u>\$ 15,723,759</u> |
| | | | |
| \$ 478,222 | \$ 182,703 | \$ 885,757 | \$ 3,397,817 |
| - | - | - | 413,608 |
| 534,296 | 242,694 | 784,758 | 2,305,479 |
| <u>1,738,038</u> | <u>-</u> | <u>917,354</u> | <u>3,372,301</u> |
| <u>2,750,556</u> | <u>425,397</u> | <u>2,587,869</u> | <u>9,489,205</u> |
| | | | |
| - | - | 11,249 | 561,366 |
| 411,395 | 3,676 | 886,780 | 3,664,068 |
| <u>-</u> | <u>-</u> | <u>(2,779)</u> | <u>2,009,120</u> |
| <u>411,395</u> | <u>3,676</u> | <u>895,250</u> | <u>6,234,554</u> |
| <u>\$ 3,161,951</u> | <u>\$ 429,073</u> | <u>\$ 3,483,119</u> | <u>\$ 15,723,759</u> |

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ALAMO AREA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

| | |
|---|----------------------|
| Total fund balance - governmental funds | \$ 6,234,554 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 4,232,400 |
| The net pension asset reported in governmental activities is not a current financial resource and, therefore, is not reported in the funds. | 977,944 |
| Deferred inflows and deferred outflows of resources related to the net pension asset are not reported as a part of the governmental funds. | |
| Deferred outflows | 1,290,932 |
| Deferred inflows | (591,214) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | |
| Compensated absences | (473,461) |
| Net position of governmental activities in the Statement of Net Position | <u>\$ 11,671,155</u> |

ALAMO AREA COUNCIL OF GOVERNMENTS

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

| | | Special Revenue Funds | |
|--|--------------|----------------------------------|---|
| | General | Bexar Area Agency on Aging | Texas Department of Transportation |
| REVENUES | | | |
| Intergovernmental | \$ 26,849 | \$ 6,792,313 | \$ 3,742,405 |
| Matching funds | - | 6,025,107 | - |
| Local | 213,454 | 7,355 | 1,510,475 |
| Program income | - | 116,182 | - |
| Membership dues | 342,501 | - | - |
| Investment income | 8,066 | - | 20,558 |
| Total revenues | 590,870 | 12,940,957 | 5,273,438 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 10,438 | - | - |
| Aging | - | 13,076,495 | - |
| Health and welfare | - | - | - |
| Transportation | - | - | 5,655,309 |
| Workforce development | - | - | - |
| Environmental quality | - | - | - |
| Community affairs | - | - | - |
| Criminal justice | - | - | - |
| Emergency communications | - | - | - |
| Homeland security | - | - | - |
| Economic development | - | - | - |
| Debt service: | | | |
| Interest | 2,357 | - | 2,357 |
| Total expenditures | 12,795 | 13,076,495 | 5,657,666 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 578,075 | (135,538) | (384,228) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 135,272 | - |
| Transfers out | (319,007) | - | (4,686) |
| Total other financing sources (uses) | (319,007) | 135,272 | (4,686) |
| NET CHANGE IN FUND BALANCES | 259,068 | (266) | (388,914) |
| FUND BALANCES, BEGINNING | 2,165,030 | 24,715 | 2,864,600 |
| FUND BALANCES, ENDING | \$ 2,424,098 | \$ 24,449 | \$ 2,475,686 |

The notes to the financial statements are an integral part of this statement.

Special Revenue Funds

| Intellectual and Developmental Disabilities Services | Alamo Area Agency on Aging | Other Governmental Funds | Total Governmental |
|---|----------------------------------|--------------------------------|-----------------------|
| \$ 6,605,033 | \$ 2,652,849 | \$ 9,073,227 | \$ 28,892,676 |
| - | 1,130,705 | 84,635 | 7,240,447 |
| 6,414,712 | 4,746 | 416,146 | 8,566,888 |
| - | 126,712 | 423,974 | 666,868 |
| - | - | - | 342,501 |
| 3,329 | - | 997 | 32,950 |
| <u>13,023,074</u> | <u>3,915,012</u> | <u>9,998,979</u> | <u>45,742,330</u> |
| - | - | - | 10,438 |
| - | 3,975,385 | 29,612 | 17,081,492 |
| 12,768,090 | - | - | 12,768,090 |
| - | - | 687,098 | 6,342,407 |
| - | - | 2,452,707 | 2,452,707 |
| - | - | 730,549 | 730,549 |
| - | - | 2,514,757 | 2,514,757 |
| - | - | 1,249,501 | 1,249,501 |
| - | - | 1,413,665 | 1,413,665 |
| - | - | 288,995 | 288,995 |
| - | - | 649,756 | 649,756 |
| - | - | - | 4,714 |
| <u>12,768,090</u> | <u>3,975,385</u> | <u>10,016,640</u> | <u>45,507,071</u> |
| <u>254,984</u> | <u>(60,373)</u> | <u>(17,661)</u> | <u>235,259</u> |
| - | 60,440 | 128,576 | 324,288 |
| - | - | (595) | (324,288) |
| - | 60,440 | 127,981 | - |
| 254,984 | 67 | 110,320 | 235,259 |
| <u>156,411</u> | <u>3,609</u> | <u>784,930</u> | <u>5,999,295</u> |
| <u>\$ 411,395</u> | <u>\$ 3,676</u> | <u>\$ 895,250</u> | <u>\$ 6,234,554</u> |

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ALAMO 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 DECEMBER 31, 2018

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

Net change in fund balances - total governmental funds \$ 235,259

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay 1,877,496
Depreciation expense (803,984)

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 (119,690)
Pension cost, net 291,572

Change in net position of governmental activities \$ 1,480,653

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ALAMO AREA COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Alamo Area Council of Governments (the Council) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the significant accounting policies and practices used by the Council.

Reporting Entity

The Council is a political subdivision of the State of Texas and a voluntary association of local governments within a 13-county region. The Council was established in 1967 to study and resolve area-wide problems through the cooperation and coordination action of member cities, counties, school districts and special purpose districts of the region.

Membership in the Council is voluntary. Any county, city or special purpose district within the region may become a member in the independent association by passing a resolution to join the Council and paying annual dues. The Council is governed by a 32-member Board of Directors from member local governments. Each member government is entitled to have voting representation on the Board of Directors.

The accompanying financial statements present the Council and its component units, entities for which the Council is considered to be financially accountable. Blended components are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Council. The following organization has been included within the Council's reporting entity.

Discretely Presented Component Unit

During 1995, the Council formed a nonprofit organization, Alamo Area Development Corporation (AADC). AADC is governed by a board of seven and must reside within the jurisdictional boundaries of the following counties: Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson. AADC is reported as a component unit because the Council appoints its governing body and can remove its members at will. The Council also guarantees AADC's debt obligations. There was no debt outstanding as of December 31, 2018. The separately issued financial statements of AADC can be obtained by contacting the Council's accounting department at 8700 Tesoro Drive, Suite 160, San Antonio, Texas 78217.

Description of Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported primarily by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

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. The Council does not utilize any proprietary funds or fiduciary funds.

As discussed earlier, the Council has one discretely presented component unit. AADC is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenue are reported instead as *general revenue*.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Council's funds. The Council only utilizes governmental funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Council reports the following major governmental funds:

The ***General Fund*** is the Council's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Bexar Area Agency on Aging Fund*** is used to account for certain grants awarded by the Texas Health and Human Services Commission.

The *Texas Department of Transportation Fund* is used to account for grants awarded by the Texas Department of Transportation.

The *Intellectual and Developmental Disabilities Fund* is used to account for state and federal funds awarded by the Texas Health and Human Services Commission. This fund accounts for the provision of community services and support for eligible adults and children with intellectual and developmental disabilities and their families in Bexar County.

The *Alamo Area Agency on Aging Fund* is used to account for certain grants awarded by the Texas Health and Human Services Commission.

During the course of operations, the Council 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 the fund financial statements, eliminations are made in the preparation of the government-wide financial statements.

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, eliminations are made in the preparation of the government-wide financial statements.

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, the Council 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. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgements, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Charges for services and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants 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 grant 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 the Council.

Use of Estimates

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

Cash and Investments

Cash in the Council's financial statements include cash on hand, demand deposits, and short-term investments. Investments for the Council are reported at fair value (generally based on quoted market prices).

Accounts Receivable - Grantors

This represents amounts due from federal and state grantor agencies for various programs administered by the Council. The receivables include amounts due on programs closed-out and those in progress as of December 31, 2018.

Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are, for the most part, eliminated from the government-wide Statement of Net Position and are classified as "due from other funds" or "due to other funds" in the fund financial statements. There are also transactions between the primary government and the discretely presented component unit; these are classified as due from component unit and due to primary government.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property and equipment, are included in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The cost of normal maintenance and repairs do not add to the value of the asset or materially extend the asset's life is not capitalized. Land is not depreciated. The other capital asset classes are depreciated using the straight-line method over the following estimated useful lives:

| <u>Capital asset classes</u> | <u>Useful life (years)</u> |
|------------------------------|----------------------------|
| Equipment | 3 |
| Furniture and fixtures | 7 - 10 |
| Software | 5 |
| Vehicles | 5 - 10 |
| Buildings and improvements | 3.5 - 25 |

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. The Council has the following items that qualify for reporting in this category.

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in economic and demographic assumptions or other inputs included in determining the pension asset – These effects on the total pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

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. The Council has the following items that qualify for reporting in this category.

- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

Unearned Revenue

Unearned revenue primarily consists of amounts received from grantors in excess of expenditures for programs in progress as of December 31, 2018.

Compensated Absences

All full-time employees are eligible to accrue Paid Time Off (PTO). Part-time and temporary employees do not earn PTO. Earned but unused PTO can be carried over to the next fiscal year. Employees may accumulate a maximum of 240 hours. Any PTO balance in excess of the maximum is reduced to the maximum without compensation. Pay in lieu of PTO is not permitted other than upon separation. Regular full-time employees earn PTO based on actual hours worked as follows:

| <u>Years of Employment</u> | <u>PTO Accrual</u> |
|----------------------------|--------------------|
| 1-2 years | 10 days |
| 2-5 years | 15 days |
| 5-7 years | 20 days |
| 7-10 years | 22 days |
| 10+ years | 25 days |

The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Flow Assumption

Sometimes the Council will fund outlays for a particular purpose from both restricted (e.g., restricted 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 the Council's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Council 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 the Council'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.

Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Council's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Council 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 the Council for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors has by resolution authorized the Chief Financial Officer to assign fund balance. 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.

Amounts in unassigned fund balance are available for any purpose. Positive amounts are reported only in the General Fund.

Intergovernmental Revenues

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods. Deferred inflows of resources will arise when potential revenue does not meet the "available" criteria for revenue recognition in the current period. Unearned revenue arises when resources are received by the Council before it has a legal claim to them, as when grant money is received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Council has a legal claim to the resources, the liability for the unearned revenue or the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Matching Funds

Contributions to grant programs from local governments and other participants are recognized as revenue when grant expenditures are incurred in the case of cost reimbursement grants, and when courses are completed in the case of Regional Police Academy tuition.

Member Government Dues

All member governments are required to pay dues to the Council. Dues are determined annually and are recognized as revenues when assessed because they are measurable and are collectible within the current period. Dues are reported in the General Fund and funds are transferred to Special Revenue Fund as needed to meet matching requirements for grants.

Indirect Costs and Fringe Benefit and Leave Pool Allocations

General administrative and employee fringe benefits costs are recorded in cost pools. The costs are recovered from Special Revenue Funds based on indirect and fringe benefit rates. Indirect costs are defined by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* as costs “(a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved.” The Council uses a fixed-rate plus carry-forward provision. The rates are based on projected costs submitted on a Cost Allocation Plan. The rates are used for billing purposes. Final costs not recovered by the billing rates are allowed by granting agencies to be recovered in succeeding years.

In the statement of activities, indirect expenses are allocated amongst functions using the methods described above. Indirect and direct expenses are presented as separate columns to enhance comparability to governments that do not allocate indirect expenses to other functions.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Council’s financial plan is controlled at the fund and grant level with management authorized to make transfers of budgeted amounts between object class levels within a fund or grant, within restrictions imposed by grantor agencies. The Board approves the financial plan for revenue and expenditures in all funds. The financial plan for the Special Revenue Funds is made on a project (grant) basis, spanning more than one year. Appropriations for all projects in the Special Revenue Funds lapse at the end of a contract period which may not coincide with the fiscal year-end of the Council. Accordingly, comparative budget and actual results are not presented in this report.

Deficit Fund Balance

The Texas Department of Housing and Community Affairs fund had a deficit fund balance of \$2,779 for the year ended December 31, 2018. If funding from outside sources does not become available to cover the deficit fund balance, the Council plans to transfer funds to cover the deficit.

3. CASH AND INVESTMENTS

Custodial Credit Risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government Securities or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of December 31, 2018, the Council's deposit value was fully collateralized with securities held by the pledging financial institutions.

At December 31, 2018, the Council did not have any financial instruments that would be classified as an investment. Cash and cash equivalents at December 31, 2018 consist of the following which are reported in assets in the accompanying financial statements:

| | | |
|-------------------------|----|-------------------------|
| Demand deposits | \$ | 1,114,385 |
| Money market accounts | | 1,108,266 |
| Certificates of deposit | | <u>4,083,836</u> |
| Total | \$ | <u><u>6,306,487</u></u> |

The Public Funds Investment Act (Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Council to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the Council to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings account, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the Council to have independent auditors perform test procedures related to investment practices by the Act. The Council is in substantial compliance with the requirements of the Act and with local policies.

Interest Rate Risk. In accordance with its investment policy, the Council manages its exposure to declines in fair value by limiting the Council's participation in investment pools to those with investment portfolios showing a dollar-weighted average stated maturity of 90 days or fewer.

Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. It is the Council’s policy to limit its investments in obligations of other states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm to not less than “A” or its equivalent. Further, for an investment pool to be eligible for consideration, the Council’s investment policy requires an investment pool to be continuously rated no lower than AAA or AAA- or at an equivalent rating by at least one nationally recognized rating service.

Concentration of Credit Risk. The Council’s investment policy states that investments shall be diversified to reduce the risk of loss resulting from over concentration of investments in a specific maturity, a specific issue, or a specific class of securities.

4. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2018, was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|---------------------|-------------------|----------------------|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 127,000 | \$ - | \$ - | \$ 127,000 |
| Capital assets, being depreciated | | | | |
| Equipment | 4,093,795 | 70,451 | - | 4,164,246 |
| Furniture and fixtures | 154,890 | - | - | 154,890 |
| Software | 1,168,059 | 452,512 | - | 1,620,571 |
| Vehicles | 5,898,457 | 1,354,533 | (528,094) | 6,724,896 |
| Buildings and improvements | 2,290,040 | - | - | 2,290,040 |
| | <u>13,605,241</u> | <u>1,877,496</u> | <u>(528,094)</u> | <u>14,954,643</u> |
| Less accumulated depreciation | | | | |
| Equipment | (3,302,300) | (196,836) | - | (3,499,136) |
| Furniture and fixtures | (150,565) | (1,082) | - | (151,647) |
| Software | (1,054,359) | (87,017) | - | (1,141,376) |
| Vehicles | (5,169,661) | (350,239) | 528,094 | (4,991,806) |
| Building and improvements | (896,468) | (168,810) | - | (1,065,278) |
| Total accumulated depreciation | <u>(10,573,353)</u> | <u>(803,984)</u> | <u>528,094</u> | <u>(10,849,243)</u> |
| Total capital assets being depreciated, net | <u>3,031,888</u> | <u>1,073,512</u> | <u>-</u> | <u>4,105,400</u> |
| Governmental activities capital assets, net | <u>\$ 3,158,888</u> | <u>\$ 1,073,512</u> | <u>\$ -</u> | <u>\$ 4,232,400</u> |

Depreciation expense was charged to functions/programs of the Council as follows:

| | | |
|--|----|----------------|
| Governmental activities: | | |
| General government | \$ | 50,598 |
| Aging | | 1,312 |
| Emergency communications | | 4,796 |
| Environmental quality | | 14,575 |
| Community affairs | | 17,491 |
| Transportation | | 403,773 |
| Criminal justice | | 297,917 |
| Health & Welfare | | <u>13,522</u> |
| Total depreciation expense - governmental activities | \$ | <u>803,984</u> |

5. INTERFUND BALANCES AND TRANSFERS

The Council pools cash in one bank account, which is accounted for in the General Fund. All expenditures are paid out of this cash account, and appropriate interfund balances are recorded to reflect this activity.

The composition of interfund balances as of December 31, 2018 is as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------------|----------------------------|---------------------|
| General | Bexar Area Agency on Aging | \$ 159,686 |
| Nonmajor governmental | TxDOT | 584,045 |
| General | IDDS | 534,296 |
| General | Alamo Area Agency on Aging | 242,694 |
| General | Nonmajor governmental | 287,998 |
| Nonmajor governmental | Nonmajor governmental | <u>496,760</u> |
| Total | | \$ <u>2,305,479</u> |

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Internal transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund reimbursed. All other interfund transactions are recorded as transfers.

The following is a summary of interfund transfers for the year ended December 31, 2018:

| Transfer In | Transfer Out | Amount |
|----------------------------|-----------------------|-------------------|
| Fund | | |
| Bexar Area Agency on Aging | General | \$ 135,272 |
| Nonmajor governmental | TxDOT | 4,686 |
| Alamo Area Agency on Aging | General | 60,440 |
| Nonmajor governmental | Nonmajor governmental | 595 |
| Nonmajor governmental | General | 123,295 |
| Total | | <u>\$ 324,288</u> |

Amounts transferred between funds relate to matching requirements for grants.

6. UNAVAILABLE AND UNEARNED REVENUE

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, there were no deferred inflows of resources reported in the governmental funds related to unavailable revenues. Governmental funds also report unearned revenues in connection with resources that have been received but not yet earned. For the Council, these balances typically consist of grant funding received in advance of eligible grant expenditures.

7. SHORT-TERM DEBT

On June 1, 2018, the Council issued Promissory Note, 2018 in the amount of \$1,274,000. The note was issued with an interest rate of 3.40% with a maturity date of July 11, 2018. The note was issued by the Council to finance the purchase of new buses in relation to newly acquired grant funding through the Texas Department of Transportation.

The schedule below summarizes the Council's short-term debt obligations during the year ended December 31, 2018:

| | Original Issue Year | Interest Rate | Beginning Balance | Issues | Redemptions | Ending Balance |
|---|------------------------|------------------|----------------------|---------------------|---------------------|-------------------|
| Governmental Activities: | | | | | | |
| Promissory Note, 2018 | 2018 | 3.40% | \$ - | \$ 1,274,000 | \$ 1,274,000 | \$ - |
| Governmental activities short-term liabilities | | | <u>\$ -</u> | <u>\$ 1,274,000</u> | <u>\$ 1,274,000</u> | <u>\$ -</u> |

8. LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2018 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------|----------------------|-------------------|-------------------|-------------------|------------------------|
| Governmental activities: | | | | | |
| Compensated absences | \$ 353,771 | \$ 792,821 | \$ 673,131 | \$ 473,461 | \$ 118,365 |
| Total | <u>\$ 353,771</u> | <u>\$ 792,821</u> | <u>\$ 673,131</u> | <u>\$ 473,461</u> | <u>\$ 118,365</u> |

Typically, compensated absences liabilities are liquidated based on the assignment of an employee within a fund.

9. COMMITMENTS AND CONTINGENCIES

Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council maintains workers' compensation and other risks of loss coverage through commercial insurance carriers. The Council's management believes such coverage is sufficient to preclude any significant uninsured loss to the Council. There were no significant reductions in insurance coverage from covered in the prior year. There were no insurance settlements that exceeded insurance coverage in any of the past three years.

Contingencies

The Council contracts with local agencies to perform the specific services set forth in certain grant agreements. The Council disburses grant funds to the agencies based on expenditure reports received from each agency.

Agencies expending \$750,000 or more in Council grant funds are required to have an independent audit each year. Copies of such audits are required to be submitted to the Council. If such audits disclose expenditures not in accordance with terms of the grants, the grantor agency could disallow the costs and require reimbursements of the disallowed costs either from the Council or the subcontractor. The Council generally has the right of recovery from the subcontracted agencies.

Litigation

The Council is periodically involved in legal proceedings arising from providing various services. As of December 31, 2018, none of these proceedings have been determined to result in probable loss to the Council. Accordingly, no related loss contingencies have been recorded in the accompanying financial statements.

Operating Lease

The Council leases office space in San Antonio, Texas under an agreement classified as an operating lease. Rent expenditures totaled \$906,313 for the year ended December 31, 2018. Future minimum lease payments under this agreement are as follows:

| <u>Year Ending December 31,</u> | |
|---------------------------------|---------------------|
| 2019 | \$ 872,715 |
| 2020 | <u>952,053</u> |
| Total | <u>\$ 1,824,768</u> |

10. DEFINED BENEFIT PENSION PLAN

Plan Description

The Council participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

Benefits Provided

TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after ten years of service and may request up to 100% of their personal contribution as a lump sum withdrawal at retirement therefore leaving the AACOG match to fund their monthly pension. Unvested members are only eligible to withdraw their account balance and will not benefit from the AACOG match.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 84 |
| Inactive employees entitled to but not yet receiving benefits | 370 |
| Active employees | <u>294</u> |
| Total | <u><u>748</u></u> |

Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the Council were required to contribute 6% of their annual gross earnings during the fiscal year. The required contribution rates for the Council were 8% in calendar years 2017 and 2018. The Council's contributions to TCDRS for the year ended December 31, 2018 were \$989,326, which exceeded the required contribution.

Net Pension Liability (Asset)

The Council's Net Pension Liability (Asset) was measured as of December 31, 2017, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|--|
| Inflation | 2.75% per year |
| Overall payroll growth | 2.0% per year |
| Investment rate of return | 8.0%, net of administrative and investment expenses, including inflation |

The Council has no automatic cost-of-living adjustments ("COLA") and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the Council may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

| | |
|--|--|
| Depositing members | 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014. |
| Service retirees, beneficiaries and non-depositing members | 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. |
| Disabled retirees | 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014 |

The actuarial assumptions that determined the total pension liability (asset) as of December 31, 2017, were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except for mortality assumptions. Mortality assumptions were updated for the 2017 valuation to reflect projected improvements.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2018 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

| Asset Class | Benchmark | Target Allocation ⁽¹⁾ | Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾ |
|--|---|---|--|
| US Equities | Dow Jones U.S. Total Stock Market Index | 11.50% | 4.55% |
| Private Equity | Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾ | 16.00% | 7.55% |
| Global Equities | MSCI World (net) Index | 1.50% | 4.85% |
| International Equities - Developed Markets | MSCI World Ex USA (net) Index | 11.00% | 4.55% |
| International Equities - Emerging Markets | MSCI EM (net) Index | 8.00% | 5.55% |
| Investment-Grade Bonds | Bloomberg Barclays U.S. Aggregate Bond Index | 3.00% | 0.75% |
| Strategic Credit | FTSE High-Yield Cash-Pay Capped Index | 8.00% | 4.12% |
| Direct Lending | S&P/LSTA Leveraged Loan Index | 10.00% | 8.06% |
| Distressed Debt | Cambridge Associates Distressed Securities Index ⁽⁴⁾ | 2.00% | 6.30% |
| REIT Equities | 67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index | 2.00% | 4.05% |
| Master Limited Partnerships (MLPs) | Alerian MLP Index | 3.00% | 6.00% |
| Private Real Estate Partnerships | Cambridge Associates Real Estate Index ⁽⁵⁾ | 6.00% | 6.25% |
| Hedge Funds | Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index | 18.00% | 4.10% |

⁽¹⁾ Target asset allocation adopted at the April 2018 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.95%, per Cliffwater's 2018 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|--|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| | (a) | (b) | (a) - (b) |
| Balance at 12/31/2016 | \$ 26,917,422 | \$ 26,541,704 | \$ 375,718 |
| Changes for the year: | | | |
| Service cost | 1,462,580 | - | 1,462,580 |
| Interest on total pension liability ⁽¹⁾ | 2,244,632 | - | 2,244,632 |
| Effect of plan changes ⁽²⁾ | 151,525 | - | 151,525 |
| Effect of economic/demographic gains or losses | 244,364 | - | 244,364 |
| Effect of assumptions changes or inputs | 292,223 | - | 292,223 |
| Refund of contributions | (262,661) | (262,661) | - |
| Benefit payments | (1,100,887) | (1,100,887) | - |
| Administrative expenses | - | (20,568) | 20,568 |
| Member contributions | - | 754,434 | (754,434) |
| Net investment income | - | 3,882,475 | (3,882,475) |
| Employer contributions | - | 1,125,912 | (1,125,912) |
| Other ⁽³⁾ | - | 6,733 | (6,733) |
| Balance at 12/31/2017 | <u>\$ 29,949,198</u> | <u>\$ 30,927,142</u> | <u>\$ (977,944)</u> |

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Reflects plan changes adopted effective in 2018.

⁽³⁾ Relates to allocation of system-wide items.

Typically, the net pension liability for governmental activities is liquidated based on the assignment of an employee within a fund.

Sensitivity Analysis

The following presents the net pension asset of the Council, calculated using the discount rate of 8.1%, as well as what the Council's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------------|---------------------|--------------------------|------------------------|
| | 7.1% | 8.1% | 9.1% |
| Total pension liability | \$ 33,855,711 | \$ 29,949,198 | \$ 26,702,656 |
| Fiduciary net position | <u>30,927,142</u> | <u>30,927,142</u> | <u>30,927,142</u> |
| Net pension liability/(asset) | <u>\$ 2,928,569</u> | <u>\$ (977,944)</u> | <u>\$ (4,224,486)</u> |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained on the internet at www.tcdrs.org.

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

For the year ended December 31, 2018, the Council recognized pension expense of \$813,933.

At December 31, 2018, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Inflows of Resources | Deferred Outflows of Resources |
|---|-------------------------------------|--------------------------------------|
| Differences between expected and actual economic experience | \$ 378,029 | \$ - |
| Changes in actuarial assumptions | - | 301,606 |
| Difference between projected and actual investment earnings | 213,185 | - |
| Contributions subsequent to the measurement date | - | 989,326 |
| Total | <u>\$ 591,214</u> | <u>\$ 1,290,932</u> |

\$989,326 reported as deferred outflows of resources related to pensions resulted from contributions subsequent to the measurement date and will be recognized as an addition to the net pension asset in the year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31, | | |
|----------------------------|----|----------|
| 2019 | \$ | 63,705 |
| 2020 | | 159,112 |
| 2021 | (| 169,900) |
| 2022 | (| 342,525) |

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**Required Supplementary
Information**

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ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

PLAN YEAR ENDED DECEMBER 31ST

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-----------------------------|--------------------------|----------------------------|--------------------------|
| Total Pension Liability | | | | |
| Service Cost | \$ 1,462,580 | \$ 1,573,957 | \$ 1,383,125 | \$ 1,428,588 |
| Interest total pension liability | 2,244,632 | 2,045,000 | 1,931,965 | 1,813,929 |
| Effect of plan changes | 151,525 | - | (236,658) | - |
| Effect of assumption changes or inputs | 292,223 | - | 329,757 | - |
| Effect of economic/demographic (gains) or losses | 244,364 | (620,447) | (1,004,313) | (792,235) |
| Benefit payments/refunds of contributions | <u>(1,363,548)</u> | <u>(1,091,432)</u> | <u>(1,022,508)</u> | <u>(1,010,526)</u> |
| Net change in total pension liability | 3,031,776 | 1,907,078 | 1,381,368 | 1,439,756 |
| Total pension liability - beginning | <u>26,917,422</u> | <u>25,010,345</u> | <u>23,628,977</u> | <u>22,189,221</u> |
| Total pension liability - ending (a) | \$ <u>29,949,198</u> | \$ <u>26,917,423</u> | \$ <u>25,010,345</u> | \$ <u>23,628,977</u> |
| Plan Fiduciary Net Position | | | | |
| Employer contributions | \$ 1,125,912 | \$ 993,791 | \$ 1,176,341 | \$ 999,897 |
| Member contributions | 754,434 | 745,343 | 732,256 | 730,043 |
| Investment income net of investment expenses | 3,882,475 | 1,779,491 | (463,983) | 1,410,886 |
| Benefit payments, including refunds of contributions | <u>(1,363,548)</u> | <u>(1,091,431)</u> | <u>(1,022,508)</u> | <u>(1,010,526)</u> |
| Administrative expenses | <u>(20,568)</u> | <u>(19,341)</u> | <u>(17,140)</u> | <u>(17,336)</u> |
| Other | <u>6,733</u> | <u>191,638</u> | <u>37,139</u> | <u>12,720</u> |
| Net change in plan fiduciary net position | 4,385,438 | 2,599,491 | 442,105 | 2,125,684 |
| Plan fiduciary net position - beginning | <u>26,541,704</u> | <u>23,942,215</u> | <u>23,500,110</u> | <u>21,374,426</u> |
| Plan fiduciary net position - ending (b) | \$ <u>30,927,142</u> | \$ <u>26,541,706</u> | \$ <u>23,942,215</u> | \$ <u>23,500,110</u> |
| Net pension liability/(asset) - ending (a) - (b) | \$ <u><u>(977,944)</u></u> | \$ <u><u>375,717</u></u> | \$ <u><u>1,068,130</u></u> | \$ <u><u>128,867</u></u> |
| Fiduciary net position as a percentage of total pension liability | 103.3% | 98.6% | 95.7% | 99.5% |
| Pensionable covered payroll | \$ 12,458,425 | \$ 12,431,363 | \$ 12,204,268 | \$ 11,561,208 |
| Net pension liability/(asset) as a percentage of covered payroll | -7.8% | 3.0% | 8.8% | 1.1% |

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. Additional years will be added in the future as the information becomes available.

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYER CONTRIBUTIONS -
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

| Fiscal Year Ended December 31 | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Pensionable Covered Payroll (1) | Actual Contribution as a % of Covered Payroll |
|--|--|---|---|--|--|
| 2009 | \$ 720,071 | \$ 720,071 | \$ - | \$ 8,933,889 | 8.1% |
| 2010 | 929,042 | 1,004,042 | (75,000) | 10,981,582 | 9.1% |
| 2011 | 984,997 | 1,034,997 | (50,000) | 11,698,302 | 8.8% |
| 2012 | 940,304 | 990,304 | (50,000) | 11,709,893 | 8.5% |
| 2013 | 946,392 | 1,111,392 | (165,000) | 11,712,772 | 9.5% |
| 2014 | 919,116 | 999,897 | (80,781) | 11,561,208 | 8.6% |
| 2015 | 892,132 | 1,176,341 | (284,209) | 12,204,268 | 9.6% |
| 2016 | 804,309 | 993,791 | (189,482) | 12,431,363 | 8.0% |
| 2017 | 788,618 | 1,125,912 | (337,294) | 12,458,425 | 9.0% |
| 2018 | 754,361 | 989,326 | (234,965) | 12,366,577 | 8.0% |

(1) Payroll is calculated based on contributions as reported to TCDRS.

ALAMO AREA COUNCIL OF GOVERNMENTS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2018

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

Methods and assumptions used to determine contribution rates

| | |
|---|--|
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level percentage of payroll, closed |
| Remaining Amortization Period | 1.8 years (based on contribution rate calculated in 12/31/2017 valuation) |
| Asset Valuation Method | 5-year smoothed market |
| Inflation | 2.75% |
| Salary Increases | Varies by age and service. 4.9% average over career including inflation. |
| Investment Rate of Return | 8.00%, net of investment expenses, including inflation |
| Retirement Age | Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61. |
| Mortality | 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% for the MP-2014 Ultimate scale after 2014. |
| Changes in Assumptions and Methods Reflected in this Schedule* | 2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. |
| Changes in Plan Provisions Reflected in the Schedule* | 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. |

**Only changes effective 2015 and later are shown in the Notes to the Schedule of Employer Contributions.*

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**Supplementary
Information**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Texas Commission on Environmental Quality – This fund is used to account for grants awarded by the Texas Commission on Environmental Quality.

VIA Metropolitan Transit – This fund is used to account for grants awarded by the VIA Metropolitan Transit.

Veterans Assistance – This fund is used to account for grants awarded by the Texas Veterans Commission and the Department of Veterans Affairs.

Economic Development Administration – This fund is used to account for grants awarded by the Economic Development Administration.

Metropolitan Planning Organization – This fund is used to account for grants awarded by the Metropolitan Planning Organization.

Texas Department of Agriculture – This fund is used to account for grants awarded by the Texas Department of Agriculture.

U.S. Department of Homeland Security – This fund is used to account for grants awarded by the U.S. Department of Homeland Security.

Capital Area Council of Governments – This fund is used to account for grants awarded by the Capital Area Council of Governments.

Texas Department of Housing and Community Affairs – This fund is used to account for grants awarded by the Texas Department of Housing and Community Affairs.

Commission on State Emergency Communications – This fund is used to account for grants awarded by the Commission on State Emergency Communications.

Office of the Governor – This fund is used to account for grants awarded by the Office of the Governor.

City of San Antonio – This fund is used to account for grants awarded by the City of San Antonio.

Local Projects – This fund is used to account for projects funded by local donations.

Department of Defense – This fund is used to account for grants awarded by the Department of Defense.

Corporation for National and Community Service – This fund is used to account for grants awarded by the Corporation for National and Community Service.

National Council on Aging – This fund is used to account for grants awarded by the National Council on Aging.

Texas Workforce Commission – This fund is used to account for grants awarded by the Texas Workforce Commission.

ALAMO AREA COUNCIL OF GOVERNMENTS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2018

| | Special Revenue Funds | | | |
|---------------------------------------|--|--------------------------------|------------------------|---|
| | Texas Commission on Environmental Quality | VIA Metropolitan Transit | Veterans Assistance | Economic Development Administration |
| ASSETS | | | | |
| Cash and investments | \$ 93,956 | \$ - | \$ 130,684 | \$ - |
| Accounts receivable: | | | | |
| Grantors | 5,460 | 572,244 | 562,834 | 28,350 |
| Due from other funds | 341,559 | - | 192,218 | - |
| Deposits | - | - | - | - |
| Prepaid items | - | - | - | - |
| Total assets | \$ 440,975 | \$ 572,244 | \$ 885,736 | \$ 28,350 |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 33,349 | \$ 35,035 | \$ 504,801 | \$ 2,199 |
| Due to other funds | - | 537,130 | - | 5,061 |
| Unearned revenue | 407,106 | 79 | 86,597 | 14,507 |
| Total liabilities | 440,455 | 572,244 | 591,398 | 21,767 |
| Fund balance: | | | | |
| Nonspendable: | | | | |
| Prepaid items | - | - | - | - |
| Restricted: | | | | |
| Grants | 520 | - | 294,338 | 6,583 |
| Unassigned | - | - | - | - |
| Total fund balance | 520 | - | 294,338 | 6,583 |
| Total liabilities and fund balance | \$ 440,975 | \$ 572,244 | \$ 885,736 | \$ 28,350 |

Special Revenue Funds

| Metropolitan Planning Organization | Texas Department of Agriculture | U. S. Department of Homeland Security | Capital Area Council of Governments | Texas Department Of Housing and Community Affairs |
|--|--|--|---|--|
| \$ - | \$ - | \$ - | \$ - | \$ 40,932 |
| 9,794 | - | 29,687 | - | 190,373 |
| - | - | 16,762 | 20,625 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 9,794</u> | <u>\$ -</u> | <u>\$ 46,449</u> | <u>\$ 20,625</u> | <u>\$ 231,305</u> |
| | | | | |
| \$ - | \$ - | \$ 290 | \$ - | \$ 160,038 |
| 9,794 | - | - | - | 74,046 |
| - | - | - | 1,802 | - |
| <u>9,794</u> | <u>-</u> | <u>290</u> | <u>1,802</u> | <u>234,084</u> |
| | | | | |
| - | - | - | - | - |
| - | - | 46,159 | 18,823 | - |
| - | - | - | - | (2,779) |
| <u>-</u> | <u>-</u> | <u>46,159</u> | <u>18,823</u> | <u>(2,779)</u> |
| <u>\$ 9,794</u> | <u>\$ -</u> | <u>\$ 46,449</u> | <u>\$ 20,625</u> | <u>\$ 231,305</u> |

ALAMO AREA COUNCIL OF GOVERNMENTS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

DECEMBER 31, 2018

| | Special Revenue Funds | | | |
|---------------------------------------|--|---------------------------|------------------------|-------------------|
| | Commission on State Emergency Communications | Office of the Governor | City of San Antonio | Local Projects |
| ASSETS | | | | |
| Cash and investments | \$ 188,407 | \$ 131,003 | \$ - | \$ - |
| Accounts receivable: | | | | |
| Grantors | 45,312 | 70,030 | - | 76,449 |
| Due from other funds | 168,606 | 20,497 | 62 | 260,476 |
| Deposits | - | 13,904 | - | - |
| Prepaid items | - | 11,249 | - | - |
| Total assets | \$ 402,325 | \$ 246,683 | \$ 62 | \$ 336,925 |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 72,890 | \$ 23,691 | \$ 6 | \$ 10,539 |
| Due to other funds | - | - | - | - |
| Unearned revenue | 329,435 | - | 56 | 17,772 |
| Total liabilities | 402,325 | 23,691 | 62 | 28,311 |
| Fund balance: | | | | |
| Nonspendable: | | | | |
| Prepaid items | - | 11,249 | - | - |
| Restricted: | | | | |
| Grants | - | 211,743 | - | 308,614 |
| Unassigned | - | - | - | - |
| Total fund balance | - | 222,992 | - | 308,614 |
| Total liabilities and fund balance | \$ 402,325 | \$ 246,683 | \$ 62 | \$ 336,925 |

Special Revenue Funds

| Department of Defense | Corporation for National and Community Service | National Council on Aging | Texas Workforce Commission | Totals |
|--------------------------|---|---------------------------------|----------------------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 584,982 |
| 109,846 | 8,727 | - | 83,073 | 1,792,179 |
| - | - | 60,000 | - | 1,080,805 |
| - | - | - | - | 13,904 |
| - | - | - | - | 11,249 |
| <u>\$ 109,846</u> | <u>\$ 8,727</u> | <u>\$ 60,000</u> | <u>\$ 83,073</u> | <u>\$ 3,483,119</u> |
| | | | | |
| \$ 3,448 | \$ 160 | \$ - | \$ 39,311 | \$ 885,757 |
| 106,398 | 8,567 | - | 43,762 | 784,758 |
| - | - | 60,000 | - | 917,354 |
| <u>109,846</u> | <u>8,727</u> | <u>60,000</u> | <u>83,073</u> | <u>2,587,869</u> |
| | | | | |
| - | - | - | - | 11,249 |
| - | - | - | - | 886,780 |
| - | - | - | - | (2,779) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>895,250</u> |
| | | | | |
| <u>\$ 109,846</u> | <u>\$ 8,727</u> | <u>\$ 60,000</u> | <u>\$ 83,073</u> | <u>\$ 3,483,119</u> |

ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Special Revenue Funds | | | |
|--|--|--------------------------------|------------------------|---|
| | Texas Commission on Environmental Quality | VIA Metropolitan Transit | Veterans Assistance | Economic Development Administration |
| REVENUES | | | | |
| Intergovernmental | \$ 585,987 | \$ 331,891 | \$ 2,253,738 | \$ 109,017 |
| Matching funds | - | - | - | - |
| Local | - | - | 225,876 | 6,365 |
| Program income | - | - | - | - |
| Investment income | 86 | - | 388 | - |
| Total revenues | <u>586,073</u> | <u>331,891</u> | <u>2,480,002</u> | <u>115,382</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Workforce development | - | - | 2,121,522 | - |
| Aging | - | - | - | - |
| Emergency communications | - | - | - | - |
| Economic development | - | - | - | 133,490 |
| Environmental quality | 589,782 | - | - | - |
| Community affairs | - | - | - | - |
| Homeland security | - | - | - | - |
| Transportation | - | 437,232 | 239,315 | - |
| Criminal justice | - | - | - | - |
| Total expenditures | <u>589,782</u> | <u>437,232</u> | <u>2,360,837</u> | <u>133,490</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(3,709)</u> | <u>(105,341)</u> | <u>119,165</u> | <u>(18,108)</u> |
| OTHER FINANCING SOURCES AND USES | | | | |
| Transfers in | 3,774 | 105,341 | 912 | 17,909 |
| Transfers out | - | - | (178) | - |
| Total other financing sources and uses | <u>3,774</u> | <u>105,341</u> | <u>734</u> | <u>17,909</u> |
| NET CHANGE IN FUND BALANCES | 65 | - | 119,899 | (199) |
| FUND BALANCES, BEGINNING | <u>455</u> | <u>-</u> | <u>174,439</u> | <u>6,782</u> |
| FUND BALANCES, ENDING | <u>\$ 520</u> | <u>\$ -</u> | <u>\$ 294,338</u> | <u>\$ 6,583</u> |

Special Revenue Funds

| Metropolitan Planning Organization | Texas Department of Agriculture | U. S. Department of Homeland Security | Capital Area Council of Governments | Texas Department of Housing and Community Affairs |
|--|--|--|---|--|
| \$ 10,551 | \$ 6,051 | \$ 304,747 | \$ - | \$ 2,466,368 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 27 |
| <u>10,551</u> | <u>6,051</u> | <u>304,747</u> | <u>-</u> | <u>2,466,395</u> |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 6,051 | - | 5 | 2,471,807 |
| - | - | 288,995 | - | - |
| 10,551 | - | - | - | - |
| - | - | - | - | - |
| <u>10,551</u> | <u>6,051</u> | <u>288,995</u> | <u>5</u> | <u>2,471,807</u> |
| - | - | 15,752 | (5) | (5,412) |
| 45 | - | - | - | 417 |
| - | - | - | - | - |
| <u>45</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>417</u> |
| 45 | - | 15,752 | (5) | (4,995) |
| (45) | - | 30,407 | 18,828 | 2,216 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 46,159</u> | <u>\$ 18,823</u> | <u>\$ (2,779)</u> |

ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Special Revenue Funds | | | |
|--|--|---------------------------|------------------------|-------------------|
| | Commission on State Emergency Communications | Office of the Governor | City of San Antonio | Local Projects |
| REVENUES | | | | |
| Intergovernmental | \$ 1,413,558 | \$ 906,712 | \$ - | \$ 29,946 |
| Matching funds | - | - | - | - |
| Local | - | - | - | 183,905 |
| Program income | - | 423,974 | - | - |
| Investment income | 107 | 389 | - | - |
| Total revenues | <u>1,413,665</u> | <u>1,331,075</u> | <u>-</u> | <u>213,851</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Workforce development | - | - | - | - |
| Aging | - | - | - | 20,707 |
| Emergency communications | 1,413,665 | - | - | - |
| Economic development | - | 116,882 | - | - |
| Environmental quality | - | - | - | 140,767 |
| Community affairs | - | - | - | 36,894 |
| Homeland security | - | - | - | - |
| Transportation | - | - | - | - |
| Criminal justice | - | 1,219,072 | - | 30,429 |
| Total expenditures | <u>1,413,665</u> | <u>1,335,954</u> | <u>-</u> | <u>228,797</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>(4,879)</u> | <u>-</u> | <u>(14,946)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | (417) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(417)</u> |
| NET CHANGE IN FUND BALANCES | - | (4,879) | - | (15,363) |
| FUND BALANCES, BEGINNING | <u>-</u> | <u>227,871</u> | <u>-</u> | <u>323,977</u> |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ 222,992</u> | <u>\$ -</u> | <u>\$ 308,614</u> |

Special Revenue Funds

| Department of Defense | Corporation for National and Community Service | National Council on Aging | Texas Workforce Commission | Totals |
|--------------------------|---|---------------------------------|----------------------------------|-------------------|
| \$ 314,749 | \$ 8,727 | \$ - | \$ 331,185 | \$ 9,073,227 |
| 84,635 | - | - | - | 84,635 |
| - | - | - | - | 416,146 |
| - | - | - | - | 423,974 |
| - | - | - | - | 997 |
| <u>399,384</u> | <u>8,727</u> | <u>-</u> | <u>331,185</u> | <u>9,998,979</u> |
| - | - | - | 331,185 | 2,452,707 |
| - | 8,905 | - | - | 29,612 |
| - | - | - | - | 1,413,665 |
| 399,384 | - | - | - | 649,756 |
| - | - | - | - | 730,549 |
| - | - | - | - | 2,514,757 |
| - | - | - | - | 288,995 |
| - | - | - | - | 687,098 |
| - | - | - | - | 1,249,501 |
| <u>399,384</u> | <u>8,905</u> | <u>-</u> | <u>331,185</u> | <u>10,016,640</u> |
| <u>-</u> | <u>(178)</u> | <u>-</u> | <u>-</u> | <u>(17,661)</u> |
| - | 178 | - | - | 128,576 |
| - | - | - | - | (595) |
| - | 178 | - | - | 127,981 |
| - | - | - | - | 110,320 |
| - | - | - | - | 784,930 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 895,250</u> |

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Other Supplementary Information

Intellectual and Developmental Disabilities Services Schedules (Unaudited)

This section of the comprehensive annual financial report contains other supplementary schedules required of Intellectual and Developmental Disabilities (IDD) authorities in the State of Texas. IDD authorities report to granting agencies on a 12-month grant period that ends on August 31st. Accordingly, these schedules have been prepared in a manner that facilitates reconciliation to a 12-month period ending August 31st.

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF INDIRECT COSTS

FOR THE YEAR ENDED DECEMBER 31, 2018

| | |
|--|----------------------------|
| Personnel services | \$ 1,662,604 |
| Employee benefits | 510,429 |
| Other contract services | 631,369 |
| Rent | 910,078 |
| Equipment rental | 188,782 |
| Communications | 152,761 |
| Equipment | 52,946 |
| Depreciation | 79,542 |
| Repairs and maintenance | 90,053 |
| Meetings | 37,173 |
| Professional dues | 39,328 |
| Postage | 36,633 |
| Supplies | 40,996 |
| Travel | 32,430 |
| Insurance and bonding | 23,746 |
| Printing and reproduction | 17,253 |
| Training in region | 16,419 |
| Public notices | 3,067 |
| Publications | 1,450 |
| Tuition staff | 5,053 |
| Fuel/oil | 1,654 |
| Auto operating | <u>117</u> |
| Total indirect costs | 4,533,883 |
| Less: administration cost received (rent, communications, postage, copies directly charged to program) | <u>(1,798,028)</u> |
| NET INDIRECT COSTS | 2,735,855 |
| ACTUAL INDIRECT COSTS RECOVERED | <u>(2,769,171)</u> |
| OVER-RECOVERY OF INDIRECT COSTS CARRIED FORWARD FROM PRIOR YEAR | <u>(93,335)</u> |
| ACCUMULATED COST OVER-RECOVERY | <u><u>\$(126,651)</u></u> |

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS (FRINGE AND RELEASE TIME)
FOR THE YEAR ENDED DECEMBER 31, 2018

| | |
|---|-----------------------------|
| Benefits: | |
| FICA | \$ 954,670 |
| Health insurance | 1,597,892 |
| Retirement | 1,001,750 |
| Release time | 1,306,961 |
| Other insurance | 173,622 |
| Workers' compensation | <u>91,971</u> |
| Total employee benefits | 5,126,866 |
| ACTUAL EMPLOYEE BENEFITS RECOVERED | (5,156,040) |
| OVER-RECOVERY OF EMPLOYEE BENEFITS CARRIED FORWARD FROM PRIOR YEAR | <u>(208,930)</u> |
| ACCUMULATED OVER-RECOVERY | <u><u>\$ (238,104)</u></u> |

ALAMO AREA COUNCIL OF GOVERNMENTS

**RECONCILIATION OF TOTAL EXPENDITURES
TO FOURTH QUARTER FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| | <u>CARE *</u> <u>Report III</u> | <u>Additions**</u> | <u>Deletions***</u> | <u>Audited</u> <u>Financial</u> <u>Statements</u> <u>12/31/2018</u> |
|----------------------------------|------------------------------------|--------------------------|-------------------------|--|
| EXPENDITURES | | | | |
| Salaries | \$ 5,653,755 | \$ 7,472,702 | \$ 1,884,263 | \$ 11,242,194 |
| Employee benefits | 1,669,552 | 2,260,120 | 555,886 | 3,373,786 |
| Professional consulting services | 2,386,200 | 19,197,471 | 783,548 | 20,800,123 |
| Training/travel | 72,551 | 225,614 | 21,365 | 276,800 |
| Debt service | - | 4,714 | - | 4,714 |
| Capital outlay | 197,304 | 1,763,032 | 82,841 | 1,877,495 |
| Non-capital equipment | 40,265 | 19,389 | - | 59,654 |
| Other operating expenditures | <u>2,457,484</u> | <u>6,207,551</u> | <u>792,730</u> | <u>7,872,305</u> |
| Total expenditures | <u>\$ 12,477,111</u> | <u>\$ 37,150,593</u> | <u>\$ 4,120,633</u> | <u>\$ 45,507,071</u> |

* CARE Report III Fiscal Year Ending 8/31/18

** Other Agency Programs and September - December 2018 IDD Expenditures

*** September - December 2017 IDD Expenditures

ALAMO AREA COUNCIL OF GOVERNMENTS

**RECONCILIATION OF TOTAL REVENUE
TO FOURTH QUARTER FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| | <u>CARE *</u> <u>Report III</u> | <u>Additions**</u> | <u>Deletions***</u> | <u>Audited Financial Statements 12/31/2018</u> |
|---|------------------------------------|----------------------|---------------------|--|
| LOCAL AND EARNED REVENUES: | | | | |
| Medicaid | \$ 5,704,944 | \$ 2,860,931 | \$ 1,966,082 | \$ 6,599,793 |
| Membership dues | - | 342,501 | - | 342,501 |
| Local | 20,050 | 1,412,652 | 13,239 | 1,419,462 |
| Contributions | 307,076 | 130,037 | 102,359 | 334,754 |
| Delegate agency match | - | 7,240,447 | - | 7,240,447 |
| Interest | 1,974 | 33,564 | 2,588 | 32,950 |
| Other | - | 879,747 | - | 879,747 |
| Total local and earned revenues | <u>6,034,044</u> | <u>12,899,877</u> | <u>2,084,267</u> | <u>16,849,654</u> |
| STATE PROGRAM REVENUES: | | | | |
| General Revenue | 3,411,959 | 5,810,772 | 996,956 | 8,225,775 |
| Permanency Planning | 69,178 | 32,686 | 22,969 | 78,895 |
| Community Living Options Information Process (CLOIP) | 208,531 | 58,823 | 60,555 | 206,799 |
| Crisis Behavioral Supports | 206,708 | 61,994 | 64,186 | 204,516 |
| Crisis Respite | 333,544 | 91,337 | 110,260 | 314,621 |
| Nursing Facilities (NF) Preadmission Screening and Resident Review (PASRR) | 442,802 | 352,593 | 282,566 | 512,829 |
| NF PASRR Special Services | <u>574,396</u> | <u>802,611</u> | <u>401,305</u> | <u>975,701</u> |
| Total state program revenues | <u>5,247,118</u> | <u>7,210,817</u> | <u>1,938,798</u> | <u>10,519,136</u> |
| FEDERAL PROGRAM REVENUES: | | | | |
| Federal revenue | 136,355 | 17,290,991 | 48,384 | 17,378,962 |
| Medicaid Administrative Claiming | <u>1,059,594</u> | <u>253,985</u> | <u>319,002</u> | <u>994,578</u> |
| Total federal program revenues | <u>1,195,949</u> | <u>17,544,976</u> | <u>367,386</u> | <u>18,373,540</u> |
| Total revenues | <u>\$ 12,477,111</u> | <u>\$ 37,655,671</u> | <u>\$ 4,390,452</u> | <u>\$ 45,742,330</u> |
| Fund Balance Used per CARE Report III | 610,122 | | | |
| Equals CARE Report III Fiscal Year 2018 | \$ 11,866,989 | | | |

* CARE Report III Fiscal Year 2018

** Other Agency Programs and September - December 2018 IDD Revenues

*** September - December 2017 IDD Revenues

ALAMO AREA COUNCIL OF GOVERNMENTS

**RECONCILIATION OF TOTAL REVENUE
TO FIRST QUARTER FISCAL YEAR 2019 FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| | 1st Qtr * CARE Report III | ** Additions | *** All other Agency | Audited Financial Statements 12/31/18 |
|---|---------------------------------|---------------------|-------------------------|--|
| LOCAL AND EARNED REVENUES: | | | | |
| Medicaid | \$ 1,189,527 | \$ 466,006 | \$ 4,944,260 | \$ 6,599,793 |
| Membership dues | - | - | 342,501 | 342,501 |
| Local | 9,511 | 422 | 1,409,529 | 1,419,462 |
| Contributions | 76,769 | 25,590 | 232,395 | 334,754 |
| Delegate agency match | - | - | 7,240,447 | 7,240,447 |
| Interest | 1 | 1,263 | 31,685 | 32,950 |
| Other | - | 915 | 878,832 | 879,747 |
| Total local and earned revenues | <u>1,275,808</u> | <u>494,196</u> | <u>15,079,650</u> | <u>16,849,654</u> |
| STATE PROGRAM REVENUES: | | | | |
| General Revenue | 940,140 | 350,888 | 6,934,747 | 8,225,775 |
| Permanency Planning | 16,061 | 6,908 | 55,926 | 78,895 |
| Community Living Options Information Process (CLOIP) | 46,351 | 14,206 | 146,242 | 206,799 |
| Crisis Behavioral Supports | 47,606 | 16,580 | 140,330 | 204,516 |
| Crisis Respite | 95,020 | 15,241 | 204,360 | 314,621 |
| Nursing Facility (NF) Preadmission Screening and Resident Review (PASRR) | 177,121 | 104,876 | 230,833 | 512,829 |
| NF PASRR Special Services | - | 107,802 | 867,899 | 975,701 |
| Total state program revenues | <u>1,322,299</u> | <u>616,501</u> | <u>8,580,336</u> | <u>10,519,136</u> |
| FEDERAL PROGRAM REVENUES: | | | | |
| Federal | 43,324 | 5,060 | 17,330,578 | 17,378,962 |
| Medicaid Administrative Claiming | 256,008 | 62,994 | 675,576 | 994,578 |
| Total federal program revenues | <u>299,332</u> | <u>68,054</u> | <u>18,006,154</u> | <u>18,373,540</u> |
| Total revenues | <u>\$ 2,897,439</u> | <u>\$ 1,178,751</u> | <u>\$ 41,666,139</u> | <u>\$ 45,742,330</u> |

* 1st quarter Fiscal Year 19 (September - November 2018) IDD Revenues

** December 2018 IDD Revenues

*** Other Agency Programs and January - August 2018 IDD Revenues

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS

**FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| Fund Sources | Total Revenue | FY2018 Jan - Aug IDD Expenditures | FY2018 Sept - Dec IDD Expenditures | All Other Program Expenditures |
|---|------------------|--|---|--------------------------------------|
| Objects of expenditures: | | | | |
| Personnel | \$ 10,529,730 | \$ 3,377,112 | \$ 1,646,035 | \$ 5,506,582 |
| Employee benefits | 3,157,869 | 1,058,110 | 483,517 | 1,616,242 |
| Debt service | 4,714 | - | - | 4,714 |
| Capital outlay | 1,877,496 | 188,209 | 74,950 | 1,614,336 |
| Other operating expense | 28,614,539 | 3,137,569 | 1,472,710 | 24,004,260 |
| Allocation of general administration to strategies | 530,068 | 354,342 | 175,727 | - |
| Allocation of authority administration to strategies | 792,654 | 528,853 | 263,801 | - |
| Total expenditures | 45,507,071 | 8,644,195 | 4,116,740 | 32,746,135 |
| Method of finance: | | | | |
| General revenue / IDD | 8,225,775 | 2,122,169 | 996,956 | 5,106,650 |
| Permanency Planning | 78,895 | 55,926 | 22,969 | - |
| Community Living Options Information Process (CLOIP) | 206,799 | 146,244 | 60,555 | - |
| Crisis Behavioral Supports | 204,516 | 140,330 | 64,186 | - |
| Crisis Respite | 314,621 | 204,361 | 110,260 | - |
| Nursing Facilities (NF) Preadmission Screening and Resident Review (PASRR) | 512,829 | 230,263 | 282,566 | - |
| NF PASRR Special Services | 975,701 | 574,396 | 401,305 | - |
| Earned income | 32,950 | 1,062 | 2,588 | 29,300 |
| Additional local funds | 16,816,704 | 4,332,277 | 2,081,679 | 10,402,748 |
| Other services | 18,373,540 | 825,161 | 367,386 | 17,180,993 |
| Total expended sources | \$ 45,742,330 | \$ 8,632,190 | \$ 4,390,448 | \$ 32,719,692 |

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ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF INDIRECT COSTS

**FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| | <u>Total Costs</u> | <u>Nonallowable Costs</u> | <u>Depreciation</u> | <u>Total Adjusted Costs</u> | <u>Direct Costs</u> | <u>Indirect Costs</u> |
|-----------------------|------------------------|-------------------------------|---------------------|-------------------------------------|-------------------------|---------------------------|
| Personnel | \$ 11,242,194 | \$ - | \$ - | \$ 11,242,194 | \$ 9,579,590 | \$ 1,662,604 |
| Fringe benefits | 3,373,786 | - | - | 3,373,786 | 2,863,357 | 510,429 |
| Debt service | 4,714 | - | - | 4,714 | 4,714 | - |
| Capital outlay | 1,877,496 | 1,877,496 | - | - | - | - |
| Depreciation | - | - | 803,984 | 803,984 | 797,333 | 6,651 |
| Other operating costs | <u>29,008,881</u> | <u>-</u> | <u>-</u> | <u>29,008,881</u> | <u>28,414,700</u> | <u>594,181</u> |
| Total costs | <u>\$ 45,507,071</u> | <u>\$ 1,877,496</u> | <u>\$ 803,984</u> | <u>\$ 44,433,558</u> | <u>\$ 41,659,693</u> | <u>\$ 2,773,865</u> |
| Indirect costs | | | | | | \$ 2,773,865 |
| Direct costs | | | | | | 41,659,693 |
| Indirect cost rate | | | | | | 6.7% |

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF INSURANCE IN EFFECT

**FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| Insurer | Policy Period | | Coverage | Amount |
|------------------------|---------------|----------|-------------------------------|--------------|
| | Begins | Ends | | |
| Texas Municipal League | 10/01/17 | 09/30/18 | Workers' Compensation | Statutory |
| Risk Management Fund | 10/01/18 | 09/30/19 | | |
| Texas Municipal League | 10/01/17 | 09/30/18 | Automobile Liability | |
| Risk Management Fund | 10/01/18 | 09/30/19 | Per Occurrence Limit | \$ 5,000,000 |
| | | | Deductible | 2,500 |
| | | | Medical Payments per person | 25,000 |
| | 10/01/17 | 09/30/18 | Automobile Physical Damage | |
| | 10/01/18 | 09/30/19 | Per Occurrence Limit | 10,000 |
| | | | Deductible | 1,000 |
| Texas Municipal League | 10/01/17 | 09/30/18 | General Liability | |
| Risk Management Fund | 10/01/18 | 09/30/19 | Per Occurrence Limit | 10,000,000 |
| | | | Sudden Events Each Occurrence | 2,000,000 |
| | | | Annual Aggregate | 10,000,000 |
| Texas Municipal League | 10/01/17 | 09/30/18 | Law Enforcement Liability | |
| Risk Management Fund | 10/01/18 | 09/30/19 | Per Occurrence Limit | 2,000,000 |
| | | | Annual Aggregate | 4,000,000 |
| | | | Deductible | 1,000 |
| Texas Municipal League | 10/01/17 | 09/30/18 | Errors and Omissions | |
| Risk Management Fund | 10/01/18 | 09/30/19 | Liability | |
| | | | Each Wrongful Act | 2,000,000 |
| | | | Annual Aggregate | 4,000,000 |
| | | | Deductible | 1,000 |

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF INSURANCE IN EFFECT
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| Insurer | Policy Period | | Coverage | Amount |
|------------------------------|---------------|----------|--|--------------|
| | Begins | Ends | | |
| Texas Municipal League | 10/01/17 | 09/30/18 | All Risk Property Coverage | |
| Risk Management Fund | 10/01/18 | 09/30/19 | Coverage Basis | |
| | | | Building : Replacement Cost Valuation | \$ 6,146,439 |
| | | | Deductible | 250 |
| | | | Transit Limit | 1,000,000 |
| | | | Valuable Papers and EDP Media | 10,000 |
| | | | Accounts Receivable | 10,000 |
| | | | Loss of Revenue Extra Expense and Rev | 50,000 |
| | | | Personal Property of Employees and Officials | 5,000 |
| | | | Leasehold Interest | 5,000 |
| | | | Outdoor Trees and Shrubs | 10,000 |
| | | | Newly Acquired Property FMV up to | 1,000,000 |
| | | | Pollutant Cleanup and Removal Each Premise | 20,000 |
| | | | Flood & Earthquake | |
| | | | Deductible | 25,000 |
| | | | Boiler & Machinery | |
| | | | Per Accident Limit | 100,000 |
| | | | Deductible | 250 |
| Texas Municipal League | 10/01/17 | 09/30/18 | Public Employee Dishonesty | |
| Risk Management Fund | 10/01/18 | 09/30/19 | Limit of Coverage | 500,000 |
| | | | Deductible | 5,000 |
| | | | Coverage Includes Faithful Performance of Duty | |
| WS&P | 07/01/17 | 06/30/18 | Pollution Coverage | |
| Walthall Sachse & Pipes, Inc | 07/01/18 | 06/30/19 | General Aggregate Limit | 1,000,000 |
| | | | Each "Pollution Condition" Limit | 1,000,000 |
| | | | Deductible | 5,000 |
| WS&P | 02/13/17 | 02/12/18 | Volunteers | |
| Walthall Sachse & Pipes, Inc | 02/13/18 | 02/12/19 | Accidental Death and Dismemberment Benefit | |
| | | | Covered Person principal sum/amount | 5,000 |
| | | | Total Max Accident Medical and Dental | 10,000 |

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| Name | City | Type of Service | Amount |
|---------------------------------|-------------|-----------------------------------|-----------|
| January - August 2018 | | | |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6230-COMMUNITY SUPPORTS | \$ 14,493 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6260-BEHAVORIAL SUPPORT | 35,735 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6380-ABA THERAPY | 3,264 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6230-COMMUNITY SUPPORTS | 38,053 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6260-BEHAVORIAL SUPPORT | 221,730 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6230-COMMUNITY SUPPORTS | 24,574 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6260-BEHAVORIAL SUPPORT | 38,662 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6380-ABA THERAPY | 3,366 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6213-RESPITE HOURLY IN HOME | 4,076 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6220-DAY HABILITATION | 1,553 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6230-COMMUNITY SUPPORTS | 4,335 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6220-DAY HABILITATION | 24,439 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6230-COMMUNITY SUPPORTS | 66,537 |
| CALIDAD CONVERSE | San Antonio | 6230-COMMUNITY SUPPORTS | 3,995 |
| CALIDAD DREXEL | San Antonio | 6213-RESPITE HOURLY IN HOME | 480 |
| CALIDAD DREXEL | San Antonio | 6230-COMMUNITY SUPPORTS | 153 |
| CAMP | San Antonio | 6211-RESPITE DAILY OUT OF HOME | 3,300 |
| CAMP | San Antonio | 6270-RESPITE CAMP WEEKLONG | 46,800 |
| ESTRELLA DE MAR, INC | San Antonio | 6220-DAY HABILITATION | 2,462 |
| EVA'S HEROES | San Antonio | 6370-DAY HAB SUMMER CAMP | 2,536 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6210-RESPITE HOURLY OUT OF HOME | 1,215 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6213-RESPITE HOURLY IN HOME | 38,258 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6214-RESPITE DAILY IN HOME | 3,750 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6220-DAY HABILITATION | 2,227 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6230-COMMUNITY SUPPORTS | 10,940 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6220-DAY HABILITATION | 1,343 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6230-COMMUNITY SUPPORTS | 25,805 |
| JENNIFER GARRETT | San Antonio | 6260-BEHAVORIAL SUPPORT | 18,460 |
| JENNIFER GARRETT | San Antonio | 6380-ABA THERAPY | 5,763 |
| JENNIFER GARRETT | San Antonio | 6260-BEHAVORIAL SUPPORT | 30,501 |
| KIDZ TREEHOUSE PEDIATRIC | San Antonio | 6385-SPEECH AND LANGUAGE SERVICES | 7,470 |
| LIFELINE CARE & SERVICES | San Antonio | 6210-RESPITE HOURLY OUT OF HOME | 833 |
| LIFELINE CARE AND SERVICES | San Antonio | 6211-RESPITE DAILY OUT OF HOME | 2,100 |
| LIFELINE CARE AND SERVICES | San Antonio | 6213-RESPITE HOURLY IN HOME | 20,925 |
| LIFELINE CARE AND SERVICES | San Antonio | 6230-COMMUNITY SUPPORTS | 138,746 |
| LIFELINE CARE AND SERVICES | San Antonio | 6230-COMMUNITY SUPPORTS | 38,954 |
| LIFETIME LIVING INC | San Antonio | 6220-DAY HABILITATION | \$ 9,215 |
| LIFETIME LIVING INC | San Antonio | 6230-COMMUNITY SUPPORTS | 1,777 |
| LIFETIME LIVING INC | San Antonio | 6220-DAY HABILITATION | 2,521 |
| LIFETIME LIVING INC | San Antonio | 6230-COMMUNITY SUPPORTS | 21,172 |

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| Name | City | Type of Service | Amount |
|------------------------------------|-------------|------------------------------------|---------|
| <u>January - August 2018</u> | | | |
| LIFETIME LIVING, INC | San Antonio | 6210-RESPITE HOURLY OUT OF HOME | 300 |
| LIFETIME LIVING, INC | San Antonio | 6211-RESPITE DAILY OUT OF HOME | 1,200 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6220-DAY HABILITATION | 30,907 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6225-HEAD START | 540 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6240-EMPLOYMENT ASSISTANCE | 452 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6250-SUPPORTED EMPLOYMENT | 589 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6370-DAY HAB SUMMER CAMP | 4,783 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6220-DAY HABILITATION | 179 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6220-DAY HABILITATION | 6,195 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6240-EMPLOYMENT ASSISTANCE | 524 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6250-SUPPORTED EMPLOYMENT | 2,053 |
| RESPITE HOURLY IN HOME | San Antonio | 6213-RESPITE HOURLY IN HOME | 1,650 |
| SAFIRE | San Antonio | 6220-DAY HABILITATION | 6,904 |
| SOUTH TX BEHAVIORAL | San Antonio | 6215-CRISIS RESPITE HOURLY IN HOME | 37,723 |
| SOUTH TX BEHAVIORAL | San Antonio | 6217-CRISIS SUPERVISION | 2,308 |
| SOUTH TX BEHAVIORAL | San Antonio | 6260-BEHAVORIAL SUPPORT | 7,327 |
| SOUTH TX BEHAVIORAL | San Antonio | 6380-ABA THERAPY | 6,477 |
| SOUTH TX BEHAVIORAL | San Antonio | 6260-BEHAVORIAL SUPPORT | 3,917 |
| THE ARE OF SAN ANTONIO | San Antonio | 6220-DAY HABILITATION | 68,479 |
| THE ARE OF SAN ANTONIO | San Antonio | 6370-DAY HAB SUMMER CAMP | 1,502 |
| TWG | San Antonio | 6280-SAFETY NET | 215,333 |
| UNICORN CENTERS, INC | San Antonio | 6220-DAY HABILITATION | 12,134 |
| UNICORN CENTERS, INC | San Antonio | 6225-HEAD START | 430 |
| UNICORN CENTERS, INC | San Antonio | 6240-EMPLOYMENT ASSISTANCE | 655 |
| UNICORN CENTERS, INC | San Antonio | 6250-SUPPORTED EMPLOYMENT | 2,511 |
| UNICORN CENTERS, INC | San Antonio | 6220-DAY HABILITATION | 358 |
| UNIVERSITY UNITED METHODIST CHURCH | San Antonio | 6220-DAY HABILITATION | 5,818 |

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| Name | City | Type of Service | Amount |
|----------------------------------|-------------|------------------------------------|----------|
| <u>September - December 2018</u> | | | |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6230-COMMUNITY SUPPORTS | \$ 7,438 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6260-BEHAVORIAL SUPPORT | 16,433 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6380-ABA THERAPY | 842 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6230-COMMUNITY SUPPORTS | 31,128 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6260-BEHAVORIAL SUPPORT | 184,649 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6230-COMMUNITY SUPPORTS | 7,438 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6260-BEHAVORIAL SUPPORT | 16,433 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6380-ABA THERAPY | 842 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6230-COMMUNITY SUPPORTS | 31,128 |
| ABA AND BEHAVIORAL SERVICES INC | San Antonio | 6260-BEHAVORIAL SUPPORT | 184,649 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6215-CRISIS RESPITE HOURLY IN HOME | 27,688 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6217-CRISIS SUPERVISION | 306 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6230-COMMUNITY SUPPORTS | 6,001 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6260-BEHAVORIAL SUPPORT | 13,869 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6380-ABA THERAPY | 1,326 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6230-COMMUNITY SUPPORTS | 6,001 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6260-BEHAVORIAL SUPPORT | 13,869 |
| ABA CENTER FOR EXCELLENCE | San Antonio | 6380-ABA THERAPY | 1,326 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6213-RESPITE HOURLY IN HOME | 983 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6220-DAY HABILITATION | 31 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6230-COMMUNITY SUPPORTS | 1,020 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6220-DAY HABILITATION | 12,354 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6230-COMMUNITY SUPPORTS | 89,653 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6213-RESPITE HOURLY IN HOME | 983 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6220-DAY HABILITATION | 31 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6230-COMMUNITY SUPPORTS | 1,020 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6220-DAY HABILITATION | 12,354 |
| ANGEL CARE CENTER OF SA INC | San Antonio | 6230-COMMUNITY SUPPORTS | 89,653 |
| CAMP | San Antonio | 6211-RESPITE DAILY OUT OF HOME | 1,200 |
| CAMP | San Antonio | 6270-RESPITE CAMP WEEKLONG | 7,800 |
| CAMP | San Antonio | 6211-RESPITE DAILY OUT OF HOME | 1,200 |
| CAMP | San Antonio | 6270-RESPITE CAMP WEEKLONG | 7,800 |
| ESTRELLA DE MAR, INC | San Antonio | 6220-DAY HABILITATION | 1,969 |
| ESTRELLA DE MAR, INC | San Antonio | 6220-DAY HABILITATION | 1,969 |
| EVA'S HEROES | San Antonio | 6370-DAY HAB SUMMER CAMP | 149 |
| EVA'S HEROES | San Antonio | 6370-DAY HAB SUMMER CAMP | 149 |
| EVERY MOMENT MATTERS | San Antonio | 6230-COMMUNITY SUPPORTS | 102 |
| EVERY MOMENT MATTERS | San Antonio | 6230-COMMUNITY SUPPORTS | 102 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6210-RESPITE HOURLY OUT OF HOME | 2,738 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6213-RESPITE HOURLY IN HOME | 17,445 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6214-RESPITE DAILY IN HOME | 1,350 |

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| Name | City | Type of Service | Amount |
|----------------------------------|-------------|-----------------------------------|--------|
| <u>September - December 2018</u> | | | |
| HOMELIFE COMMUNITY SERVICES | Converse | 6220-DAY HABILITATION | \$ 707 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6230-COMMUNITY SUPPORTS | 5,542 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6220-DAY HABILITATION | 358 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6230-COMMUNITY SUPPORTS | 18,981 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6210-RESPITE HOURLY OUT OF HOME | 2,738 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6213-RESPITE HOURLY IN HOME | 17,445 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6214-RESPITE DAILY IN HOME | 1,350 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6220-DAY HABILITATION | 707 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6230-COMMUNITY SUPPORTS | 5,542 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6220-DAY HABILITATION | 358 |
| HOMELIFE COMMUNITY SERVICES | Converse | 6230-COMMUNITY SUPPORTS | 18,981 |
| JENNIFER GARRETT | San Antonio | 6260-BEHAVORIAL SUPPORT | 8,934 |
| JENNIFER GARRETT | San Antonio | 6380-ABA THERAPY | 2,091 |
| JENNIFER GARRETT | San Antonio | 6260-BEHAVORIAL SUPPORT | 15,509 |
| JENNIFER GARRETT | San Antonio | 6260-BEHAVORIAL SUPPORT | 8,934 |
| JENNIFER GARRETT | San Antonio | 6380-ABA THERAPY | 2,091 |
| JENNIFER GARRETT | San Antonio | 6260-BEHAVORIAL SUPPORT | 15,509 |
| KIDZ TREEHOUSE PEDIATRIC | San Antonio | 6385-SPEECH AND LANGUAGE SERVICES | 3,150 |
| KIDZ TREEHOUSE PEDIATRIC | San Antonio | 6385-SPEECH AND LANGUAGE SERVICES | 3,150 |
| LIFELINE CARE AND SERVICES | San Antonio | 6211-RESPITE DAILY OUT OF HOME | 1,950 |
| LIFELINE CARE AND SERVICES | San Antonio | 6213-RESPITE HOURLY IN HOME | 22,436 |
| LIFELINE CARE AND SERVICES | San Antonio | 6230-COMMUNITY SUPPORTS | 63,903 |
| LIFELINE CARE AND SERVICES | San Antonio | 6230-COMMUNITY SUPPORTS | 26,567 |
| LIFELINE CARE AND SERVICES | San Antonio | 6211-RESPITE DAILY OUT OF HOME | 1,950 |
| LIFELINE CARE AND SERVICES | San Antonio | 6213-RESPITE HOURLY IN HOME | 22,436 |
| LIFELINE CARE AND SERVICES | San Antonio | 6230-COMMUNITY SUPPORTS | 63,903 |
| LIFELINE CARE AND SERVICES | San Antonio | 6230-COMMUNITY SUPPORTS | 26,567 |
| LIFETIME LIVING INC | San Antonio | 6210-RESPITE HOURLY OUT OF HOME | 1,148 |
| LIFETIME LIVING INC | San Antonio | 6213-RESPITE HOURLY IN HOME | 930 |
| LIFETIME LIVING INC | San Antonio | 6220-DAY HABILITATION | 3,727 |
| LIFETIME LIVING INC | San Antonio | 6230-COMMUNITY SUPPORTS | 1,352 |
| LIFETIME LIVING INC | San Antonio | 6230-COMMUNITY SUPPORTS | 17,648 |
| LIFETIME LIVING INC | San Antonio | 6210-RESPITE HOURLY OUT OF HOME | 1,148 |
| LIFETIME LIVING INC | San Antonio | 6213-RESPITE HOURLY IN HOME | 930 |
| LIFETIME LIVING INC | San Antonio | 6220-DAY HABILITATION | 3,727 |
| LIFETIME LIVING INC | San Antonio | 6230-COMMUNITY SUPPORTS | 1,352 |
| LIFETIME LIVING INC | San Antonio | 6230-COMMUNITY SUPPORTS | 17,648 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6220-DAY HABILITATION | 29,503 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6225-HEAD START | 560 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6240-EMPLOYMENT ASSISTANCE | 536 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6250-SUPPORTED EMPLOYMENT | 887 |

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| Name | City | Type of Service | Amount |
|------------------------------------|-------------|------------------------------------|--------|
| <u>September - December 2018</u> | | | |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6370-DAY HAB SUMMER CAMP | \$ 70 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6220-DAY HABILITATION | 134 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6220-DAY HABILITATION | 29,503 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6225-HEAD START | 560 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6240-EMPLOYMENT ASSISTANCE | 536 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6250-SUPPORTED EMPLOYMENT | 887 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6370-DAY HAB SUMMER CAMP | 70 |
| MISSION ROAD DEVELOPMENTAL | San Antonio | 6220-DAY HABILITATION | 134 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6220-DAY HABILITATION | 2,740 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6240-EMPLOYMENT ASSISTANCE | 95 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6250-SUPPORTED EMPLOYMENT | 1,107 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6220-DAY HABILITATION | 2,740 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6240-EMPLOYMENT ASSISTANCE | 95 |
| REACHING MAXIMUM INDEPENDENCE | San Antonio | 6250-SUPPORTED EMPLOYMENT | 1,107 |
| SA LIFE ACADEMY | San Antonio | 6220-DAY HABILITATION | 2,949 |
| SA LIFE ACADEMY | San Antonio | 6220-DAY HABILITATION | 2,949 |
| SAFIRE | San Antonio | 6220-DAY HABILITATION | 3,264 |
| SAFIRE | San Antonio | 6220-DAY HABILITATION | 3,264 |
| SOUTH TX BEHAVIORAL | San Antonio | 6215-CRISIS RESPITE HOURLY IN HOME | 1,250 |
| SOUTH TX BEHAVIORAL | San Antonio | 6217-CRISIS SUPERVISION | 1,870 |
| SOUTH TX BEHAVIORAL | San Antonio | 6260-BEHAVORIAL SUPPORT | 976 |
| SOUTH TX BEHAVIORAL | San Antonio | 6380-ABA THERAPY | 2,461 |
| SOUTH TX BEHAVIORAL | San Antonio | 6260-BEHAVORIAL SUPPORT | 1,074 |
| SOUTH TX BEHAVIORAL | San Antonio | 6260-BEHAVORIAL SUPPORT | 976 |
| SOUTH TX BEHAVIORAL | San Antonio | 6380-ABA THERAPY | 2,461 |
| SOUTH TX BEHAVIORAL | San Antonio | 6260-BEHAVORIAL SUPPORT | 1,074 |
| THE ARE OF SAN ANTONIO | San Antonio | 6220-DAY HABILITATION | 34,913 |
| THE ARE OF SAN ANTONIO | San Antonio | 6220-DAY HABILITATION | 34,913 |
| TWG | San Antonio | 6280-SAFETY NET | 75,000 |
| UNIVERSITY UNITED METHODIST CHURCH | San Antonio | 6220-DAY HABILITATION | 2,756 |
| UNIVERSITY UNITED METHODIST CHURCH | San Antonio | 6220-DAY HABILITATION | 2,756 |

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF LEGAL SERVICES

**FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| <u>Name</u> | <u>City</u> | <u>Type of Service</u> | <u>Amount</u> |
|-------------|-------------|------------------------|---------------|
| | | None | |

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF LEASE AND RENTAL COMMITMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

| <u>Lessor</u> | <u>Leased Property Location</u> | <u>Termination Date</u> | <u>Monthly Rental</u> |
|---------------|---------------------------------|-----------------------------|---------------------------|
| | None | | |

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF SPACE OCCUPIED IN A STATE-OWNED FACILITY
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

| <u>Lessor</u> | <u>Leased Property</u> | <u>Termination Date</u> | <u>Monthly Rental</u> |
|---------------|------------------------|-----------------------------|---------------------------|
| | None | | |

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF BONDED EMPLOYEES

**FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

| <u>Name</u> | <u>Title</u> | <u>Surety Company</u> | <u>Bond Amount</u> |
|-------------|--------------|-----------------------|--------------------|
| | | None | |

STATISTICAL SECTION

(Unaudited)

This part of the Council's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Council's overall financial health.

| Contents | Page |
|--|-------------|
| Financial Trends <i>These schedules contain trend information to help the reader understand how the Council's financial performance and well-being have changed over time.</i> | 68 – 73 |
| Revenue Capacity <i>These schedules contain information to help the reader assess the Council's most significant local revenue sources.</i> | 74 |
| Demographic and Economic Information <i>These schedules present information to help the reader understand the environment within which the Council's financial activities take place.</i> | 75 – 76 |
| Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Council's financial report relates to the services the Council provides and the activities it performs.</i> | 77 – 79 |

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ALAMO AREA COUNCIL OF GOVERNMENTS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | | | |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Governmental activities: | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| capital assets | \$ 5,530,016 | \$ 4,880,861 | \$ 4,536,725 | \$ 3,971,524 | \$ 3,566,228 | \$ 3,320,177 | \$ 4,626,797 | \$ 3,857,627 | \$ 3,158,888 | \$ 4,232,400 |
| Restricted | 4,245,670 | 5,197,743 | 6,043,430 | 5,213,505 | 6,003,304 | 5,468,590 | 4,435,713 | 3,783,220 | 3,832,310 | 3,813,652 |
| Unrestricted | <u>1,246,422</u> | <u>1,449,642</u> | <u>1,561,072</u> | <u>1,603,840</u> | <u>1,436,790</u> | <u>1,149,419</u> | <u>2,248,303</u> | <u>2,467,162</u> | <u>3,199,304</u> | <u>3,625,103</u> |
| Total governmental | | | | | | | | | | |
| activities net position | <u>\$ 11,022,108</u> | <u>\$ 11,528,246</u> | <u>\$ 12,141,227</u> | <u>\$ 10,788,869</u> | <u>\$ 11,006,322</u> | <u>\$ 9,938,186</u> | <u>\$ 11,310,813</u> | <u>\$ 10,108,009</u> | <u>\$ 10,190,502</u> | <u>\$ 11,671,155</u> |

TABLE 2

ALAMO AREA COUNCIL OF GOVERNMENTS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 ⁽¹⁾ | 2018 |
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 30,355 | \$ 69,513 | \$ 72,342 | \$ 160,091 | \$ 325,364 | \$ 253,731 | \$ 106,379 | \$ 229,932 | \$ 130,920 | \$ 61,036 |
| Workforce development | 3,313,710 | 806,808 | 3,044,434 | 3,127,544 | 3,172,384 | 1,231,591 | 985,649 | 334,846 | 426,572 | 2,443,360 |
| Housing and urban development | 540,811 | 410,923 | 421,823 | 610,889 | 733,103 | 654,225 | 623,478 | 30,372 | 17,445 | - |
| Emergency communications | 1,716,584 | 1,192,131 | 1,581,207 | 1,152,930 | 1,375,736 | 1,302,969 | 1,637,738 | 1,544,150 | 1,812,052 | 1,413,105 |
| Economic development | 70,131 | 62,214 | 77,645 | 121,919 | 89,988 | 109,023 | 52,784 | 853,881 | 4,431,081 | 647,838 |
| Environmental quality | 1,648,712 | 937,377 | 2,012,505 | 781,122 | 891,270 | 661,454 | 908,372 | 949,942 | 992,880 | 704,083 |
| Community affairs | 2,052,388 | 7,542,429 | 8,716,080 | 3,065,124 | 1,636,268 | 1,862,836 | 1,856,575 | 1,625,004 | 2,078,269 | 2,475,773 |
| Health and human services | 6,504,210 | 8,764,685 | 8,746,243 | 8,485,624 | 8,361,714 | 9,441,812 | 11,628,909 | 11,866,163 | 11,600,496 | 12,446,756 |
| Homeland security | 937,369 | 1,183,264 | 1,648,922 | 625,480 | 438,462 | 615,464 | 303,317 | 411,654 | 281,861 | 287,900 |
| Aging | 14,373,314 | 17,658,462 | 15,690,963 | 15,566,223 | 16,118,847 | 16,618,027 | 16,878,439 | 17,093,970 | 18,732,002 | 17,018,023 |
| Criminal justice | 1,150,753 | 1,535,149 | 1,138,372 | 901,854 | 1,494,340 | 1,133,784 | 1,468,424 | 1,508,118 | 1,417,596 | 1,536,841 |
| Transportation | 4,118,625 | 5,478,533 | 6,084,768 | 5,685,078 | 6,011,223 | 6,059,606 | 5,296,213 | 5,122,713 | 5,904,299 | 5,250,931 |
| Interest | - | - | - | - | - | - | - | - | 18,580 | 4,707 |
| Total governmental activities expenses | <u>36,456,962</u> | <u>45,641,488</u> | <u>49,235,304</u> | <u>40,283,878</u> | <u>40,648,699</u> | <u>39,944,522</u> | <u>41,746,277</u> | <u>41,570,745</u> | <u>47,844,053</u> | <u>44,290,353</u> |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | - | 15,837 | 5,380 | 65 | - | - | - | - | - | - |
| Health and human services | 1,986 | - | 5,201 | 655,495 | - | 3,198 | - | - | - | - |
| Aging | 585,783 | 548,464 | 654,957 | 480,924 | 456,079 | 556,521 | 242,780 | 403,393 | 421,338 | 242,894 |
| Criminal justice | 250,929 | 237,353 | 251,715 | 173,504 | 253,983 | 227,511 | 246,663 | 281,673 | 436,947 | 423,974 |
| Transportation | 86,110 | 72,631 | 132,599 | - | 118,191 | - | - | - | - | - |
| Operating grants and contributions | 36,196,886 | 45,007,470 | 48,505,521 | 37,322,513 | 39,733,453 | 37,769,447 | 39,870,358 | 39,344,336 | 46,719,605 | 43,172,279 |
| Capital grants and contributions | - | - | - | - | - | - | 2,241,447 | - | - | 1,515,394 |
| Total governmental activities program revenues | <u>37,121,694</u> | <u>45,881,755</u> | <u>49,555,373</u> | <u>38,632,501</u> | <u>40,561,706</u> | <u>38,556,677</u> | <u>42,601,248</u> | <u>40,029,402</u> | <u>47,577,890</u> | <u>45,354,541</u> |

TABLE 2

ALAMO AREA COUNCIL OF GOVERNMENTS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| NET (EXPENSE) REVENUES | | | | | | | | | | |
| Governmental activities | \$ 664,732 | \$ 240,267 | \$ 320,069 | \$(1,651,377) | \$(86,993) | \$(1,387,845) | \$ 854,971 | \$(1,541,343) | \$(266,163) | \$ 1,064,188 |
| Total | <u>664,732</u> | <u>240,267</u> | <u>320,069</u> | <u>(1,651,377)</u> | <u>(86,993)</u> | <u>(1,387,845)</u> | <u>854,971</u> | <u>(1,541,343)</u> | <u>(266,163)</u> | <u>1,064,188</u> |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Investment earnings | 9,459 | 4,718 | 9,067 | 3,291 | 3,911 | 1,523 | 8,729 | 8,160 | 6,276 | 32,950 |
| Miscellaneous | 4,933 | 15,075 | (6,394) | 92 | 183 | - | - | - | - | - |
| Member dues | 245,458 | 246,078 | 290,239 | 295,636 | 300,352 | 318,186 | 323,933 | 330,379 | 332,780 | 342,501 |
| Gain on sale of capital assets | - | - | - | - | - | - | - | - | 9,600 | 41,014 |
| Total governmental activities | <u>259,850</u> | <u>265,871</u> | <u>292,912</u> | <u>299,019</u> | <u>304,446</u> | <u>319,709</u> | <u>332,662</u> | <u>338,539</u> | <u>348,656</u> | <u>416,465</u> |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | <u>924,582</u> | <u>506,138</u> | <u>612,981</u> | <u>(1,352,358)</u> | <u>217,453</u> | <u>(1,068,136)</u> | <u>1,187,633</u> | <u>(1,202,804)</u> | <u>82,493</u> | <u>1,480,653</u> |
| Total | <u>\$ 924,582</u> | <u>\$ 506,138</u> | <u>\$ 612,981</u> | <u>\$(1,352,358)</u> | <u>\$ 217,453</u> | <u>\$(1,068,136)</u> | <u>\$ 1,187,633</u> | <u>\$(1,202,804)</u> | <u>\$ 82,493</u> | <u>\$ 1,480,653</u> |

Notes:

¹ Economic Development expenditures increased drastically in 2017 due to a one-time grant, the Defense Economic Adjustment Assistance Grant.

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ALAMO AREA COUNCIL OF GOVERNMENTS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | | | |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| General fund: | | | | | | | | | | |
| Reserved | \$ 145,110 | \$ 38,864 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 1,472,843 | 1,828,890 | - | - | - | - | - | - | - | - |
| Restricted | - | - | 43,423 | 11,080 | 6,121 | 6,032 | - | 274,372 | - | - |
| Nonspendable | - | - | - | - | - | - | - | - | 313,604 | 412,199 |
| Unassigned | - | - | 1,907,605 | 1,932,797 | 1,865,034 | 1,577,911 | 1,937,288 | 1,638,063 | 1,851,426 | 2,011,899 |
| Total general fund | <u>\$ 1,617,953</u> | <u>\$ 1,867,754</u> | <u>\$ 1,951,028</u> | <u>\$ 1,943,877</u> | <u>\$ 1,871,155</u> | <u>\$ 1,583,943</u> | <u>\$ 1,937,288</u> | <u>\$ 1,912,435</u> | <u>\$ 2,165,030</u> | <u>\$ 2,424,098</u> |
| Special revenue funds: | | | | | | | | | | |
| Reserved | \$ 3,962,194 | \$ 5,054,802 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nonspendable | - | - | - | - | - | - | - | - | 2,000 | 149,167 |
| Restricted | - | - | 5,847,078 | 5,209,858 | 5,997,002 | 5,420,274 | 4,440,389 | 3,508,481 | 3,832,310 | 3,664,068 |
| Unassigned | - | - | - | - | - | - | - | - | (45) | (2,779) |
| Total special revenue funds | <u>\$ 3,962,194</u> | <u>\$ 5,054,802</u> | <u>\$ 5,847,078</u> | <u>\$ 5,209,858</u> | <u>\$ 5,997,002</u> | <u>\$ 5,420,274</u> | <u>\$ 4,440,389</u> | <u>\$ 3,508,481</u> | <u>\$ 3,834,265</u> | <u>\$ 3,810,456</u> |

Note: The Council implemented GASB Statement 54 in fiscal year 2011. Prior year balances have not been restated to conform to GASB Statement 54.

ALAMO AREA COUNCIL OF GOVERNMENTS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)

| | Fiscal Year | | | |
|--|-------------------|---------------------|-------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 |
| REVENUES | | | | |
| Intergovernmental | \$ 28,209,441 | \$ 35,976,093 | \$ 35,222,106 | \$ 25,840,605 |
| Matching funds | 4,795,875 | 4,277,678 | 5,900,469 | 5,112,138 |
| Local | 2,973,338 | 4,871,443 | 7,300,517 | 6,903,919 |
| Program income | 931,597 | 874,285 | 1,049,852 | 874,083 |
| Membership dues | 245,458 | 246,078 | 290,239 | 295,636 |
| Investment income | 9,459 | 7,407 | 9,672 | 6,659 |
| Miscellaneous | 33,700 | 35,177 | 22,018 | 24,119 |
| Total revenues | <u>37,198,868</u> | <u>46,288,161</u> | <u>49,794,873</u> | <u>39,057,159</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 61,702 | 15,892 | 131,010 | 141,977 |
| Aging | 14,348,454 | 17,675,940 | 15,688,474 | 15,542,184 |
| Health and welfare | 6,495,036 | 8,764,095 | 8,749,883 | 8,482,000 |
| Transportation | 5,263,568 | 5,130,791 | 6,040,947 | 5,401,948 |
| Workforce development | 3,276,896 | 772,595 | 3,016,967 | 3,093,331 |
| Environmental quality | 1,643,314 | 935,381 | 2,010,290 | 779,773 |
| Community affairs | 2,049,493 | 7,542,429 | 8,426,311 | 3,065,124 |
| Criminal justice | 1,111,487 | 1,671,244 | 1,071,510 | 846,294 |
| Emergency communications | 1,220,687 | 1,158,935 | 1,558,195 | 1,117,882 |
| Homeland security | 537,626 | 784,843 | 1,648,922 | 518,225 |
| Housing | 533,378 | 431,393 | 499,169 | 590,873 |
| Economic development | 70,032 | 62,214 | 77,645 | 121,919 |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>36,611,673</u> | <u>44,945,752</u> | <u>48,919,323</u> | <u>39,701,530</u> |
| NET CHANGE IN FUND BALANCES | <u>587,195</u> | <u>1,342,409</u> | <u>875,550</u> | <u>(644,371)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 214,631 | 227,634 | 240,268 | 212,120 |
| Transfers out | <u>(214,631)</u> | <u>(227,634)</u> | <u>(240,268)</u> | <u>(212,120)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ 587,195</u> | <u>\$ 1,342,409</u> | <u>\$ 875,550</u> | <u>\$ (644,371)</u> |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | <u>- %</u> | <u>- %</u> | <u>- %</u> | <u>- %</u> |

Notes:

¹ The Patient Protection and Affordable Care Act (ACA) was signed into law in March 2010, providing for expansion of the medicaid program beginning in fiscal year 2010.

² Membership dues are comprised of eligible governmental units and various associate members within the 13-county Alamo Area planning region. Dues are used as local funds in matching federal and state planning grants.

³ Economic Development expenditures increased drastically in 2017 due to a one-time grant, the Defense Economic Adjustment Assistance Grant.

TABLE 4

| | | Fiscal Year | | | | | | | | | |
|----|-------------------|-------------|-------------------|------|-------------------|------|-------------------|----|-------------------|----|-------------------|
| | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | | | |
| \$ | 25,480,440 | \$ | 24,742,773 | \$ | 25,610,714 | \$ | 25,285,580 | \$ | 30,077,011 | \$ | 28,892,676 |
| | 6,999,166 | | 6,225,094 | | 6,855,548 | | 7,006,685 | | 8,182,400 | | 7,240,447 |
| | 7,253,847 | | 6,801,580 | | 7,446,925 | | 7,025,515 | | 8,450,713 | | 8,566,888 |
| | 828,253 | | 787,230 | | 494,210 | | 700,857 | | 859,472 | | 666,868 |
| | 300,352 | | 318,186 | | 323,933 | | 330,379 | | 332,780 | | 342,501 |
| | 3,911 | | 1,523 | | 8,729 | | 18,925 | | 24,170 | | 32,950 |
| | 183 | | - | | - | | - | | - | | - |
| | <u>40,866,152</u> | | <u>38,876,386</u> | | <u>40,740,059</u> | | <u>40,367,941</u> | | <u>17,849,535</u> | | <u>45,742,330</u> |
| | 229,820 | | 378,365 | | 43,036 | | 178,991 | | 76,643 | | 10,438 |
| | 16,115,223 | | 16,614,403 | | 17,108,033 | | 17,312,612 | | 18,812,366 | | 17,081,492 |
| | 8,361,714 | | 9,441,812 | | 11,782,323 | | 12,016,644 | | 11,646,967 | | 12,768,090 |
| | 5,837,168 | | 5,900,644 | | 4,675,167 | | 4,691,292 | | 5,638,199 | | 6,342,407 |
| | 3,140,769 | | 1,201,275 | | 966,961 | | 323,068 | | 426,330 | | 2,452,707 |
| | 889,921 | | 660,105 | | 924,944 | | 1,007,720 | | 986,047 | | 730,549 |
| | 1,636,268 | | 1,862,836 | | 1,881,830 | | 1,645,789 | | 2,087,229 | | 2,514,757 |
| | 1,442,256 | | 1,088,328 | | 1,339,882 | | 1,235,837 | | 1,125,083 | | 1,249,501 |
| | 1,340,688 | | 1,276,220 | | 1,690,501 | | 1,643,255 | | 1,814,118 | | 1,413,665 |
| | 354,828 | | 572,678 | | 282,103 | | 391,600 | | 266,337 | | 288,995 |
| | 713,087 | | 634,637 | | 618,317 | | 13,091 | | - | | - |
| | 89,988 | | 109,023 | | 53,502 | | 864,803 | | 4,450,187 | | 649,756 |
| | - | | - | | - | | - | | 18,661 | | 4,714 |
| | <u>40,151,730</u> | | <u>39,740,326</u> | | <u>41,366,599</u> | | <u>41,324,702</u> | | <u>47,348,167</u> | | <u>45,507,071</u> |
| | <u>714,422</u> | | <u>(863,940)</u> | | <u>(626,540)</u> | | <u>(956,761)</u> | | <u>578,379</u> | | <u>235,259</u> |
| | 188,859 | | 230,755 | | 268,314 | | 274,414 | | 225,780 | | 324,288 |
| | <u>(188,859)</u> | | <u>(230,755)</u> | | <u>(268,314)</u> | | <u>(274,414)</u> | | <u>(225,780)</u> | | <u>(324,288)</u> |
| | - | | - | | - | | - | | - | | - |
| \$ | <u>714,422</u> | \$ | <u>(863,940)</u> | \$ | <u>(626,540)</u> | \$ | <u>(956,761)</u> | \$ | <u>578,379</u> | \$ | <u>235,259</u> |
| | - % | | - % | | - % | | - % | | 0.04% | | 0.01% |

ALAMO AREA COUNCIL OF GOVERNMENTS

PRINCIPAL SOURCES OF REVENUES
(Modified Accrual Basis of Accounting)
LAST TEN FISCAL YEARS

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 ⁽³⁾ | 2017 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| EARNED REVENUES: | | | | | | | | | | |
| Medicaid ⁽¹⁾ | \$ 449,680 | \$ 1,970,756 | \$ 4,232,551 | \$ 3,446,086 | \$ 4,624,276 | \$ 5,663,959 | \$ 5,793,701 | \$ 5,745,153 | \$ 6,403,262 | \$ 6,599,793 |
| Membership dues | 245,458 | 246,078 | 290,239 | 295,636 | 300,352 | 318,186 | 323,933 | 330,379 | 332,780 | 342,501 |
| Local | 2,828,234 | 2,517,219 | 3,115,139 | 3,143,070 | 2,406,722 | 1,045,675 | 1,598,246 | 786,163 | 1,212,943 | 1,419,462 |
| Contributions | 291,612 | - | - | - | 291,105 | 332,666 | 307,076 | 269,165 | 383,878 | 334,754 |
| Delegate agency match | 4,849,275 | 4,819,574 | 6,553,093 | 5,649,545 | 7,455,245 | 6,781,614 | 7,097,649 | 7,392,976 | 8,489,710 | 7,240,447 |
| Interest | 9,459 | 7,407 | 9,672 | 6,659 | 3,911 | 1,523 | 8,729 | 18,867 | 24,170 | 32,950 |
| Other | 368,076 | 367,460 | 22,018 | 16,164 | 184 | - | 11 | 539,658 | 1,002,792 | 879,747 |
| Total local and earned revenues | <u>9,041,794</u> | <u>9,928,494</u> | <u>14,222,712</u> | <u>12,557,160</u> | <u>15,081,795</u> | <u>14,143,623</u> | <u>15,129,345</u> | <u>15,082,361</u> | <u>17,849,535</u> | <u>16,849,654</u> |
| STATE PROGRAM REVENUES: | | | | | | | | | | |
| General Revenue | 9,320,923 | 9,212,416 | 9,756,518 | 6,883,615 | 8,589,808 | 7,581,588 | 9,665,357 | 9,231,702 | 13,151,436 | 9,516,097 |
| Permanency Planning | 63,400 | 89,806 | 76,037 | 87,394 | 67,115 | 53,307 | 95,608 | 88,772 | 61,061 | 78,895 |
| Community Living Options Information Process (CLOIP) | 205,598 | 255,662 | 223,370 | 213,963 | 215,697 | 260,452 | 218,801 | 270,079 | 209,271 | 206,799 |
| Crisis Behavioral Supports | - | - | - | - | - | - | - | 327,407 | 639,699 | 204,516 |
| In-home and Family Support ⁽²⁾ | 528,400 | 718,648 | 536,618 | - | - | - | - | - | - | - |
| Nursing Facilities Preadmission Screening and Resident Review | - | - | - | - | - | - | - | - | 638,745 | 512,829 |
| Omnibus Reconciliation Reform (OBRA) Funds | 6,359 | 19,572 | 12,853 | 7,268 | 10,089 | 18,518 | 9,894 | 338,271 | - | - |
| Other state | - | 828,817 | 14,400 | - | - | - | - | - | - | - |
| Total state program revenues | <u>10,124,680</u> | <u>11,124,921</u> | <u>10,619,796</u> | <u>7,192,240</u> | <u>8,882,709</u> | <u>7,913,865</u> | <u>9,989,660</u> | <u>10,256,231</u> | <u>14,700,212</u> | <u>10,519,136</u> |
| FEDERAL PROGRAM REVENUES: | | | | | | | | | | |
| Federal | 17,624,405 | 24,851,172 | 24,602,310 | 18,648,366 | 16,596,676 | 16,541,640 | 14,661,683 | 13,859,576 | 14,440,342 | 17,378,962 |
| Medicaid Administrative Claiming | 407,989 | 383,574 | 350,054 | 659,393 | 328,457 | 287,268 | 959,372 | 1,169,773 | 936,458 | 994,578 |
| Total federal program revenues | <u>18,032,394</u> | <u>25,234,746</u> | <u>24,952,364</u> | <u>19,307,759</u> | <u>16,925,133</u> | <u>16,828,908</u> | <u>15,621,055</u> | <u>15,029,349</u> | <u>15,376,800</u> | <u>18,373,540</u> |
| Total revenues | <u>\$ 37,198,868</u> | <u>\$ 46,288,161</u> | <u>\$ 49,794,872</u> | <u>\$ 39,057,159</u> | <u>\$ 40,889,637</u> | <u>\$ 38,886,396</u> | <u>\$ 40,740,060</u> | <u>\$ 40,367,941</u> | <u>\$ 47,926,546</u> | <u>\$ 45,742,330</u> |

Notes:

⁽¹⁾ The Patient Protection and Affordable Care Act (ACA) was signed into law in March 2010, providing for expansion of the medicaid program.

⁽²⁾ The In-home and Family Support program ended in fiscal year 2011.

⁽³⁾ OBRA funds ended in fiscal year 2016.

TABLE 6

**ALAMO AREA COUNCIL OF GOVERNMENTS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| Calendar Year | Population ¹ | Personal Income (\$000) ¹ | Avg. Per Capita Personal Income | Gross Sales ² | Taxable Sales | Average Outlets ² | Total Employment ³ | Unemployment Rate |
|---------------|-------------------------|--------------------------------------|---------------------------------|--------------------------|-------------------|------------------------------|-------------------------------|-------------------|
| 2009 | 2,212,331 | \$ 51,170,535 | \$ 23,130 | \$ 97,176,139,529 | \$ 22,554,474,977 | 4,126 | 921,077 | 6.2% |
| 2010 | 2,249,718 | 53,829,695 | 23,927 | 116,649,999,959 | 22,967,227,594 | 4,186 | 969,279 | 6.2% |
| 2011 | 2,301,404 | 56,575,238 | 24,583 | 146,766,312,458 | 25,201,601,239 | 4,407 | 986,129 | 6.5% |
| 2012 | 2,344,719 | 58,370,156 | 24,894 | 147,649,885,895 | 27,731,875,590 | 4,500 | 1,089,921 | 6.3% |
| 2013 | 2,388,823 | 61,381,726 | 25,695 | 148,276,549,442 | 29,576,635,365 | 4,568 | 1,024,314 | 6.5% |
| 2014 | 2,438,711 | 66,101,449 | 27,105 | 165,977,429,158 | 31,591,846,755 | 4,589 | 1,049,445 | 6.9% |
| 2015 | 2,491,102 | 67,090,551 | 26,932 | 147,242,121,274 | 33,102,882,603 | 4,860 | 1,074,794 | 6.5% |
| 2016 | 2,539,276 | 69,792,782 | 27,485 | 133,579,582,935 | 33,546,158,475 | 5,057 | 1,104,774 | 6.5% |
| 2017 | 2,587,905 | 75,199,941 | 29,058 | 103,523,685,063 | 24,811,767,292 | 4,435 | 1,132,763 | 7.0% |
| 2018 | 2,633,460 | N/A ⁴ | N/A ⁴ | 120,660,009,859 | 26,865,512,238 | 4,487 | N/A ⁴ | N/A ⁴ |

Notes:

- ¹ Population and Personal Income Derived from U.S. Bureau of Economic Analysis CA1-3 Report.
- ² Gross Sales, State Tax, and Avg. Outlets Derived from Texas Comptroller of Public Accounts Quarterly Sales tax Report for all industries year 2018.
- ³ Total Employment reflects Civilian Labor Force as of December 2018.
- ⁴ Per the Texas Demographic Center, Selected Economics Characteristics for 2018 have not been released for Texas as of May 2019.

ALAMO AREA COUNCIL OF GOVERNMENTS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

| Employer | 2018 | | | 2009 | | |
|--|----------------|------|--|----------------|---------|--|
| | Employees | Rank | Percentage of Employment ¹ | Employees | Rank | Percentage Of Employment ² |
| Joint Base San Antonio - Lackland, Fort Sam & Randolph ³ | 64,967 | 1 | 6.24% | 71,561 | 1, 2, 7 | 8.55% |
| H-E-B | 22,000 | 2 | 2.11% | 14,588 | 3 | 1.74% |
| USAA | 18,305 | 3 | 1.76% | 14,000 | 4 | 1.67% |
| Northside Independent School District | 13,977 | 4 | 1.34% | 12,597 | 5 | 1.50% |
| City of San Antonio | 11,923 | 5 | 1.15% | 13,862 | 6 | 1.66% |
| North East Independent School District | 8,789 | 6 | 0.84% | 7,800 | 9 | 0.93% |
| Methodist Health Care System | 9,620 | 7 | 0.92% | 8,900 | 8 | 1.06% |
| San Antonio Independent School District | 6,631 | 8 | 0.64% | 7,616 | 10 | 0.91% |
| Baptist Health System | 6,383 | 9 | 0.61% | | | |
| Wells Fargo | <u>5,152</u> | 10 | <u>0.49%</u> | | | |
| Total | <u>167,747</u> | | <u>16.11%</u> | <u>150,924</u> | | <u>18.03%</u> |

Source: Economic Development Division, 2009 Books of Lists - San Antonio Business Journal, and Bureau of Labor Statistics.

¹ Percent based on an Employment Estimate of 1,041,300 Non-Farm Jobs in the San Antonio- New Braunfels, TX Metropolitan Statistical Area as of December 2018. Figure provided by the Bureau of Labor Statistics.

² Percent based on an Employment Estimate of 837,300 Non-Farm Jobs in the San Antonio- New Braunfels, TX Metropolitan Statistical Area as of December 2009. Figure provided by the Bureau of Labor Statistics.

³ In fiscal year 2012, Lackland, Fort Sam, and Randolph military operations were consolidated into Joint Base San Antonio. In Fiscal year 2009, the employee counts were 34,380, 25,391, and 11790, respectively.

TABLE 8

**ALAMO AREA COUNCIL OF GOVERNMENTS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Alamo Area Agency on Aging: | | | | | | | | | | |
| Home delivered meals | 134,776 | 137,977 | 144,338 | 140,707 | 131,296 | 136,506 | 130,932 | 143,731 | 125,257 | 130,568 |
| Congregate meals | 87,841 | 92,944 | 85,148 | 78,607 | 67,378 | 68,457 | 70,619 | 72,386 | 61,344 | 67,124 |
| Transportation trips | 15,409 | 10,774 | 11,650 | 11,049 | 6,069 | 6,083 | 6,531 | 492 | 1,169 | 1,356 |
| Bexar Area Agency on Aging: | | | | | | | | | | |
| Home delivered meals | 259,210 | 343,683 | 338,062 | 302,558 | 280,766 | 305,358 | 320,524 | 316,252 | 317,000 | 303,000 |
| Congregate meals | 525,950 | 559,124 | 507,881 | 417,457 | 346,857 | 350,128 | 403,832 | 382,750 | 355,000 | 347,000 |
| Transportation trips | 25,701 | 23,482 | 22,795 | 25,902 | 20,102 | 15,631 | 12,210 | 12,695 | 12,642 | 11,690 |
| Hours of legal and guardianship services | 4,069 | 2,312 | 2,519 | 2,678 | 5,248 | 4,953 | 5,494 | 5,212 | 4,954 | 3,643 |
| Alamo Local Authority: | | | | | | | | | | |
| Individuals enrolled in HCS program | 175 | 472 | 354 | 126 | 132 | 144 | 409 | 115 | 103 | 89 |
| Criminal Justice: | | | | | | | | | | |
| Full time basic peace officer courses completed | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 3 |
| Basic peace officer graduates | 77 | 36 | 81 | 49 | 71 | 81 | 71 | 81 | 88 | 76 |
| Housing/Weatherization: | | | | | | | | | | |
| LIHEAP units created | 692 | 900 | 703 | 206 | 207 | 161 | 242 | 177 | 180 | 228 |
| LIHEAP expenditures | 1,130,755 | 1,502,427 | 1,410,140 | 1,135,285 | 1,204,771 | 824,344 | 1,506,166 | 1,297,925 | 1,504,234 | 1,858,132 |
| DOE units created | 389 | 27 | 119 | 44 | 56 | 29 | 47 | 47 | 37 | 37 |
| DOE expenditures | 1,255,697 | 10,782 | 517,211 | 166,433 | 430,301 | 211,201 | 375,522 | 380,014 | 341,899 | 363,252 |
| Natural resources: | | | | | | | | | | |
| Ozone monitors completed | 3 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Air Quality Outreach: | | | | | | | | | | |
| Events participated in | - | - | 3 | 5 | 6 | 6 | 10 | 5 | 4 | 4 |
| Commute Solutions: | | | | | | | | | | |
| Outreach events completed | - | 1 | 3 | 5 | 6 | 7 | 11 | 12 | 12 | 12 |
| Clean Cities: | | | | | | | | | | |
| Alternative fuel workshops completed | 5 | 7 | 9 | 7 | 4 | 4 | 4 | 4 | - | 4 |
| 9-1-1/Technical Assistance: | | | | | | | | | | |
| AACOG match rates | - | - | - | - | - | 69% | 82% | 92% | 98% | 99% |
| Resource Recovery: | | | | | | | | | | |
| Pass-through dollars for annual projects | \$ 675,375 | \$ 606,237 | \$ 713,763 | \$ 819,653 | \$ 179,551 | \$ 153,542 | \$ 113,300 | \$ 158,213 | \$ 161,888 | \$ 158,573 |
| Alamo Regional Transit: | | | | | | | | | | |
| Ridership | 100,800 | 144,000 | 157,981 | 139,086 | 114,370 | 113,161 | 111,145 | 89,037 | 101,394 | 117,378 |
| Workforce: | | | | | | | | | | |
| Rural job seekers assisted | 1,400 | 1,990 | 3,759 | 1,086 | 3,809 | N/A | N/A | N/A | N/A | N/A |
| Provided employment services | 13,787 | 15,757 | 18,795 | 7,240 | 5,234 | N/A | N/A | N/A | N/A | N/A |

TABLE 9

ALAMO AREA COUNCIL OF GOVERNMENTS

FULL-TIME EQUIVALENT EMPLOYEES
BY PROGRAM/DEPARTMENT

LAST TEN FISCAL YEARS

| Program/Department | Fiscal Year | | | | | | | | | |
|-----------------------|-----------------------------------|------------|---------------|---------------|------------|---------------|------------|---------------|------------|---------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| IDD | 50 | 73 | 82 | 89 | 90 | 111 | 130 | 133 | 135 | 133 |
| Area Agency on Aging | 29 | 35 | 31 | 38 | 38 | 36 | 40 | 53 | 53 | 52 |
| Transportation | 55 | 77 | 75 | 44 | 44 | 52 | 47 | 34 | 34 | 36 |
| Administrative | 22 | 26 | 23 | 32 | 33 | 29 | 35 | 28 | 26 | 24 |
| Public Safety | 16 | 15 | 14 | 12 | 12 | 13 | 12 | 11 | 12 | 12 |
| Weatherization | 8 | 13 | 15 | 13 | 13 | 14 | 12 | 7 | 8 | 8 |
| Natural Resources | 13 | 11 | 9 | 9 | 10 | 10 | 7 | 8 | 5 | 2 |
| Regional Services | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 4 | 2 |
| Resource Recovery | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Workforce / Childcare | <u>48</u> | <u>57</u> | <u>43</u> | <u>44</u> | <u>44</u> | <u>10</u> | <u>9</u> | - | - | - |
| Total | <u>244</u> | <u>310</u> | <u>295</u> | <u>284</u> | <u>287</u> | <u>278</u> | <u>295</u> | <u>277</u> | <u>279</u> | <u>271</u> |
| | Year-to-Year Percentage Increases | | | | | | | | | |
| IDD | 12% | 46% | 12% | 9% | 1% | 23% | 17% | 2% | 2% | (1%) |
| Area Agency on Aging | 7% | 21% | (11%) | 23% | - | (5%) | 11% | 33% | - | 2% |
| Transportation | 49% | 40% | (3%) | (41%) | - | 18% | (10%) | (28%) | - | (6%) |
| Administrative | - | 18% | (12%) | 39% | 3% | (12%) | 21% | (20%) | (7%) | 8% |
| Public Safety | 6% | (6%) | (7%) | (14%) | - | 8% | (8%) | (8%) | 9% | - |
| Weatherization | 25% | 63% | 15% | (13%) | - | 8% | (14%) | (42%) | 14% | - |
| Natural Resources | 15% | (15%) | (18%) | - | 11% | - | (30%) | 14% | (38%) | 60% |
| Regional Services | - | - | - | - | - | - | - | - | 300% | 50% |
| Resource Recovery | - | - | - | - | - | - | - | - | - | - |
| Workforce / Childcare | (19%) | <u>19%</u> | (25%) | <u>2%</u> | - | (77%) | (10%) | - | - | - |
| Total | <u>9%</u> | <u>27%</u> | (<u>5%</u>) | (<u>4%</u>) | <u>1%</u> | (<u>3%</u>) | <u>6%</u> | (<u>6%</u>) | <u>1%</u> | (<u>3%</u>) |

TABLE 10

ALAMO AREA COUNCIL OF GOVERNMENTS

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| <u>General Government</u> | | | | | | | | | | |
| Vehicles | 1 | 1 | - | 1 | 1 | - | - | - | - | - |
| Equipment | 6 | 5 | 5 | 5 | 5 | 4 | 3 | 2 | - | - |
| Software | 4 | 3 | 1 | - | - | - | - | - | - | - |
| Furniture & Fixtures | 2 | 1 | 1 | - | - | - | - | - | - | - |
| <u>Aging</u> | | | | | | | | | | |
| Equipment | 2 | 2 | 2 | - | - | - | - | - | - | - |
| Furniture & Fixtures | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| <u>IDD</u> | | | | | | | | | | |
| Equipment | - | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 |
| Furniture & Fixtures | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| <u>Alamo Regional Transit</u> | | | | | | | | | | |
| Vehicles | 80 | 71 | 78 | 78 | 71 | 79 | 80 | 67 | 43 | 45 |
| Equipment | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Software | 3 | 3 | 4 | 4 | 2 | 3 | 2 | 2 | 1 | 1 |
| <u>Public Safety</u> | | | | | | | | | | |
| Vehicles | 7 | 10 | 10 | 8 | 7 | 5 | 6 | 1 | 1 | 2 |
| Equipment | 4 | 7 | 8 | 5 | 5 | 4 | 15 | 14 | 13 | 13 |
| Software | 2 | 2 | 2 | - | 1 | 2 | 2 | 2 | 2 | 2 |
| <u>9-1-1</u> | | | | | | | | | | |
| Equipment | 1 | 1 | 4 | 2 | 2 | 2 | 4 | 4 | 4 | 4 |
| <u>Homeland Security</u> | | | | | | | | | | |
| Vehicles | 8 | 8 | 8 | 8 | 8 | - | - | - | - | - |
| Equipment | 10 | 10 | 10 | 7 | 7 | 5 | 1 | 1 | 1 | 1 |
| <u>Housing</u> | | | | | | | | | | |
| Vehicles | 3 | 3 | 7 | 6 | 6 | 6 | 4 | 5 | 5 | 9 |
| <u>Workforce Development</u> | | | | | | | | | | |
| Vehicles | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | - | - |
| Furniture & Fixtures | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - |
| <u>Natural Resources</u> | | | | | | | | | | |
| Equipment | 3 | 2 | 2 | - | - | - | 1 | 6 | 6 | 6 |
| <u>Resource Recovery</u> | | | | | | | | | | |
| Equipment | - | - | 1 | 1 | 2 | 2 | 2 | 2 | 1 | 1 |

Notes: Assets in excess of \$5,000

Assets listed are based on items that were depreciated in that fiscal year. Fully depreciated assets are not included in this schedule.

Assets purchased with grant funds but owned by subrecipients are not included.

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**SINGLE AUDIT
SECTION**

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

To the Board of Directors
Alamo Area Council of Governments
San Antonio, Texas

Members of the Board:

We have audited, 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, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Alamo Area Council of Governments (the “Council”) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Council’s basic financial statements, and have issued our report thereon dated June 25, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 25, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

Board of Directors
Alamo Area Council of Governments
San Antonio, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Alamo Area Council of Governments' (the "Council") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* ("UGMS"), issued by the Texas Comptroller of Public Accounts, that could have a direct and material effect on each of the Council's major federal and state programs for the year ended December 31, 2018. The Council's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

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

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

Pattillo, Brown & Hill, L.L.P.
Waco, Texas
June 25, 2019

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-through Entity Identifying Number | Total Federal Expenditures | Passed Through to Subrecipients |
|---|---------------------------|--|----------------------------------|---------------------------------------|
| FEDERAL AWARDS | | | | |
| <u>U. S. Department of Commerce/Economic Development Administration</u> | | | | |
| Direct: | | | | |
| Economic Development - Support for Planning Organizations | 11.302 | ED18AUS3020001 | \$ 83,558 | \$ - |
| Total Direct Programs | | | <u>83,558</u> | <u>-</u> |
| Passed through Texas Association of Regional Councils: | | | | |
| Economic Adjustment Assistance - Title II, Section 209 | 11.307 | 08-79-05233 | 25,459 | - |
| Subtotal Economic Development Cluster | | | <u>25,459</u> | <u>-</u> |
| Total Texas Association of Regional Councils | | | <u>25,459</u> | <u>-</u> |
| Total U. S. Department of Commerce/Economic Development Administration | | | <u>109,017</u> | <u>-</u> |
| <u>U.S. Department of Defense/Office of Economic Adjustment</u> | | | | |
| Direct: | | | | |
| Joint Land Use Studies | 12.610 | EN1544-17-02 | 314,749 | - |
| Total U.S. Department of Defense/Office of Economic Adjustment | | | <u>314,749</u> | <u>-</u> |
| <u>U. S. Department of Housing and Urban Development</u> | | | | |
| Passed through the Texas Department of Agriculture: | | | | |
| Community Development Block Grant | 14.228 | C717221 | 6,051 | - |
| Total Texas Department of Agriculture | | | <u>6,051</u> | <u>-</u> |
| Passed through the Texas General Land Office: | | | | |
| Community Development Block Grant - Disaster Recovery Program | 14.228 | 18-497-002-B229 | 17,284 | - |
| Total Texas General Land Office | | | <u>17,284</u> | <u>-</u> |
| Passed through Texas Association of Regional Councils: | | | | |
| Hurricane Harvey Technical Assistance Grant | 14.228 | DR - 001 | 9,565 | - |
| Total Texas Association of Regional Councils | | | <u>9,565</u> | <u>-</u> |
| Total U. S. Department of Housing and Urban Development | | | <u>32,900</u> | <u>-</u> |
| <u>U. S. Department of Justice</u> | | | | |
| Passed through the Office of the Governor, Criminal Justice Division: | | | | |
| Violence Against Women Formula Grant | 16.588 | 2610706 | 62,308 | - |
| Violence Against Women Formula Grant | 16.588 | 2610707 | 14,093 | - |
| Total Office of the Governor, Criminal Justice Division | | | <u>76,401</u> | <u>-</u> |
| Total U. S. Department of Justice | | | <u>76,401</u> | <u>-</u> |
| <u>U. S. Department of Labor</u> | | | | |
| Passed through Texas Workforce Commission: | | | | |
| Spirit Project | 17.207 | 2018WPB001 | 331,185 | - |
| Subtotal Employment Service Cluster | | | <u>331,185</u> | <u>-</u> |
| Total U. S. Department of Labor | | | <u>331,185</u> | <u>-</u> |
| <u>U. S. Department of Transportation</u> | | | | |
| Passed through the Metropolitan Planning Organization: | | | | |
| Highway Planning and Construction | 20.205 | 2018-2019 | 10,551 | - |
| Subtotal Metropolitan Planning Organization | | | <u>10,551</u> | <u>-</u> |
| Passed through Texas Department of Transportation: | | | | |
| Highway Planning and Construction - Commute Solutions | 20.205 | 15-4XXF7001 | 184,053 | - |
| Subtotal Texas Department of Transportation | | | <u>184,053</u> | <u>-</u> |
| Subtotal Highway Planning and Construction Cluster | | | <u>194,604</u> | <u>-</u> |
| Passed through the VIA Metropolitan Transit: | | | | |
| Federal Transit Formula Grants | 20.507 | TX90Y116-00 | 122,349 | - |
| Federal Transit Formula Grants | 20.507 | TX90Y129-01 | 266,517 | - |
| Subtotal VIA Metropolitan Transit | | | <u>388,866</u> | <u>-</u> |
| Passed through Texas Department of Transportation: | | | | |
| Bus and Bus Facilities Formula Program | 20.526 | 51003011517 | 90,172 | - |
| Subtotal Texas Department of Transportation | | | <u>90,172</u> | <u>-</u> |
| Subtotal Federal Transit Cluster | | | <u>479,038</u> | <u>-</u> |

The accompanying notes are an integral part of this schedule.

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018**

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-through Entity Identifying Number | Total Federal Expenditures | Passed Through to Subrecipients |
|--|---------------------------|---|----------------------------------|---------------------------------------|
| FEDERAL AWARDS (Continued) | | | | |
| Passed through the VIA Metropolitan Transit: | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | 1937-2017-3 FS232 | \$ 58,547 | \$ - |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | TX-16-081-00 | 261,929 | - |
| Travel Program | 20.521 | TX-57-X016 | 16,642 | - |
| New Freedom Program | 20.521 | TX-57-X032-01 | (5,227) | - |
| Subtotal Transit Services Programs Cluster | | | <u>331,891</u> | <u>-</u> |
| Subtotal VIA Metropolitan Transit | | | <u>331,891</u> | <u>-</u> |
| Passed through Texas Department of Transportation: | | | | |
| Transportation Investment Generating Economic Recovery (TIGER) | 20.509 | 51079011517 | 644,436 | - |
| Formula Grants for Rural Areas | 20.509 | 51018011517 | 575,612 | - |
| Formula Grants for Rural Areas | 20.509 | 51018011518 | 362,767 | - |
| Subtotal | | | <u>1,582,815</u> | <u>-</u> |
| State Planning and Research | 20.515 | REG 1801 (15) | 3,942 | - |
| Transportation Investment Generating Economic Recovery (TIGER) | 20.933 | 51079011517 | 502,416 | - |
| Subtotal Texas Department of Transportation | | | <u>2,089,173</u> | <u>-</u> |
| Total U. S. Department of Transportation | | | <u>3,094,706</u> | <u>-</u> |
| <u>U. S. Department of Veterans Affairs</u> | | | | |
| Direct: | | | | |
| Veterans Home Based Primary Care | 64.022 | PA-VDHC 671-0001 | 1,890,801 | - |
| Total U. S. Department of Veterans Affairs | | | <u>1,890,801</u> | <u>-</u> |
| <u>U. S. Department of Energy</u> | | | | |
| Direct: | | | | |
| Conservation Research and Development | 81.086 | DE-EE0007451 | 29,946 | - |
| Total Direct Programs | | | <u>29,946</u> | <u>-</u> |
| Passed through Texas Department of Housing and Community Affairs: | | | | |
| Weatherization Assistance for Low Income Persons | 81.042 | 56170002714 | 248,912 | - |
| Weatherization Assistance for Low Income Persons | 81.042 | 56180002946 | 202,083 | - |
| Total Texas Department of Housing and Community Affairs | | | <u>450,995</u> | <u>-</u> |
| Total U. S. Department of Energy | | | <u>480,941</u> | <u>-</u> |
| <u>U. S. Department of Health and Human Services</u> | | | | |
| Passed through Corporation for National and Community Service: | | | | |
| Senior Demonstration Program | 93.017 | 18SDWTX002 | 8,727 | - |
| Total Corporation for National and Community Service | | | <u>8,727</u> | <u>-</u> |
| Passed through Texas Health and Human Services Commission: | | | | |
| Title VII-EAP - Bexar AAA | 93.041 | 539-16-0020-00001 | 14,404 | - |
| Title VII-EAP - Alamo AAA | 93.041 | 539-16-0021-00001 | 6,427 | - |
| Subtotal | | | <u>20,831</u> | <u>-</u> |
| Title VII-OAG - Bexar AAA | 93.042 | 539-16-0020-00001 | 46,835 | - |
| Title VII-OAG - Alamo AAA | 93.042 | 539-16-0021-00001 | 45,047 | - |
| Subtotal | | | <u>91,882</u> | <u>-</u> |

The accompanying notes are an integral part of this schedule.

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018**

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-through Entity Identifying Number | Total Federal Expenditures | Passed Through to Subrecipients |
|---|---------------------------|---|----------------------------------|---------------------------------------|
| FEDERAL AWARDS (Continued) | | | | |
| <u>U. S. Department of Health and Human Services (Continued)</u> | | | | |
| Title III-D - Bexar AAA | 93.043 | 539-16-0020-00001 | \$ 83,616 | \$ - |
| Title III-D - Alamo AAA | 93.043 | 539-16-0021-00001 | 53,960 | - |
| Subtotal | | | <u>137,576</u> | - |
| Title III-B - Bexar AAA | 93.044 | 539-16-0020-00001 | 1,489,844 | 235,481 |
| Title III-B - Alamo AAA | 93.044 | 539-16-0021-00001 | 558,644 | - |
| Title III-C - Bexar AAA | 93.045 | 539-16-0020-00001 | 3,004,150 | 2,728,549 |
| Title III-C - Alamo AAA | 93.045 | 539-16-0021-00001 | 1,194,965 | - |
| Nutrition Services Incentive Program - Bexar AAA | 93.053 | 539-16-0020-00001 | 870,786 | 870,786 |
| Nutrition Services Incentive Program - Alamo AAA | 93.053 | 539-16-0021-00001 | 242,410 | - |
| Subtotal Aging Cluster | | | <u>7,360,799</u> | <u>3,834,816</u> |
| Title III-E - Bexar AAA | 93.052 | 539-16-0020-00001 | 522,414 | 21,988 |
| Title III-E - Alamo AAA | 93.052 | 539-16-0021-00001 | 214,789 | - |
| Subtotal | | | <u>737,203</u> | <u>21,988</u> |
| Medicare Enrollment Assistance Program (MIPPA -2) - ADRC | 93.071 | 539-16-0031-00001 | 43,370 | - |
| Medicare Enrollment Assistance Program (MIPPA -2) - Alamo AAA | 93.071 | 539-16-0021-00001 | 13,450 | - |
| Subtotal | | | <u>56,820</u> | - |
| State Health Insurance Assistance Program - Bexar AAA | 93.324 | 539-16-0020-00001 | 70,024 | - |
| State Health Insurance Assistance Program - Alamo AAA | 93.324 | 539-16-0021-00001 | 81,103 | - |
| Subtotal | | | <u>151,127</u> | - |
| Medicaid Administrative Claiming (MAC) | 93.778 | 529-09-0032-00065 | 994,578 | - |
| Subtotal Medicaid Cluster | | | <u>994,578</u> | - |
| Money Follows the Person Rebalancing Demonstration - ADRC | 93.791 | 539-16-0031-0001 | 82,746 | - |
| Money Follows the Person Rebalancing Demonstration - ECC-IDD | 93.791 | 529-18-0017-0001 | 197,969 | - |
| Subtotal | | | <u>280,715</u> | - |
| Total Texas Health and Human Services Commission | | | <u>9,831,531</u> | <u>3,856,804</u> |
| Passed through Texas Department of Housing and Community Affairs: | | | | |
| Low-Income Home Energy Assistance Program | 93.568 | 81170002651 | 431,084 | - |
| Low-Income Home Energy Assistance Program | 93.568 | 81180002876 | 1,466,141 | - |
| Low-Income Home Energy Assistance Program | 93.568 | 81190003006 | 610 | - |
| Total Texas Department of Housing and Community Affairs | | | <u>1,897,835</u> | - |
| Total U. S. Department of Health and Human Services | | | <u>11,738,093</u> | <u>3,856,804</u> |

The accompanying notes are an integral part of this schedule.

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2018

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-through Entity Identifying Number | Total Federal Expenditures | Passed Through to Subrecipients |
|---|---------------------------|---|----------------------------------|---------------------------------------|
| FEDERAL AWARDS (Continued) | | | | |
| <u>U. S. Department of Homeland Security</u> | | | | |
| Passed through Office of the Governor, Division of Emergency Management | | | | |
| Homeland Security Grant Program | 97.067 | 30080252 | \$ 43,698 | \$ - |
| Homeland Security Grant Program | 97.067 | 30090230 | 21,302 | - |
| Homeland Security Grant Program | 97.067 | 2964003 | 186,742 | - |
| Homeland Security Grant Program | 97.067 | 2964004 | 53,005 | - |
| Total Office of the Governor, Division of Emergency Management | | | <u>304,747</u> | <u>-</u> |
| Total U. S. Department of Homeland Security | | | <u>304,747</u> | <u>-</u> |
| Total Federal Expenditures | | | \$ <u>18,373,540</u> | \$ <u>3,856,804</u> |

The accompanying notes are an integral part of this schedule.

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

| State Grantor/Program Title | Grant Number | Expenditures |
|--|--------------------|----------------------|
| STATE AWARDS | | |
| <u>Texas Health and Human Services Commission</u> | | |
| State General Revenue | 529-18-0017-00001 | \$ 3,119,125 |
| Permanency Planning | 529-18-0017-00001 | 78,895 |
| Community Living Options Information Process (CLOIP) | 529-18-0017-00001 | 206,799 |
| IDD Crisis Intervention Specialists | 529-18-0017-00001 | 204,516 |
| IDD Crisis Respite Services | 529-18-0017-00001 | 314,621 |
| Nursing Facility PASRR Service Coordination | 529-18-0017-00001 | 512,829 |
| Nursing Facility Specialized Services | 529-18-0017-00001 | 975,701 |
| Subtotal | | <u>5,412,486</u> |
| State General Revenue - Bexar AAA | 539-16-0020-00001 | 232,161 |
| State General Revenue - Alamo AAA | 539-16-0021-00001 | 242,054 |
| State General Revenue - ADRC | 539-16-0031-00001 | 331,963 |
| Total Texas Health and Human Services Commission | | <u>6,218,664</u> |
| <u>Commission on State Emergency Communications</u> | | |
| 911 Emergency Communications | FY 2018 | 997,791 |
| 911 Emergency Communications | FY 2019 | 415,767 |
| Total Commission on State Emergency Communications | | <u>1,413,558</u> |
| <u>Office of the Governor - Criminal Justice Division</u> | | |
| Regional Criminal Justice Coordination | 30080253 | 120,050 |
| Regional Criminal Justice Coordination | 30090205 | 60,025 |
| Subtotal | | <u>180,075</u> |
| Regional Police Training Academy | SF-18-A10-14859-16 | 533,354 |
| Total Office of the Governor - Criminal Justice Division | | <u>713,429</u> |
| <u>Office of the Governor - Texas Military Preparedness Commission</u> | | |
| Defense Economic Adjustment Assistance Grant | TMPC1601-01-11 | 116,882 |
| Total Office of the Governor - Texas Military Preparedness Commission | | <u>116,882</u> |
| <u>Texas Commission on Environmental Quality</u> | | |
| Air Quality | 582-16-60180 | 199,369 |
| Alternative Fueling Facilities Program | 582-18-83055-2677 | 5,460 |
| Solid Waste Resource Recovery | 582-16-60643 | 8,251 |
| Solid Waste Resource Recovery | 582-18-80528 | 372,907 |
| Subtotal | | <u>381,158</u> |
| Total Texas Commission on Environmental Quality | | <u>585,987</u> |
| <u>Texas Department of Housing and Community Affairs</u> | | |
| Amy Young Barrier Removal Program | 1001997 | 117,538 |
| Total Texas Department of Housing and Community Affairs | | <u>117,538</u> |
| <u>Texas Department of Transportation</u> | | |
| Transportation Investment Generating Economic Recovery (TIGER) | 51079011517 | 127,058 |
| Rural Public Transportation | 51218011518 | 510,503 |
| Rural Public Transportation | 51218011519 | 352,580 |
| Subtotal | | <u>863,083</u> |
| Total Texas Department of Transportation | | <u>990,141</u> |
| <u>Texas Veterans Commission</u> | | |
| Housing 4 Texas Heroes | HTX_18_0548 | 124,533 |
| Rides 4 Vets | FVA_17_0398 | 110,686 |
| Rides 4 Vets | FVA_18_0496 | 127,718 |
| Subtotal | | <u>238,404</u> |
| Total Texas Veterans Commission | | <u>362,937</u> |
| Total State Expenditures | | <u>\$ 10,519,136</u> |
| Total Expenditures of Federal and State Awards | | <u>\$ 28,892,676</u> |

The accompanying notes are an integral part of this schedule.

ALAMO AREA COUNCIL OF GOVERNMENTS

**NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS**

FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL

The Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards programs of the reporting entity. The Council's reporting entity is defined in Note 1 of the basic financial statements. Federal and state awards received directly from federal and state agencies, as well as awards passed through other government agencies, are included on the Schedule of Expenditures of Federal and State Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements.

3. NEGATIVE BALANCES

Due to a revision in the allocation of certain costs, certain granting agencies have retroactively reallocated certain grant expenditures. As a result of this, the effected grants reflect a negative balance on the current Schedule of Expenditures of Federal and State Awards at the request of the granting agency.

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Grant expenditure reports as of December 31, 2018, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are often prepared at different dates and sometimes reflect refined estimates of year-end accruals. The reports will agree at termination of the grant, as the discrepancies noted are timing differences.

5. INDIRECT COSTS

The Council has not elected to use the 10% de minimis indirect cost rate as allowed in the *Uniform Guidance, Section 414*. Instead, the Council uses indirect and fringe benefit rates that are negotiated with the U.S. Economic Development Administration, which is the Council's designated federal cognizant agency. The Council uses a fixed-rate plus carry-forward provision.

6. SUBAWARDS FROM DISCRETELY PRESENTED COMPONENT UNIT TO PRIMARY GOVERNMENT

In the administration of grants, the discretely presented component unit (AADC) may sometimes provide subawards to the primary government (AACOG). In accordance with federal and state guidelines, for purposes of determining Type A programs and reporting on the Schedule of Expenditures of Federal and State Awards, these subawards within the single audit reporting entity are eliminated.

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I: Summary of Auditors' Results

Financial Statements

| | |
|--|---------------|
| Type of report on financial statements | Unmodified |
| Internal control over financial reporting: | |
| Are material weakness(es) identified? | No |
| Are any significant deficiencies identified? | None reported |
| Is any noncompliance material to the financial statements noted? | No |

Federal and State Awards

| | |
|---|---------------|
| Internal control over major federal and state programs: | |
| Any material weakness(es) identified? | No |
| Are any significant deficiencies identified? | None reported |
| Type of report on compliance with major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or the State of Texas <i>Uniform Grant Management Standards</i> ? | No |

Identification of Major Programs:

Federal:

| | |
|---|-------------------------|
| Veterans Home Based Primary Care | <u>CFDA #</u> 64.022 |
| Aging Cluster | 93.044, 93.045, 93.053 |
| Title III-E | 93.052 |
| Low-Income Home Energy Assistance Program | 93.568 |

State:

| | |
|--|--|
| General Revenue: | <u>State Grant Number</u> 529-18-0017-00001 |
| State General Revenue | |
| Permanency Planning | |
| Community Living Options Information Process | |
| IDD Crisis Intervention Specialists | |
| IDD Respite Services | |
| Nursing Facility PASRR Service Coordination | |
| Nursing Facility Specialized Services | |
| Regional Police Training Academy | SF-18-A10-14859-16 |
| Solid Waste Resource Recovery | 582-16-60643 & 582-18-80528 |

| | |
|--|-----------|
| Dollar threshold considered between Type A and Type B federal programs | \$750,000 |
|--|-----------|

| | |
|--|-----------|
| Dollar threshold considered between Type A and Type B state programs | \$315,574 |
|--|-----------|

| | |
|-----------------------------|---|
| Low risk auditee statements | The Council was not classified as a low-risk auditee in the context of 2 CFR 200. The Council was classified as a low-risk auditee in the context of the State of Texas <i>Uniform Grant Management Standards</i> . |
|-----------------------------|---|

Section II - GAGAS Findings

None

Section III - Federal and State Award Findings

None



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Board of Directors
James C. Hasslocher, Chairman
Board Member, University Health System
Robert L. Hurley, Vice Chairman
County Judge, Atascosa County
Luana Buckner
Board Chair, Edwards Aquifer Authority
Tommy Calvert
Commissioner, Bexar County
Suzanne de Leon
Mayor, City Balcones Heights
Cris Eugster
Chief Operating Officer, CPS Energy
Richard A. Evans
County Judge, Bandera County
Leah Garcia
Councilwoman, New Braunfels
Robert W. Gregory
Mayor, City of La Vernia
Wade Hedtke
County Judge, Karnes County
Richard L. Jackson
County Judge, Wilson County
Andrew Keller
Mayor, City of La Coste
Rob Kelly
County Judge, Kerr County
Sherman Krause
County Judge, Comal County
Arnulfo Luna
County Judge, Frio County
Darrel L. Lux
County Judge, Kendall County
Jose Menendez
Senator, State of Texas, District 26
Andrew Murr
State Representative, District 53
Manny Pelaez
Councilman, City of San Antonio
Clayton Perry
Councilman, City of San Antonio
Katie N. Reed
Trustee, Northside ISD
Sergio "Chico" Rodriguez
Commissioner, Bexar County
Ana Sandoval
Councilwoman, City of San Antonio
Thomas A. Schoolcraft
Mayor, City of Helotes
Chris Schuchart
County Judge, Medina County
Mike Schultz
Mayor, City of Boerne
Mark Stroehrer
County Judge, Gillespie County
James E. Teal
County Judge, McMullen County
John Williams
Mayor, City of Universal City
Kevin A. Wolff
Commissioner, Bexar County
Jim O. Wolvertan
Commissioner, Guadalupe County
Kyle Biedermann (Ex-Officio)
State Representative, District 73
Ryan Guillen (Ex-Officio)
State Representative, District 31
John Kuempel (Ex-Officio)
State Representative, District 44
COL. Peter Valesky (Ex-Officio)
Joint Base San Antonio
Judith Zaffirini (Ex-Officio)
State Representative, District 21

None