

**ALAMO AREA  
COUNCIL OF GOVERNMENTS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2015**



**ALAMO AREA COUNCIL OF GOVERNMENTS**

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P A T T I L L O , B R O W N & H I L L , L . L . P .  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## 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, 2015, 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.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Alamo Area Council of Governments, as of December 31, 2015, 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.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2015 the Council adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 4 – 8 and 36 – 38 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 combining nonmajor fund financial statements, supplemental schedules, 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, supplemental schedules (except for those marked "unaudited"), and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, supplemental schedules (except for those marked "unaudited"), 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 supplemental schedules which are marked "unaudited" 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 28, 2016, 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 28, 2016

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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, 2015. 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 Council exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$11,310,813 (net position). Of this amount, \$2,248,303 is unrestricted. This reflects an increase to net position of \$1,372,627.
- ◆ As of the close of the current fiscal year, the Council's governmental funds financial statements reported combined ending fund balances of \$6,377,677. The unassigned fund balance in the General Fund that is available for operations is \$1,937,288.

### 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 assets 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, and the Alamo Local Authority 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 \$11,310,813 at December 31, 2015. The following table reflects the condensed Statement of Net Assets compared to prior year.

### Alamo Area Council of Government's Statement of Net Position

	Total	
	2015	2014
Assets:		
Current and other assets	\$ 13,699,923	\$ 12,660,677
Capital assets	4,626,797	3,320,177
Total assets	<u>18,326,720</u>	<u>15,980,854</u>
Deferred outflows of resources	<u>1,469,434</u>	<u>-</u>
Liabilities:		
Current liabilities	7,432,259	6,042,668
Noncurrent liabilities	458,905	-
Total liabilities	<u>7,891,164</u>	<u>6,042,668</u>
Deferred inflows of resources	<u>594,177</u>	<u>-</u>
Net position:		
Invested in capital assets	4,626,797	3,320,177
Restricted for grant programs	4,435,713	5,468,590
Unrestricted	<u>2,248,303</u>	<u>1,149,419</u>
Total net position	<u>\$ 11,310,813</u>	<u>\$ 9,938,186</u>

The balance of *unrestricted net position*, \$2,248,303, 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, 2015, as compared to the year ended December 31, 2014. The Council's net position increased by \$1,372,627.

	Governmental Activities	
	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 489,443	\$ 787,230
Operating grants and contributions	39,870,358	37,769,447
Capital grants and contributions	2,241,447	-
General revenues:		
Investment earnings	8,729	1,523
Member dues	323,933	318,186
Total revenues	<u>42,933,910</u>	<u>38,876,386</u>
Expenses:		
General government	106,379	253,731
Workforce development	985,649	1,231,591
Aging	16,878,439	16,618,027
Emergency communications	1,637,738	1,302,969
Economic development	52,784	109,023
Environmental quality	908,372	661,454
Community affairs	1,856,575	1,862,836
Homeland security	303,317	615,464
Transportation	5,296,213	6,059,606
Housing	623,478	654,225
Criminal justice	1,468,424	1,133,784
Health and welfare	11,628,909	9,441,812
Total expenses	<u>41,746,277</u>	<u>39,944,522</u>
Change in net position	1,187,633	( 1,068,136)
Net position, beginning	<u>9,938,186</u>	<u>11,006,322</u>
Change in accounting principles	<u>184,994</u>	<u>-</u>
Net position, ending	<u>\$ 11,310,813</u>	<u>\$ 9,938,186</u>

## Comparisons to 2014 Revenues, Expenditures and Funding

The Council's revenues increased by \$4,057,524 and expenditures increased by \$1,801,755 from fiscal 2014 to 2015. Revenues increased for the governmental activities primarily because of a donation of capital assets for the police training academy.

### Revenues

General Fund revenues increased by \$304,709 which was primarily due to the credit card rebate and the receipt of designated funds from the Alamo Area Housing Finance Corporation during 2015. Special Revenue Funds revenues increased by \$1,558,964 which is an aggregate effect of various program changes in funding.

### Expenditures

General Fund expenditures decreased by \$336,247 while the Special Revenue Funds expenditures increased by \$1,962,520.

## 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 ADMINISTRATION

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

	Governmental Activities	
	2015	2014
Capital assets	\$ 13,868,317	\$ 11,874,473
Less: accumulated depreciation	( 9,241,520)	( 8,554,296)
Total capital assets, net	\$ <u>4,626,797</u>	\$ <u>3,320,177</u>

The Council's capital improvements totaled \$2,402,640 during 2015 in the following categories and programs.

#### Vehicles

The Transportation Program purchased one Type II El Dorado Aerolite vehicle in the amount of \$75,955.

#### Equipment

The council recorded \$1,093,125 in equipment purchases and donations during 2015.

The IT Department purchased a Dell Server for \$23,987. The 9-1-1 program purchased equipment for the backup PSAP Wetmore Office in the amount of \$33,575. The Air Quality program purchased a Global Government Education Solutions Inc. sever for \$6,116. The Criminal Justice Department purchased a Dahill Sharp Aquos Board for \$21,560.

The Public Safety Department received a donation for \$1,007,887 from the Global Priority Security (GPS) Group that consists of various simulators, computer servers, camera systems and network equipment primarily for the law enforcement training academy.

#### Property

The Public Safety Department received an additional donation of leasehold improvements for a value of \$1,233,560 primarily for the law enforcement training academy.

## ECONOMIC FACTORS AND NEXT YEAR'S FINANCIAL PLAN

The Council's approved 2016 annual budget reflects \$42,424,993 for revenues and \$42,370,187 for expenditures. The 2016 annual budget reflects an increase to revenues and expenditures when compared to the 2015 actuals. The 2015 actual revenues are \$40,740,059 and actual expenditures are \$41,366,599 for an increase of \$1,684,934 and \$1,003,588, respectively.

The Council's combined ending fund balances of \$6,377,677 includes \$4,440,389 of dedicated program fund balances and \$1,937,288 of General Fund balance. The Council increased the general fund balance by \$353,345 during fiscal year 2015 and is projecting an increase of \$52,086 for 2016. The Council's special revenue fund balance decreased by \$979,885 for 2015 and is projected to increase by \$2,720 in 2016. The 2015 decrease to the special revenue fund balances is primarily from the Alamo Local Authority and the Rural Public Transportation programs utilizing fund balance reserves to provide services.

The Council accepted a donation of public safety training equipment and leasehold improvements from the GPS on March 1, 2015. The donation was valued at approximately \$2.3 million. The location is located at 12625 Wetmore Road, Suite 436, San Antonio, Texas 78247.

The Council discontinued providing Child Care Services on August 31, 2015. The 2015 funding was \$329,339 and approximately \$500,000 in previous years.

John Clamp was hired as the Chief Financial Officer. His employment began on November 17, 2015 and is a Texas Licensed CPA and earned an MBA.

The Council transferred the HUD program to the Texas Department of Housing and Community Affairs effective January 1, 2016. Due to the low volume program and decreased administrative fees it was in AACOG's best interest to discontinue management of this program.

In March of 2016, the Council's Board of Directors approved ADP as their new payroll processing vendor. The transition to ADP will occur in July 2016.

The Council is currently working with the building owner to finalize the release of approximately 14,755 square feet of space back to the landlord. The lease specifies that AACOG may release the space if a loss in funding has occurred. Rent savings from September 2016 through December of 2020 approximates \$1.1 million.

The Council has entered into a contract with Office of the Governor for the Defense Economic Adjustment Assistance Grant (DEAAG) in May 2016 for the purpose of serving as the administrative arm and a pass-through of approximately \$5 million during 2016 and 2017. In addition to this contract an interlocal agreement between AACOG and the San Antonio Water System (SAWS) was approved by the Board in May. The interlocal agreement with SAWS is for \$125k. The \$5.0 million will provide primary water supplies to Camp Bullis and secondary/emergency sources of water to Ft. Sam Houston, Lackland, and Lackland Annex.

The Council currently resides at 8700 Tesoro Dr., San Antonio Texas in a multiple floor building leased from Cotter & Sons that originally 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 66,321 square feet.

## **INFORMATION REQUEST**

This financial report is designed to provide general overview of AACOG'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, 2015

	<u>Primary Government</u>	<u>Component Unit</u>
	Governmental Activities	Alamo Area Development Corporation
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,442,508	\$ 88,218
Receivables:		
Grantors	6,195,806	188,567
Other	18,006	-
Deposits	23,904	-
Prepaid items	19,699	-
Capital assets, net of accumulated depreciation	4,626,797	-
Total assets	18,326,720	276,785
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	1,469,434	-
Total deferred outflows of resources	1,469,434	-
<b>LIABILITIES</b>		
Accounts payable	3,635,066	224,462
Accrued liabilities	323,790	1,044
Unearned revenue	3,291,795	9,473
Over recovered employee benefits	70,528	-
Over recovered indirect costs	1,067	-
Noncurrent liabilities:		
Due within one year	110,013	-
Due in more than one year	458,905	-
Total liabilities	7,891,164	234,979
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	594,177	-
Total deferred inflows of resources	594,177	-
<b>NET POSITION</b>		
Invested in capital assets	4,626,797	-
Restricted for grant programs	4,435,713	-
Unrestricted	2,248,303	41,806
Total net position	\$ 11,310,813	\$ 41,806

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, 2015**

Functions/Programs	Expenses	Indirect Cost Allocation	Expenses After Allocation of Indirect Costs	Program Revenues  Charges for Services
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 105,394	\$ 985	\$ 106,379	\$ -
Workforce development	950,076	35,573	985,649	-
Aging	16,445,105	433,334	16,878,439	242,780
Emergency communications	1,567,836	69,902	1,637,738	-
Economic development	47,318	5,466	52,784	-
Environmental quality	832,909	75,463	908,372	-
Community affairs	1,773,203	83,372	1,856,575	-
Homeland security	286,366	16,951	303,317	-
Transportation	4,805,885	490,328	5,296,213	-
Housing	616,658	6,820	623,478	-
Criminal justice	1,333,947	134,477	1,468,424	246,663
Health and welfare	10,526,385	1,102,524	11,628,909	-
Indirect costs	<u>2,455,195</u>	<u>( 2,455,195)</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>41,746,277</u>	<u>-</u>	<u>41,746,277</u>	<u>489,443</u>
 Total primary government	 <u>\$ 41,746,277</u>	 <u>\$ -</u>	 <u>\$ 41,746,277</u>	 <u>\$ 489,443</u>
<b>Component unit:</b>				
Alamo Area Development Corporation	\$ <u>945,268</u>	\$ <u>-</u>	\$ <u>945,268</u>	\$ <u>-</u>
 Total component unit	 <u>\$ 945,268</u>	 <u>\$ -</u>	 <u>\$ 945,268</u>	 <u>\$ -</u>

General revenues:  
     Investment earnings  
     Member dues  
         Total general revenues  
         Change in net position  
     Net position, beginning  
     Change in accounting principles  
     Net position, ending

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position	Component Unit
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Alamo Area Development Corporation
\$ 251,983	\$ -	\$ 145,604	\$ -
981,229	-	( 4,420)	-
16,651,097	-	15,438	-
1,690,402	-	52,664	-
46,672	-	( 6,112)	-
925,112	-	16,740	-
1,875,123	-	18,548	-
281,370	-	( 21,947)	-
4,416,384	-	( 879,829)	-
633,177	-	9,699	-
997,799	2,241,447	( 223,962)	-
11,120,010	-	( 508,899)	-
-	-	-	-
<u>39,870,358</u>	<u>2,241,447</u>	<u>( 1,386,476)</u>	<u>-</u>
\$ <u>39,870,358</u>	\$ <u>2,241,447</u>	<u>854,971</u>	<u>-</u>
\$ <u>934,744</u>	\$ <u>-</u>	<u>-</u>	<u>( 10,524)</u>
\$ <u>934,744</u>	\$ <u>-</u>	<u>-</u>	<u>( 10,524)</u>
		8,729	-
		<u>323,933</u>	<u>-</u>
		<u>332,662</u>	<u>-</u>
		1,187,633	( 10,524)
		<u>9,938,186</u>	<u>52,330</u>
		<u>184,994</u>	<u>-</u>
		\$ <u>11,310,813</u>	\$ <u>41,806</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**DECEMBER 31, 2015**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,262,063	\$ -	\$ 1,618,837
Accounts receivable:			
Grantors	-	1,834,428	800,627
Other	18,006	-	-
Due from other funds	-	684,319	1,077,017
Deposits	10,000	-	-
Prepaid items	-	-	-
Total assets	<u>3,290,069</u>	<u>2,518,747</u>	<u>3,496,481</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	340,413	1,685,253	127,589
Accrued liabilities	323,790	-	-
Due to other funds	518,836	-	-
Over recovered employee benefits	70,528	-	-
Over recovered indirect costs	1,067	-	-
Unearned revenue	98,147	812,540	-
Total liabilities	<u>1,352,781</u>	<u>2,497,793</u>	<u>127,589</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	-	-	-
Restricted:			
Grants	-	-	3,368,892
Unassigned	<u>1,937,288</u>	<u>20,954</u>	<u>-</u>
Total fund balances	<u>1,937,288</u>	<u>20,954</u>	<u>3,368,892</u>
 Total liabilities and fund balances	 <u>\$ 3,290,069</u>	 <u>\$ 2,518,747</u>	 <u>\$ 3,496,481</u>

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

<u>Alamo Local Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,377,327	\$ 1,184,281	\$ 7,442,508
1,425,956	2,134,795	6,195,806
-	-	18,006
-	462,575	2,223,911
-	13,904	23,904
-	19,699	19,699
<u>2,803,283</u>	<u>3,815,254</u>	<u>15,923,834</u>
256,632	1,225,179	3,635,066
-	-	323,790
1,016,029	689,046	2,223,911
-	-	70,528
-	-	1,067
<u>880,970</u>	<u>1,500,138</u>	<u>3,291,795</u>
<u>2,153,631</u>	<u>3,414,363</u>	<u>9,546,157</u>
-	19,699	19,699
649,652	417,169	4,435,713
-	( 35,977)	<u>1,922,265</u>
<u>649,652</u>	<u>400,891</u>	<u>6,377,677</u>
<u>\$ 2,803,283</u>	<u>\$ 3,815,254</u>	<u>\$ 15,923,834</u>

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**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE**  
**SHEET TO THE STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Total fund balance - governmental funds (page 12)	\$ 6,377,677
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.	4,626,797
Deferred inflows and deferred outflows of resources related to the net pension liability are not reported as a part of the governmental funds.	875,257
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	( 440,052)
Net pension liability	<u>( 128,866)</u>
Net position of governmental activities in the Statement of Net Position	<u>\$ 11,310,813</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

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

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
<b>REVENUES</b>			
Federal	\$ -	\$ 6,615,141	\$ 1,934,993
State	-	592,774	683,907
Local	298,994	-	1,251,351
Program income	-	180,344	-
Delegate agencies:			
Cash match	-	3,853,181	-
In-kind	-	1,123,902	-
Membership dues	323,933	-	-
Investment income	<u>2,140</u>	<u>-</u>	<u>1,403</u>
Total revenues	<u>625,067</u>	<u>12,365,342</u>	<u>3,871,654</u>
<b>EXPENDITURES</b>			
General government	40,568	-	-
Aging	-	12,526,267	-
Health and welfare	-	-	-
Transportation	-	-	4,129,034
Workforce development	-	-	-
Environmental quality	-	-	-
Community affairs	-	-	-
Criminal justice	-	-	-
Emergency communications	-	-	-
Homeland security	-	-	-
Housing	-	-	-
Economic development	-	-	-
Total expenditures	<u>40,568</u>	<u>12,526,267</u>	<u>4,129,034</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>584,499</u>	<u>( 160,925)</u>	<u>( 257,380)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	159,709	-
Transfers out	<u>( 231,154)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>( 231,154)</u>	<u>159,709</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	353,345	( 1,216)	( 257,380)
<b>FUND BALANCES, BEGINNING</b>	<u>1,583,943</u>	<u>22,170</u>	<u>3,626,272</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,937,288</u>	<u>\$ 20,954</u>	<u>\$ 3,368,892</u>

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

Alamo Local Authority	Other Governmental Funds	Total Governmental
\$ 1,047,343	\$ 6,023,578	\$ 15,621,055
4,490,577	4,222,401	9,989,659
5,577,323	319,257	7,446,925
4,767	309,099	494,210
-	1,040,339	4,893,520
-	838,126	1,962,028
-	-	323,933
4,920	266	8,729
<u>11,124,930</u>	<u>12,753,066</u>	<u>40,740,059</u>
-	2,468	43,036
-	4,581,766	17,108,033
11,782,323	-	11,782,323
-	546,133	4,675,167
-	966,961	966,961
-	924,944	924,944
-	1,881,830	1,881,830
-	1,339,882	1,339,882
-	1,690,501	1,690,501
-	282,103	282,103
-	618,317	618,317
-	53,502	53,502
<u>11,782,323</u>	<u>12,888,407</u>	<u>41,366,599</u>
( 657,393)	( 135,341)	( 626,540)
-	108,605	268,314
<u>-</u>	<u>( 37,160)</u>	<u>( 268,314)</u>
<u>-</u>	<u>71,445</u>	<u>-</u>
( 657,393)	( 63,896)	( 626,540)
<u>1,307,045</u>	<u>464,787</u>	<u>7,004,217</u>
<u>\$ 649,652</u>	<u>\$ 400,891</u>	<u>\$ 6,377,677</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, 2015

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

Net change in fund balances - total governmental funds	\$( 626,540)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	161,194
Capital contributions	2,241,447
Depreciation expense	( 1,096,021)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	( 47,596)
Some expenses related to long-term liabilities 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	( 6,248)
Net pension liability	685,929
Increases and decreases in the deferred inflows and outflows of resources related to pensions are not reported in the governmental funds.	( <u>124,532</u> )
Change in net position of governmental activities	\$ <u><u>1,187,633</u></u>

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# ALAMO AREA COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

### 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 Alamo Area Council of Governments 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. Each member government is entitled to have voting representation on the Board of Directors, which is the Council's governing body.

The Council's basic financial statements include the accounts of all the Council operations. The criteria for including organizations within the Council's reporting entity is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will be the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. 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. The Texas Veterans Commission and the City of San Antonio were AADC's largest funding sources during 2015.

## **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 activities of the primary government and its component unit. For the most part, the effect of any interfund activity has been removed from these statements. *Governmental activities* are generally supported by intergovernmental revenue.

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*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 account for in another fund.

The ***Bexar Area Agency on Aging Fund*** is used to account for federal and state grants awarded to Alamo Area Council of Governments by the Texas Department of Aging and Disability Services.

The ***Texas Department of Transportation Fund*** is used to account for federal and state funds awarded to Alamo Area Council of Governments by the Texas Department of Transportation.

The ***Alamo Local Authority Fund*** is used to account for state and federal funds awarded to Alamo Area Council of Governments by the Texas Department of Aging and Disabilities Services. Alamo Local Authority for Intellectual & Developmental Disabilities (ALA for IDD) provides community services and support for eligible adults and children with intellectual and developmental disabilities and their families in Bexar County.

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.



The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

### **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.

### **Federal, State, and Local Grant 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.

## **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.

## **Local Contributed Cash**

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.

## **In-Kind and Contributed Services**

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal and state administered funding on various grants. Contributed services are therefore recorded as revenue and expenditures in the individual grants. The amounts of such services are recorded in the accompanying financial statements at their estimated fair market value at date of service.

## **Cash and Investments**

Cash in the Council's financial statement include amounts in demand deposits. Investments for the Council are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

## **Grants Receivable**

Grants receivable represent amounts due from federal and state agencies for the various programs administered by the Council. The receivables include amounts due on programs closed-out and those in progress as of December 31, 2015.

## **Other Receivables**

Other receivables represent amounts due for Medicaid and other miscellaneous receivables.

## **Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds, or the current portion of interfund loans, or advances to/from other funds, or the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as due to/from other funds. The Council had no advances to/from other funds at December 31, 2015.

## **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.

## **Unearned Revenue**

Unearned revenue primarily consists of amounts received from grantors in excess of expenditures for programs in progress as of December 31, 2015.

## **Capital Assets**

Capital assets, which include 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. Such assets are recorded at estimated fair market value at the date of donation.

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. Equipment of the primary government is depreciated using the straight-line method with a useful life of three to fifteen years.

## **Compensated Absences**

Employees earn twelve (12) days of annual leave and are credited with longevity days up to a maximum of eight (8) days for a total of twenty (20) days in any one calendar year. Employees may also carry forward a maximum of forty three (43) days of unused annual leave. Employees will be paid for accrued annual leave upon termination of employment provided they have been in a full-time position for three months or more. All annual leave pay is accrued when incurred in the government-wide statements. A liability is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Full-time employees are eligible for a maximum of ten (10) personal leave days per year. Eligible employees may be compensated for accrued personal leave days upon termination of employment as outlined in the personnel policies. Personal leave is charged to expenditures as taken; therefore, a liability is not reported for unused personal leave.

## **Net Position and Fund Balance**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position for the investment in capital assets consists of capital assets, net of accumulated depreciation, reduce by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Council or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned fund balance is limited to negative residual fund balance.

In accordance with GASB 54, the Council classifies governmental fund balance as follows:

***Nonspendable*** – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes the Council’s prepaid items.

***Restricted*** – includes fund balance amounts that are constrained for specific purposes which are imposed by providers, such as grantors, or amounts restricted due to constitutional provision or enabling legislation. This classification includes the fund balances of the Council’s federal and state grant funds.

***Committed*** – includes fund balance amounts that are constrained for specific purposes are internally imposed by the Council through formal action in an open meeting of the highest level of decision-making authority. Committed fund balance is reported pursuant to resolution passed by the Board of Directors. At December 31, 2015, the Council had no committed fund balance amounts.

***Assigned*** – includes fund balance amounts that are self-imposed by the Council to be used for a particular purpose. Fund balance can be assigned by the Board of Directors pursuant to the Council’s fund balance policy. At December 31, 2015, the Council had no assigned fund balance amounts.

***Unassigned*** – includes residual positive fund balance within the General Fund, which has not been classified within the other above-mentioned categories.

When both restricted and unrestricted fund balances are available for use, it is the Council’s policy to use restricted fund balance first, then unrestricted. Similarly, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications are available.

## **Indirect Costs and Fringe Benefit and Leave Pool Allocations**

General administrative and employee fringe benefits costs are recorded in cost pools. The costs are partially recovered from Special Revenue Funds based on negotiation indirect and fringe benefit rates. These rates are negotiated with the Texas Department of Aging and Disability Services, which is the Council's designated cognizant agency for the negotiation and approval of indirect and fringe benefits rates for use on federal grants. 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 submitted to the cognizant agency on an annual basis, based on projected costs submitted on a Cost Allocation Plan for indirect fringe benefit and leave pool costs. The negotiated rates approved are used for billing purposes. Final costs not recovered by the billing rates are allowed by the oversight federal agency to be recovered in succeeding years.

## **Under (Over) Recovered Employee Benefits, Central Service Costs and Indirect Costs**

Under (over) recovered employee benefits, central service costs and indirect costs consist of costs allocated to programs for employee benefits and general administrative costs below (above) the actual costs incurred. This asset (liability) will be reduced in succeeding years through adjustments to the Council's indirect and fringe benefit rate.

## **Pensions**

For purposes of measuring the net pension liability, 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 TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. 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.

## **Change in Accounting Principles**

As a result of implementing GASB Statement No. 68, The Council has restated the beginning net position, effectively increasing net position as of January 1, 2015 by \$184,994 for the governmental activities. This increase is a result of the recognition of the liability from the Council's defined benefit pension plan.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

## 3. CASH AND INVESTMENTS

At December 31, 2015, the Council did not have any financial instruments that would be classified as an investment. Cash and cash equivalents at December 31, 2015 consist of the following which are reported in assets in the accompanying financial statements.

Cash & Cash Equivalents	\$ <u>7,442,508</u>
Total	\$ <u>7,442,508</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.

**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. This is measured by the assigned of a rating by a nationally recognized statistical rating organization.

**Custodial Credit Risk.** 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, 2015, the Council’s deposit value was fully collateralized with securities held by the pledging financial institutions.

#### 4. CAPITAL ASSETS

Capital assets activities for the year ended December 31, 2015, was as follows:

	Balance December 31, 2014	Additions	Deletions	Adjustments/ Reclassifications	Balance December 31, 2015
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 127,000	\$ -	\$ -	\$ -	\$ 127,000
Capital assets, being depreciated					
Equipment	2,862,892	1,093,125	-	( 24,185)	3,931,832
Furniture and fixtures	154,890		-	-	154,890
Software	1,077,137	-	-	42,427	1,119,564
Vehicles	6,592,017	75,955	( 500,954)	77,973	6,244,991
Property	1,060,537	1,233,560	-	( 4,057)	2,290,040
	<u>11,747,473</u>	<u>2,402,640</u>	<u>( 500,954)</u>	<u>92,158</u>	<u>13,741,317</u>
Less accumulated depreciation					
Equipment	( 2,682,866)	( 189,570)	-	( 17,353)	( 2,889,789)
Furniture and fixtures	( 147,323)	( 1,080)	-	-	( 148,403)
Software	( 854,045)	( 74,867)	-	13,476	( 915,436)
Vehicles	( 4,466,427)	( 675,291)	500,954	( 88,281)	( 4,729,045)
Property	( 403,635)	( 155,212)	-	-	( 558,847)
Total accumulated depreciation	<u>( 8,554,296)</u>	<u>( 1,096,020)</u>	<u>500,954</u>	<u>( 92,158)</u>	<u>( 9,241,520)</u>
Total capital assets being depreciated, net	<u>3,193,177</u>	<u>1,306,620</u>	<u>-</u>	<u>-</u>	<u>4,499,797</u>
Governmental activities capital assets, net	<u>\$ 3,320,177</u>	<u>\$ 1,306,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,626,797</u>

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

Governmental activities	
General government	\$ 87,907
Workforce development	31,665
Emergency communications	3,499
Homeland security	25,000
Environmental quality	1,957
Transportation	759,743
Housing	13,459
Criminal justice	168,085
Health & Welfare	4,705
Total depreciation expense - governmental activities	<u>\$ 1,096,020</u>

## 5. INTERFUND BALANCES AND TRANSFERS

Internal transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses 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, 2015:

Transfer In	Transfer Out	Amount	Purpose
Bexar Area Agency on Aging	General fund	\$ 159,709	Local match
Nonmajor governmental	General fund	71,445	Local match
Nonmajor governmental	Nonmajor governmental	<u>37,160</u>	Local match
	Total	<u>\$ 268,314</u>	

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, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
Bexar Area Agency on Aging	General Fund	\$ 518,836
Bexar Area Agency on Aging	Alamo Local Authority	165,483
Texas Department of Transportation	Alamo Local Authority	850,546
Texas Department of Transportation	Nonmajor governmental	226,471
Nonmajor governmental	Nonmajor governmental	<u>462,575</u>
		<u>\$ 2,223,911</u>

## 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. LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 433,804	\$ 220,420	\$ 214,172	\$ 440,052	\$ 110,013
Net pension liability	<u>814,795</u>	<u>1,439,756</u>	<u>2,125,685</u>	<u>128,866</u>	<u>-</u>
	<u>\$ 1,248,599</u>	<u>\$ 1,660,176</u>	<u>\$ 2,339,857</u>	<u>\$ 568,918</u>	<u>\$ 110,013</u>

Typically, all governmental funds assist in liquidating compensated absences and the net pension liability based on corresponding personnel costs.

## 8. 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 \$500,000 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 involved in numerous legal proceedings arising from providing various services. As of December 31, 2015, 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 expense totaled \$1,023,173 for the year ended December 31, 2015. Future minimum lease payments under this agreement are as follows:

<u>Year Ending December 31,</u>	
2016	\$ 1,181,840
2017	1,083,354
2018	1,181,840
2019	1,115,574
2020	<u>1,216,990</u>
Total	<u>\$ 5,779,598</u>

## 9. 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](http://www.tcdrs.org).

All eligible employees of the Council are required to participate in TCDRS.

### Benefits Provided

TCDRS provides retirement, disability and death benefits for all of its fulltime employees. Benefit provisions are adopted by the governing body of the Council, within the options available in the state statutes governing TCDRS.

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 eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the 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, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	296
Active employees	<u>278</u>
	<u><u>632</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 6.00% of their annual gross earnings during the fiscal year. The contribution rates for the Council were 8.00% and 8.00% in calendar years 2014 and 2015, respectively. The Council's contributions to TCDRS for the year ended December 31, 2015, were \$1,176,445, which exceeded the required contributions by \$200,000. This \$200,000 payment was an additional contribution made to the plan by the Council.

### **Net Pension Liability**

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

### ***Actuarial Assumptions***

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

Inflation	3.0% per year
Overall payroll growth	2.0% per year
Investment rate of return	8.1%, net of pension plan investment expense, including inflation

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

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

The actuarial assumptions that determined the total pension liability as of December 31, 2014, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 8.10%. 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 2015 information for a 7 to 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 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation <sup>(1)</sup></b>	<b>Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup></b>
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

<sup>(1)</sup> Target asset allocation adopted at the April 2015 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 1.7% per Cliffwater's 2015 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> 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***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2013	\$ 22,189,221	\$ 21,374,426	\$ 814,795
Changes for the year:			
Service cost	1,428,588	-	1,428,588
Interest on total pension liability <sup>(1)</sup>	1,813,929	-	1,813,929
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	( 792,235)	-	( 792,235)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	( 372,322)	( 372,322)	-
Benefit payments	( 638,203)	( 638,203)	-
Administrative expenses	-	( 17,336)	17,336
Member contributions	-	730,043	( 730,043)
Net investment income	-	1,410,886	( 1,410,886)
Employer contributions	-	999,897	( 999,897)
Other <sup>(2)</sup>	-	12,721	( 12,721)
Balance at 12/31/2014	<u>\$ 23,628,978</u>	<u>\$ 23,500,112</u>	<u>\$ 128,866</u>

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

<sup>(2)</sup> Relates to allocation of system-wide items.

### *Sensitivity Analysis*

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

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 26,585,712	\$ 23,628,977	\$ 21,211,925
Fiduciary net position	<u>23,500,111</u>	<u>23,500,111</u>	<u>23,500,111</u>
Net pension liability/(asset)	<u>\$ 3,085,601</u>	<u>\$ 128,866</u>	<u>\$ ( 2,288,186)</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](http://www.tcdrs.org).

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

For the year ended December 31, 2015, the Council recognized pension expense of \$615,213.

At December 31, 2015, 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	\$ 594,177	\$ -
Difference between projected and actual investment earnings	-	292,931
Contributions subsequent to the measurement date	<u>-</u>	<u>1,176,503</u>
Total	<u>\$ 594,177</u>	<u>\$ 1,469,434</u>

\$1,176,503 reported as deferred outflows of resources related to pension resulted from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the year ending December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended December 31,		
2016	\$(	124,826)
2017	(	124,826)
2018	(	124,826)
2019		73,233



**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**ALAMO AREA COUNCIL OF GOVERNMENTS**

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

**FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Plan Year Ended December 31</b>	<b>2014</b>
<b>Total Pension Liability</b>	
Service Cost	\$ 1,428,588
Interest total pension liability	1,813,929
Effect of economic/demographic (gains) or losses	( 792,235)
Benefit payments/refunds of contributions	( 1,010,526)
Net change in total pension liability	1,439,756
Total pension liability - beginning	<u>22,189,221</u>
Total pension liability - ending (a)	<u>\$ 23,628,977</u>
<b>Plan Fiduciary Net Position</b>	
Employer contributions	\$ 999,897
Member contributions	730,043
Investment income net of investment expenses	1,410,886
Benefit payments refunds of contributions	( 1,010,526)
Administrative expenses	( 17,336)
Other	<u>12,720</u>
Net change in plan fiduciary net position	2,125,684
Plan fiduciary net position - beginning	<u>21,374,426</u>
Plan fiduciary net position - ending (b)	<u>\$ 23,500,110</u>
Net pension liability - ending (a) - (b)	<u>\$ 128,867</u>
Fiduciary net position as a percentage of total pension liability	99.45%
Pensionable covered payroll	\$ 11,561,208
Net pension liability as a percentage of covered payroll	1.11%

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Fiscal Year Ended December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll (1)</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2006	\$ 560,455	\$ 585,455	\$( 25,000)	\$ 6,704,005	8.7%
2007	685,977	735,977	( 50,000)	8,108,479	9.1%
2008	672,226	697,226	( 25,000)	8,413,347	8.3%
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	976,445	1,176,445	( 200,000)	12,205,564	9.6%

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

# ALAMO AREA COUNCIL OF GOVERNMENTS

## NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

### FOR THE YEAR ENDED DECEMBER 31, 2015

<b>Valuation Timing</b>	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.
<b>Actuarial Cost Method</b>	Entry age normal
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	3.0%
	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
<b>Salary Increases</b>	
<b>Investment Rate of Return</b>	8.1%
	Cost-of-Living Adjustments for Alamo Area Council of Governments are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
<b>Cost-of Living Adjustments</b>	
<b>Retirement Age</b>	Experience-based table of rates based on a study of the period 2009-2012.
<b>Turnover</b>	New employees are assumed to replace any terminated members and have similar entry ages.
<b>Mortality</b>	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
<b>Other Information</b>	There were no benefit changes during the year.

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenues funds are used to account for special revenues that are legally restricted to expenditures for particular purposes.

***Texas Commission on Environmental Quality*** – This fund is used to account for state grants awarded to Alamo Area Council of Governments by the Texas Commission on Environmental Quality.

***VIA Metropolitan Transit*** – This fund is used to account for federal funds awarded to Alamo Area Council of Governments by the VIA Metropolitan Transit.

***Texas Veterans Commission*** – This fund is used to account for federal funds awarded to Alamo Area Council of Governments by the Texas Veterans Commission.

***Economic Development Administration*** – This fund is used to account for funds awarded to Alamo Area Council of Governments by the Economic Development Administration.

***Alamo Area Agency on Aging*** – This fund is used to account for federal and state funds awarded to Alamo Area Council of Governments by the Texas Department of Aging and Disabilities Services.

***Metropolitan Planning Organization*** – This fund is used to account for federal grants awarded to Alamo Area Council of Governments by the Metropolitan Planning Organization.

***Texas Department of Agriculture*** – This fund is used to account for federal grants awarded to Alamo Area Council of Governments by the Texas Department of Agriculture.

***U.S. Department of Housing and Urban Development*** – This fund is used to account for federal and local grants awarded to Alamo Area Council of Governments by the U.S. Department of Housing and Urban Development.

***U.S. Department of Homeland Security*** – This fund is used to account for federal grants awarded to Alamo Area Council of Governments by the U.S. Department of Homeland Security.

***Capital Area Council of Governments*** – This fund is used to account for state grants award to Alamo Area Council of Governments by the Capital Area Council of Governments.

***State Energy Conservation Office*** – This fund is used to account for state and local grants awarded to Alamo Area Council of Governments by the State Energy Conservation Office.

***Texas Department of Housing and Community Affairs*** – This fund is used to account for state and local grants award to Alamo Area Council of Governments by the Texas Department of Housing and Community Affairs.

**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**Special Revenue Funds**

***Commission on State Emergency Communication*** – This fund is used to account for state funds awarded to Alamo Area Council of Governments by the Commission on State Emergency Communications.

***Office of the Governor*** – This fund is used to account for federal and state grants awarded to the Alamo Area Council of Governments by the Office of the Governor.

***City of San Antonio*** – This fund is used to accounts for federal grants awarded to Alamo Area Council of Governments by the City of San Antonio.

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

***Alamo Area Development Corporation*** – This fund is used to accounts for federal and state grants awarded to the Alamo Area Council of Governments by the Alamo Area Development Corporation, a discretely presented component unit of the Council.

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2015**

	Special Revenue		
	Texas Commission on Environmental Quality	VIA Metropolitan Transit	Texas Veterans Commission
<b>ASSETS</b>			
Cash and cash equivalents	\$ 740,066	\$ -	\$ -
Accounts receivable:			
Grantors	66,682	91,478	196,401
Prepaid items	-	-	-
Deposits	-	-	-
Due from other funds	-	-	-
Total assets	806,748	91,478	196,401
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	29,373	11,717	54,481
Due to other funds	84,889	79,682	116,271
Unearned revenue	692,039	79	-
Total liabilities	806,301	91,478	170,752
Fund balance:			
Nonspendable			
Prepays	-	-	-
Restricted			
Grants	447	-	25,649
Unassigned	-	-	-
Total fund balance	447	-	25,649
 Total liabilities and fund balance	 \$ 806,748	 \$ 91,478	 \$ 196,401



Special Revenue

Economic Development Administration	Alamo Area Agency on Aging	Metropolitan Planning Organization	Texas Department of Agriculture	U. S. Department of Housing Urban Development	U. S. Department of Homeland Security
\$ -	\$ -	\$ -	\$ -	\$ 21	\$ -
-	397,512	41,470	7,218	45,748	204,575
-	-	-	-	-	-
-	-	-	-	-	-
24,588	110,409	-	-	-	-
<u>24,588</u>	<u>507,921</u>	<u>41,470</u>	<u>7,218</u>	<u>45,769</u>	<u>204,575</u>
1,580	299,915	83	72	4,050	39,074
-	-	41,432	7,146	69,665	172,491
14,885	204,184	-	-	996	-
<u>16,465</u>	<u>504,099</u>	<u>41,515</u>	<u>7,218</u>	<u>74,711</u>	<u>211,565</u>
-	-	-	-	-	-
8,123	3,822	-	-	-	-
-	-	( 45)	-	( 28,942)	( 6,990)
<u>8,123</u>	<u>3,822</u>	<u>( 45)</u>	<u>-</u>	<u>( 28,942)</u>	<u>( 6,990)</u>
<u>\$ 24,588</u>	<u>\$ 507,921</u>	<u>\$ 41,470</u>	<u>\$ 7,218</u>	<u>\$ 45,769</u>	<u>\$ 204,575</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**(Continued)**

**DECEMBER 31, 2015**

	Special Revenue		
	Capital Area Council of Governments	State Energy Conservation Office	Texas Department Of Housing and Community Affairs
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 90,819
Accounts receivable:			
Grantors	-	-	225,020
Prepaid items	-	-	-
Deposits	-	-	-
Due from other funds	<u>6,523</u>	<u>1,864</u>	<u>139,454</u>
Total assets	<u>6,523</u>	<u>1,864</u>	<u>455,293</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	-	-	167,203
Due to other funds	-	-	-
Unearned revenue	<u>6,523</u>	<u>-</u>	<u>283,890</u>
Total liabilities	<u>6,523</u>	<u>-</u>	<u>451,093</u>
Fund balance:			
Nonspendable			
Prepays	-	-	-
Restricted			
Grants	-	1,864	4,200
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>1,864</u>	<u>4,200</u>
Total liabilities and fund balance	<u>\$ 6,523</u>	<u>\$ 1,864</u>	<u>\$ 455,293</u>

Special Revenue

Commission on State Emergency Communications	Office of the Governor	City of San Antonio	Local Projects	Alamo Area Development Corporation	Totals
\$ 353,375	\$ -	\$ -	\$ -	\$ -	\$ 1,184,281
482,001	337,111	27,126	8,286	4,167	2,134,795
-	19,699	-	-	-	19,699
-	13,904	-	-	-	13,904
-	-	-	179,737	-	462,575
<u>835,376</u>	<u>370,714</u>	<u>27,126</u>	<u>188,023</u>	<u>4,167</u>	<u>3,815,254</u>
542,719	70,621	49	4,099	143	1,225,179
13,223	73,202	27,021	-	4,024	689,046
279,434	3	56	18,049	-	1,500,138
<u>835,376</u>	<u>143,826</u>	<u>27,126</u>	<u>22,148</u>	<u>4,167</u>	<u>3,414,363</u>
-	19,699	-	-	-	19,699
-	207,189	-	165,875	-	417,169
-	-	-	-	-	( 35,977)
<u>-</u>	<u>226,888</u>	<u>-</u>	<u>165,875</u>	<u>-</u>	<u>400,891</u>
<u>\$ 835,376</u>	<u>\$ 370,714</u>	<u>\$ 27,126</u>	<u>\$ 188,023</u>	<u>\$ 4,167</u>	<u>\$ 3,815,254</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, 2015**

	Special Revenue		
	Texas Commission on Environmental Quality	VIA Metropolitan Transit	Texas Veterans Commission
<b>REVENUES</b>			
Federal	\$ -	\$ 330,301	\$ 121,513
State	921,071	-	495,477
Local	-	-	-
Program income	-	-	-
Delegate agencies:			
Cash match	-	-	-
In-kind	-	-	-
Investment income	126	-	-
Total revenues	<u>921,197</u>	<u>330,301</u>	<u>616,990</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Workforce development	-	-	602,722
Aging	-	-	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	920,906	-	-
Community affairs	-	-	-
Homeland security	-	-	-
Transportation	-	330,301	-
Housing	-	-	-
Criminal justice	-	-	-
Total expenditures	<u>920,906</u>	<u>330,301</u>	<u>602,722</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>291</u>	<u>-</u>	<u>14,268</u>
<b>OTHER FINANCING SOURCES AND USES</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	291	-	14,268
<b>FUND BALANCES, BEGINNING</b>	<u>156</u>	<u>-</u>	<u>11,381</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 447</u>	<u>\$ -</u>	<u>\$ 25,649</u>

Special Revenue

Economic Development Administration	Alamo Area Agency on Aging	Metropolitan Planning Organization	Texas Department of Agriculture	U. S. Department of Housing and Urban Development	U. S. Department of Homeland Security
\$ 40,988	\$ 2,345,797	\$ 215,832	\$ 14,179	\$ 452,050	\$ 281,370
-	215,282	-	-	-	-
5,684	25	-	-	179,339	-
-	62,436	-	-	-	-
-	1,040,339	-	-	-	-
-	838,126	-	-	-	-
-	-	-	-	-	-
<u>46,672</u>	<u>4,502,005</u>	<u>215,832</u>	<u>14,179</u>	<u>631,389</u>	<u>281,370</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	4,560,883	-	-	-	-
-	-	-	-	-	-
53,502	-	-	-	-	-
-	-	-	-	-	-
-	-	-	14,854	-	-
-	-	-	-	-	282,103
-	-	215,832	-	-	-
-	-	-	-	618,317	-
-	-	-	-	-	-
<u>53,502</u>	<u>4,560,883</u>	<u>215,832</u>	<u>14,854</u>	<u>618,317</u>	<u>282,103</u>
( 6,830)	( 58,878)	-	( 675)	13,072	( 733)
8,785	58,415	-	675	-	-
-	-	-	-	-	-
<u>8,785</u>	<u>58,415</u>	<u>-</u>	<u>675</u>	<u>-</u>	<u>-</u>
1,955	( 463)	-	-	13,072	( 733)
<u>6,168</u>	<u>4,285</u>	<u>( 45)</u>	<u>-</u>	<u>( 42,014)</u>	<u>( 6,257)</u>
<u>\$ 8,123</u>	<u>\$ 3,822</u>	<u>\$( 45)</u>	<u>\$ -</u>	<u>\$( 28,942)</u>	<u>\$( 6,990)</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, 2015**

	Special Revenue		
	Capital Area Council of Governments	State Energy Conservation Office	Texas Department of Housing and Community Affairs
<b>REVENUES</b>			
Federal	\$ -	\$ -	\$ 1,749,040
State	-	-	60,864
Local	6,446	-	7,539
Program income	-	-	-
Delegate agencies:			
Cash match	-	-	-
In-kind	-	-	-
Investment income	-	-	41
Total revenues	<u>6,446</u>	<u>-</u>	<u>1,817,484</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Workforce development	-	-	-
Aging	-	-	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	-	-	4,038
Community affairs	6,446	-	1,818,133
Homeland security	-	-	-
Transportation	-	-	-
Housing	-	-	-
Criminal justice	-	-	-
Total expenditures	<u>6,446</u>	<u>-</u>	<u>1,822,171</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>( 4,687)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	( 4,687)
<b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>1,864</u>	<u>8,887</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ 1,864</u>	<u>\$ 4,200</u>

Special Revenue

Commission on State Emergency Communications	Office of the Governor	City of San Antonio	Local Projects	Alamo Area Development Corporation	Totals
\$ -	\$ 108,269	\$ 329,339	\$ -	\$ 34,900	\$ 6,023,578
1,690,402	839,305	-	-	-	4,222,401
-	-	-	120,224	-	319,257
-	246,663	-	-	-	309,099
-	-	-	-	-	1,040,339
-	-	-	-	-	838,126
99	-	-	-	-	266
<u>1,690,501</u>	<u>1,194,237</u>	<u>329,339</u>	<u>120,224</u>	<u>34,900</u>	<u>12,753,066</u>
-	-	-	2,468	-	2,468
-	-	329,339	-	34,900	966,961
-	-	-	20,883	-	4,581,766
1,690,501	-	-	-	-	1,690,501
-	-	-	-	-	53,502
-	-	-	-	-	924,944
-	-	-	42,397	-	1,881,830
-	-	-	-	-	282,103
-	-	-	-	-	546,133
-	-	-	-	-	618,317
-	1,291,517	-	48,365	-	1,339,882
<u>1,690,501</u>	<u>1,291,517</u>	<u>329,339</u>	<u>114,113</u>	<u>34,900</u>	<u>12,888,407</u>
-	( 97,280)	-	6,111	-	( 135,341)
-	37,160	-	3,570	-	108,605
-	-	-	( 37,160)	-	( 37,160)
-	37,160	-	( 33,590)	-	71,445
-	( 60,120)	-	( 27,479)	-	( 63,896)
-	287,008	-	193,354	-	464,787
<u>\$ -</u>	<u>\$ 226,888</u>	<u>\$ -</u>	<u>\$ 165,875</u>	<u>\$ -</u>	<u>\$ 400,891</u>

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## **SUPPLEMENTAL SCHEDULES**

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## **INDIRECT COSTS AND EMPLOYEE BENEFITS SCHEDULES**

This section of the annual financial report contains supplemental schedules required by the regional planning commission in the State of Texas.

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# ALAMO AREA COUNCIL OF GOVERNMENTS

## SCHEDULE OF INDIRECT COSTS

YEAR ENDED DECEMBER 31, 2015

Personnel services	\$ 1,794,003
Employee benefits	525,557
Other contract services	436,814
Travel	32,235
Auto operating	146
Rent	1,010,035
Supplies	99,813
Equipment	182,752
Insurance and bonding	22,829
Public notices	3,060
Printing and reproduction	21,048
Repairs and maintenance	97,189
Fuel/oil	2,215
Employee recruitment	453
Communications	168,094
Postage	43,979
Meetings other	24,922
Training in region	12,922
Publications	2,590
Professional dues	15,822
Equipment rental	120,374
Tuition staff	4,892
Depreciation	<u>85,268</u>
Total indirect costs	4,707,012
Less: administration cost received	<u>( 2,172,316)</u>
<b>NET INDIRECT COSTS</b>	2,534,696
<b>ACTUAL INDIRECT COSTS RECOVERED</b>	<u>( 2,455,195)</u>
<b>UNDER RECOVERY OF INDIRECT COSTS PER 2014 AUDIT</b>	<u>( 80,568)</u>
<b>ACCUMULATED COST UNDER RECOVERY</b>	<u><u>\$( 1,067)</u></u>

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**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EMPLOYEE BENEFITS (FRINGE AND RELEASE TIME)**

**YEAR ENDED DECEMBER 31, 2015**

Benefits:	
FICA	\$ 903,932
Group life insurance	122,170
Unemployment insurance	7,691
Workers' compensation	98,974
Health insurance	1,510,206
Retirement	1,176,339
Release time	<u>1,666,522</u>
Total employee benefits	5,485,834
<b>ACTUAL EMPLOYEE BENEFITS RECOVERED</b>	( 5,336,167)
<b>OVER RECOVERY OF EMPLOYEE BENEFITS PER 2014 AUDIT</b>	( <u>220,195</u> )
<b>ACCUMULATED OVER RECOVERY</b>	<u><u>\$ ( 70,528)</u></u>

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**SUPPLEMENTAL SCHEDULES  
ALAMO LOCAL AUTHORITY  
(UNAUDITED)**

This section of the annual financial report contains supplemental schedules required by mental retardation authorities in the State of Texas. Mental retardation authorities report to granting agencies on a 12-month grant period that ends on August 31. Accordingly, these schedules have been prepared in a manner that facilities reconciliation to a 12-month period ending August 31.

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**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
RECONCILIATION OF TOTAL EXPENDITURES  
TO FOURTH QUARTER FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

	<u>CARE *</u> <u>Report III</u>	<u>Additions**</u>	<u>Deletions***</u>	<u>Audited***</u> <u>Financial</u> <u>Statements</u>
<b>EXPENDITURES</b>				
Salaries	\$ 4,822,987	\$ 7,333,235	\$ 1,692,701	\$ 10,463,521
Employee benefits	1,488,625	2,037,469	475,493	3,050,601
Professional consulting services	1,743,599	18,607,155	393,692	19,957,062
Training/travel	274,244	288,306	81,822	480,728
Debt service	-	-	-	-
Capital outlay	-	598,626	-	598,626
Non-capital equipment	86,791	212,177	8,736	290,232
Other operating expenditures	<u>3,084,479</u>	<u>4,027,946</u>	<u>586,596</u>	<u>6,525,829</u>
 Total expenditures	 <u>\$ 11,500,725</u>	 <u>\$ 33,104,914</u>	 <u>\$ 3,239,040</u>	 <u>\$ 41,366,599</u>

\* CARE Report III FY2015

\*\* Other Agency Programs

\*\*\* Sept - December 2014 ALA Expenses

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
RECONCILIATION OF TOTAL REVENUE  
TO FOURTH QUARTER FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

	<u>CARE *</u> <u>Report III</u>	<u>Additions**</u>	<u>Deletions***</u>	<u>Audited</u> <u>Financial</u> <u>Statements</u>
<b>LOCAL AND EARNED REVENUES</b>				
Medicaid	\$ 4,899,938	\$ 2,409,411	\$ 1,515,649	\$ 5,793,701
Membership dues	-	323,933	-	323,933
Local	-	1,599,706	1,459	1,598,246
Contributions	307,076	102,359	102,359	307,076
Delegate agency match	-	7,097,649	-	7,097,649
Interest	-	8,828	99	8,729
Other	<u>5,851</u>	<u>( 5,840)</u>	<u>-</u>	<u>11</u>
Total local and earned revenues	<u>5,212,865</u>	<u>11,536,046</u>	<u>1,619,566</u>	<u>15,129,345</u>
<b>STATE PROGRAM REVENUES</b>				
General revenue	3,645,958	7,263,428	1,244,030	9,665,357
Permanency planning	79,559	19,100	3,051	95,608
CLOIP	208,531	115,528	105,258	218,801
OBRA funds	<u>-</u>	<u>28,412</u>	<u>18,518</u>	<u>9,894</u>
Total state program revenues	<u>3,934,048</u>	<u>7,426,468</u>	<u>1,370,857</u>	<u>9,989,659</u>
<b>FEDERAL PROGRAM REVENUES</b>				
Federal revenue	87,971	14,573,712	-	14,661,683
Medicaid administrative claiming	<u>950,467</u>	<u>235,615</u>	<u>226,710</u>	<u>959,372</u>
Total federal program revenues	<u>1,038,438</u>	<u>14,809,327</u>	<u>226,710</u>	<u>15,621,055</u>
 Total revenues	 <u>\$ 10,185,351</u>	 <u>\$ 33,771,841</u>	 <u>\$ 3,217,133</u>	 <u>\$ 40,740,059</u>

\* CARE Report III FY2015

\*\* Other Agency Programs and Sept-Dec MR

\*\*\* Sept - December 2014 MR revenues

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
RECONCILIATION OF TOTAL REVENUE  
TO FIRST QUARTER FY 2016 FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

	1st Qtr * CARE Report III	(Dec 2015)** Additions	All other Agency	Deletions	Audited Financial Statements
<b>LOCAL AND EARNED REVENUES</b>					
Medicaid	\$ 1,111,392	\$ 494,939	\$ 4,187,370	\$ -	\$ 5,793,701
Membership dues	-	-	323,933	-	323,933
Local	-	( 394)	1,598,640	-	1,598,246
Contributions	76,769	25,590	204,717	-	307,076
Delegate agency match	-	-	7,097,649	-	7,097,649
Interest	-	-	8,729	-	8,729
Other	-	-	11	-	11
Total local and earned revenues	<u>1,188,161</u>	<u>520,135</u>	<u>13,421,049</u>	<u>-</u>	<u>15,129,345</u>
<b>STATE PROGRAM REVENUES</b>					
General revenue	1,364,783	658,322	7,642,252	-	9,665,357
Permanency planning	26,633	21,145	47,830	-	95,608
CLOIP	48,192	59,882	110,726	-	218,801
OBRA funds	-	9,894	-	-	9,894
Total state program revenues	<u>1,439,608</u>	<u>749,243</u>	<u>7,800,808</u>	<u>-</u>	<u>9,989,659</u>
<b>FEDERAL PROGRAM REVENUES</b>					
Federal revenue	-	-	14,661,683	-	14,661,683
Medicaid administrative claiming	-	235,615	723,757	-	959,372
Total federal program revenues	<u>-</u>	<u>235,615</u>	<u>15,385,440</u>	<u>-</u>	<u>15,621,055</u>
Total revenues	<u>\$ 2,627,769</u>	<u>\$ 1,504,993</u>	<u>\$ 36,607,297</u>	<u>\$ -</u>	<u>\$ 40,740,059</u>

\* 1st qtr FY15 Sept - Nov 2015

\*\* December 2015 MR Revenues

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

Fund Sources	Total Revenue	FY2015	FY2016	All other Program Expenditures	Excess Revenue Over Expenditures
		Jan - Aug Mental Retardation Expenditures	Sept - Dec Mental Retardation Expenditures		
Objects of expense:					
Personnel	\$ 10,463,521	\$ 3,049,843	\$ 1,569,356	\$ 5,844,322	\$ -
Employee benefits	3,050,601	941,531	410,590	1,698,480	-
Capital outlay	888,858	83,258	-	805,600	-
Other operating expense	25,336,366	3,046,213	1,053,589	21,236,564	-
Allocation of general administration to strategies	623,814	420,007	203,807	-	-
Allocation of authority administration to strategies	<u>1,003,439</u>	<u>720,835</u>	<u>282,604</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>41,366,599</u>	<u>8,261,687</u>	<u>3,519,946</u>	<u>29,584,966</u>	<u>-</u>
Method of finance:					
General revenue - Mental Retardation	3,211,969	2,329,809	1,836,463	( 954,303)	-
Permanency planning	95,608	74,463	21,145	-	-
OBRA Funds	9,894	-	9,894	-	-
CLOIP	218,800	158,918	59,882	-	-
Earned income	8,729	129	-	8,600	-
Additional local funds	15,120,616	3,603,080	1,979,375	9,538,161	-
Other services revenues	<u>22,074,443</u>	<u>811,729</u>	<u>235,615</u>	<u>21,027,099</u>	<u>-</u>
Total expended sources	<u>\$ 40,740,059</u>	<u>\$ 6,978,128</u>	<u>\$ 4,142,374</u>	<u>\$ 29,619,557</u>	<u>\$ -</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF INDIRECT COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

	<u>Total Costs</u>	<u>Nonallowable Costs</u>	<u>Depreciation</u>	<u>Total Adjusted Cost</u>	<u>Direct Costs</u>	<u>Indirect Costs</u>
Personnel	\$ 10,463,521	\$ -	\$ -	\$ 10,463,521	\$ 8,999,327	\$ 1,464,194
Fringe benefits	3,050,601	-	-	3,050,601	2,622,087	428,514
Debt service	-	-	-	-	-	-
Capital outlay	888,858	888,858	-	-	( 5,248)	5,248
Depreciation	-	-	14,235	14,235	-	14,235
Other operating expense	<u>26,963,619</u>	<u>-</u>	<u>-</u>	<u>26,963,619</u>	<u>26,341,114</u>	<u>622,505</u>
Total expenses	<u>\$ 41,366,599</u>	<u>\$ 888,858</u>	<u>\$ 14,235</u>	<u>\$ 40,491,976</u>	<u>\$ 37,957,280</u>	<u>\$ 2,534,696</u>

Indirect costs	\$ 2,534,696
Direct costs	37,957,280

Indirect cost rate 6.68%

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF INSURANCE IN EFFECT**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/14	09/30/15	Workers' Compensation	Statutory
Texas Municipal League Risk Management Fund	10/01/14	09/30/15	Automobile Liability	
			Per Occurrence Limit	\$ 5,000,000
			Deductible	2,500
			Annual Aggregate	-
			Medical Payments per person	25,000
			Deductible	-
	10/01/14	09/30/15	Automobile Physical Damage	
			Per Occurrence Limit	10,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/14	09/30/15	General Liability	
			Per Occurrence Limit	10,000,000
			Deductible	-
			Sudden Events Each Occurrence	2,000,000
			Annual Aggregate	10,000,000
Texas Municipal League Risk Management Fund	10/01/14	09/30/15	Law Enforcement Liability	
			Per Occurrence Limit	2,000,000
			Annual Aggregate	4,000,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/14	09/30/15	Errors and Omissions Liability	
			Each Wrongful Act	2,000,000
			Annual Aggregate	4,000,000
			Deductible	1,000



**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF INSURANCE IN EFFECT  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/15	09/30/16	All Risk Property Coverage Coverage Basis Building : Replacement Cost Valuation Deductible Transit Limit Valuable Papers and EDP Media Accounts Receivable Loss of Revenue Extra Expense and Rev Personal Property of Employees and Officials Leasehold Interest Outdoor Trees and Shrubs Newly Acquired Property FMV up to Pollutant Cleanup and Removal Each Premise Flood & Earthquake Deductible Boiler & Machinery Per Accident Limit Deductible	\$ 6,168,147 250 1,000,000 10,000 10,000 50,000 5,000 65,000 10,000 1,000,000 20,000  25,000 100,000 250
Texas Municipal League Risk Management Fund	10/01/15	09/30/16	Public Employee Dishonesty Limit of Coverage Deductible Coverage Includes Faithful Performance of Duty	500,000 5,000
WS&P Walthall Sachse & Pipes, Inc	7/1/2015	7/1/2016	Pollution Coverage General Aggregate Limit Each "Pollution Condition" Limit Deductible	1,000,000 1,000,000 5,000
WS&P Walthall Sachse & Pipes, Inc	2/13/2016	2/13/2017	Volunteers Accidental Death and Dismemberment Benefit Covered Person principal sum/amount Total Max Accident Medical and Dental Deductible	5,000 10,000 -

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
December 31, 2015  
(UNAUDITED)**

<b>Name</b>	<b>City</b>	<b>Type of Service</b>	<b>Amount</b>
<b>January - August 2015</b>			
HOMELIFE & Community Services	San Antonio	Respite Hourly Out of Home	\$ 12,803
Respite Care of San Antonio	San Antonio	Respite Hourly Out of Home	3,030
CHCS Calidad Converse	San Antonio	Respite Hourly Out of Home	1,710
Lifetime Living	San Antonio	Respite Hourly Out of Home	4,275
Lifeline Care & Services	San Antonio	Respite Hourly Out of Home	2,423
San Antonio Simply Loves All People	San Antonio	Respite Hourly Out of Home	1,395
Respite Care of San Antonio	San Antonio	Respite Daily Out of Home	1,200
Children's Association of Maximun Potential	San Antonio	Respite Daily Out of Home	3,900
Lifetime Living	San Antonio	Respite Daily Out of Home	4,800
Lifeline Care and Services	San Antonio	Respite Daily Out of Home	4,350
San Antonio Simply Loves All People	San Antonio	Respite Daily Out of Home	300
Homelfe & Community Services	San Antonio	Respite Hourly In Home	58,845
CHCS Calidad Converse	San Antonio	Respite Hourly In Home	11,760
Lifetime Living	San Antonio	Respite Hourly In Home	15,011
Lifeline Care and Services	San Antonio	Respite Hourly In Home	38,798
San Antonio Simply Loves All People	San Antonio	Respite Hourly In Home	10,703
HOMELIFE & Community Services	Converse	Respite Daily In Home	5,250
Lifeline Care and Services	San Antonio	Respite Daily In Home	1,200
San Antonio Simply Loves All People	San Antonio	Respite Daily In Home	1,200
The Arc of San Antonio	San Antonio	Day Habilitation	62,692
University United Methodist Church	San Antonio	Day Habilitation	13,935
HOMELIFE & Community Services	San Antonio	Day Habilitation	3,750
Mission Road Ministries	San Antonio	Day Habilitation	16,571
Unicorn, Inc.	San Antonio	Day Habilitation	26,445
CHCS Calidad Drexel	San Antonio	Day Habilitation	2,368
Mosaic	San Antonio	Day Habilitation	1,402
Lifetime Living	San Antonio	Day Habilitation	6,235
San Antonio Simply Loves All People	San Antonio	Day Habilitation	8,728
Angel Care Services	San Antonio	Day Habilitation	1,606
Eva's Hereos	San Antonio	Day Habilitation	82
South Texas Behavioral Institute	San Antonio	Day Habilitation	1,836
SAFIRE	San Antonio	Day Habilitation	6,395

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
December 31, 2015  
(UNAUDITED)**

<b>Name</b>	<b>City</b>	<b>Type of Service</b>	<b>Amount</b>
<b>January - August 2015</b>			
Mosaic	Live Oak	Day Habilitation	\$ 2,792
Unicorn, Inc.	San Antonio	Head Start	3,820
HOMELIFE & Community Services	San Antonio	Community Support	58,608
CHCS Calidad Converse	San Antonio	Community Support	28,186
CHCS Calidad Converse	San Antonio	Community Support	706
Lifetime Living	San Antonio	Community Support	9,444
Lifeline Care and Services	San Antonio	Community Support	79,127
San Antonio Simply Loves All People	San Antonio	Community Support	11,407
Wood Group	San Antonio	Community Support	4,157
ABA & Behavioral Services, LLC	San Antonio	Community Support	2,933
Eva's Hereos	San Antonio	Community Support	2,876
South Texas Behavioral Institute	San Antonio	Community Support	2,200
ABA Center for Excellence	Converse	Community Support	28,637
Unicorn, Inc.	San Antonio	Supported Employment	2,344
Unicorn, Inc.	San Antonio	Employment Assistance	2,207
CHCS Calidad Drexel	San Antonio	Employment Assistance	48
Lifetime Living	Live Oak	Employment Assistance	1,142
San Antonio Simply Loves All People	San Antonio	Employment Assistance	244
South Texas Behavioral Institute	Converse	Behavioral Support	25,137
ABA Center for Excellence	San Antonio	Behavioral Support	32,865
Jennifer Garrett	San Antonio	Behavioral Support	9,221
Children's Association for Maximum Potential	San Antonio	Weekly Camp	105,300
Wood Group	San Antonio	Safety Net	183,336
University United Methodist Church	Converse	Day Habilitation Summer Camp	1,356
Mission Road Ministries	San Antonio	Day Habilitation Summer Camp	3,849
San Antonio Simply Loves All People	San Antonio	Day Habilitation Summer Camp	4,449
Eva's Hereos	San Antonio	Day Habilitation Summer Camp	3,612
ABA & Behavioral Services, LLC	San Antonio	Applied Behavioral Analysis	8,007
South Texas Behavioral Institute	San Antonio	Applied Behavioral Analysis	21,344
ABA Center for Excellence	San Antonio	Applied Behavioral Analysis	40,800
Jennifer Garrett	San Antonio	Applied Behavioral Analysis	23,919
Lifetime Living	San Antonio	Nursing Services	272
HOMELIFE & Community Services	San Antonio	Counseling Services	430

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
December 31, 2015  
(UNAUDITED)**

<b>Name</b>	<b>City</b>	<b>Type of Service</b>	<b>Amount</b>
<b>September - December 2015</b>			
Homelife & Community Services		Respite Hourly Out of Home	\$ 3,555
CHCS Calidad Converse		Respite Hourly Out of Home	1,035
Lifeline Care & Services		Respite Hourly Out of Home	555
Angel Care Centers		Respite Hourly Out of Home	274
Children's Association of Maximum Potential		Respite Daily Out of Home	3,900
Lifetime Living		Respite Daily Out of Home	900
Lifeline Care and Services		Respite Daily Out of Home	1,950
SAFIRE		Respite Daily Out of Home	-
Homelife & Community Services		Respite Hourly In Home	38,959
CHCS Calidad Converse		Respite Hourly In Home	2,063
Lifetime Living		Respite Hourly In Home	4,826
Lifeline Care and Services		Respite Hourly In Home	23,535
Angel Care Centers		Respite Hourly In Home	660
Homelife & Community Services		Respite Daily In Home	3,450
Lifeline Care and Services		Respite Daily In Home	300
The ARC of San Antonio		Day Habilitation	30,547
Univesity United Methodist Church		Day Habilitation	5,445
Homelife & Community Services		Day Habilitation	1,696
Mission Roiad Ministries		Day Habilitation	13,446
Unicorn Centers. Inc.		Day Habilitation	15,973
CHCS Calidad Drexel		Day Habilitation	2,376
Lifetime Living		Day Habilitation	3,698
Angel Care Centers		Day Habilitation	2,262
Eva's Hereos		Day Habilitation	230
SAFIRE		Day Habilitation	1,885
Unicorn Centers, Inc.		Head Start	900
Homelife & Community Services		Community Support	21,004
CHCS Calidad Converse		Community Support	7,701
Lifetime Living		Community Support	4,667
Lifeline Care and Services		Community Support	40,741
Wood Group		Community Support	2,151
ABA & Behavioral Services		Community Support	2,712
ABA Center for Excellence		Community Support	14,187
Unicorn Centers, Inc.		Supported Employment	1,327
Homelife & Community Services		Employment Assistance	71
Unicorn Centers, Inc.		Employment Assistance	541
Angel Care Centers		Employment Assistance	18

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
December 31, 2015  
(UNAUDITED)**

<b>Name</b>	<b>City</b>	<b>Type of Service</b>	<b>Amount</b>
<b>September - December 2015</b>			
Homelife & Community Services		Behavioral Support	\$ 115
South Texas Behavioral Institute		Behavioral Support	8,762
ABA Center for Excellence		Behavioral Support	13,525
Jennifer Garrett		Behavioral Support	7,862
Wood Group		Safety Net	91,668
ABA and Behavioral Services		Applied Behavioral Analysis	3,426
South Texas Behavioral Institute		Applied Behavioral Analysis	8,390
ABA Center for Excellence		Applied Behavioral Analysis	8,064
Jennifer Garrett		Applied Behavioral Analysis	11,220
Homelife & Community Services		Counseling Services	80

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF LEGAL SERVICES**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF LEASE AND RENTAL COMMITMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

<u>Lessor</u>	<u>Leased Property Location</u>	<u>Termination Date</u>	<u>Monthly Rental</u>
NONE			

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF SPACE OCCUPIED IN A STATE-OWNED FACILITY  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

<u>Lessor</u>	<u>Leased Property</u>	<u>Termination Date</u>	<u>Monthly Rental</u>
NONE			



**ALAMO AREA COUNCIL OF GOVERNMENTS**

**ALAMO LOCAL AUTHORITY  
SCHEDULE OF BONDED EMPLOYEES**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

<u>Name</u>	<u>Title</u>	<u>Surety Company</u>	<u>Bond Amount</u>
NONE			

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# **SINGLE AUDIT REPORT**

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PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**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, 2015, 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 28, 2016.

***Internal Control over Financial Reporting***

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

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

Our consideration of internal control 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas  
June 28, 2016



PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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 Governor's Office of Budget and Planning, that could have a direct and material effect on each of the Council's major federal and state programs for the year ended December 31, 2015. 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, 2015.

### **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 28, 2016



**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Pass-through Expenditures
<b>FEDERAL AWARDS</b>				
<b>Primary Government:</b>				
<u>U. S. Department of Agriculture</u>				
Passed through Alamo Area Development Corporation:				
SNAP E&T	10.561	CC2011001-01	\$ 1,164	\$ -
Total Alamo Area Development Corporation			1,164	-
Total U. S. Department of Agriculture			1,164	-
<u>U. S. Department of Commerce</u>				
Passed through Economic Development Administration:				
Economic Development - Support for Planning Organizations	11.302	08-83-05023	40,988	-
Total Economic Development Administration			40,988	-
Total U. S. Department of Commerce			40,988	-
<u>U. S. Department of Housing and Urban Development</u>				
Passed through Texas Department of Agriculture:				
Community Development Block Grant	14.228	C714221	6,960	-
Community Development Block Grant	14.228	C715221	7,219	-
Total Texas Department of Agriculture			14,179	-
Direct program:				
Section 8 Housing Choice Vouchers	14.871	PHA TX 564	452,050	-
Total direct program			452,050	-
Total U. S. Department of Housing and Urban Development			466,229	-
<u>U. S. Department of Justice</u>				
Passed through Office of the Governor, Criminal Justice Division:				
Violence Against Women Formula Grant	16.588	2610703	48,857	-
Violence Against Women Formula Grant	16.588	2610704	18,343	-
Subtotal			67,200	-
Juvenile Justice and Delinquency Prevention - Marshal Licensing	16.540	JA13J202827801	39,611	-
Juvenile Justice and Delinquency Prevention - Marshal Licensing	16.540	JA15J202827802	1,458	-
Subtotal			41,069	-
Total Office of the Governor, Criminal Justice Division			108,269	-
Total U. S. Department of Justice			108,269	-

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Pass-through Expenditures
<b>FEDERAL AWARDS (Continued)</b>				
<b>Primary Government: (Continued)</b>				
<u>U. S. Department of Labor</u>				
Passed through Alamo Area Development Corporation:				
Committee of Six Support	17.000		\$ 25,000	\$ -
Subtotal			<u>25,000</u>	<u>-</u>
WIA - Re-Entry	17.258	CC2011001-01	189	-
WIA Adult Services	17.258	CC2011001-01	2,405	-
WIA Youth - OSY	17.259	CC2011001-01	1,238	-
WIA Youth - ISY	17.259	CC2011001-01	747	-
WIA Dislocated Workers	17.260	CC2011001-01	1,848	-
Subtotal WIA Cluster			<u>6,427</u>	<u>-</u>
Total Alamo Area Development Corporation			<u>31,427</u>	<u>-</u>
Total U. S. Department of Labor			<u>31,427</u>	<u>-</u>
<u>U. S. Department of Transportation</u>				
Passed through the Metropolitan Planning Organization:				
Highway Planning and Construction	20.205	2013-2015	200,396	-
Highway Planning and Construction	20.205	2016-2017	15,436	-
Total Metropolitan Planning Organization			<u>215,832</u>	<u>-</u>
Passed through VIA Metropolitan Transit:				
Urbanized Area Formula Program	20.507		( 84)	-
Urbanized Area Formula Program	20.507		179,519	-
Urbanized Area Formula Program	20.507		119,454	-
Subtotal			<u>298,889</u>	<u>-</u>
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TX-16-X012-01	161,420	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		12,678	-
Subtotal			<u>174,098</u>	<u>-</u>
Discover New Freedom	20.521	TX-57-X032-01	138,318	-
New Freedom II	20.521		17,885	-
Subtotal			<u>156,203</u>	<u>-</u>
Total VIA Metropolitan Transit			<u>629,190</u>	<u>-</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Pass-through Expenditures
<b>FEDERAL AWARDS (Continued)</b>				
<b>Primary Government: (Continued)</b>				
Passed through Texas Department of Transportation:				
Highway Planning and Construction - Commute Solutions	20.205	0915-12-512	\$ 141,557	\$ -
Highway Planning and Construction - Commute Solutions	20.205	0915-12-493	29,012	-
Formula Grants for Rural Areas	20.509	51415F7169	699,629	-
Formula Grants for Rural Areas	20.509	51415F7169	409	-
Formula Grants for Rural Areas	20.509	51415F7169	6,669	-
Formula Grants for Rural Areas	20.509	51018011515	<u>588,800</u>	<u>-</u>
Subtotal			<u>1,466,076</u>	<u>-</u>
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51515F7075	<u>91,574</u>	<u>-</u>
State Planning and Research	20.515	51315F7070	2,170	-
State Planning and Research	20.515	REG 1601 (15)	<u>738</u>	<u>-</u>
Subtotal			<u>2,908</u>	<u>-</u>
Bus and Bus Formula Program	20.526	51415F7217	<u>75,546</u>	<u>-</u>
Total Texas Department of Transportation			<u>1,636,104</u>	<u>-</u>
Total U. S. Department of Transportation			<u>2,481,126</u>	<u>-</u>
<u>U. S. Department of Veterans Affairs</u>				
Veterans Home Based Primary Care	64.022	PA-VDHC 671-0001	<u>121,513</u>	<u>-</u>
Total U. S. Department of Veterans Affairs			<u>121,513</u>	<u>-</u>
<u>U. S. Department of Energy</u>				
Passed through Texas Department of Housing and Community Affairs:				
Weatherization Assistance for Low Income Persons	81.042	56130001917	70,143	-
Weatherization Assistance for Low Income Persons	81.042	56140001988	210,370	-
Weatherization Assistance for Low Income Persons	81.042	56150002257	<u>113,761</u>	<u>-</u>
Subtotal			394,274	-
Conservation Research and Development	81.086	DE-FOA-0000708	4,041	-
Fossil Energy Research and Development	81.089	11122-45	<u>7,772</u>	<u>-</u>
Total Texas Department of Housing and Community Affairs			<u>406,087</u>	<u>-</u>
Total U. S. Department of Energy			<u>406,087</u>	<u>-</u>
<u>U. S. Department of Health and Human Services</u>				
Passed through Texas Department of Aging and Disability Services:				
Title VII-EAP - Bexar AAA	93.041	539-16-0020-00001	22,756	-
Title VII-EAP - Alamo AAA	93.041	539-16-0021-00001	<u>7,242</u>	<u>-</u>
Subtotal			<u>29,998</u>	<u>-</u>
Title VII-OAG - Bexar AAA	93.042	539-16-0020-00001	71,361	-
Title VII-OAG - Alamo AAA	93.042	539-16-0021-00001	<u>44,828</u>	<u>-</u>
Subtotal			<u>116,189</u>	<u>-</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Pass-through Expenditures
<b>FEDERAL AWARDS (Continued)</b>				
<b>Primary Government: (Continued)</b>				
<u>U. S. Department of Health and Human Services (Continued)</u>				
Title III-D - Bexar AAA	93.043	539-16-0020-00001	\$ 88,172	\$ -
Title III-D - Alamo AAA	93.043	539-16-0021-00001	19,590	-
Subtotal			<u>107,762</u>	<u>-</u>
Title III-B - Bexar AAA	93.044	539-16-0020-00001	1,290,658	311,896
Title III-B - Alamo AAA	93.044	539-16-0021-00001	556,823	-
Title III-C - Bexar AAA	93.045	539-16-0020-00001	2,788,550	2,197,823
Title III-C - Alamo AAA	93.045	539-16-0021-00001	1,042,874	-
Nutrition Services Incentive Program - Bexar AAA	93.053	539-16-0020-00001	1,244,688	1,531,252
Nutrition Services Incentive Program - Alamo AAA	93.053	539-16-0021-00001	297,339	-
Subtotal Aging Cluster			<u>7,220,932</u>	<u>4,040,971</u>
Title III-E - Bexar AAA	93.052	539-16-0020-00001	678,711	8,916
Title III-E - Alamo AAA	93.052	539-16-0021-00001	237,910	-
Subtotal			<u>916,621</u>	<u>8,916</u>
Medicare Enrollment Assistance (MIPPA -2) - Bexar AAA	93.071	539-16-0020-00001	48,138	-
Medicare Enrollment Assistance (MIPPA -2) - Alamo AAA	93.071	539-16-0021-00001	23,049	-
Subtotal			<u>71,187</u>	<u>-</u>
CMS - Bexar AAA	93.324	539-16-0020-00001	108,179	-
CMS - Alamo AAA	93.324	539-16-0021-00001	107,560	-
Subtotal			<u>215,739</u>	<u>-</u>
Title XVIII Medicare - Alamo Local Authority	93.777	FY 2015	87,971	-
CMS - Aging and Disability Resource Center - Bexar AAA	93.778	539-16-99719	193,642	-
Medical Assistance Program - Alamo Local Authority	93.778	FY 2015	723,757	-
Medical Assistance Program - Alamo Local Authority	93.778	FY 2016	235,615	-
Subtotal Medicaid Cluster			<u>1,240,985</u>	<u>-</u>
OMB - MFPD - Bexar AAA	93.791	539-16-0020-00001	80,286	-
OMB - MFPD - Alamo AAA	93.791	539-16-0021-00001	8,582	-
Subtotal			<u>88,868</u>	<u>-</u>
Total Texas Department of Aging and Disability Services			<u>10,008,281</u>	<u>4,049,887</u>
Passed through Texas Department of Housing and Community Affairs:				
Low-Income Home Energy Assistance Program	93.568	81150002133	1,342,953	-
Total Texas Department of Housing and Community Affairs			<u>1,342,953</u>	<u>-</u>
Passed through Alamo Area Development Corporation:				
Childcare Development Block Grant	93.575	4600014311	329,339	-
TANF Choices	93.558	CC2011001-01	2,309	-
Total Alamo Area Development Corporation			<u>331,648</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>11,682,882</u>	<u>4,049,887</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Pass-through Expenditures
<b>FEDERAL AWARDS (Continued)</b>				
<u>U. S. Department of Homeland Security</u>				
Passed through Office of the Governor, Division of Emergency Management				
State Homeland Security Program	97.067	11-SR-99001-04	\$( 2,726)	\$ -
State Homeland Security Program	97.067	12-SR-99001-01.02	( 15,702)	-
State Homeland Security Program	97.067	13-SR-99001-01.02	12,842	-
State Homeland Security Program	97.067	14-SR-99001-03	261,665	-
State Homeland Security Program	97.067	2964001	25,291	-
Subtotal			<u>281,370</u>	<u>-</u>
Total Office of the Governor, Division of Emergency Management			<u>281,370</u>	<u>-</u>
Total U. S. Department of Homeland Security			<u>281,370</u>	<u>-</u>
Total Federal Awards - Primary Government			<u>15,621,055</u>	<u>4,049,887</u>
<b>Discretely Presented Component Unit:</b>				
<u>U. S. Department of Agriculture</u>				
Passed through Workforce Solutions Alamo:				
SNAP	10.561	CC2011001	1,164	1,164
Total Passed through Workforce Solutions Alamo			<u>1,164</u>	<u>1,164</u>
Total U. S. Department of Agriculture			<u>1,164</u>	<u>1,164</u>
<u>U. S. Department of Labor</u>				
Passed through Workforce Solutions Alamo:				
WIA - Re-Entry	17.258	CC2011001-01	189	189
WIA Adult Services	17.258	CC2011001-01	2,405	2,405
WIA Youth - OSY	17.259	CC2011001-01	1,238	1,238
WIA Youth - ISY	17.259	CC2011001-01	747	747
WIA Dislocated Workers	17.260	CC2011001-01	1,848	1,848
Total Passed through Workforce Solutions Alamo			<u>6,427</u>	<u>6,427</u>
Total U. S. Department of Labor			<u>6,427</u>	<u>6,427</u>
<u>U. S. Department of Health and Human Services</u>				
Passed through Workforce Solutions Alamo:				
Temporary Assistance for Needy Families	93.558	CC2011001	2,310	2,309
Total Passed through Workforce Solutions Alamo			<u>2,310</u>	<u>2,309</u>
Passed through City of San Antonio:				
Child Care and Development Block Grant	93.575	4600012788	329,340	329,339
Total Passed through City of San Antonio			<u>329,340</u>	<u>329,339</u>
Total U. S. Department of Health and Human Services			<u>331,650</u>	<u>331,648</u>
Total Federal Awards - Discretely Presented Component Unit			<u>339,241</u>	<u>339,239</u>
Total Federal Expenditures - Reporting Entity			<u>15,960,296</u>	<u>4,389,126</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

State Grantor/Program Title	Grant Number	Expenditures
<b>STATE AWARDS</b>		
<b>Primary Government:</b>		
<u>Texas Department of Aging and Disability Services</u>		
State General Revenue - Alamo Local Authority - FY 15	FY 2015	\$ 2,563,192
State General Revenue - Alamo Local Authority - FY 16	FY 2016	1,927,385
State General Revenue - Bexar AAA	539-16-0020-00001	592,774
State General Revenue - Alamo AAA	539-16-0021-00001	215,282
Total Texas Department of Aging and Disability Services		5,298,633
<u>Commission on State Emergency Communications</u>		
911 Emergency Communications	FY 2015	1,315,348
911 Emergency Communications	FY 2016	375,054
Total Commission on State Emergency Communications		1,690,402
<u>Office of the Governor - Criminal Justice Division</u>		
Regional Criminal Justice Coordination	30010618	144,441
Regional Criminal Justice Coordination	30061092	53,097
Regional Police Training Academy	SF-11-A10-14859-14	373,984
Regional Police Training Academy	SF-11-A10-14859-15	267,783
Total Office of the Governor - Criminal Justice Division		839,305
<u>Texas Commission on Environmental Quality</u>		
Air Quality	582-14-40051	281,463
Air Quality	582-16-60180	108,821
Solid Waste Resource Recovery	582-14-40571	469,544
Solid Waste Resource Recovery	582-16-60643	61,243
Total Texas Commission on Environmental Quality		921,071
<u>Texas Department of Housing and Community Affairs</u>		
Amy Young Barrier Removal Program	1001997	60,864
Total State Energy Conservation Office		60,864
<u>Texas Department of Transportation</u>		
Rural Public Transportation - FY 15	51515F7005	267,326
Rural Public Transportation - FY 16	512XXF7004	416,581
Total Texas Department of Transportation		683,907
<u>Texas Veterans Commission</u>		
Passed through Alamo Area Development Corporation:		
Housing 4 Texas Heroes	HTX_14_0192	234,362
Rides 4 Vets	FVA_14B_0172	261,115
Total Alamo Area Development Corporation		495,477
Total Texas Veterans Commission		495,477
Total State Awards - Primary Government		9,989,659

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

State Grantor/Program Title	Grant Number	Expenditures
<b>STATE AWARDS (Continued)</b>		
<b>Discretely Presented Component Unit:</b>		
<u>Texas Veterans Commission</u>		
Housing 4 Texas Heroes	HTX_14_0192	312,514
Rides 4 Vets	FVA_14B_0172	<u>276,429</u>
Total Texas Veterans Commission		<u>588,943</u>
Total State Awards - Discretely Presented Component Unit		<u>588,943</u>
Total State Expenditures - Reporting Entity		<u>10,578,602</u>
Total Expenditures of Federal and State Awards - Reporting Entity		\$ <u>26,538,898</u>

# **ALAMO AREA COUNCIL OF GOVERNMENTS**

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

**DECEMBER 31, 2015**

### **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 federal 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 AMOUNTS**

Due to a revision in the allocation of certain costs, the funding agent has retroactively allocated 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.

### **4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Grant expenditure reports as of December 31, 2015, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant, as the discrepancies noted are timing differences.

### **4. 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 which are negotiated with the Texas Department of Aging and Disability Services, which is the Council's designated cognizant agency. The Council uses a fixed-rate plus carry-forward provision.



**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**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 Uniform Grant Management Standards?	No

Identification of Major Federal and State Programs:

93.568	Low-Income Home Energy Assistance
93.044, 93.045, 93.053	Aging Cluster
93.052	National Family Caregiver Support, Title III, Part E
93.778	Medical Assistance Program
State	State General Revenue
State	Police Training Academy
State	Housing for Texas Heroes
State	Rides 4 Vets
State	Air Quality
State	Solid Waste Resource Recovery

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

Dollar threshold considered between Type A and Type B state programs \$317,358

Low risk auditee statement The Council was classified as a low-risk auditee in the context of 2 CFR 200 and the State of Texas Uniform Grant Management Standards.

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

**(CONTINUED)**

**Section II - Financial Statement Findings**

None

**Section III - Federal and State Award Findings**

None

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

None

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