

ALAMO AREA COUNCIL OF GOVERNMENTS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2011

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

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 the Alamo Area of Council of Governments (Council) as of and for the year ended December 31, 2011, which collectively comprise the Council's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Council's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the Council, as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2012, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provision 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 the internal control over financing reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Directors
Alamo Area Council of Governments

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements as a whole. The combining nonmajor fund financial statements and supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and the State of Texas Uniform Grant Management Standards, and is also not a required part of the basic financial statements. The combining nonmajor fund financial statements, supplementary schedules (except for those marked "unaudited," for which we express no opinion), 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

June 22, 2012
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

Alamo Area Council of Governments' ("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, 2011. 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 of the Council exceeded its liabilities at the close of the most recent fiscal year by \$12,141,227 (net assets). Of this amount, \$1,561,072 is unrestricted. This reflects an increase to net assets of \$612,981.
- ◆ As of the close of the current fiscal year, the Council's governmental funds financial statements reported on page 14 combined ending fund balances of \$7,798,105. The unassigned in the General Fund that is available for operations is \$1,907,605.

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 assets* presents information on all of the Council's assets and liabilities, with the difference between the two reported as *net assets*. Over time, fluctuations in net assets 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 assets 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 23 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each major fund: the General Fund, the Bexar Area Agency on Aging Fund, the Texas Department of Transportation Fund, the Alamo Local Authority Fund, and the Texas Department of Housing and Community Affairs Fund. The basic governmental fund financial statements can be found on pages 13 through 17 of this report.

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 assets may serve over time as a useful indicator of a government's financial position. The Council's assets exceeded liabilities by \$12,141,227 at December 31, 2011. The following table reflects the condensed Statement of Net Assets compared to prior year.

Alamo Area Council of Government's Statement of Net Assets

	<u>2011</u>	<u>2010</u>
Assets:		
Current and other assets	\$ 13,989,729	\$ 13,418,491
Capital assets	<u>4,536,725</u>	<u>4,880,861</u>
Total assets	18,526,454	18,299,352
Liabilities:		
Current liabilities	6,092,760	6,457,522
Noncurrent liabilities	<u>292,467</u>	<u>313,584</u>
Total liabilities	6,385,227	6,771,106
Net assets:		
Invested in capital assets	4,536,725	4,880,861
Restricted for grant purposes	6,043,430	5,197,743
Unrestricted	<u>1,561,072</u>	<u>1,449,642</u>
Total net assets	<u><u>\$ 12,141,227</u></u>	<u><u>\$ 11,528,246</u></u>

The balance of *unrestricted net assets* \$1,561,072 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, 2011, as compared to the year ended December 31, 2010. The Council's net assets increased by \$612,981.

	<u>2011</u>	<u>2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,049,852	\$ 874,285
Operating grants and contributions	48,505,521	45,007,470
General revenues:		
Investment earnings	9,067	4,718
Member dues	290,239	246,078
Miscellaneous	<u>(6,394)</u>	<u>15,075</u>
Total revenues	49,848,285	46,147,626
Expenses:		
General government	72,342	69,513
Workforce development	3,044,434	806,808
Aging	15,690,963	17,658,462
Emergency communication	1,581,207	1,192,131
Economic development	77,645	62,214
Environmental quality	2,012,505	937,377
Community affairs	8,716,080	7,542,429
Homeland security	1,648,922	1,183,264
Transportation	6,084,768	5,478,533
Housing	421,823	410,923
Criminal justice	1,138,372	1,535,149
Health and welfare	<u>8,746,243</u>	<u>8,764,685</u>
Total expenses	<u>49,235,304</u>	<u>45,641,488</u>
Change in net assets	612,981	506,138
Net assets, beginning of year	<u>11,528,246</u>	<u>11,022,108</u>
Net assets, end of year	<u><u>\$ 12,141,227</u></u>	<u><u>\$ 11,528,246</u></u>

The Council's increase in net assets is primarily due to the general fund and programmatic fund balance increases. Additionally, the Council's capital purchases totaled \$663,646.

The General Fund balance increased by \$83,274 for a total of \$1,951,028.

The special revenue funds increased fund balance by \$792,275. The majority of the increase is primarily in the Alamo Local Authority (ALA) program. Fund balance increases occurred in the ALA, Bexar Area Agency on Aging (BAAA), Texas Department of Housing and Community Affairs (TDHCA) and other in other non-major governmental funds by \$1,075,773, \$15,227, \$12,907 and \$33,716 respectively. The Texas Department of Transportation – Alamo Regional Transportation (ART) program decreased fund balance by \$345,348.

Comparisons to 2010 Expenditures/Funding

The Council's revenues increased by \$3,700,659 and expenditures increased by \$3,593,816 from fiscal 2010 to 2011.

Revenues

The General Fund experienced a decrease in revenues of \$46,473 which was due to the loss of the State Appropriation Funding. The BAAA, ALA, TDHCA and various non-major programs experienced an increase to revenues of \$4,059,436 which includes the balance of the Weatherization American Recovery and Reinvestment Act (ARRA) funding. TxDoT – ART program reflected a decrease in revenues of \$405,250.

Expenditures

The General government expenditures reflect an increase of \$2,829. The BAAA, TxDoT – ART, TDHCA and various non-major programs experienced an increase to expenditures of \$4,006,210 which includes the balance of the Weatherization ARRA funding. The ALA expenditures decreased by \$18,442 and Criminal Justice expenditures decreased by \$396,781.

BUDGETARY HIGHLIGHTS

The financial plan for the Council is drafted on a grant basis, which spans more than one fiscal year. Although the financial plan is reviewed and approved by the Council's Board, it is not considered a legally adopted annual budget. Accordingly, budgetary information is not presented in this report.

CAPITAL ASSET ADMINISTRATION

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

	<u>2011</u>	<u>2010</u>
Capital assets	\$ 11,270,801	\$ 10,691,478
Less: accumulated depreciation	<u>(6,734,076)</u>	<u>(5,810,617)</u>
Total capital assets, net	<u>\$ 4,536,725</u>	<u>\$ 4,880,861</u>

The Council's capital purchases totaled \$663,646 during 2011 by the following programs.

Equipment

The ALA and Weatherization program purchased two Smart boards with projectors for the use in training and meetings for a total cost of \$13,063.

The 911 program purchased a UPS backup system to be used by the Council's Public Safety Answering Points during emergency outages for a total cost of \$4,718.

Software

The IT department purchased email encryption software that is required when sending personal information by email for a total cost of \$5,152.

The Alamo Regional Transportation (ART) program purchased Shah Software for the San Antonio dispatch office for a total cost of \$49,900.

Vehicles

The Council replaced the Executive Director's vehicle for a total cost of \$34,361.

The Weatherization program purchased four (4) Ford Transit Connect vehicles for a total cost of \$94,212 or \$23,553 each.

The ART program purchased ten (10) vehicles for a total cost of \$440,338 that will be used to replace and enhance transportation services through-out the region.

Property

The ART program made roof repairs and improvements to the Kerrville Intermodal Facility for a total cost of \$21,902.

ECONOMIC FACTORS AND NEXT YEAR'S FINANCIAL PLAN

The Council's projected 2012 annual budget reflects \$38,374,503 in revenues and \$38,791,892 in budgeted expenditures. The projected revenue decrease from 2011 is \$11,420,369 or an approximately 23% from the actual 2011 revenues and the projected expenditure decrease from 2011 is \$10,127,431 or an approximately 21% from the actual

2011 expenditures. The revenue and expenditure decreases are due to the budget cuts through-out the Council's programs. The largest area of decreased funding and expenditures is primarily due to the completion of the Weatherization ARRA funding tasks.

The Council's combined ending fund balances of \$7,798,105 include \$5,847,077 of dedicated program fund balances and \$1,951,028 of general fund balance. From the general fund balance, \$43,423 is nonspendable funds for prepaids and \$1,907,605 is available for the Council's operating capital. The Council increased the general fund balance by \$83,274 during fiscal year 2011 and is not projecting an increase for 2012. The Council's special revenue fund balance increased by \$792,275 for 2011 and is projected to decrease by \$417,388 in 2012. The 2011 increase to the special revenue fund balances is primarily from the Alamo Local Authority program. The projected decrease is primarily within the Rural Public Transportation and ALA program for increased services and budget cuts from federal or state sources.

During 2011, the Council was notified that budgets from the Alamo Local Authority, Workforce, Natural Resources, 911 Commission and the Governor's Office would be reduced up to fifty percent (50%) in the next funding year. Due to these funding decreases the Council went through two rounds of reduction-in-force occurrences for a total of fifteen (15) Council positions. The Council anticipates additional budget reductions in 2012.

The Council anticipates additional funding from the TriHM foundation that will enhance the current Alamo Local Authority Intellectual Developmental Disabilities program and is also forming a new "Alamo Natural Gas Vehicle Consortium" that will generate local funding for the Clean Cities program.

The Council's Executive Director retired during 2011 therefore an interim Executive Director was appointed at the Board of Director's regular meeting April 27, 2011. There was a unanimous vote that appointed the Interim Executive Director to the Executive Director position at the Area Council – Semi Annual meeting November 30, 2011.

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 six (6) times to accommodate additional program space. The Board of Directors approved a seventh (7th) amendment that includes expansion space of 7,904 square feet for a total leased space of 66,321 square feet and a lease extension through December 31, 2020.

REQUESTS FOR INFORMATION

This financial report is designed to provide general overview of Council's finances for all those with an interest in the organization. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Controller's Office, Alamo Area Council of Governments, 8700 Tesoro Drive, San Antonio, Texas 78217. Complete financial statements for the discretely presented component unit, Alamo Area Development Corporation, may be obtained at the administrative offices.

BASIC FINANCIAL STATEMENTS

**ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

	Primary Government	Component Unit
	Governmental Activities	Alamo Area Development Corporation
ASSETS		
Cash and investments	\$ 7,259,318	\$ 141,808
Receivables		
Grantors	5,636,793	767,267
Other	1,040,195	-
Deposits	10,000	-
Prepaid items	43,423	-
Capital assets, net of accumulated depreciation	4,536,725	-
Total assets	18,526,454	909,075
LIABILITIES		
Accounts payable	3,206,193	854,112
Accrued liabilities	462,587	-
Unearned revenue	1,976,980	20,838
Over-recovered employee benefits	250,467	-
Over-recovered indirect costs	79,273	-
Over-recovered central service costs	19,771	-
Compensated absences		
Due within one year	97,489	-
Due in more than one year	292,467	-
Total liabilities	6,385,227	874,950
NET ASSETS		
Invested in capital assets	4,536,725	-
Restricted for grant programs	6,043,430	26,754
Unrestricted	1,561,072	7,371
Total net assets	\$ 12,141,227	\$ 34,125

The Notes to Financial Statements are an integral part of this statement.

**ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011**

Function/ Programs	Expenses	Indirect Cost Allocation	Expenses After Allocation of Indirect Costs
Primary government			
Governmental activities			
General government	\$ 72,342	\$ 964	\$ 73,306
Workforce development	3,044,434	140,611	3,185,045
Aging	15,690,963	412,380	16,103,343
Emergency communication	1,581,207	31,674	1,612,881
Economic development	77,645	8,432	86,077
Environmental quality	2,012,505	114,714	2,127,219
Community affairs	8,716,080	197,841	8,913,921
Homeland security	1,648,922	50,817	1,699,739
Transportation	6,084,768	309,349	6,394,117
Housing	421,823	7,658	429,481
Criminal justice	1,138,372	115,393	1,253,765
Health and welfare	8,746,243	785,546	9,531,789
Indirect costs	-	(2,175,379)	(2,175,379)
	<u> </u>	<u> </u>	<u> </u>
Total governmental activities and primary government	<u>\$ 49,235,304</u>	<u>\$ -</u>	<u>\$ 49,235,304</u>
Component unit			
Alamo Area Development Corporation	<u>\$ 3,687,207</u>	<u>\$ -</u>	<u>\$ 3,687,207</u>
	<u> </u>	<u> </u>	<u> </u>
Total component unit	<u>\$ 3,687,207</u>	<u>\$ -</u>	<u>\$ 3,687,207</u>

The Notes to Financial Statements are an integral part of this statement.

Program Revenues		Net (Expense) Revenue and Changes in Net Assets	Component Unit
Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	Alamo Area Development Corporation
\$ 5,380	\$ 134,124	\$ 66,198	\$ -
-	3,016,967	(168,078)	-
654,957	14,871,543	(576,843)	-
-	1,558,195	(54,686)	-
-	76,646	(9,431)	-
-	2,009,884	(117,335)	-
-	8,395,651	(518,270)	-
-	1,648,921	(50,818)	-
132,599	5,563,000	(698,518)	-
-	395,849	(33,632)	-
251,715	960,873	(41,177)	-
5,201	9,873,868	347,280	-
-	-	2,175,379	-
<u>\$ 1,049,852</u>	<u>\$ 48,505,521</u>	320,069	-
		391,805	-
<u>\$ -</u>	<u>\$ 3,687,207</u>		-
<u>\$ -</u>	<u>\$ 3,687,207</u>		-
GENERAL REVENUES			
Investment earnings		9,067	-
Member dues		290,239	-
Miscellaneous		(6,394)	20
Total general revenues		<u>292,912</u>	<u>20</u>
Change in net assets		612,981	20
NET ASSETS, beginning of year		<u>11,528,246</u>	<u>34,105</u>
NET ASSETS, end of year		<u>\$ 12,141,227</u>	<u>\$ 34,125</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
ASSETS			
Cash and investments	\$ 1,713,148	\$ -	\$ 1,114,083
Accounts receivable			
Grantors	12,412	1,224,716	1,376,868
Other	1,031,599	-	-
Due from other funds	4,692,000	238	1,643,460
Deposits	10,000	-	-
Prepaid items	43,423	-	-
Total assets	<u>\$ 7,502,582</u>	<u>\$ 1,224,954</u>	<u>\$ 4,134,411</u>
LIABILITIES			
Accounts payable	\$ 420,115	\$ 846,260	\$ 280,324
Accrued liabilities	462,587	-	-
Due to other funds	4,041,060	348,728	59,437
Over-recovered employee benefits	250,467	-	-
Over-recovered indirect costs	79,273	-	-
Over-recovered central service costs	19,771	-	-
Deferred revenue	278,281	4,191	2
Total liabilities	5,551,554	1,199,179	339,763
FUND BALANCE			
Nonspendable - prepaids	43,423	-	-
Restricted			
Grants	-	25,775	3,794,648
Unassigned	1,907,605	-	-
Total fund balances	<u>1,951,028</u>	<u>25,775</u>	<u>3,794,648</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,502,582</u>	<u>\$ 1,224,954</u>	<u>\$ 4,134,411</u>

The Notes to Financial Statements are an integral part of this statement.

Alamo Local Authority	Texas Department of Housing and Community Affairs	Other Governmental Funds	Total Governmental Funds
\$ 2,982,680	\$ 1,191,380	\$ 258,027	\$ 7,259,318
182	443,581	2,579,034	5,636,793
-	-	8,596	1,040,195
1,969,623	220,681	207,055	8,733,057
-	-	-	10,000
-	-	-	43,423
\$ 4,952,485	\$ 1,855,642	\$ 3,052,712	\$ 22,722,786
\$ 209,724	\$ 1,085,781	\$ 363,988	\$ 3,206,192
-	-	-	462,587
1,594,369	386,609	2,302,854	8,733,057
-	-	-	250,467
-	-	-	79,273
-	-	-	19,771
1,371,040	383,252	136,567	2,173,333
3,175,133	1,855,642	2,803,409	14,924,680
-	-	-	43,423
1,777,352	-	249,303	5,847,078
-	-	-	1,907,605
1,777,352	-	249,303	7,798,106
\$ 4,952,485	\$ 1,855,642	\$ 3,052,712	\$ 22,722,786

**ALAMO AREA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

Total fund balance - governmental funds	\$ 7,798,106
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,536,725
Other long term assets are not available to pay for current-period expenditures and therefore deferred in the funds.	196,352
Long term liabilities (compensated absences are not due and payable in the current period and therefore are not reported in the funds).	<u>(389,956)</u>
Net assets of governmental activities in the statement of net assets	<u><u>\$ 12,141,227</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2011**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
REVENUES			
Federal	\$ -	\$ 6,254,924	\$ 2,228,903
State	105,712	265,742	905,496
Local	-	15,238	2,014,798
Delegate agencies:			
Cash match	-	3,317,966	-
In-kind	-	958,568	-
Program income	-	430,896	132,599
Membership dues	290,239	-	-
Investment income	9,067	-	-
Miscellaneous	22,018	-	-
Total revenues	<u>427,036</u>	<u>11,243,334</u>	<u>5,281,796</u>
EXPENDITURES			
General government	122,038	-	-
Workforce development	-	-	-
Aging	-	11,344,103	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	-	-	-
Community affairs	-	-	-
Homeland security	-	-	-
Transportation	-	-	5,627,144
Housing	-	-	-
Criminal justice	-	-	-
Health and welfare	-	-	-
Total expenditures	<u>122,038</u>	<u>11,344,103</u>	<u>5,627,144</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	304,998	(100,769)	(345,348)
OTHER FINANCING SOURCES AND USES			
Transfers in	-	115,996	-
Transfers out	(221,724)	-	-
Total other financing sources (uses)	<u>(221,724)</u>	<u>115,996</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	83,274	15,227	(345,348)
FUND BALANCES, BEGINNING	<u>1,867,754</u>	<u>10,548</u>	<u>4,139,996</u>
FUND BALANCES, ENDING	<u>\$ 1,951,028</u>	<u>\$ 25,775</u>	<u>\$ 3,794,648</u>

The Notes to Financial Statements are an integral part of this statement.

Alamo Local Authority	Texas Department of Housing and Community Affairs	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 8,287,244	\$ 7,831,239	\$ 24,602,310
4,828,311	-	4,514,535	10,619,796
4,991,539	3,132	275,810	7,300,517
-	-	885,691	4,203,657
-	-	738,244	1,696,812
5,201	-	481,156	1,049,852
-	-	-	290,239
605	-	-	9,672
-	-	-	22,018
9,825,656	8,290,376	14,726,675	49,794,873
-	-	8,972	131,010
-	-	3,016,967	3,016,967
-	-	4,344,371	15,688,474
-	-	1,558,195	1,558,195
-	-	77,645	77,645
-	-	2,010,290	2,010,290
-	8,312,000	114,311	8,426,311
-	-	1,648,922	1,648,922
-	-	413,803	6,040,947
-	-	499,169	499,169
-	-	1,071,510	1,071,510
8,749,883	-	-	8,749,883
8,749,883	8,312,000	14,764,155	48,919,323
1,075,773	(21,624)	(37,480)	875,550
-	34,531	89,741	240,268
-	-	(18,544)	(240,268)
-	34,531	71,197	-
1,075,773	12,907	33,717	875,550
701,579	(12,907)	215,586	6,922,556
\$ 1,777,352	\$ -	\$ 249,303	\$ 7,798,106

**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
YEAR ENDED DECEMBER 31, 2011**

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

Net change in fund balances - total governmental funds	\$	875,550
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. This is the amount by which depreciation exceeded capital outlays in the current period.		(344,136)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		53,412
Some expenses (e.g., compensated absences) 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.		<u>28,155</u>
Change in net assets of governmental activities	\$	<u><u>612,981</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2011**

	<u>Social Security Administration</u>
ASSETS	
Due from other funds	<u>\$ 2,093</u>
Total assets	<u><u>\$ 2,093</u></u>
LIABILITIES	
Due to others	<u>\$ 2,093</u>
Total liabilities	<u><u>\$ 2,093</u></u>

The Notes to Financial Statements are an integral part of this statement.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 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 12-county region. The Council was established in 1967 to study and resolve area-wide problems through the cooperation and coordinated 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 financial reporting entity is determined in accordance with GASB No. 14, *The Financial Reporting Entity*, as amended by GASB No. 39, *Determining Whether Certain Organizations are Component Units*.

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 by 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 directors, which are also members of the governing body of the Council. AADC contracts with Workforce Solutions Alamo (WSA) to administer various grant programs, consisting primarily of Texas Workforce Commission grants as presented on the accompanying Schedule of Expenditures of Federal and State Awards. Complete financial statements may be obtained at the AADC's administrative office.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 demonstrate 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 accounted 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 funds awarded to Alamo Area Council of Governments by the Texas Department of Aging and Disabilities Services as the Mental Retardation Authority of Bexar County.

The Texas Department of Housing and Community Affairs fund is used to account for federal and state grants awarded to Alamo Area Council of Governments by the Texas Department of Housing and Community Affairs.

Additionally, the Council reports the following fund type:

Agency Funds are used to report funds held in a custodial capacity for others.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. 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.

Private-sector standards of accounting and financial reporting (as issued by the Financial Accounting Standards Board) issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

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 judgments, 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.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 Revenue

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 revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also 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 deferred revenue 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 the Special Revenue Fund as needed to meet matching requirements of the 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 values at date of service.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Investments

Cash in the Council's financial statements 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, 2011.

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" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., 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, 2011.

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.

Deferred Revenue

Deferred revenue primarily consists of amounts received from grantors in excess of expenditures for programs in progress as of December 31, 2011.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets, which include equipment, are reported 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 historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that 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 3 – 15 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 thirty-five (35) 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 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 Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent proceeds. Net assets are 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.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Assets – Continued

During the year ended December 31, 2011, the Council adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are non-spendable, 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 is limited to negative residual fund balance.

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

Non-spendable – 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 provisions or enabling legislation. This classification includes retirement of federal and state grants.

Committed – includes fund balance amounts that are constrained for specific purposes that 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, 2011, 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, 2011, 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.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Assets – Continued

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 negotiated 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 the U.S. Office of Management and Budget Circular A-87 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.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “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.” The details of this \$344,136 difference are as follows:

Capital outlay	\$	663,646
Depreciation expense		<u>(1,007,782)</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>(344,136)</u></u>

NOTE 3. 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. Although the financial plans are reviewed and approved by the Council’s Board, they are not considered legally adopted annual budgets or appropriations. Accordingly, comparative budget and actual results are not presented in this report.

NOTE 4. CASH AND INVESTMENTS

Cash and investments at December 31, 2011 consist of the following which are reported in assets as cash and investments in the accompanying financial statements.

Cash	\$	1,600,102
Investments		<u>5,659,216</u>
Total	\$	<u><u>7,259,318</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 4. CASH AND INVESTMENTS – CONTINUED

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 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 as provided by the Act. The Council is in substantial compliance with the requirements of the Act and with local policies.

As of December 31, 2011, the primary government had the following investment:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity</u>	<u>Minimum Legal Rating</u>	<u>Rating as of December 31, 2011</u>
TexPool	\$ 5,659,216	34	AAA	AAAm

The Council is a voluntary participant in TexPool, an investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible entities of the State of Texas to jointly invest their funds in permitted investments.

The Comptroller of Public Accounts (the Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company) which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are Federated Investors, Inc. (Federated), under an agreement with the Comptroller, acting on behalf of the Trust Company. The Comptroller maintains oversight of the services provided to TexPool by Federated. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy and approves any fee increases. As required by the Public Funds Investment Act, the Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. TexPool operates on a \$1.00 net asset value basis and allows same day or next day redemptions and deposits. Interest is allocated daily based on portfolio earnings and participant account balances.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 4. CASH AND INVESTMENTS – CONTINUED

The Council's investment in TexPool is stated at amortized cost which approximates fair value. The fair value of the investment is the same as the value of the pool shares.

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 assignment 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, 2011, the Council's \$1,885,721 deposit balance was fully collateralized with securities held by the pledging financial institution.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance December 31, 2010	Additions	Deletions	Balance December 31, 2011
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 127,000	\$ -	\$ -	\$ 127,000
Capital assets, being depreciated				
Equipment	2,755,149	17,781	-	2,772,930
Furniture and fixtures	147,322	-	-	147,322
Software	745,228	55,052	-	800,280
Vehicles	5,877,144	568,911	(83,323)	6,362,732
Property	1,038,635	21,902	-	1,060,537
	<u>10,563,478</u>	<u>663,646</u>	<u>(83,323)</u>	<u>11,143,801</u>
Less accumulated depreciation				
Equipment	(1,995,665)	(300,753)	-	(2,296,418)
Furniture and fixtures	(137,827)	(4,300)	-	(142,127)
Software	(665,778)	(50,480)	-	(716,258)
Vehicles	(2,830,892)	(599,705)	83,323	(3,347,274)
Property	(179,455)	(52,544)	-	(231,999)
Total accumulated depreciation	<u>(5,809,617)</u>	<u>(1,007,782)</u>	<u>83,323</u>	<u>(6,734,076)</u>
Total capital assets being depreciated, net	<u>4,753,861</u>	<u>(344,136)</u>	<u>-</u>	<u>4,409,725</u>
Governmental activities capital assets, net	<u>\$ 4,880,861</u>	<u>\$ (344,136)</u>	<u>\$ -</u>	<u>\$ 4,536,725</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5. CAPITAL ASSETS – CONTINUED

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

Governmental activities		
General government	\$	9,000
Workforce development		34,213
Aging		2,489
Emergency communications		34,122
Environmental quality		2,215
Community Affairs		289,769
Transportation		549,569
Housing		16,866
Criminal justice		66,862
Health and welfare		2,677
		<u>2,677</u>
Total depreciation expense - governmental activities	\$	<u>1,007,782</u>

NOTE 6. 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, 2011:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>	<u>Purpose</u>
Bexar Area Agency on Aging	General fund	\$ 115,996	Local match
Texas Department of Housing and Community Affairs	Other governmental funds	18,544	Close fund
Texas Department of Housing and Community Affairs	General fund	15,987	Close program
Other governmental funds	General fund	89,741	Local match
		<u>89,741</u>	
	Total	<u>\$ 240,268</u>	

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. INTERFUND BALANCES AND TRANSFERS – CONTINUED

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, 2011, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Bexar Area Agency on Aging	\$ 348,728
	Texas Department of Transportation	59,437
	Alamo Local Authority	1,594,369
	Texas Department of Housing and Community Affairs	386,609
	Other governmental funds	2,302,854
Bexar Area Agency on Aging	General fund	238
Texas Department of Transportation	General fund	1,643,460
Alamo Local Authority	General fund	1,969,623
Texas Department of Housing and Community Affairs	General fund	220,684
Other governmental funds	General fund	207,055
		<u>\$ 8,733,057</u>

NOTE 7. DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Local funds	\$ 196,353	\$ -	\$ 196,353
Grant funds	-	1,976,980	1,976,980
	<u>\$ 196,353</u>	<u>\$ 1,976,980</u>	<u>\$ 2,173,333</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 8. LONG-TERM LIABILITIES

Long term liability activity for the year ended December 31, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 418,112	\$ 111,207	\$ 139,363	\$ 389,956	\$ 97,489

Typically, all governmental funds assist in liquidating compensated absences based on corresponding personnel costs.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council maintains workers' compensation and other risks of loss coverage through commercial insurance carriers. The Council's management believes such coverage is sufficient to preclude any significant uninsured loss to the Council. There were no significant reductions in insurance coverage from coverage 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 grants 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 is involved in numerous legal proceedings arising from providing various transportation services. As of December 31, 2011, 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.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 9. COMMITMENTS AND CONTINGENCIES – CONTINUED

Operating Lease

The Council leases office space in San Antonio, Texas under an agreement classified as an operating lease. Rent expense totaled \$1,993,859 for the year ended December 31, 2011. Future minimum lease payments under this agreement are as follows:

Year ending December 31,	
2012	\$ 982,847
2013	1,021,812
2014	<u>1,052,161</u>
Total	<u>\$ 3,056,820</u>

NOTE 10. RETIREMENT PLAN

Plan Description

Alamo Area Council of Governments provides pension, disability, and death benefits to its fulltime employees through 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 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the government body of the Council, within the options available in the states statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and up with 10 years of service or prior to age 60 with 80 years of total age plus service. Members are vested after 10 years of service, but must leave their accumulated deposits 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.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 10. RETIREMENT PLAN – CONTINUED

Plan Description – Continued

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 Council 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 deposits and the employer-financed monetary credits to a monthly annuity based on purchase rates prescribed by the TCDRS Act.

Funding Policy

The Council has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the Council based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the Council is actuarially determined annually.

The deposit rate payable by the employee members of the plan for calendar year 2011 is the rate of 6% as adopted by the governing body of the Council. The employee deposit rate and the employer contribution rate may be changed by the Board of Directors of the Council within the options available in the TCDRS Act.

Annual Pension Cost

For the Council's accounting year ended December 31, 2011, the annual pension cost for the TCDRS plan was \$1,031,093 and the actual contributions were \$1,031,193. The required contribution rates for the year ended December 31, 2011 were determined by the December 31, 2010 actuarial valuations. Additional information as of the actuarial valuation dates is as follows:

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 10. RETIREMENT PLAN – CONTINUED

Annual Pension Cost – Continued

Actuarial valuation date	December 31, 2010	December 31, 2009	December 31, 2008
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period of years	20	20	20
Asset valuation method	SAF:10-yr smoothed value	SAF: 10-yr smoothed value	SAF: 10-yr smoothed value
Actuarial assumption			
Investment return*	8%	8%	8%
Projected salary increases	5.4%	5.4%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost of Living adjustments	0%	0%	0%

* Includes inflation at the stated rate

The funding status as of December 31, 2010, the most recent actuarial valuation date and the two preceding actuarial valuations follow:

Actuarial valuation date	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>
Actuarial value of assets	\$ 12,228,058	\$ 10,485,324	\$ 8,833,285
Actuarial accrued liability (AAL)	14,584,300	12,723,740	10,847,179
Unfunded actuarial accrued liability (UAAL)	2,356,242	2,238,416	2,013,894
Funded ratio	83.84%	82.41%	81.43%
Annual covered payroll	10,981,582	8,933,889	8,413,347
UAAL as a percentage of covered payroll	21.46%	25.06%	23.94%

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

NOTE 10. RETIREMENT PLAN – CONTINUED

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Year ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 1,031,193	100%	\$ -
2010	936,987	100%	-
2009	719,846	100%	-

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for special revenues that are legally restricted to expenditure 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 award to Alamo Area Council of Governments by the VIA Metropolitan Transit.

NANASP – This fund is used to account for federal funds awarded to Alamo Area Council of Governments by the National Association of Nutrition and Aging Services Program.

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

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.

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

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 awarded 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.

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

Environmental Protection Agency – This fund is used to account for grants awarded to Alamo Area Council of Governments by the Environmental Protection Agency.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

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

Alamo Area Agency on Aging – This 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.

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	Texas Commission on Environmental Quality	VIA Metropolitan Transit	NANASP	Economic Development Administration
ASSETS				
Cash and investments	\$ 202,654	\$ -	\$ -	\$ -
Accounts receivable				
Grantors	135,093	20,387	-	57,520
Other	-	-	-	-
Due from other funds	285	-	-	-
Total assets	\$ 338,032	\$ 20,387	\$ -	\$ 57,520
LIABILITIES				
Accounts payable	\$ 647	\$ 104	\$ -	\$ 1,777
Due to other funds	212,488	20,001	-	53,290
Deferred revenue	120,804	282	-	-
Total liabilities	333,939	20,387	-	55,067
FUND BALANCE				
Restricted				
Grants	4,093	-	-	2,453
Total fund balances	4,093	-	-	2,453
Total liabilities and fund balances	\$ 338,032	\$ 20,387	\$ -	\$ 57,520

Commission on State Emergency Communication	Metropolitan Planning Organization	Texas Department of Rural Affairs	U.S. Department of Housing and Urban Development	U.S. Department of Homeland Security	Capital Area Council of Governments	State Energy Conservation Office
\$ 7,194	\$ -	\$ -	\$ 48,156	\$ -	\$ -	\$ -
487,995	134,727	761	7,427	356,580	-	830
-	-	-	-	-	-	-
-	1,096	3,576	31,988	9,331	288	12,423
\$ 495,189	\$ 135,823	\$ 4,337	\$ 87,571	\$ 365,911	\$ 288	\$ 13,253
\$ 54,795	\$ 1,235	\$ -	\$ 2,267	\$ 56,091	\$ -	\$ -
440,394	133,493	-	45,893	301,006	-	-
-	-	-	-	5,050	-	-
495,189	134,728	-	48,160	362,147	-	-
-	1,095	4,337	39,411	3,764	288	13,253
-	1,095	4,337	39,411	3,764	288	13,253
\$ 495,189	\$ 135,823	\$ 4,337	\$ 87,571	\$ 365,911	\$ 288	\$ 13,253

**ALAMO AREA COUNCIL OF GOVERNMENTS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2011
 (CONTINUED)**

	<u>Office of the Governor</u>	<u>Environmental Protection Agency</u>	<u>City of San Antonio</u>	<u>Local Projects</u>
ASSETS				
Cash and investments	\$ 23	\$ -	\$ -	\$ -
Accounts Receivable				
Grantors	41,644	-	223,263	61,884
Other	8,596	-	-	-
Due from other funds	<u>106,749</u>	<u>1,228</u>	<u>361</u>	<u>39,471</u>
Total assets	<u><u>\$ 157,012</u></u>	<u><u>\$ 1,228</u></u>	<u><u>\$ 223,624</u></u>	<u><u>\$ 101,355</u></u>
LIABILITIES				
Accounts payable	\$ 9,238	\$ -	\$ 1,683	\$ 366
Due to other funds	8,643	-	221,580	52,154
Deferred revenue	<u>5,084</u>	<u>-</u>	<u>-</u>	<u>4,005</u>
Total liabilities	22,965	-	223,263	56,525
FUND BALANCE				
Restricted				
Grants	<u>134,047</u>	<u>1,228</u>	<u>361</u>	<u>44,830</u>
Total fund balances	<u>134,047</u>	<u>1,228</u>	<u>361</u>	<u>44,830</u>
Total liabilities and fund balances	<u><u>\$ 157,012</u></u>	<u><u>\$ 1,228</u></u>	<u><u>\$ 223,624</u></u>	<u><u>\$ 101,355</u></u>

Alamo Area Development Corporation	Alamo Area Agency on Aging	Totals
\$ -	\$ -	\$ 258,027
598,935	451,988	2,579,034
-	-	8,596
259	-	207,055
<u>\$ 599,194</u>	<u>\$ 451,988</u>	<u>\$ 3,052,712</u>
\$ 1,531	\$ 234,254	\$ 363,988
597,639	216,273	2,302,854
24	1,318	136,567
599,194	451,845	2,803,409
-	143	249,303
-	143	249,303
<u>\$ 599,194</u>	<u>\$ 451,988</u>	<u>\$ 3,052,712</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2011**

	Texas Commission on Environmental Quality	VIA Metropolitan Transit	NANASP	Economic Development Administration
REVENUES				
Federal	\$ -	\$ 105,133	\$ -	\$ 72,116
State	1,895,512	-	-	-
Local	-	-	-	4,530
Delegate agencies				
Cash match	-	-	-	-
In-kind	-	-	-	-
Program income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,895,512	105,133	-	76,646
EXPENDITURES				
General government	-	-	-	-
Workforce development	-	-	-	-
Aging	-	-	-	-
Emergency communications	-	-	-	-
Economic development	-	-	-	77,645
Environmental quality	1,895,916	-	-	-
Community affairs	-	-	-	-
Homeland security	-	-	-	-
Transportation	-	105,133	-	-
Housing	-	-	-	-
Criminal justice	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,895,916	105,133	-	77,645
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(404)	-	-	(999)
OTHER FINANCING SOURCES AND USES				
Transfers in	-	-	-	3,205
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	3,205
NET CHANGE IN FUND BALANCES	(404)	-	-	2,206
FUND BALANCES, beginning	4,497	-	-	247
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, ending	\$ 4,093	\$ -	\$ -	\$ 2,453
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Commission on State Emergency Communication</u>	<u>Metropolitan Planning Organization</u>	<u>Texas Department of Rural Affairs</u>	<u>U.S. Department of Housing and Urban Development</u>	<u>U.S. Department of Homeland Security</u>	<u>Capital Area Council of Governments</u>	<u>State Energy Conservation Office</u>
\$ -	\$ 308,670	\$ 10,498	\$ 356,324	\$ 1,446,373	\$ -	\$ -
1,558,065	-	814	-	-	-	25
130	-	-	35,481	-	-	26,420
-	-	-	-	-	-	-
-	-	-	-	202,549	-	-
-	-	-	-	-	-	-
<u>1,558,195</u>	<u>308,670</u>	<u>11,312</u>	<u>391,805</u>	<u>1,648,922</u>	<u>-</u>	<u>26,445</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,558,195	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	26,447
-	-	20,992	-	-	-	-
-	-	-	-	1,648,922	-	-
-	308,670	-	-	-	-	-
-	-	-	494,726	-	-	-
-	-	-	-	-	-	-
<u>1,558,195</u>	<u>308,670</u>	<u>20,992</u>	<u>494,726</u>	<u>1,648,922</u>	<u>-</u>	<u>26,447</u>
-	-	(9,680)	(102,921)	-	-	(2)
-	-	10,492	-	-	-	-
-	-	-	-	-	-	-
-	-	10,492	-	-	-	-
-	-	812	(102,921)	-	-	(2)
-	1,095	3,525	142,332	3,764	288	13,255
<u>\$ -</u>	<u>\$ 1,095</u>	<u>\$ 4,337</u>	<u>\$ 39,411</u>	<u>\$ 3,764</u>	<u>\$ 288</u>	<u>\$ 13,253</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2011
 (CONTINUED)**

	Office of the Governor	Environmental Protection Agency	City of San Antonio
REVENUES			
Federal	\$ 91,290	\$ 87,927	\$ 813,020
State	839,749	-	-
Local	15	-	-
Delegate agencies			
Cash match	-	-	-
In-kind	-	-	-
Program income	251,715	-	-
Total revenues	1,182,769	87,927	813,020
EXPENDITURES			
General government	-	-	-
Workforce development	-	-	813,020
Aging	-	-	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	-	87,927	-
Community affairs	-	-	-
Homeland security	-	-	-
Transportation	-	-	-
Housing	-	-	-
Criminal justice	1,067,297	-	-
Total expenditures	1,067,297	87,927	813,020
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	115,472	-	-
OTHER FINANCING SOURCES AND USES			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources	-	-	-
NET CHANGE IN FUND BALANCES	115,472	-	-
FUND BALANCES, beginning	18,575	1,228	361
FUND BALANCES, ending	\$ 134,047	\$ 1,228	\$ 361

Local Projects	Alamo Area Development Corporation	Alamo Area Agency on Aging	Total
\$ -	\$ 2,138,771	\$ 2,401,117	\$ 7,831,239
-	65,100	155,270	4,514,535
206,088	76	3,070	275,810
-	-	885,691	885,691
-	-	535,695	738,244
5,380	-	224,061	481,156
211,468	2,203,947	4,204,904	14,726,675
8,972	-	-	8,972
-	2,203,947	-	3,016,967
74,604	-	4,269,767	4,344,371
-	-	-	1,558,195
-	-	-	77,645
-	-	-	2,010,290
93,319	-	-	114,311
-	-	-	1,648,922
-	-	-	413,803
4,443	-	-	499,169
4,213	-	-	1,071,510
185,551	2,203,947	4,269,767	14,764,155
25,917	-	(64,863)	(37,480)
11,038	-	65,006	89,741
(18,544)	-	-	(18,544)
(7,506)	-	65,006	71,197
18,411	-	143	33,717
26,419	-	-	215,586
\$ 44,830	\$ -	\$ 143	\$ 249,303

SUPPLEMENTAL SCHEDULES

INDIRECT COSTS AND EMPLOYEE BENEFIT SCHEDULES

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

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS
YEAR ENDED DECEMBER 31, 2011**

INDIRECT COSTS

Personnel salaries	\$ 1,495,097
Employee benefits	474,707
Audit	77,800
Other contract services	201,875
Travel	12,108
Auto operating	54
Rent administration	31,493
Rent	953,562
Supplies	101,712
Equipment	48,889
Insurance and bonding	11,737
Public notices	2,014
Printing and reproduction	13,181
Repairs and maintenance	83,141
Fuel / oil	1,665
Employee recruitment	1,349
Communications	113,344
Postage	63,370
Meetings-other	11,281
Training in region	3,344
Publications	-
Professional dues	29,816
Equipment rental	100,132
Tuition staff	1,622
Depreciation expense - information technology	3,666
Total indirect costs	3,836,959
Less: Administration cost received	(1,676,850)
Net indirect cost	2,160,109
ACTUAL INDIRECT COST RECOVERED	(2,175,379)
OVER-RECOVERY OF INDIRECT COSTS per 2010 audit	(64,003)
ACTUAL CUMMULATIVE OVER-RECOVERY	\$ (79,273)

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS (FRINGE AND RELEASE TIME)
YEAR ENDED DECEMBER 31, 2011**

BENEFITS	
FICA	\$ 875,553
Group life insurance	44,435
Unemployment insurance	15,583
Worker's compensation	108,879
Health insurance	1,545,062
Retirement	1,031,193
Travel - Via bus pass	48
Release time	<u>1,593,051</u>
 Total employee benefits	 5,213,804
 ACTUAL EMPLOYEE BENEFITS RECOVERED	 <u>(5,357,608)</u>
 Net unrecovered employee benefits	 (143,804)
 OVER-RECOVERY OF EMPLOYEE BENEFITS	
Per 2010 Audit	<u>(106,663)</u>
 ACTUAL CUMMULATIVE OVER-RECOVERY	 <u><u>\$ (250,467)</u></u>

**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 facilitates reconciliation to a 12-month period ending August 31.

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
RECONCILIATION OF TOTAL EXPENDITURES
TO FOURTH QUARTER FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

	<u>CARE *</u> <u>Report III</u>	<u>Additions**</u>	<u>Deletions***</u>	<u>Audited***</u> <u>Financial</u> <u>Statements</u>
EXPENDITURES				
Salaries	\$ 3,325,167	\$ 8,189,043	\$ 1,231,071	\$ 10,283,139
Employee benefits	1,058,084	2,578,229	390,430	3,245,883
Professional consulting services	2,834,683	24,463,410	827,015	26,471,078
Training/travel	165,659	313,816	51,360	428,115
Capital outlay	6,317	1,932,468	-	1,938,785
Non-capital equipment	9,515	185,735	3,865	191,385
Other operating expenditures	<u>1,984,402</u>	<u>4,926,984</u>	<u>550,448</u>	<u>6,360,938</u>
Total expenditures	<u>\$ 9,383,827</u>	<u>\$ 42,589,685</u>	<u>\$ 3,054,189</u>	<u>\$ 48,919,323</u>

* CARE Report III

** Other Agency Programs

*** Sept - December 2011 MR Expenses

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
RECONCILIATION OF TOTAL REVENUE
TO FOURTH QUARTER FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

	CARE * Report III	Additions**	Deletions***	Audited Financial Statements
LOCAL AND EARNED REVENUES				
Medicaid	\$ 3,986,272	\$ 1,241,870	\$ 995,591	\$ 4,232,551
Medicaid administrative claiming	403,465	(53,411)	-	350,054
Membership dues	-	290,239	-	290,239
Local	-	3,115,139	-	3,115,139
Contributions	428,823	(284,937)	143,886	-
Delegate agency match	-	6,553,093	-	6,553,093
Interest	-	9,672	-	9,672
Other	-	22,018	-	22,018
	<hr/>	<hr/>	<hr/>	<hr/>
Total local and earned revenues	4,818,560	10,893,683	1,139,477	14,572,766
STATE PROGRAM REVENUES				
General revenue	4,566,730	7,075,963	1,886,175	9,756,518
Department of Aging and Disability Services	14,400	-	-	14,400
In-home and Family Support	536,618	-	-	536,618
Permanency planning	66,325	33,193	23,481	76,037
CLOIP	208,531	64,420	49,581	223,370
OBRA funds	18,831	-	5,978	12,853
	<hr/>	<hr/>	<hr/>	<hr/>
Total state program revenues	5,411,435	7,173,576	1,965,215	10,619,796
FEDERAL PROGRAM REVENUES				
Federal revenue	-	24,602,310	-	24,602,310
	<hr/>	<hr/>	<hr/>	<hr/>
Total federal program revenues	-	24,602,310	-	24,602,310
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ 10,229,995</u>	<u>\$ 42,669,569</u>	<u>\$ 3,104,692</u>	<u>\$ 49,794,872</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
RECONCILIATION OF TOTAL REVENUE
TO FIRST QUARTER FY 2012 FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

	1st Qtr * CARE Report III	(Dec 11)** Additions	All other Agency	Deletions	Audited Financial Statements
LOCAL AND EARNED REVENUES					
Medicaid	\$ 138,570	\$ 1,043,685	\$ 3,050,296	\$ -	\$ 4,232,551
Medicaid administrative claiming	-	-	350,054	-	350,054
Membership dues	-	3,088	287,151	-	290,239
Local	80,181	26,727	3,008,231	-	3,115,139
Delegate agency match	-	-	6,553,093	-	6,553,093
Interest	-	605	9,067	-	9,672
Other	-	-	22,018	-	22,018
	<u>218,751</u>	<u>1,074,105</u>	<u>13,279,910</u>	<u>-</u>	<u>14,572,766</u>
STATE PROGRAM REVENUES					
General revenue	1,292,948	4,794	8,458,776	-	9,756,518
Department of Aging and Disability Services	-	-	14,400	-	14,400
In-home and family support	-	-	536,618	-	536,618
Permanency planning	16,604	8,650	50,783	-	76,037
CLOIP	39,726	20,262	163,382	-	223,370
OBRA funds	3,400	1,801	7,652	-	12,853
	<u>1,352,678</u>	<u>35,507</u>	<u>9,231,611</u>	<u>-</u>	<u>10,619,796</u>
FEDERAL PROGRAM REVENUES					
Federal revenue	-	-	24,602,310	-	24,602,310
	<u>-</u>	<u>-</u>	<u>24,602,310</u>	<u>-</u>	<u>24,602,310</u>
Total revenues	<u>\$ 1,571,429</u>	<u>\$ 1,109,612</u>	<u>\$ 47,113,831</u>	<u>\$ -</u>	<u>\$ 49,794,872</u>

* 1st qtr FY11 Sept - Nov

** December 2010 MR Revenues

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

<u>Fund Sources</u>	<u>Total Revenue</u>	<u>Jan - Aug Mental Retardation Expenditures</u>	<u>Sept - Dec Mental Retardation Expenditures</u>	<u>All other Program Expenditures</u>	<u>Excess Revenue Over Expenditures</u>
Objects of expense					
Personnel	\$ 10,283,139	\$ 2,375,393	\$ 1,110,325	\$ 6,797,421	\$ -
Employee benefits	3,245,883	755,164	352,952	2,137,767	-
Capital outlay	2,130,169	15,512	3,785	2,110,872	-
Other operating expense	33,260,132	2,443,935	653,854	30,162,343	-
Allocation of general administration to strategies	-	322,658	134,134	(456,792)	-
Allocation of authority administration to strategies	-	418,437	164,585	(583,022)	-
Total expenditures	<u>\$ 48,919,323</u>	<u>\$ 6,331,099</u>	<u>\$ 2,419,635</u>	<u>\$ 40,168,589</u>	<u>\$ -</u>
Method of finance					
General revenue - Mental Retardation	\$ 4,500,416	\$ 3,202,674	\$ 1,297,742	\$ -	\$ -
In-Home and Family Support - Mental Retardation	38,958	38,958	-	-	-
Permanency planning	75,565	50,311	25,254	-	-
OBRA Funds	14,291	9,090	5,201	-	-
CLOIP	204,281	144,293	59,988	-	-
Earned income	-	-	605	(605)	-
Additional local funds	14,572,765	3,699,288	1,292,251	9,581,226	-
Other services revenues	30,388,596	-	-	30,388,596	-
Total expended sources	<u>\$ 49,794,872</u>	<u>\$ 7,144,614</u>	<u>\$ 2,681,041</u>	<u>\$ 39,969,217</u>	<u>\$ -</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF INDIRECT COSTS
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

	Total Costs	Nonallowable Costs	Depreciation	Total Adjusted Cost	Direct Costs	Indirect Costs
Personnel	\$ 10,283,139	\$ -	\$ -	\$ 10,283,139	\$ 8,788,042	\$ 1,495,097
Fringe benefits	3,245,883	-	-	3,245,883	2,771,176	474,707
Debt service	-	-	-	-	-	-
Capital outlay	2,130,169	2,130,169	-	-	(1,494)	1,494
Depreciation	-	-	1,007,782	1,007,782	1,007,782	-
Other operating expense	33,260,132	-	-	33,260,132	33,071,321	188,811
Total expenses	<u>\$ 48,919,323</u>	<u>\$ 2,130,169</u>	<u>\$ 1,007,782</u>	<u>\$ 47,796,936</u>	<u>\$ 45,636,827</u>	<u>\$ 2,160,109</u>

Indirect costs	\$ 2,160,109
Direct costs	\$ 45,636,827

Indirect cost rate 4.73%

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF INSURANCE IN EFFECT
DECEMBER 31, 2011
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/11	10/01/11	Workers' Compensation	Statutory
Texas Municipal League Risk Management Fund	10/01/11	10/01/12	Automobile Liability	
			Per Occurrence Limit	\$ 5,000,000
			Deductible	2,500
			Annual Aggregate	-
			Medical Payments per person	25,000
			Deductible	-
	10/01/11	10/01/12	Automobile Physical Damage	
			Per Occurrence Limit	10,000
			Deductible	250
Texas Municipal League Risk Management Fund	10/01/11	10/01/12	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	10/01/11	10/01/12	Law Enforcement Liability	
			Per Occurrence Limit	2,000,000
			Annual Aggregate	4,000,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/11	10/01/12	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)
DECEMBER 31, 2011
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/11	10/01/12	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	\$ 2,895,200 250 1,000,000 10,000 10,000 25,000 5,000 65,000 10,000 1,000,000 20,000
			Flood & Earthquake Deductible	25,000
			Boiler & Machinery Per Accident Limit Deductible	100,000 250
Texas Municipal League Risk Management Fund	10/01/11	10/01/12	Public Employee Dishonesty Limit of Coverage Deductible	500,000 5,000
			Coverage Includes Faithful Performance of Duty	
WS&P Walthall Sachse & Pipes, Inc	07/01/11	07/01/12	Pollution Coverage General Aggregate Limit Each "Pollution Condition" Limit Deductible	1,000,000 1,000,000 5,000
WS&P Walthall Sachse & Pipes, Inc	02/13/11	02/13/12	Volunteers Accidental Death and Dismemberment Benefit Covered Person principal sum/amount Total Max Accident Medical and Dental Deductible	5,000 1,000,000 -

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

Name	City	Type of Service	Amount
January - August 2011			
CALIDAD - DREXEL	San Antonio	Vocational Training	\$ 5,774
CALIDAD - CONVERSE	Converse	Respite Hourly - Out of Home	1,380
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - Out of Home	7,624
LIFELINE CARE & SERVICES	San Antonio	Respite Hourly - Out of Home	548
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - Out of Home	2,104
MILAGRO DISCOVERY	San Antonio	Respite Hourly - Out of Home	19
MOSAIC	Live Oak	Respite Hourly - Out of Home	4,084
RESPITE CARE OF SAN ANTONIO	San Antonio	Respite Hourly - Out of Home	450
CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL	San Antonio	Respite Daily - Out of Home	5,400
CALIDAD - CONVERSE	Converse	Respite Daily - Out of Home	6,585
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - Out of Home	5,100
LIFELINE CARE & SERVICES	San Antonio	Respite Daily - Out of Home	1,650
LIFETIME LIVING, INC.	San Antonio	Respite Daily - Out of Home	1,350
MOSAIC	Live Oak	Respite Daily - Out of Home	4,545
RESPITE CARE OF SAN ANTONIO	San Antonio	Respite Daily - Out of Home	900
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Respite Daily - Out of Home	1,800
CALIDAD - CONVERSE	Converse	Respite Hourly - In Home	22,613
LIFELINE CARE & SERVICES	San Antonio	Respite Hourly - In Home	4,785
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Respite Hourly - In Home	2,295
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - In Home	42,919
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - In Home	22,455
MILAGRO DISCOVERY	San Antonio	Respite Hourly - In Home	773
MOSAIC	Live Oak	Respite Hourly - In Home	68
CALIDAD - CONVERSE	Converse	Respite Daily - In Home	5,250
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - In Home	2,550
LIFETIME LIVING, INC.	San Antonio	Respite Daily - In Home	2,700
ANGEL CARE CENTER OF SAN ANTONIO	San Antonio	Day Programming	9,327
CALIDAD - DREXEL	San Antonio	Day Programming	78,963
ESTRELLA DE MAR, INC.	San Antonio	Day Programming	7,071
HOMELIFE COMMUNITY SERVICE	San Antonio	Day Programming	12,167
LIFETIME LIVING, INC.	San Antonio	Day Programming	40,182
MILAGRO DISCOVERY	San Antonio	Day Programming	5,931
MISSION ROAD MINISTRIES	San Antonio	Day Programming	14,391
MOSAIC	Live Oak	Day Programming	3,252
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Day Programming	216
THE ARC OF SAN ANTONIO	San Antonio	Day Programming	168,365
UNICORN CENTER, INC.	San Antonio	Day Programming	118,001
UNICORN CENTER, INC.	San Antonio	Head Start	5,200
AUTISTIC TREATMENT CENTER, INC.	San Antonio	Community Support	3,650
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Community Support	1,880
CALIDAD - DREXEL	San Antonio	Community Support	155,030

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
(CONTINUED)
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

Name	City	Type of Service	Amount
January - August 2011			
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Community Support	\$ 90
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Community Support	38,810
HOMELIFE COMMUNITY SERVICE	San Antonio	Community Support	100,670
LIFELINE CARE & SERVICES	San Antonio	Community Support	8,370
LIFETIME LIVING, INC.	San Antonio	Community Support	60,180
MILAGRO DISCOVERY	San Antonio	Community Support	7,380
MOSAIC	Live Oak	Community Support	14,740
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Community Support	21,710
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Community Support	8,870
UNICORN CENTER, INC.	San Antonio	Community Support	38,850
CALIDAD - DREXEL	San Antonio	Supported Employment	1,890
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Supported Employment	511
UNICORN CENTER, INC.	San Antonio	Supported Employment	2,156
CALIDAD - DREXEL	San Antonio	Employment Assistance	84
HOMELIFE COMMUNITY SERVICE	San Antonio	Employment Assistance	56
MOSAIC	San Antonio	Employment Assistance	1,365
UNICORN CENTER, INC.	San Antonio	Employment Assistance	3,171
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Behavioral Support	2,430
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Behavioral Support	6,300
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Behavioral Support	7,088
HOMELIFE COMMUNITY SERVICE	San Antonio	Behavioral Support	9,743
LIFETIME LIVING, INC.	San Antonio	Behavioral Support	1,350
CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL	San Antonio	Weekly Camp	77,000
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Safety Net	176,788
CALIDAD - DREXEL	San Antonio	Day Habilitation Summer Camp	14,002
MISSION ROAD MINISTRIES	San Antonio	Day Habilitation Summer Camp	207
RESPIRE CARE OF SAN ANTONIO	San Antonio	Day Habilitation Summer Camp	2,807
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Day Habilitation Summer Camp	819
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Applied Behavioral Analysis	7,380
AUTISM SERVICE CENTER OF SAN ANTONIO	San Antonio	Applied Behavioral Analysis	1,020
AUTISTIC TREATMENT CENTER, INC.	San Antonio	Applied Behavioral Analysis	5,160
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Applied Behavioral Analysis	26,873
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Applied Behavioral Analysis	14,025
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Speech & Language Services	2,080
HOMELIFE COMMUNITY SERVICE	San Antonio	Counseling Services	75

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
(CONTINUED)
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

Name	City	Type of Service	Amount
September - December 2011			
CALIDAD - DREXEL	San Antonio	Vocational Training	\$ 2,385
CALIDAD - CONVERSE	Converse	Respite Hourly - Out of Home	960
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - Out of Home	4,554
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - Out of Home	576
MOSAIC	San Antonio	Respite Hourly - Out of Home	90
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Respite Hourly - Out of Home	183
CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL	San Antonio	Respite Daily - Out of Home	960
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - Out of Home	1,560
MOSAIC	Live Oak	Respite Daily - Out of Home	360
RESPITE CARE OF SAN ANTONIO	San Antonio	Respite Daily - Out of Home	240
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Respite Daily - Out of Home	1,080
CALIDAD - CONVERSE	Converse	Respite Hourly - In Home	4,308
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - In Home	9,729
LIFELINE CARE AND SERVICES, LLC	San Antonio	Respite Hourly - In Home	3,990
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - In Home	6,762
MILAGRO DISCOVERY	San Antonio	Respite Hourly - In Home	3,195
MOSAIC	Live Oak	Respite Hourly - In Home	909
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Respite Hourly - In Home	1,557
CALIDAD - CONVERSE	Converse	Respite Daily - In Home	2,400
ANGEL CARE CENTER OF SAN ANTONIO	San Antonio	Day Programming	713
CALIDAD - DREXEL	San Antonio	Day Programming	7,075
ESTRELLA DE MAR, INC.	San Antonio	Day Programming	821
HOMELIFE COMMUNITY SERVICE	San Antonio	Day Programming	1,071
LIFETIME LIVING, INC.	San Antonio	Day Programming	11,623
MILAGRO DISCOVERY	San Antonio	Day Programming	2,350
MISSION ROAD MINISTRIES	San Antonio	Day Programming	2,945
MOSAIC	San Antonio	Day Programming	2,397
THE ARC OF SAN ANTONIO	San Antonio	Day Programming	38,900
UNICORN CENTER, INC.	San Antonio	Day Programming	14,664
UNICORN CENTER, INC.	San Antonio	Head Start	648
AUTISTIC TREATMENT CENTER, INC.	San Antonio	Community Support	990
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Community Support	458
CALIDAD - DREXEL	San Antonio	Community Support	35,085
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Community Support	6,563
HOMELIFE COMMUNITY SERVICE	San Antonio	Community Support	19,725
LIFELINE CARE AND SERVICES, LLC	San Antonio	Community Support	1,665
LIFETIME LIVING, INC.	San Antonio	Community Support	13,455
MILAGRO DISCOVERY	San Antonio	Community Support	6,555
MOSAIC	San Antonio	Community Support	3,180
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Community Support	5,640
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Community Support	2,940

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
(CONTINUED)
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

Name	City	Type of Service	Amount
September - December 2011			
UNICORN CENTER, INC.	San Antonio	Community Support	\$ 8,130
CALIDAD - DREXEL	San Antonio	Supported Employment	250
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Supported Employment	75
UNICORN CENTER, INC.	San Antonio	Supported Employment	1,056
CALIDAD - DREXEL	San Antonio	Employment Assistance	75
UNICORN CENTER, INC.	San Antonio	Employment Assistance	50
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Behavioral Support	1,520
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Behavioral Support	1,880
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Behavioral Support	2,640
HOMELIFE COMMUNITY SERVICE	San Antonio	Behavioral Support	2,900
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Safety Net	91,668
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Applied Behavioral Analysis	4,165
AUTISM SERVICE OF SAN ANTONIO	San Antonio	Applied Behavioral Analysis	160
AUTISTIC TREATMENT CENTER, INC.	San Antonio	Applied Behavioral Analysis	1,025
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Applied Behavioral Analysis	4,650
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Applied Behavioral Analysis	2,950
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Speech & Language Services	880

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF LEGAL SERVICES
YEAR ENDED DECEMBER 31, 2011
(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
YEAR ENDED DECEMBER 31, 2011
(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
YEAR ENDED DECEMBER 31, 2011
(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
YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)**

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

SINGLE AUDIT REPORT



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

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

We have audited the basic financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Alamo Area Council of Governments (the Council), as of and for the year ended December 31, 2011, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 22, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Directors
Alamo Area Council of Governments

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain other matters that we reported to management of the Council in a separate letter dated June 22, 2012.

This report is intended solely for the information and use of management, the Board of Directors and others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

San Antonio, Texas
June 22, 2012



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

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

Compliance

We have audited the compliance of the Alamo Area Council of Governments (the Council) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* 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, 2011. The Council's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

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; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas *Uniform Grant Management Standards (UGMS)*. Those standards, *OMB Circular A-133* 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. Our audit does not provide a legal determination of the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133* 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors and others within the entity and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

San Antonio, Texas
June 22, 2012

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

An unqualified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? ___ Yes X None reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? ___ Yes X None reported

An unqualified opinion was issued on compliance for major programs.

- Any audit findings disclosed that are required to be reported in accordance with section 510(a), Circular A-133 or State of Texas Uniform Grant Management Standards? ___ Yes X No

Identification of Major Federal Programs:

11.555	Public Safety Interoperable Communications Grant Program
93.725	ARRA – Communities Putting Prevention to Work: Chronic Disease Self-Management Program
81.042	Weatherization Assistance for Low Income Persons
93.044	Special Programs for the Aging – Title III Part B
93.045	Special Programs for the Aging – Title III Part C
93.053	Nutrition Services Incentive Program
93.575	Child Care and Development Block Grant
93.713	ARRA – Child Care and Development Block Grant
93.558	Temporary Assistance for Needy Families (TANF)

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

Identification of Major State Programs:	Intellectual Developmental Disabilities Solid Waste Rural Public Transportation
Dollar threshold used to distinguish between type A and type B programs?	<u>\$843,825</u> – Federal <u>\$320,604</u> – State
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SECTION IV – SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

<u>Finding Number</u>	<u>Summary</u>	<u>Status</u>
2010-01	The Council was not maintaining sufficient documentation to support its activities in the Weatherization Assistance Program.	Resolved

SECTION V – CORRECTIVE ACTION PLAN

N/A

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011**

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Grantor/State Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
FEDERAL AWARDS			
Primary Government			
<u>U.S. Environmental Protection Agency</u>			
Environmental Protection Agency	SB-96666301	66.036	\$ 87,927
<i>Total Environmental Protection Agency</i>			87,927
<u>U.S. Department of Commerce</u>			
Passed through Economic Development Administration			
Economic Development Support for Planning Organizations	08-83-04338.01	11.302	72,116
Passed through Texas Department of Public Safety			
Public Safety Interoperable Communications	09-AACOG-01	11.555	809,816
<i>Total U.S. Department of Commerce</i>			881,932
<u>U.S. Department of Transportation</u>			
Passed through the Metropolitan Planning Organization			
Highway Planning and Construction	2011-2013	20.205	61,240
Highway Planning and Construction	2010-2011	20.205	247,430
Total			308,670
Passed through Texas Department of Transportation			
Highway Planning and Construction	0915-12-473	20.205	152,551
Highway Planning and Construction	0915-12-485	20.205	34,584
Job Access - Reverse Commute	51915F7318	20.516	4,364
Job Access - Reverse Commute	51015F7327	20.516	15,308
Job Access - Reverse Commute	51015F7124	20.516	18,381
Formula Grants for Other than Urbanized Areas - ARRA	51015F7082	20.509	266,344
Formula Grants for Other than Urbanized Areas	51015F7188	20.509	473,561
Formula Grants for Other than Urbanized Areas	51115F7040	20.509	7,619
Formula Grants for Other than Urbanized Areas	51115F7044	20.509	14,648
Formula Grants for Other than Urbanized Areas	51115F7176	20.509	790,810
Federal Transit - Capital Investment Grants	51115F7149	20.500	354,997
Assistance Program for Elderly Persons and Persons with Disabilities	51015F7345	20.513	4,358
Assistance Program for Elderly Persons and Persons with Disabilities	51115F7306	20.513	11,332
Regionally Coordinated Transportation Planning	51151F7136	20.515	80,046
Total			2,228,903

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
Primary Government - Continued			
Passed through VIA Metropolitan Transit			
Federal Transit Technical Assistance Capital	TX-57-X013-00	20.521	84,746
Federal Transit Technical Assistance Capital	TX-57-X032-00	20.521	20,387
Total			105,133
<i>Total U.S. Department of Transportation</i>			2,642,706
<u>U.S. Department of Housing & Urban Development</u>			
HUD-Section 8 Housing Choice Vouchers	TX564	14.871	356,324
Passed through Texas Department of Rural Affairs			
Community Development Block Grants	C710221	14.228	9,734
Community Development Block Grants	C711221	14.228	764
Total			10,498
<i>Total U.S. Department of Housing and Urban Development</i>			366,822
<u>U.S. Department of Health and Human Services</u>			
Passed through Texas Department of Aging and Disability			
Services to the Bexar Area Agency on Aging			
Special Programs for the Aging Title VII, Chapter 3	539-11-0004-00001	93.041	15,955
Special Programs for the Aging Title VII, Chapter 2	539-11-0004-00001	93.042	53,033
Special Programs for the Aging Title III Part D	539-11-0004-00001	93.043	105,905
Special Programs for the Aging - Title III Part B	539-11-0004-00001	93.044	1,075,857
Special Programs for the Aging - Title III Part C	539-11-0004-00001	93.045	3,221,171
Special Programs for Aging Title VII & Title II			
Discretionary	539-11-0004-00001	93.048	48,496
National Family Caregiver Support Title III, Part E	539-11-0004-00001	93.052	593,675
Nutrition Services Incentive Program	539-11-0004-00001	93.053	794,309
ARRA-Communities Putting Prevention to Work	539-11-0004-00001	93.725	234,034
Centers for Medicare & Medicaid Services (CMS)	539-08-0162-00001	93.779	41,377
Affordable Care Act Medicare Improvements for			
Patients & Providers	539-11-0004-00001	93.518	71,112
Total			6,254,924

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
Primary Government - Continued			
<u>U.S. Department of Health and Human Services - Continued</u>			
Passed through Texas Department of Aging and Disability			
Services to the Alamo Area Agency on Aging			
Special Programs for the Aging Title VII, Chapter 3	539-11-0001-00001	93.041	8,707
Special Programs for the Aging Title 7, Chapter 2	539-11-0001-00001	93.042	31,457
Special Programs for the Aging Title III Part D	539-11-0001-00001	93.043	43,505
Special Programs for the Aging - Title III Part B	539-11-0001-00001	93.044	661,886
Special Programs for the Aging - Title III Part C	539-11-0001-00001	93.045	1,205,585
National Family Caregiver Support Title III, Part E	539-11-0001-00001	93.052	214,347
Nutrition Services Incentive Program	539-11-0001-00001	93.053	154,662
Affordable Care Act Medicare Improvements for Patients & Providers	539-11-0001-00001	93.518	21,207
Centers for Medicare & Medicaid Services (CMS)	539-11-0001-00001	93.779	<u>59,761</u>
Total			2,401,117
Passed through City of San Antonio			
Childcare and Development Block Grant	46000011289	93.575	499,825
Childcare and Development Block Grant	4500330301	93.575	150,861
Childcare and Development Block Grant AARA	4600009623	93.713	<u>162,334</u>
Total			813,020
Passed through Texas Department of Housing and Community Affairs			
Low-Income Home Energy Assistance Program	81100000894	93.568	627,238
Low-Income Home Energy Assistance Program	81100000894	93.568	<u>841,187</u>
Total			1,468,425
Passed through Alamo Area Development Corporation			
Temporary Assistance for Needy Families	CC2006001-04	93.558	802,820
Temporary Assistance for Needy Families	CC20011001	93.558	<u>211,160</u>
Total			<u>1,013,980</u>
<i>Total U.S. Department of Health and Human Services</i>			11,951,466

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
<u>FEDERAL AWARDS</u>			
Primary Government - Continued			
<u>U.S. Department of Education</u>			
Passed through Office of the Governor - Criminal Justice Division			
Regional Youth	SF-11-J20-14864-12	84.186	(28,684)
Regional Youth	JA-11-J20-14864-13	16.540	<u>10,889</u>
<i>Total U.S. Department of Education</i>			(17,795)
<u>U.S. Department of Criminal Justice</u>			
Passed through Office of the Governor - Criminal Justice Division			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	300-9-2897	16.803	29,117
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	2269501	16.803	18,864
ARRA - Violence Against Women	2299901	16.588	<u>61,104</u>
<i>Total U.S. Department of Criminal Justice</i>			109,085
<u>U.S. Department of Labor</u>			
Passed through Workforce Solutions Alamo			
WIA Adult	CC2006001-04	17.258	234,596
WIA Adult	CC20011001	17.258	86,883
WIA Adult ARRA	CC2006001-04	17.258	(5,776)
WIA Youth	CC2006001-04	17.259	78,840
WIA Youth OSY (Out of School Youth)	CC20011001	17.259	15,139
WIA Youth ISY (In School Youth)	CC20011001	17.259	8,470
WIA Dislocated Workers	CC2006001-04	17.260	335,972
WIA Dislocated Workers	CC2006001-04	17.260	22,585
WIA Dislocated Workers	CC20011001	17.260	103,501
WIA Dislocated Workers ARRA	CC2006001-04	17.260	1,152
Employment Services	CC2006001-04	17.207	10,000
Employment Services	CC2006001-04	17.207	<u>8,072</u>
<i>Total U.S. Department of Labor</i>			899,434
<u>U.S. Department of Energy</u>			
Passed through Texas Department of Housing and Community Affairs			
Weatherization Assistance for Low Income Persons - ARRA	16090000649	81.042	6,617,093
Weatherization Assistance for Low Income Persons - ARRA	16090000773	81.042	102,483
Weatherization Assistance for Low Income Persons	56110001201	81.042	72
Weatherization Assistance for Low Income Persons	56100000937	81.042	<u>99,171</u>
<i>Total U.S. Department of Energy</i>			6,818,819

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
Primary Government - Continued			
<u>U.S. Department of Homeland Security</u>			
Hazard Mitigation	DR-1791-103	97.039	60,384
State Homeland Security Program (SHSP)	08-GA 99001-03	97.073	62
State Homeland Security Program (SHSP)	09-GA 99001-07	97.073	242,495
State Homeland Security Program (SHSP)	OSHSP9001	97.073	207,105
Specials Projects	OIECG9001	97.001	<u>126,511</u>
<i>Total U.S. Department of Homeland Security</i>			636,557
<u>U.S. Department of Agriculture</u>			
Passed through Workforce Solutions Alamo			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC2006001-04	10.561	158,598
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001	10.561	<u>66,697</u>
<i>Total U.S. Department of Agriculture</i>			<u>225,295</u>
Total Federal Grant Funds - Primary Government			<u>\$ 24,602,248</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
<u>FEDERAL AWARDS</u>			
Discretely Presented Component Unit			
<u>U.S. Department of Health and Human Services</u>			
Passed through City of San Antonio			
Childcare and Development Block Grant	4500330301	93.575	\$ 150,861
Childcare and Development Block Grant	4600011289	93.575	499,749
Childcare and Development Block Grant AARA	4600009623	93.713	<u>162,334</u>
Total			812,944
Passed through Alamo Area Development Corporation			
Temporary Assistance for Needy Families	CC2006001-04	93.558	893,716
Temporary Assistance for Needy Families	CC20011001	93.558	<u>237,808</u>
Total			1,131,524
<i>Total U.S. Department of Health and Human Services</i>			1,944,468
<u>U.S. Department of Labor</u>			
Passed through Workforce Solutions Alamo			
WIA Adult	CC2006001-04	17.258	404,932
WIA Adult	CC20011001	17.258	104,117
WIA Adult ARRA	CC2006001-04	17.258	(7,801)
WIA Youth	CC2006001-04	17.259	98,493
WIA Youth OSY (Out of School Youth)	CC20011001	17.259	21,502
WIA Youth ISY (In School Youth)	CC20011001	17.259	5,877
WIA Dislocated Workers	CC2006001-04	17.260	515,274
WIA Dislocated Workers	CC20011001	17.260	152,939
WIA Dislocated Workers ARRA	CC2006001-03	17.260	(829)
Employment Services	CC2006001-04	17.207	<u>18,075</u>
<i>Total U.S. Department of Labor</i>			1,312,579

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
Discretely Presented Component Unit - Continued			
<u>U.S. Department of Agriculture</u>			
Passed through Workforce Solutions Alamo State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC2006001-04	10.561	184,027
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001	10.561	<u>84,178</u>
<i>Total U.S. Department of Agriculture</i>			<u>268,205</u>
Total Federal Grant Funds - Discretely Presented Component Unit			<u>3,525,252</u>
TOTAL FEDERAL GRANT FUNDS			<u><u>\$ 28,127,500</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

State Grantor/Program Title	Grantor/State Number	CFDA Number	Expenditures
STATE AWARDS			
Primary Government			
<u>Texas Department of Aging and Disability Services</u>			
State General Revenue - Intellectual Developmental Disabilities - FY 2011	539-10-0005-00001		\$ 3,445,327
State General Revenue - Intellectual Developmental Disabilities - FY 2012	539-12-0120-00001		1,382,984
Aging State General Revenue - Alamo	539-11-0001-00001		155,270
Aging State General Revenue - Bexar	539-11-0004-00001		265,742
<i>Total Texas Department of Aging and Disability Services</i>			5,249,323
<u>Texas Commission on Environmental Quality</u>			
Air Quality	582-11-11219		507,336
Air Quality	582-8-86227		(8,089)
Solid Waste Resource Recovery	582-10-91876		1,348,576
Solid Waste Resource Recovery	582-10-91876		47,965
<i>Total Texas Commission of Environmental Quality</i>			1,895,788
<u>Commission on State Emergency Communications</u>			
911 Emergency Communications	FY 2012		278,802
911 Emergency Communications	FY 2011		786,549
911 Emergency Communications	FY 2010		(826)
911 Emergency Communications	FY 2009		493,659
<i>Total Commission on State Emergency Communications</i>			1,558,184
<u>Texas Department of Transportation</u>			
Rural Public Transportation - ARRA	51015F7001		(962)
Rural Public Transportation	51115F7001		242,025
Rural Public Transportation	51215F7001		664,433
<i>Total Texas Department of Transportation</i>			905,496
<u>Office of the Governor - Criminal Justice Division</u>			
Regional Police Training Program	SF-11-A10-14859-12		352,930
Regional Police Training Program	SF-11-A10-14859-13		128,927
Criminal Justice Planning	30010618		269,675
Criminal Justice Regional Youth	SF-11-J20-14864-12		88,218
State Assistance Planning Grant	2059004		105,712
<i>Total Office of the Governor - Criminal Justice Division</i>			945,462

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011
(CONTINUED)**

<u>State Grantor/Program Title</u>	<u>Pass-Through Grantor/State Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
STATE AWARDS			
Primary Government - Continued			
<u>Workforce Solutions Alamo</u>			
Workforce Investment Act - Reintegration of Ex-Offenders	CC2006001-04		<u>65,795</u>
<i>Total Workforce Solutions Alamo</i>			<u>65,795</u>
Total State Grant Funds - Primary Government			10,620,048
STATE AWARDS			
Discretely Presented Component Unit			
<u>Workforce Solutions Alamo</u>			
Workforce Investment Act - Reintegration of Ex-Offenders	CC2006001-04		<u>66,750</u>
<i>Total Workforce Solutions Alamo</i>			<u>66,750</u>
Total State Grant Funds - Discretely Presented Component Unit			<u>66,750</u>
TOTAL STATE GRANT FUNDS			<u><u>\$ 10,686,798</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

NOTE 1. GENERAL

The accompanying schedule of expenditures of federal and state awards presents the activity of all applicable federal and state awards of the Alamo Area Council of Governments, (the Council). The Council's reporting entity is defined in Note 1 to the Council's basic financial statements. Federal and state awards received directly from granting agencies as well as awards passed through other government agencies are included in the respective schedule. Negative amounts shown in the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Council's basic financial statements.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Grant expenditures reports as of December 31, 2011, 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.

NOTE 4. SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The schedule of findings and questioned costs, including the summary of auditor's results for federal and state awards, is included beginning on page 72.