

ALAMO AREA COUNCIL OF GOVERNMENTS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2013

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Alamo Area Council of Governments (Council) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors
Alamo Area Council of Governments

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, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4–10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, as listed in the foregoing table of contents, 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 and individual nonmajor fund financial statements and other schedules listed in the foregoing table of contents (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 basic financial statements. Such information has been subjected to

To the Board of Directors
Alamo Area Council of Governments

the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules listed in the foregoing table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Council's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

June 27, 2014
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, 2013. 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 \$11,006,322 (net position). Of this amount, \$1,436,790 is unrestricted. This reflects an increase to net position of \$217,453.
- ◆ As of the close of the current fiscal year, the Council's governmental funds financial statements reported on page 15 combined ending fund balances of \$7,868,157. The unassigned fund balance in the General Fund that is available for operations is \$1,865,034.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

The Council maintains 22 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each major fund: the General Fund, the Bexar Area Agency on Aging Fund, the Texas Department of Transportation Fund, and the Alamo Local Authority Fund. The basic governmental fund financial statements can be found on pages 14 through 20 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 position may serve over time as a useful indicator of a government's financial position. The Council's assets exceeded liabilities by \$11,006,322 at December 31, 2013. The following table reflects the condensed Statement of Net Position compared to prior year.

Alamo Area Council of Government's Statement of Net Position

	<u>2013</u>	<u>2012</u>
Assets:		
Current and other assets	\$ 12,861,587	\$ 12,086,536
Capital assets	<u>3,566,228</u>	<u>3,971,524</u>
Total assets	16,427,815	16,058,060
Liabilities:		
Current liabilities	5,421,493	4,982,694
Noncurrent liabilities	<u>-</u>	<u>286,497</u>
Total liabilities	5,421,493	5,269,191
Net position:		
Investment in capital assets	3,566,228	3,971,524
Restricted for grant purposes	6,003,304	5,213,505
Unrestricted	<u>1,436,790</u>	<u>1,603,840</u>
Total net position	<u>\$ 11,006,322</u>	<u>\$ 10,788,869</u>

The balance of *unrestricted net position* \$1,436,790 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, 2013, as compared to the year ended December 31, 2012. The Council's net position increased by \$217,453.

	<u>2013</u>	<u>2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 828,253	\$ 1,309,988
Operating grants and contributions	39,733,453	37,322,513
General revenues:		
Investment earnings	3,911	3,291
Member dues	300,352	295,636
Miscellaneous	<u>183</u>	<u>92</u>
Total revenues	40,866,152	38,931,520
Expenses:		
General government	325,364	160,091
Workforce development	3,172,384	3,127,544
Aging	16,118,847	15,566,223
Emergency communication	1,375,736	1,152,930
Economic development	89,988	121,919
Environmental quality	891,270	781,122
Community affairs	1,636,268	3,065,124
Homeland security	438,462	625,480
Transportation	6,011,223	5,685,078
Housing	733,103	610,889
Criminal justice	1,494,340	901,854
Health and welfare	<u>8,361,714</u>	<u>8,485,624</u>
Total expenses	<u>40,648,699</u>	<u>40,283,878</u>
Change in net position	217,453	(1,352,358)
Net position, beginning of year	<u>10,788,869</u>	<u>12,141,227</u>
Net position, end of year	<u>\$ 11,006,322</u>	<u>\$ 10,788,869</u>

The Council's increase in net position is primarily due to funding from the Texas Department of Transportation. Additionally, the Council's capital purchases totaled \$442,610.

The General Fund balance decreased by \$72,722 for a total of \$1,871,155.

The special revenue funds increased fund balance by \$787,144. The majority of the increase is primarily in the Texas Department of Transportation – Alamo Regional Transportation (ART) program. Fund balance decreases occurred primarily in the Alamo Local Authority (ALA) and the US. Department of Housing and Urban Development programs by \$67,019 and \$16,655, respectively.

Comparisons to 2012 Revenues, Expenditures, and Funding

The Council's revenues increased by \$1,808,993 and expenditures increased by \$450,200 from fiscal 2012 to 2013.

Revenues

The General Fund reflects a minimal increase to revenues of \$1,685. The BAAA, ART, ALA, and various non-major programs experienced an increase to revenues of \$1,807,308.

Expenditures

The general government expenditures reflect an increase of \$87,843. The BAAA, ART, TDHCA and various non-major programs experience an increase to expenditures of \$363,053.

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>2013</u>	<u>2012</u>
Capital assets	\$ 11,624,348	\$ 11,605,200
Less: accumulated depreciation	<u>(8,058,120)</u>	<u>(7,633,676)</u>
Total capital assets, net	<u>\$ 3,566,228</u>	<u>\$ 3,971,524</u>

Equipment/Software

An Advanced Workstation was purchased for the Criminal Justice Department (CJ) for \$5,697 and an Axis TV mount pro content manager, professional content manager for \$5,291.

The Information Technology Department (IT) added a Power Edge R620 Rack Mountable Server costing \$5,206. Approximately \$179,512 was expended during 2013 for purchase of new Accounting and Human Resources software.

Vehicles

Two 2013 Ford E-350 Super Extended Econoline cargo vans for \$93,356 and two 2013 Ford E-350 Econoline Cutaway Type II Transit Aerolite buses for \$118,602 were purchased for the Regional Transportation Department (RT).

CJ purchased a 2013 Chevy Tahoe police vehicle with equipment for \$34,945.

ECONOMIC FACTORS AND NEXT YEAR'S FINANCIAL PLAN

The Council's projected 2014 annual budget reflects \$38,529,026 in revenues and \$38,409,701 in budgeted expenditures. The projected revenue decrease in 2014 is \$2,337,126 or approximately 5.72% from the actual 2013 revenues and the projected expenditure decrease in 2014 is \$1,742,029 or approximately 4.34% from the actual 2013 expenditures. The revenue and expenditure decreases are primarily due the agency no longer providing administrative services to the Alamo Area Development Corporation (AADC). This is the result of the nonrenewal of the contract between the AADC and Workforce Solutions.

The Council's combined ending fund balances of \$7,868,157 include \$5,997,002 of dedicated program fund balances and \$1,871,155 of general fund balance. From the general fund balance, \$475,659 is designated for compensated absences and \$1,395,496 is available for the Agency's operating capital. The Council decreased the general fund balance by \$72,722 during fiscal year 2013 and is not projecting an increase for 2014. The Council's special revenue fund balance increased by \$787,144 for 2013 and is projected to increase by \$119,325 in 2014. The 2013 increase to the special revenue fund balances is primarily from the Rural Public Transportation programs for increased services.

The Council selected the Mitchell Humphrey Financial Management System (FMS) II and the Personnel Data Systems Inc. (PDS) Vista Human Resource management System (HRMS) that provides a fully integrated accounting, purchasing and human resource system. The Council will complete the migration to the new software in 2014.

The Council currently resides at 8700 Tesoro Dr., San Antonio Texas in a multiple floor building leased from Cotter & Sons that originally commenced on August 14, 2000 and has been amended seven (7) times to accommodate additional program space and continues through December 31, 2020. Total leased space includes 66,321 square feet.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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**ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
DECEMBER 31, 2013**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Alamo Area Development Corporation</u>
ASSETS		
Cash and investments	\$ 7,211,471	\$ 195,275
Receivables		
Grantors	4,429,480	730,460
Other	1,177,870	-
Deposits	10,000	-
Under-recovered indirect costs	26,645	-
Prepaid items	6,121	-
Capital assets, net of accumulated depreciation	<u>3,566,228</u>	<u>-</u>
Total assets	16,427,815	925,735
LIABILITIES		
Accounts payable	3,069,094	851,704
Accrued liabilities	162,990	807
Unearned revenue	1,387,788	16,299
Over-recovered employee benefits	313,840	-
Over-recovered central service costs	12,122	-
Compensated absences	<u>475,659</u>	<u>-</u>
Total liabilities	5,421,493	868,810
NET POSITION		
Investment in capital assets	3,566,228	-
Restricted for grant programs	6,003,304	26,754
Unrestricted	<u>1,436,790</u>	<u>30,171</u>
Total net position	<u>\$ 11,006,322</u>	<u>\$ 56,925</u>

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

**ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

<u>Function/ Programs</u>	<u>Expenses</u>	<u>Indirect Cost Allocation</u>	<u>Expenses After Allocation of Indirect Costs</u>
Primary government			
Governmental activities			
General government	\$ 325,364	\$ 246	\$ 325,610
Workforce development	3,172,384	121,385	3,293,769
Aging	16,118,847	357,303	16,476,150
Emergency communication	1,375,736	26,268	1,402,004
Economic development	89,988	7,271	97,259
Environmental quality	891,270	62,270	953,540
Community affairs	1,636,268	84,482	1,720,750
Homeland security	438,462	23,983	462,445
Transportation	6,011,223	328,169	6,339,392
Housing	733,103	8,360	741,463
Criminal justice	1,494,340	141,976	1,636,316
Health and welfare	8,361,714	1,010,932	9,372,646
Indirect costs	-	(2,172,645)	(2,172,645)
	<u> </u>	<u> </u>	<u> </u>
Total governmental activities and primary government	<u>\$ 40,648,699</u>	<u>\$ -</u>	<u>\$ 40,648,699</u>
Component unit			
Alamo Area Development Corporation			
	<u>\$ 4,386,629</u>	<u>\$ -</u>	<u>\$ 4,386,629</u>
	<u> </u>	<u> </u>	<u> </u>
Total component unit	<u>\$ 4,386,629</u>	<u>\$ -</u>	<u>\$ 4,386,629</u>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position	Component Unit
Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	Alamo Area Development Corporation
\$ -	\$ 44,642	\$ (280,968)	\$ -
-	3,002,509	(291,260)	-
456,079	15,492,604	(527,467)	-
-	1,340,688	(61,316)	-
-	77,795	(19,464)	-
-	851,405	(102,135)	-
-	1,813,135	92,385	-
-	352,173	(110,272)	-
118,191	6,522,876	301,675	-
-	766,283	24,820	-
253,983	1,176,249	(206,084)	-
-	8,293,094	(1,079,552)	-
-	-	2,172,645	-
<u>\$ 828,253</u>	<u>\$ 39,733,453</u>	(86,993)	-
<u>\$ -</u>	<u>\$ 4,373,378</u>		<u>(13,251)</u>
<u>\$ -</u>	<u>\$ 4,373,378</u>		<u>(13,251)</u>
GENERAL REVENUES			
Investment earnings		3,911	-
Member dues		300,352	-
Miscellaneous		183	-
Total general revenues		<u>304,446</u>	<u>-</u>
Change in net position		217,453	(13,251)
NET POSITION, beginning of year		<u>10,788,869</u>	<u>70,176</u>
NET POSITION, end of year		<u>\$ 11,006,322</u>	<u>\$ 56,925</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
ASSETS			
Cash and investments	\$ 2,233,085	\$ -	\$ 1,616,953
Accounts receivable			
Grantors	-	1,282,017	1,092,216
Other	1,177,870	-	-
Due from other funds	-	-	1,815,916
Under-recovered indirect costs	26,645	-	-
Deposits	10,000	-	-
Prepaid items	6,121	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 3,453,721</u></u>	<u><u>\$ 1,282,017</u></u>	<u><u>\$ 4,525,085</u></u>
LIABILITIES			
Accounts payable	\$ 604,960	\$ 1,054,618	\$ 365,200
Accrued liabilities	162,990	-	-
Due to other funds	467,908	197,649	-
Over-recovered employee benefits	313,840	-	-
Over-recovered central service costs	12,122	-	-
Unearned revenue	20,746	6,451	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,582,566</u>	<u>1,258,718</u>	<u>365,200</u>
FUND BALANCE			
Nonspendable			
Prepays	6,121	-	-
Restricted			
Grants	-	23,299	4,159,885
Unassigned	1,865,034	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,871,155</u>	<u>23,299</u>	<u>4,159,885</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,453,721</u></u>	<u><u>\$ 1,282,017</u></u>	<u><u>\$ 4,525,085</u></u>

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

Alamo Local Authority	Other Governmental Funds	Total Governmental Funds
\$ 2,861,882	\$ 499,551	\$ 7,211,471
-	2,055,247	4,429,480
-	-	1,177,870
-	472,568	2,288,484
-	-	26,645
-	-	10,000
-	-	6,121
<u>\$ 2,861,882</u>	<u>\$ 3,027,366</u>	<u>\$ 15,150,071</u>
\$ 87,598	\$ 956,718	\$ 3,069,094
-	-	162,990
187,839	1,435,088	2,288,484
-	-	313,840
-	-	12,122
1,179,111	229,076	1,435,384
1,454,548	2,620,882	7,281,914
-	-	6,121
1,407,334	412,786	6,003,304
-	(6,302)	1,858,732
<u>1,407,334</u>	<u>406,484</u>	<u>7,868,157</u>
<u>\$ 2,861,882</u>	<u>\$ 3,027,366</u>	<u>\$ 15,150,071</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013**

Total fund balance - governmental funds	\$	7,868,157
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,566,228
Other long term assets are not available to pay for current-period expenditures and therefore deferred in the funds.		47,596
Long term liabilities (compensated absences are not due and payable in the current period and therefore are not reported in the funds).		<u>(475,659)</u>
Net position of governmental activities in the statement of net position	\$	<u><u>11,006,322</u></u>

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**ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
REVENUES			
Federal	\$ -	\$ 5,926,698	\$ 2,168,051
State	-	164,368	1,778,279
Local	42,503	20,111	1,997,479
Delegate agencies:			
Cash match	-	4,584,761	-
In-kind	-	943,216	-
Program income	-	237,676	118,191
Membership dues	300,352	-	-
Investment income	780	-	1,069
Miscellaneous	183	-	-
Total revenues	<u>343,818</u>	<u>11,876,830</u>	<u>6,063,069</u>
EXPENDITURES			
General government	227,681	-	-
Workforce development	-	-	-
Aging	-	11,985,162	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	-	-	-
Community affairs	-	-	-
Homeland security	-	-	-
Transportation	-	-	5,259,170
Housing	-	-	-
Criminal justice	-	-	-
Health and welfare	-	-	-
Total expenditures	<u>227,681</u>	<u>11,985,162</u>	<u>5,259,170</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	116,137	(108,332)	803,899
OTHER FINANCING SOURCES AND USES			
Transfers in	-	113,178	-
Transfers out	(188,859)	-	-
Total other financing sources (uses)	<u>(188,859)</u>	<u>113,178</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(72,722)	4,846	803,899
FUND BALANCES, BEGINNING	<u>1,943,877</u>	<u>18,453</u>	<u>3,355,986</u>
FUND BALANCES, ENDING	<u>\$ 1,871,155</u>	<u>\$ 23,299</u>	<u>\$ 4,159,885</u>

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

Alamo Local Authority	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 8,501,937	\$ 16,596,686
3,536,272	3,404,835	8,883,754
4,756,822	436,932	7,253,847
-	622,830	5,207,591
-	848,359	1,791,575
-	472,386	828,253
-	-	300,352
1,601	461	3,911
-	-	183
8,294,695	14,287,740	40,866,152
-	2,139	229,820
-	3,140,769	3,140,769
-	4,130,061	16,115,223
-	1,340,688	1,340,688
-	89,988	89,988
-	889,921	889,921
-	1,636,268	1,636,268
-	354,828	354,828
-	577,998	5,837,168
-	713,087	713,087
-	1,442,256	1,442,256
8,361,714	-	8,361,714
8,361,714	14,318,003	40,151,730
(67,019)	(30,263)	714,422
-	75,681	188,859
-	-	(188,859)
-	75,681	-
(67,019)	45,418	714,422
1,474,353	361,066	7,153,735
\$ 1,407,334	\$ 406,484	\$ 7,868,157

**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, 2013**

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

Net change in fund balances - total governmental funds	\$	714,422
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.		(405,296)
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>(91,673)</u>
Change in net position of governmental activities	\$	<u><u>217,453</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 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 position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of any interfund activity has been removed from these statements. *Governmental activities* are generally supported by intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenue are reported instead as *general revenue*.

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

The Council reports the following major governmental funds:

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

**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 position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Unearned revenue or deferred inflows of resources will arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned 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 unearned revenue or deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Member Government Dues

All member governments are required to pay dues to the Council. Dues are determined annually and are recognized as revenues when assessed because they are measurable and are collectible within the current period. Dues are reported in the General Fund and funds are transferred to 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, 2013.

Other Receivables

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

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds, or the current portion of interfund loans, or advances to/from other funds, or the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as due to/from other funds. The Council had no advances to/from other funds at December 31, 2013.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Unearned Revenue

Unearned revenue primarily consists of amounts received from grantors in excess of expenditures for programs in progress as of December 31, 2013.

**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 forty three (43) days of unused annual leave. Employees will be paid for accrued annual leave upon termination of employment provided they have been in a full-time position for three months or more. All annual leave pay is accrued when incurred in the government-wide statements. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

Net Position and Fund Balance

Net position represents the difference between assets and liabilities. Net position for the investment in capital assets, net of related debt, consists 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 position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Council or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Position and Fund Balance – Continued

Fund balance classifications 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, 2013, 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, 2013, the Council had no assigned fund balance amounts.

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 net position 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 \$532,297 difference are as follows:

Capital outlay	\$	442,610
Depreciation expense		<u>(847,906)</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>(405,296)</u></u>

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

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, 2013 consist of the following which are reported in assets as cash and investments in the accompanying financial statements.

Cash	\$ 2,119,818
Investments	<u>5,091,653</u>
Total	<u><u>\$ 7,211,471</u></u>

The Public Funds Investment Act (Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Council to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates 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.

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

NOTE 4. CASH AND INVESTMENTS – CONTINUED

As of December 31, 2013, 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, 2013</u>
TexPool	\$ 5,091,653	51	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.

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, 2013, the Council's \$2,198,422 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, 2013, was as follows:

	Balance December 31, 2012	Additions	Deletions	Balance December 31, 2013
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 127,000	\$ -	\$ -	\$ 127,000
Capital assets, being depreciated				
Equipment	2,791,574	71,318	-	2,862,892
Furniture and fixtures	147,322	-	-	147,322
Software	800,280	124,389	-	924,669
Vehicles	6,678,487	246,903	(423,462)	6,501,928
Property	1,060,537	-	-	1,060,537
	<u>11,478,200</u>	<u>442,610</u>	<u>(423,462)</u>	<u>11,497,348</u>
Less accumulated depreciation				
Equipment	(2,447,561)	(134,359)	-	(2,581,920)
Furniture and fixtures	(146,024)	(1,299)	-	(147,323)
Software	(744,742)	(28,092)	-	(772,834)
Vehicles	(4,004,261)	(625,067)	423,462	(4,205,866)
Property	(291,088)	(59,089)	-	(350,177)
Total accumulated depreciation	<u>(7,633,676)</u>	<u>(847,906)</u>	<u>423,462</u>	<u>(8,058,120)</u>
Total capital assets being depreciated, net	<u>3,844,524</u>	<u>(405,296)</u>	<u>-</u>	<u>3,439,228</u>
Governmental activities capital assets, net	<u>\$ 3,971,524</u>	<u>\$ (405,296)</u>	<u>\$ -</u>	<u>\$ 3,566,228</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	\$	3,871
Workforce Development		31,615
GIS/MPO		-
Emergency Communications		35,048
Homeland Security		83,634
Weatherization		1,349
Transportation		616,665
Housing		20,016
Criminal Justice		52,084
Alamo Local Authority		<u>3,624</u>
Total depreciation expense - governmental activities	\$	<u><u>847,906</u></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, 2013:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>	<u>Purpose</u>
Bexar Area Agency on Aging	General fund	\$ 113,178	Local match
Other governmental funds	General fund	<u>75,681</u>	Local match
	Total	<u><u>\$ 188,859</u></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, 2013, is as follows:

Receivable Fund	Payable Fund	Amount
Texas Department of Transportation	Other governmental funds	\$ 1,430,428
Other governmental funds	General fund	467,908
Other governmental funds	Texas Department of Transportation	4,660
Texas Department of Transportation	Alamo Local Authority	187,839
Texas Department of Transportation	Bexar Area Agency on Aging	197,649
		\$ 2,288,484

NOTE 7. UNEARNED REVENUE

Governmental funds report deferred inflows 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, there were no deferred inflows of resources and unearned revenue reported in the governmental funds was as follows:

	Unearned
Local funds	\$ 20,746
Grant funds	1,414,638
	\$ 1,435,384

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

NOTE 8. LONG-TERM LIABILITIES

Long term liability activity for the year ended December 31, 2013, 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	\$ 383,986	\$ 739,367	\$ 647,694	\$ 475,659	\$ 475,659

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, 2013, 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 \$1,021,343 for the year ended December 31, 2013. Future minimum lease payments under this agreement are as follows:

Year ending December 31,	
2014	1,114,193
2015	1,021,343
2016	1,181,840
2017	1,083,354
2018	1,181,842
2019-2020	2,332,565
Total	\$ 7,915,137

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 2013 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, 2013, the annual pension cost for the TCDRS plan was \$1,111,388 and the actual contributions were \$1,111,388. The required contribution rates for the year ended December 31, 2013 were determined by the December 31, 2012 actuarial valuations. Additional information as of the actuarial valuation dates is on the following page.

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

NOTE 10. RETIREMENT PLAN – CONTINUED

Annual Pension Cost – Continued

	December 31, 2012	December 31, 2011	December 31, 2010
Actuarial valuation date	Entry age	Entry age	Entry age
Actuarial cost method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization method	20	20	20
Amortization period of years	SAF:10-yr smoothed value	SAF:10-yr smoothed value	SAF: 10-yr smoothed value
Asset valuation method			
Actuarial assumption			
Investment return*	8%	8%	8%
Projected salary increases	5.4%	5.4%	5.4%
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, 2012, the most recent actuarial valuation date and the two preceding actuarial valuations is as follows:

Actuarial valuation date	12/31/2012	12/31/2011	12/31/2010
Actuarial value of assets	\$ 15,745,815	\$ 13,909,108	\$ 12,228,058
Actuarial accrued liability (AAL)	17,884,191	16,065,162	14,584,300
Unfunded actuarial accrued liability (UAAL)	2,138,376	2,156,054	2,356,242
Funded ratio	88.04%	86.58%	83.84%
Annual covered payroll	11,709,893	11,698,302	10,981,582
UAAL as a percentage of covered payroll	18.26%	18.43%	21.46%

**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
2013	\$ 1,111,388	100%	\$ -
2012	\$ 956,461	100%	\$ -
2011	\$ 1,031,193	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.

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

Economic Development Administration – This fund is used to account for 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.

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

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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

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

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.

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**ALAMO AREA COUNCIL OF GOVERNMENTS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013**

	<u>Texas Commission on Environmental Quality</u>	<u>VIA Metropolitan Transit</u>	<u>Texas Veterans Commission</u>	<u>Economic Development Administration</u>
ASSETS				
Cash and investments	\$ 279,751	\$ -	\$ -	\$ -
Accounts receivable				
Grantors	103,438	90,840	19,895	23,850
Due from other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 383,189</u></u>	<u><u>\$ 90,840</u></u>	<u><u>\$ 19,895</u></u>	<u><u>\$ 23,850</u></u>
LIABILITIES				
Accounts payable	\$ 79,256	\$ 31,722	\$ 16,279	\$ 214
Due to other funds	208,476	59,039	2,650	22,365
Unearned revenue	90,318	79	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	378,050	90,840	18,929	22,579
FUND BALANCE				
Restricted				
Grants	5,139	-	966	1,271
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>5,139</u>	<u>-</u>	<u>966</u>	<u>1,271</u>
Total liabilities and fund balances	<u><u>\$ 383,189</u></u>	<u><u>\$ 90,840</u></u>	<u><u>\$ 19,895</u></u>	<u><u>\$ 23,850</u></u>

<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>
\$ 109,340	\$ -	\$ -	\$ 27,825	\$ -	\$ -	\$ -
253,220	72,458	-	-	216,510	16,552	-
72,452	-	-	-	-	-	1,864
<u>\$ 435,012</u>	<u>\$ 72,458</u>	<u>\$ -</u>	<u>\$ 27,825</u>	<u>\$ 216,510</u>	<u>\$ 16,552</u>	<u>\$ 1,864</u>
\$ 321,726	\$ -	\$ -	\$ 745	\$ 82,947	\$ -	\$ -
-	72,503	-	14,186	139,820	16,552	-
113,286	-	-	-	-	-	-
435,012	72,503	-	14,931	222,767	16,552	-
-	-	-	12,894	-	-	1,864
-	(45)	-	-	(6,257)	-	-
-	(45)	-	12,894	(6,257)	-	1,864
<u>\$ 435,012</u>	<u>\$ 72,458</u>	<u>\$ -</u>	<u>\$ 27,825</u>	<u>\$ 216,510</u>	<u>\$ 16,552</u>	<u>\$ 1,864</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2013
 (CONTINUED)**

	Texas Department of Housing and Community Affairs	Office of the Governor	City of San Antonio	Local Projects
ASSETS				
Cash and investments	\$ 82,612	\$ 23	\$ -	\$ -
Accounts Receivable				
Grantors	107,346	96,853	74,705	184
Due from other funds	-	230,532	-	167,720
	Total assets	\$ 327,408	\$ 74,705	\$ 167,904
	\$ 189,958	\$ 327,408	\$ 74,705	\$ 167,904
LIABILITIES				
Accounts payable	\$ 56,236	\$ 86,517	\$ 430	\$ 745
Due to other funds	133,722	-	74,275	-
Deferred revenue	-	-	-	21,683
	Total liabilities	86,517	74,705	22,428
	189,958	86,517	74,705	22,428
FUND BALANCE				
Restricted				
Grants	-	240,891	-	145,476
Unassigned	-	-	-	-
	Total fund balances	240,891	-	145,476
	-	240,891	-	145,476
	\$ 189,958	\$ 327,408	\$ 74,705	\$ 167,904
Total liabilities and fund balances	\$ 189,958	\$ 327,408	\$ 74,705	\$ 167,904

<u>Alamo Area Development Corporation</u>	<u>Alamo Area Agency on Aging</u>	<u>Totals</u>
\$ -	\$ -	\$ 499,551
617,701	361,695	2,055,247
<u>-</u>	<u>-</u>	<u>472,568</u>
<u>\$ 617,701</u>	<u>\$ 361,695</u>	<u>\$ 3,027,366</u>
\$ 48,197	\$ 231,704	\$ 956,718
569,504	121,996	1,435,088
<u>-</u>	<u>3,710</u>	<u>229,076</u>
617,701	357,410	2,620,882
-	4,285	412,786
<u>-</u>	<u>-</u>	<u>(6,302)</u>
<u>-</u>	<u>4,285</u>	<u>406,484</u>
<u>\$ 617,701</u>	<u>\$ 361,695</u>	<u>\$ 3,027,366</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013**

	Texas Commission on Environmental Quality	VIA Metropolitan Transit	Texas Veterans Commission	Economic Development Administration
REVENUES				
Federal	\$ -	\$ 260,948	\$ 68,539	\$ 47,736
State	850,344	-	70,687	-
Local	-	-	-	3,270
Delegate agencies				
Cash match	-	-	-	-
In-kind	-	-	-	26,789
Investment income	288	-	-	-
Program income	-	-	-	-
Total revenues	<u>850,632</u>	<u>260,948</u>	<u>139,226</u>	<u>77,795</u>
EXPENDITURES				
General government	-	-	-	-
Workforce development	-	-	138,260	-
Aging	-	-	-	-
Emergency communications	-	-	-	-
Economic development	-	-	-	89,988
Environmental quality	850,883	-	-	-
Community affairs	-	-	-	-
Homeland security	-	-	-	-
Transportation	-	260,948	-	-
Housing	-	-	-	-
Criminal justice	-	-	-	-
Total expenditures	<u>850,883</u>	<u>260,948</u>	<u>138,260</u>	<u>89,988</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(251)	-	966	(12,193)
OTHER FINANCING SOURCES AND USES				
Transfers in	-	-	-	13,464
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,464</u>
NET CHANGE IN FUND BALANCES	(251)	-	966	1,271
FUND BALANCES, beginning	<u>5,390</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT), ending	<u>\$ 5,139</u>	<u>\$ -</u>	<u>\$ 966</u>	<u>\$ 1,271</u>

<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>
\$ -	\$ 316,132	\$ 6,216	\$ 428,435	\$ 347,123	\$ -	\$ -
1,340,540	-	-	-	-	19,171	-
-	-	-	139,127	5,050	-	773
-	-	-	-	-	-	-
-	-	-	-	-	-	-
148	-	-	20	-	-	-
-	-	-	-	-	-	-
<u>1,340,688</u>	<u>316,132</u>	<u>6,216</u>	<u>567,582</u>	<u>352,173</u>	<u>19,171</u>	<u>773</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,340,688	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	7,613	-	-	19,171	-
-	-	-	-	354,828	-	-
-	316,132	-	-	-	-	-
-	-	-	584,237	-	-	-
-	-	-	-	-	-	-
<u>1,340,688</u>	<u>316,132</u>	<u>7,613</u>	<u>584,237</u>	<u>354,828</u>	<u>19,171</u>	<u>-</u>
-	-	(1,397)	(16,655)	(2,655)	-	773
-	-	1,397	-	-	-	-
-	-	-	-	-	-	-
-	-	1,397	-	-	-	-
-	-	-	(16,655)	(2,655)	-	773
-	(45)	-	29,549	(3,602)	-	1,091
<u>\$ -</u>	<u>\$ (45)</u>	<u>\$ -</u>	<u>\$ 12,894</u>	<u>\$ (6,257)</u>	<u>\$ -</u>	<u>\$ 1,864</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

	Texas Department of Housing and Community Affairs	Office of the Governor	City of San Antonio
REVENUES			
Federal	\$ 1,628,965	\$ 84,102	\$ 528,467
State	-	989,034	-
Local	7	-	-
Delegate agencies			
Cash match	-	47,325	-
In-kind	-	2,050	-
Investment income	5	-	-
Program income	-	253,983	-
	<hr/>	<hr/>	<hr/>
Total revenues	1,628,977	1,376,494	528,467
EXPENDITURES			
General government	-	-	-
Workforce development	-	-	528,467
Aging	-	-	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	39,038	-	-
Community affairs	1,589,939	-	-
Homeland security	-	-	-
Transportation	-	-	-
Housing	-	-	-
Criminal justice	-	1,388,518	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,628,977	1,388,518	528,467
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	-	(12,024)	-
OTHER FINANCING SOURCES AND USES			
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-
NET CHANGE IN FUND BALANCES			
	-	(12,024)	-
FUND BALANCES, beginning			
	<hr/>	<hr/>	<hr/>
	-	252,915	-
FUND BALANCES, ending			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ 240,891	\$ -

Local Projects	Alamo Area Development Corporation	Alamo Area Agency on Aging	Total
\$ -	\$ 2,474,042	\$ 2,311,232	\$ 8,501,937
-	-	135,059	3,404,835
287,877	-	828	436,932
-	-	575,505	622,830
-	-	819,520	848,359
-	-	-	461
-	-	218,403	472,386
<u>287,877</u>	<u>2,474,042</u>	<u>4,060,547</u>	<u>14,287,740</u>
2,139	-	-	2,139
-	2,474,042	-	3,140,769
12,836	-	4,117,225	4,130,061
-	-	-	1,340,688
-	-	-	89,988
-	-	-	889,921
19,545	-	-	1,636,268
-	-	-	354,828
918	-	-	577,998
128,850	-	-	713,087
53,738	-	-	1,442,256
<u>218,026</u>	<u>2,474,042</u>	<u>4,117,225</u>	<u>14,318,003</u>
69,851	-	(56,678)	(30,263)
-	-	60,820	75,681
-	-	-	-
<u>-</u>	<u>-</u>	<u>60,820</u>	<u>75,681</u>
69,851	-	4,142	45,418
75,625	-	143	361,066
<u>\$ 145,476</u>	<u>\$ -</u>	<u>\$ 4,285</u>	<u>\$ 406,484</u>

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, 2013**

INDIRECT COSTS

Personnel salaries	\$ 1,634,366
Employee benefits	503,008
Audit	58,600
Other contract services	170,830
Travel	48,856
Auto operating	294
Rent administration	31,317
Rent	843,358
Supplies	86,693
Equipment	47,547
Insurance and bonding	11,538
Public notices	1,423
Printing and reproduction	17,568
Repairs and maintenance	69,515
Fuel / oil	2,444
Employee recruitment	1,095
Communications	123,115
Postage	50,896
Meetings-other	13,725
Training in region	5,558
Publications	1,088
Professional dues	25,907
Equipment rental	100,147
Tuition staff	1,972
Depreciation expense - information technology	<u>13,340</u>
Total indirect costs	3,864,200
Less: Administration cost received	<u>(1,647,551)</u>
Net indirect cost	2,216,649
ACTUAL INDIRECT COST RECOVERED	<u>(2,172,645)</u>
OVER-RECOVERY OF INDIRECT COSTS PER 2012 AUDIT	<u>(17,359)</u>
ACTUAL CUMMULATIVE UNDER-RECOVERY	<u><u>\$ 26,645</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS (FRINGE AND RELEASE TIME)
YEAR ENDED DECEMBER 31, 2013**

BENEFITS	
FICA	\$ 886,267
Group life insurance	67,400
Unemployment insurance	2,985
Worker's compensation	93,859
Health insurance	1,476,157
Retirement	1,111,388
Release time	<u>1,720,684</u>
Total employee benefits	5,358,740
ACTUAL EMPLOYEE BENEFITS RECOVERED	<u>(5,388,454)</u>
Net unrecovered employee benefits	(29,714)
OVER-RECOVERY OF EMPLOYEE BENEFITS PER 2012 AUDIT	<u>(284,126)</u>
ACTUAL CUMMULATIVE OVER-RECOVERY	<u><u>\$ (313,840)</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, 2013
(UNAUDITED)**

	CARE * Report III	Additions**	Deletions***	Audited*** Financial Statements
EXPENDITURES				
Salaries	\$ 3,318,957	\$ 8,168,801	\$ 1,063,152	\$ 10,424,606
Employee benefits	1,036,923	2,468,549	338,933	3,166,539
Professional consulting services	1,471,931	18,122,111	489,731	19,104,311
Training/travel	193,211	270,457	54,834	408,834
Capital outlay	-	337,025	-	337,025
Non-capital equipment	13,306	674,940	-	688,246
Other operating expenditures	1,959,937	4,616,141	542,765	6,033,313
Total expenditures	<u>\$ 7,994,265</u>	<u>\$ 34,658,024</u>	<u>\$ 2,489,415</u>	<u>\$ 40,162,874</u>

* CARE Report III

** Other Agency Programs

*** Sept - December 2013 MR Expenses

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
RECONCILIATION OF TOTAL REVENUE
TO FOURTH QUARTER FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

	CARE * Report III	Additions**	Deletions***	Audited Financial Statements
LOCAL AND EARNED REVENUES				
Medicaid	\$ 3,582,122	\$ 2,124,096	\$ 1,081,942	\$ 4,624,276
Medicaid administrative claiming	317,334	112,256	101,133	328,457
Membership dues	-	300,352	-	300,352
Local	79,935	2,333,071	6,284	2,406,722
Contributions	310,488	76,769	96,152	291,105
Delegate agency match	-	7,455,245	-	7,455,245
Interest	2,570	2,587	1,246	3,911
Other	6,101	(5,917)	-	184
	<u>4,298,550</u>	<u>12,398,459</u>	<u>1,286,757</u>	<u>15,410,252</u>
STATE PROGRAM REVENUES				
General revenue	3,411,959	6,511,160	1,333,311	8,589,808
Permanency planning	74,716	31,335	38,936	67,115
CLOIP	208,531	63,236	56,070	215,697
OBRA funds	509	9,580	-	10,089
	<u>3,695,715</u>	<u>6,615,311</u>	<u>1,428,317</u>	<u>8,882,709</u>
FEDERAL PROGRAM REVENUES				
Federal revenue	-	16,596,676	-	16,596,676
	<u>-</u>	<u>16,596,676</u>	<u>-</u>	<u>16,596,676</u>
Total federal program revenues	<u>-</u>	<u>16,596,676</u>	<u>-</u>	<u>16,596,676</u>
Total revenues	<u>\$ 7,994,265</u>	<u>\$ 35,610,446</u>	<u>\$ 2,715,074</u>	<u>\$ 40,889,637</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
RECONCILIATION OF TOTAL REVENUE
TO FIRST QUARTER FY 2013 FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

	1st Qtr * CARE Report III	(Dec 13)** Additions	All other Agency	Audited Financial Statements
LOCAL AND EARNED REVENUES				
Medicaid	\$ 765,558	\$ 694,797	\$ 3,163,921	\$ 4,624,276
Medicaid administrative claiming	-	112,256	216,202	328,458
Membership dues	-	-	300,352	300,352
Local	-	(1,435)	2,408,158	2,406,723
Contributions	76,769	-	214,336	291,105
Delegate agency match	-	-	7,455,245	7,455,245
Interest	123	154	3,634	3,911
Other	689	347	(852)	184
Total local and earned revenues	<u>843,139</u>	<u>806,119</u>	<u>13,760,996</u>	<u>15,410,254</u>
STATE PROGRAM REVENUES				
General revenue	1,023,588	167,109	7,399,111	8,589,808
Permanency planning	23,090	2,143	41,882	67,115
CLOIP	37,527	15,417	162,753	215,697
OBRA funds	-	-	10,089	10,089
Total state program revenues	<u>1,084,205</u>	<u>184,669</u>	<u>7,613,835</u>	<u>8,882,709</u>
FEDERAL PROGRAM REVENUES				
Federal revenue	<u>-</u>	<u>-</u>	<u>16,596,676</u>	<u>16,596,676</u>
Total federal program revenues	<u>-</u>	<u>-</u>	<u>16,596,676</u>	<u>16,596,676</u>
Total revenues	<u>\$ 1,927,344</u>	<u>\$ 990,788</u>	<u>\$ 37,971,507</u>	<u>\$ 40,889,639</u>

* 1st qtr FY14 Sept - Nov

** December 2013 MR Revenues

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

Fund Sources	Total Revenue	Jan - Aug Mental Retardation Expenditures	Sept - Dec Mental Retardation Expenditures	All other Program Expenditures	Excess Revenue Over Expenditures
Objects of expense:					
Personnel	\$ 10,424,606	\$ 2,464,633	\$ 1,293,113	\$ 6,666,860	\$ -
Employee benefits	3,166,539	761,940	399,433	2,005,166	-
Capital outlay	1,025,271	-	-	1,025,271	-
Other operating expense	25,546,458	1,730,181	626,207	23,190,070	-
Allocation of general administration to strategies	-	258,706	120,094	(378,800)	-
Allocation of authority administration to strategies	-	431,181	276,226	(707,407)	-
Total expenditures	<u>40,162,874</u>	<u>5,646,641</u>	<u>2,715,073</u>	<u>31,801,160</u>	-
Method of finance:					
General revenue - Mental Retardation	3,243,370	2,062,253	1,181,117	-	-
Permanency planning	67,115	41,882	25,233	-	-
OBRA Funds	10,089	509	9,580	-	-
CLOIP	215,697	162,753	52,944	-	-
Earned income	3,911	1,324	277	2,310	-
Additional local funds	15,406,342	3,070,330	1,648,981	10,687,031	-
Other services revenues	<u>21,943,115</u>	<u>-</u>	<u>-</u>	<u>21,943,115</u>	<u>-</u>
Total expended sources	<u>\$ 40,889,639</u>	<u>\$ 5,339,051</u>	<u>\$ 2,918,132</u>	<u>\$ 32,632,456</u>	<u>\$ -</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF INDIRECT COSTS
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

	<u>Total Costs</u>	<u>Nonallowable Costs</u>	<u>Depreciation</u>	<u>Total Adjusted Cost</u>	<u>Direct Costs</u>	<u>Indirect Costs</u>
Personnel	\$ 10,424,606	\$ -	\$ -	\$ 10,424,606	\$ 8,790,240	\$ 1,634,366
Fringe benefits	3,166,539	-	-	3,166,539	2,663,531	503,008
Capital outlay	1,025,271	1,025,271	-	-	(47,547)	47,547
Depreciation	-	-	834,566	834,566	834,566	-
Other operating expense	<u>25,546,458</u>	<u>-</u>	<u>-</u>	<u>25,546,458</u>	<u>25,514,715</u>	<u>31,743</u>
Total expenses	<u>\$ 40,162,874</u>	<u>\$ 1,025,271</u>	<u>\$ 834,566</u>	<u>\$ 39,972,169</u>	<u>\$ 37,755,505</u>	<u>\$ 2,216,664</u>
Indirect costs						\$ 2,216,664
Direct costs						37,755,506
Indirect cost rate						5.87%

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF INSURANCE IN EFFECT
DECEMBER 31, 2013
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	Workers' Compensation	Statutory
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	Automobile Liability	
			Per Occurrence Limit	\$ 5,000,000
			Deductible	2,500
			Annual Aggregate	-
			Medical Payments per person	25,000
			Deductible	-
	10/01/12	10/01/13	Automobile Physical Damage	
			Per Occurrence Limit	10,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	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	10/01/12	10/01/13	Law Enforcement Liability	
			Per Occurrence Limit	2,000,000
			Annual Aggregate	4,000,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	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, 2013
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	All Risk Property Coverage	
			Coverage Basis	
			Building : Replacement Cost Valuation	\$ 2,895,200
			Deductible	250
			Transit Limit	1,000,000
			Valuable Papers and EDP Media	10,000
			Accounts Receivable	10,000
			Loss of Revenue Extra Expense and Rev	25,000
			Personal Property of Employees and Officials	5,000
			Leasehold Interest	65,000
			Outdoor Trees and Shrubs	10,000
			Newly Acquired Property FMV up to	1,000,000
			Pollutant Cleanup and Removal Each Premise	20,000
			Flood & Earthquake	
Deductible	25,000			
Boiler & Machinery				
Per Accident Limit	100,000			
Deductible	250			
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	Public Employee Dishonesty	
			Limit of Coverage	500,000
			Deductible	5,000
			Coverage Includes Faithful Performance of Duty	
WS&P Walthall Sachse & Pipes, Inc	07/01/12	07/01/13	Pollution Coverage	
			General Aggregate Limit	1,000,000
			Each "Pollution Condition" Limit	1,000,000
			Deductible	5,000
WS&P Walthall Sachse & Pipes, Inc	02/13/12	02/13/13	Volunteers	
			Accidental Death and Dismemberment Benefit	
			Covered Person principal sum/amount	5,000
			Total Max Accident Medical and Dental	1,000,000
			Deductible	-

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

Name	City	Type of Service
January - August 2013		
CHCS - CALIDAD - DREXEL	San Antonio	Vocational Training
CHCS - CALIDAD - CONVERSE	Converse	Respite Hourly - Out of Home
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - Out of Home
LIFELINE CARE & SERVICES	San Antonio	Respite Hourly - Out of Home
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - Out of Home
MOSAIC	Live Oak	Respite Hourly - Out of Home
CHCS - CALIDAD - CONVERSE	Converse	Respite Daily - Out of Home
CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL	San Antonio	Respite Daily - Out of Home
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - Out of Home
LIFETIME LIVING, INC.	San Antonio	Respite Daily - Out of Home
MOSAIC	Live Oak	Respite Daily - Out of Home
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Respite Daily - Out of Home
CHCS - CALIDAD - CONVERSE	Converse	Respite Hourly - In Home
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - In Home
LIFELINE CARE & SERVICES	San Antonio	Respite Hourly - In Home
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - In Home
MILAGRO DISCOVERY	San Antonio	Respite Hourly - In Home
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Respite Hourly - In Home
WORKACCESS INC.	San Antonio	Respite Hourly - In Home
CHCS - CALIDAD - CONVERSE	Converse	Respite Daily - In Home
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - In Home
LIFELINE CARE & SERVICES	San Antonio	Respite Daily - In Home
LIFETIME LIVING, INC.	San Antonio	Respite Daily - In Home
MILAGRO DISCOVERY	San Antonio	Respite Daily - In Home
ANGEL CARE CENTER OF SAN ANTONIO	San Antonio	Day Habilitation Program
CHCS - CALIDAD - DREXEL	San Antonio	Day Habilitation Program
EVA'S HEROES	San Antonio	Day Habilitation Program
HOMELIFE COMMUNITY SERVICE	San Antonio	Day Habilitation Program
LIFELINE CARE & SERVICES	San Antonio	Day Habilitation Program
LIFETIME LIVING, INC.	San Antonio	Day Habilitation Program
MILAGRO DISCOVERY	San Antonio	Day Habilitation Program
MISSION ROAD MINISTRIES	San Antonio	Day Habilitation Program
MOSAIC	Live Oak	Day Habilitation Program
REACHING MAXIMUMINDEPENDENCE	San Antonio	Day Habilitation Program
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Day Habilitation Program
THE ARC OF SAN ANTONIO	San Antonio	Day Habilitation Program
UNICORN CENTER, INC.	San Antonio	Day Habilitation Program
UNIVERSITY UNITED METHODIST CHURCH	San Antonio	Day Habilitation Program
UNICORN CENTER, INC.	San Antonio	Head Start
ABA CENTER FOR EXCELLENCE	San Antonio	Community Support
CHSC - CALIDAD - DREXEL	San Antonio	Community Support
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Community Support
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Community Support
HOMELIFE COMMUNITY SERVICE	San Antonio	Community Support
LIFELINE CARE & SERVICES	San Antonio	Community Support

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
(CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>
LIFETIME LIVING, INC.	San Antonio	Community Support
MILAGRO DISCOVERY	San Antonio	Community Support
MISSION ROAD MINISTRIES	San Antonio	Community Support
MOSAIC	Live Oak	Community Support
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Community Support
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Community Support
UNICORN CENTER, INC.	San Antonio	Community Support
WORKACCESS INC.	San Antonio	Community Support
CHCS - CALIDAD - DREXEL	San Antonio	Supported Employment
LIFETIME LIVING, INC.	San Antonio	Supported Employment
UNICORN CENTER, INC.	San Antonio	Supported Employment
CHCS - CALIDAD - DREXEL	San Antonio	Employment Assistance
UNICORN CENTER, INC.	San Antonio	Employment Assistance
HOMELIFE COMMUNITY SERVICE	San Antonio	Employment Assistance
WORKACCESS INC.	San Antonio	Employment Assistance
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Behavioral Support
ABA CENTER FOR EXCELLENCE	San Antonio	Behavioral Support
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Behavioral Support
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Behavioral Support
HOMELIFE COMMUNITY SERVICE	San Antonio	Behavioral Support
SOUTH TEXAS BEHAVIORAL INSTITUTE	San Antonio	Behavioral Support
WORKACCESS INC.	San Antonio	Behavioral Support
CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL	San Antonio	Weekly Camp
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Safety Net
CHCS - CALIDAD - DREXEL	San Antonio	Day Habilitation Summer Camp
EVA'S HEROES	San Antonio	Day Habilitation Summer Camp
MISSION ROAD MINISTRIES	San Antonio	Day Habilitation Summer Camp
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Day Habilitation Summer Camp
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Applied Behavioral Analysis
ABA CENTER FOR EXCELLENCE	San Antonio	Applied Behavioral Analysis
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Applied Behavioral Analysis
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Applied Behavioral Analysis
SOUTH TEXAS BEHAVIORAL INSTITUTE	San Antonio	Applied Behavioral Analysis
WORKACCESS INC.	San Antonio	Applied Behavioral Analysis
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Speech & Language Services
HOMELIFE COMMUNITY SERVICES	San Antonio	Counseling Services
WORKACCESS, INC	San Antonio	Counseling Services

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
(CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

Name	City	Type of Service	Amount
September - December 2013			
CHCS - CALIDAD - DREXEL	San Antonio	Vocational Training	\$ 970
CHCS - CALIDAD - CONVERSE	Converse	Respite Hourly - Out of Home	2,760
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - Out of Home	1,275
LIFELINE CARE AND SERVICES, LLC	San Antonio	Respite Hourly - Out of Home	2,040
MOSAIC	Live Oak	Respite Hourly - Out of Home	784
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Respite Hourly - Out of Home	210
CHCS - CALIDAD - CONVERSE	Converse	Respite Daily - Out of Home	300
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - Out of Home	450
LIFETIME LIVING, INC.	San Antonio	Respite Daily - Out of Home	150
CHCS - CALIDAD - CONVERSE	Converse	Respite Hourly - In Home	4,838
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - In Home	13,684
LIFELINE CARE AND SERVICES, LLC	San Antonio	Respite Hourly - In Home	2,546
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - In Home	1,511
MILAGRO DISCOVERY	San Antonio	Respite Hourly - In Home	499
MOSAIC	Live Oak	Respite Hourly - In Home	720
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Respite Hourly - In Home	1,523
CHCS - CALIDAD - CONVERSE	Converse	Respite Daily - In Home	150
LIFELINE CARE AND SERVICES, LLC	San Antonio	Respite Daily - In Home	900
MILAGRO DISCOVERY	San Antonio	Respite Daily - In Home	150
MOSAIC	Live Oak	Respite Daily - In Home	300
ANGEL CARE CENTER OF SAN ANTONIO	San Antonio	Day Programming	1,450
CHCS - CALIDAD - DREXEL	San Antonio	Day Programming	1,189
ESTRELLA DE MAR, INC.	San Antonio	Day Programming	276
HOMELIFE COMMUNITY SERVICE	San Antonio	Day Programming	3,799
LIFETIME LIVING, INC.	San Antonio	Day Programming	4,376
MILAGRO DISCOVERY	San Antonio	Day Programming	381
MISSION ROAD MINISTRIES	San Antonio	Day Programming	3,442
MOSAIC	San Antonio	Day Programming	3,117
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Day Programming	1,289
THE ARC OF SAN ANTONIO	San Antonio	Day Programming	42,716
UNICORN CENTER, INC.	San Antonio	Day Programming	15,197
UNIVERSITY UNITED METHODIST CHURCH	San Antonio	Day Programming	4,047
UNICORN CENTER, INC.	San Antonio	Head Start	1,460
ABA CENTER FOR EXCELLENCE LLC	San Antonio	Community Support	1,896
CHCS - CALIDAD - DREXEL	San Antonio	Community Support	19,933
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Community Support	1,547
HOMELIFE COMMUNITY SERVICE	San Antonio	Community Support	12,198
LIFELINE CARE AND SERVICES, LLC	San Antonio	Community Support	9,580
LIFETIME LIVING, INC.	San Antonio	Community Support	6,868
MILAGRO DISCOVERY	San Antonio	Community Support	1,989

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
(CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>	<u>Amount</u>
MOSAIC	San Antonio	Community Support	\$ 74
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Community Support	5,024
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Community Support	799
UNICORN CENTER, INC.	San Antonio	Community Support	10,073
CHCS - CALIDAD - DREXEL	San Antonio	Supported Employment	48
UNICORN CENTER, INC.	San Antonio	Supported Employment	964
CHCS - CALIDAD - DREXEL	San Antonio	Employment Assistance	184
HOMELIFE COMMUNITY SERVICES	San Antonio	Employment Assistance	393
UNICORN CENTER, INC.	San Antonio	Employment Assistance	179
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Behavioral Support	1,110
ABA CENTER FOR EXCELLENCE LLC	San Antonio	Behavioral Support	268
HOMELIFE COMMUNITY SERVICES	San Antonio	Behavioral Support	478
SOUTH TEXAS BEHAVIORAL INSTITUTE	San Antonio	Behavioral Support	7,537
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Safety Net	91,668
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Applied Behavioral Analysis	3,073
ABA CENTER FOR EXCELLENCE LLC	San Antonio	Applied Behavioral Analysis	383
SOUTH TEXAS BEHAVIORAL INSTITUTE	San Antonio	Applied Behavioral Analysis	1,581
HOMELIFE COMMUNITY SERVICES	San Antonio	Nursing Services	306

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF LEGAL SERVICES
YEAR ENDED DECEMBER 31, 2013
(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, 2013
(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, 2013
(UNAUDITED)**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS
ALAMO LOCAL AUTHORITY
SCHEDULE OF BONDED EMPLOYEES
YEAR ENDED DECEMBER 31, 2013
(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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 27, 2014.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Board of Directors
Alamo Area Council of Governments

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*.

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

San Antonio, Texas
June 27, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133 AND THE STATE OF TEXAS UNIFORM
GRANT MANAGEMENT STANDARDS**

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

Report on Compliance for Each Major Federal and State Program

We have audited Alamo Area Council of Governments' (the Council's) compliance 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, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Council complied, in all material respects, with the 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, 2013.

Report on 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Circular A-133* and UGMS. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

San Antonio, Texas
June 27, 2014

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

An unmodified 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 unmodified 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 the State of Texas Uniform Grant Management Standards? ___ Yes X No

Identification of Major Federal Programs:

81.042	Weatherization Assistance for Low Income Persons
20.509	Formula Grants for Other than Urbanized Areas
20.205	Highway Planning and Construction
17.258, 17.259	WIA Cluster
10.561	Supplemental Nutrition Assistance Program

Identification of Major State Programs:

Rural Public Transportation
9-1-1 Emergency Communications

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

Dollar threshold used to distinguish between type A and type B programs?	<u>\$613,086</u> – Federal
	<u>\$300,000</u> – State
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013
(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

NONE

SECTION V – CORRECTIVE ACTION PLAN

N/A

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
Primary Government			
<u>U.S. Department of Commerce</u>			
Passed through Economic Development Administration			
Economic Development Support for Planning	08-83-04746	11.302	\$ 47,737
<i>Total U.S. Department of Commerce</i>			47,737
<u>U.S. Department of Transportation</u>			
Passed through the Metropolitan Planning Organization			
Highway Planning and Construction	2011-2013	20.205	263,945
Highway Planning and Construction	2013-2015	20.205	52,187
<i>Total</i>			316,132
Passed through Texas Department of Transportation			
Highway Planning and Construction	0915-12-485	20.205	(42)
Highway Planning and Construction	0915-12-491	20.205	157,021
Highway Planning and Construction	0915-12-492	20.205	77,217
Formula Grants for Other than Urbanized Areas	51115F7040	20.509	11,792
Formula Grants for Other than Urbanized Areas	51215F7074	20.509	9,098
Formula Grants for Other than Urbanized Areas	51315F7171	20.509	731,080
Formula Grants for Other than Urbanized Areas	51215F7199	20.509	770,168
Elderly & Disabled	514157094	20.513	5,973
FTA Section 5307-UZA		20.507	99,820
Assistance Program for Elderly Persons and Persons with Disabilities	51215F7181	20.513	185,000
State Planning and Research	51315F7129	20.515	80,567
State Planning and Research	51315F7070	20.515	39,715
State Planning and Research	51415F7069	20.515	655
National Highway Traffic Safety Administration	584EGF7141	20.616	3,619
<i>Total</i>			2,171,683
Passed through VIA Metropolitan Transit			
New Freedom Program	TX-57-X032-00	20.521	260,948
<i>Total</i>			260,948
<i>Total U.S. Department of Transportation</i>			2,748,763

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
Primary Government - Continued			
<u>U.S. Department of Housing & Urban Development</u>			
HUD-Section 8 Housing Choice Vouchers	TX564	14.871	428,435
Passed through Texas Department of Rural Affairs Community Development Block Grants	C711221	14.228	<u>6,216</u>
Total			6,216
<i>Total U.S. Department of Housing and Urban Development</i>			434,651
<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	408,787
Special Programs for the Aging Title VII, Chapter 2	539-11-0004-00001	93.042	60,335
Special Programs for the Aging Title III Part D	539-11-0004-00001	93.043	80,218
Special Programs for the Aging - Title III Part B	539-11-0004-00001	93.044	1,030,412
Special Programs for the Aging - Title III Part C	539-11-0004-00001	93.045	2,455,219
National Family Caregiver Support Title III, Part E	539-11-0004-00001	93.052	452,622
Nutrition Services Incentive Program	539-11-0004-00001	93.053	762,843
Lifespan Respite Care Program	539-12-0000065728-M2	93.072	226,460
Aging and Disabilities Resource Center	539-11-0007-00001	93.778	135,439
Centers for Medicare & Medicaid Services (CMS)	539-08-0162-00001	93.779	140,875
Money Follows the Person Rebalancing Demonstration	539-11-0004-00001	93.791	6,884
Passed through United Way of Tarrant County Cooperative Agreement to Support Navigators in Federally- facilitated and State Partnership Exchanges			
		93.750	<u>166,603</u>
Total			5,926,697
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	3,393
Special Programs for the Aging Title 7, Chapter 2	539-11-0001-00001	93.042	24,596
Special Programs for the Aging Title III Part D	539-11-0001-00001	93.043	36,466
Special Programs for the Aging - Title III Part B	539-11-0001-00001	93.044	632,776
Special Programs for the Aging - Title III Part C	539-11-0001-00001	93.045	1,078,766
National Family Caregiver Support Title III, Part E	539-11-0001-00001	93.052	261,834
Nutrition Services Incentive Program	539-11-0001-00001	93.053	131,858
Money Follows the Person Rebalancing Demonstration	539-11-0001-00001	93.791	17,446
Centers for Medicare & Medicaid Services (CMS)	539-11-0001-00001	93.779	76,495
Passed through United Way of Tarrant County Cooperative Agreement to Support Navigators in Federally- facilitated and State Partnership Exchanges			
		93.750	<u>47,602</u>
Total			2,311,232

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013
(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 City of San Antonio			
Childcare and Development Block Grant	46000	93.575	408,755
Childcare and Development Block Grant	4600012788	93.575	<u>119,713</u>
Total			528,468
Passed through Texas Department of Housing and Community Affairs			
Low-Income Home Energy Assistance Program	81120001393	93.568	223,242
Low-Income Home Energy Assistance Program	81130001715	93.568	<u>697,058</u>
Total			920,300
Passed through Alamo Area Development Corporation			
Temporary Assistance for Needy Families	CC20011001	93.558	545,359
Temporary Assistance for Needy Families	CC20011001-01	93.558	<u>152,186</u>
Total			<u>697,545</u>
<i>Total U.S. Department of Health and Human Services</i>			10,384,242
<u>U.S. Department of Criminal Justice</u>			
Passed through Office of the Governor - Criminal Justice Division			
Investigative Topics for VAWA	WF-12-V30-26107-01	16.588	68,411
Investigative Topics for VAWA	WF-12-V30-26107-02	16.588	<u>15,691</u>
<i>Total U.S. Department of Criminal Justice</i>			84,102

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
Primary Government - Continued			
<u>U.S. Department of Labor</u>			
Passed through Workforce Solutions Alamo			
Committee of Six Support		17.000	12,000
Committee of Six Support		17.000	12,000
Re-Entry	CC2011001-01	17.258	40,545
Re-Entry	CC2011001-01	17.258	16,875
WIA Adult	CC20011001	17.258	235,824
WIA Adult	CC20011001-01	17.258	74,477
WIA Youth Activities	CC20011001	17.259	607,406
WIA Youth Activities	CC20011001-01	17.259	111,475
WIA Dislocated Workers	CC20011001	17.260	304,612
WIA Dislocated Workers	CC20011001-01	17.260	106,023
<i>Total U.S. Department of Labor</i>			1,521,237
<u>U.S. Department of Energy</u>			
Passed through Texas Department of Housing and Community Affairs			
ARRA- Weatherization Assistance for Low Income Person	16090001668	81.042	602,709
Weatherization Assistance for Low Income Persons	56120001470	81.042	57,532
Weatherization Assistance for Low Income Persons	56120001470	81.042	9,373
Clean Cities - Implementation Initiatives to Advance Altern	DE-FOA-0000708	81.086	38,744
Reducing the Environmental Impact of Gas Shale Develop	11122-45	81.089	295
<i>Total U.S. Department of Energy</i>			708,653
<u>U.S. Department of Homeland Security</u>			
State Homeland Security Program (SHSP)	09-GA 99001-07	97.073	(8,759)
State Homeland Security Program (SHSP)	11-SR-99001-04	97.067	163,942
State Homeland Security Program (SHSP)	12-SR-99001-01.02	97.073	116,890
State Homeland Security Program (SHSP)	13-SR-99001-01.02	97.067	75,050
<i>Total U.S. Department of Homeland Security</i>			347,123

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
FEDERAL AWARDS			
Primary Government - Continued			
<u>U.S. Department of Agriculture</u>			
Passed through Workforce Solutions Alamo State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001	10.561	215,863
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001-01	10.561	<u>39,397</u>
<i>Total U.S. Department of Agriculture</i>			255,260
<u>U.S. Department of Veteran's Affairs</u>			
Home and Community Based Services		64.022	<u>68,539</u>
<i>Total U.S. Department Veteran Affairs</i>			68,539
Total Federal Grant Funds - Primary Government			<u>16,600,307</u>
FEDERAL AWARDS			
Discretely Presented Component Unit			
<u>U.S. Department of Criminal Justice</u>			
Passed through Office of the Governor - Criminal Justice Division Investigative Topics for VAWA	WF-12-V30-26107-02	16.588	<u>(3,140)</u>
<i>Total U.S. Department of Criminal Justice</i>			(3,140)
<u>U.S. Department of Health and Human Services</u>			
Passed through City of San Antonio Childcare and Development Block Grant	46000	93.575	408,896
Childcare and Development Block Grant	4600012788	93.575	<u>119,718</u>
Total			528,614
Passed through Alamo Area Development Corporation Temporary Assistance for Needy Families	CC20011001	93.558	584,697
Temporary Assistance for Needy Families	CC2011001-01	93.558	<u>164,454</u>
Total			749,151
<i>Total U.S. Department of Health and Human Services</i>			1,277,765

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013
(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 Labor</u>			
Passed through Workforce Solutions Alamo			
WIA Adult	CC2011001	17.258	486,597
WIA Adult	CC2011001-01	17.258	139,256
WIA Youth OSY (Out of School Youth)	CC2011001	17.259	465,886
WIA Youth OSY (Out of School Youth)	CC2011001-01	17.259	72,224
WIA Youth OSY (In School Youth)	CC2011001	17.259	256,904
WIA Youth OSY (In School Youth)	CC2011001-01	17.259	52,453
WIA Dislocated Workers	CC2011001	17.260	563,200
WIA Dislocated Workers	CC2011001-01	17.260	<u>162,622</u>
<i>Total U.S. Department of Labor</i>			2,199,142
<u>U.S. Department of Agriculture</u>			
Passed through Workforce Solutions Alamo			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001	10.561	304,012
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001	10.561	<u>58,104</u>
<i>Total U.S. Department of Agriculture</i>			362,116
Total Federal Grant Funds - Discretely Presented Component Unit			<u>3,835,883</u>
TOTAL FEDERAL GRANT FUNDS			<u><u>20,436,190</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
<u>STATE AWARDS</u>			
Primary Government			
<u>Texas Department of Aging and Disability Services</u>			
State General Revenue - Mental Retardation - FY 2013	539-12-0120-00001		2,267,397
State General Revenue - Mental Retardation - FY 2014	2014-2015		1,268,874
Aging State General Revenue - Alamo	539-11-0001-00001		135,059
Aging State General Revenue - Bexar	539-11-0004-00001		<u>164,368</u>
<i>Total Texas Department of Aging and Disability Services</i>			3,835,698
<u>Texas Commission on Environmental Quality</u>			
Air Quality	582-11-11219		331,005
Air Quality	582-14-40051		29
Solid Waste Resource Recovery	582-12-10142		453,989
Solid Waste Resource Recovery	582-14-40571		65,321
Mining & Quarry Equipment Emissions Inventory	582-11-11219		<u>19,171</u>
<i>Total Texas Commission of Environmental Quality</i>			869,515
<u>Commission on State Emergency Communications</u>			
911 Emergency Communications	FY 2011		228,476
911 Emergency Communications	FY 2013		851,748
911 Emergency Communications	FY 2014		<u>260,316</u>
<i>Total Commission on State Emergency Communications</i>			1,340,540
<u>Texas Department of Transportation</u>			
Rural Public Transportation	51315F7001		1,160,087
Rural Public Transportation	51415F7001		<u>617,150</u>
<i>Total Texas Department of Transportation</i>			1,777,237
<u>Office of the Governor - Criminal Justice Division</u>			
Regional Police Training Program	SF-11-A10-14859-13		512,878
Regional Police Training Program	SF-11-A10-14859-14		151,137
Criminal Justice Planning	30010618		110,042
Juvenile Justice Training and Counseling	SF-13-J20-25822-01		<u>214,977</u>
<i>Total Office of the Governor - Criminal Justice Division</i>			989,034

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
<u>STATE AWARDS</u>			
Primary Government - Continued			
<u>Texas Veterans Commission</u>			
FVA	VHA_12_0079		75
FVA	VHA_13_0123		59,726
FVA	FVA_13A_0125		<u>10,886</u>
<i>Total Texas Veterans Commission</i>			<u>70,687</u>
Total State Grant Funds - Primary Government			8,882,711
<u>STATE AWARDS</u>			
Discretely Presented Component Unit			
<u>Texas Veterans Commission</u>			
FVA	VHA_12_0079		75
FVA	VHA_13_0123		201,210
FVA	FVA_13A_0125		<u>62,160</u>
<i>Total Texas Veterans Commission</i>			<u>263,445</u>
<u>Workforce Solutions Alamo</u>			
WIA Reintegration of Ex-Offenders			40,582
WIA Reintegration of Ex-Offenders			<u>16,935</u>
<i>Total Workforce Solutions Alamo</i>			57,517
Total State Grant Funds - Discretely Presented Component Unit			<u>320,962</u>
TOTAL STATE GRANT FUNDS			<u><u>9,203,673</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, 2013, 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 71.