

ALAMO AREA DEVELOPMENT CORPORATION

FINANCIAL REPORT

DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Alamo Area Development Corporation
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alamo Area Development Corporation (a component unit of Alamo Area Council of Governments, the "Corporation") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Corporation'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Corporation as of December 31, 2014, 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 and 5 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 Corporation's basic financial statements. The combining and individual nonmajor fund financial statements, 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 combining and individual nonmajor fund financial statements are the responsibility of management, were derived from, and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the

Board of Directors
Alamo Area Development Corporation

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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 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 July 22, 2015, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

July 22, 2015
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Alamo Area Development Corporation (AADC) received its 2014 major funding from the Workforce Solutions Alamo, City of San Antonio, and the Texas Veterans Commission, respectively. AADC also received funding from various local contributors.

	2014	2013
Revenues		
Program revenues:		
Operating grants and contributions	\$ 1,440,340	\$ 4,376,519
Total revenues	1,440,340	4,376,519
Expenses		
General government	4,954	221,789
Workforce development	1,188,499	4,159,986
Aging	20,318	39,142
Community affairs	125,217	-
Transportation	70,000	-
Criminal justice	4,800	-
Total expenses	1,413,788	4,420,917
Change in net position	26,552	(44,398)
Net position, beginning of year	25,778	70,176
Net position, end of year	\$ 52,330	\$ 25,778

AADC's fiscal year 2014 reflects \$1,440,340 of federal, state and local revenue and \$1,413,788 in total expenditures. When comparing 2014 actual revenues and expenses to 2013, the decrease of \$2,936,179 in revenues and the decrease of \$3,007,129 in expenses are due to less Workforce development program funding received in 2014.

	2014	2013
Total assets	\$ 319,062	\$ 925,735
Total liabilities	266,732	899,957
Total net position	\$ 52,330	\$ 25,778

AADC's combined fund balance at December 31, 2014 is \$52,330. The General fund balance is \$1,372 for an increase of \$26,193 when compared to the December 31, 2013 ending general fund balance. The increase is primarily due to the reimbursement for the cost of the Eagle Ford Shale study from the Alamo Area Council of Governments in 2014. The special revenue fund balance at December 31, 2014 is \$50,958, an increase of \$359 when compared to the December 31, 2013 ending special revenue fund balance.

The Alamo Area Development Corporation's Board of Directors' approved a \$1,618,249 annual budget for fiscal year 2014. AADC earned 89% of the budgeted revenues and expensed 89% of the budgeted expenses for year ending December 31, 2014. The difference is primarily due to the TVC grants that were extended to 2015.

AADC's funding will decrease in 2015 as the AADC contract with the Workforce program ended effective April 1, 2014, and as of September 30, 2014, the AADC will no longer serve as the provider for the City of San Antonio, Child Care program. The primary source of funding is from the Texas Veteran's Commission for Veteran Services.

BASIC FINANCIAL STATEMENTS

**ALAMO AREA DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION
DECEMBER 31, 2014**

ASSETS

Cash and investments	\$ 126,242
Intergovernmental receivables	192,820

Total assets 319,062

LIABILITIES

Accounts payable	178,868
Accrued liabilities	918
Unearned revenue	86,946

Total liabilities 266,732

NET POSITION

Restricted	52,510
Unrestricted	(180)

Total net position \$ 52,330

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

**ALAMO AREA DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES			
General government	\$ 4,954	\$ 31,147	\$ 26,193
Workforce development	1,188,499	1,187,150	(1,349)
Aging	20,318	22,026	1,708
Community affairs	125,217	125,217	-
Transportation	70,000	70,000	-
Criminal justice	4,800	4,800	-
Total governmental activities	<u>\$ 1,413,788</u>	<u>\$ 1,440,340</u>	26,552
CHANGE IN NET POSITION			26,552
NET POSITION, beginning of year			<u>25,778</u>
NET POSITION, end of year			<u>\$ 52,330</u>

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

**ALAMO AREA DEVELOPMENT CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	General	Workforce Solutions Alamo	Bexar Alamo Aging	City of San Antonio	Texas Veteran Commission	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 126,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,242
Intergovernmental receivables	740	76,292	-	109,476	4,198	2,114	192,820
Due from other funds	-	-	32,945	18,013	107,900	30,519	189,377
Total assets	\$ 126,982	\$ 76,292	\$ 32,945	\$ 127,489	\$ 112,098	\$ 32,633	\$ 508,439
LIABILITIES							
Accounts payable	\$ -	\$ 11,394	\$ -	\$ 127,286	\$ 36,390	\$ 3,798	\$ 178,868
Accrued liabilities	918	-	-	-	-	-	918
Unearned revenue	-	1,765	5,683	-	75,708	3,790	86,946
Due to other funds	124,692	64,685	-	-	-	-	189,377
Total liabilities	125,610	77,844	5,683	127,286	112,098	7,588	456,109
FUND BALANCES							
Restricted							
Grants	-	-	27,262	203	-	25,045	52,510
Unassigned							
General fund	1,372	(1,552)	-	-	-	-	(180)
Total fund balances (deficits)	1,372	(1,552)	27,262	203	-	25,045	52,330
TOTAL LIABILITIES AND FUND BALANCES	\$ 126,982	\$ 76,292	\$ 32,945	\$ 127,489	\$ 112,098	\$ 32,633	\$ 508,439

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

**ALAMO AREA DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014**

	General	Workforce Solutions Alamo	Bexar Alamo Aging	City of San Antonio	Texas Veteran Commission	Other Governmental Funds	Total Governmental Funds
REVENUES							
Federal	\$ -	\$ 693,125	\$ -	\$ 494,025	\$ -	\$ -	\$ 1,187,150
State	-	-	-	-	117,756	-	117,756
Local	31,147	-	2,003	-	-	102,284	135,434
Total revenues	31,147	693,125	2,003	494,025	117,756	102,284	1,440,340
EXPENDITURES							
General government	4,954	-	-	-	-	-	4,954
Workforce development	-	694,677	-	493,822	-	-	1,188,499
Aging	-	-	11,213	-	-	9,105	20,318
Community affairs	-	-	-	-	117,756	7,461	125,217
Transportation	-	-	-	-	-	70,000	70,000
Criminal justice	-	-	-	-	-	4,800	4,800
Total expenditures	4,954	694,677	11,213	493,822	117,756	91,366	1,413,788
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,193	(1,552)	(9,210)	203	-	10,918	26,552
FUND BALANCES, (DEFICITS), beginning of year	(24,821)	-	36,472	-	-	14,127	25,778
FUND BALANCES (DEFICITS), end of year	\$ 1,372	\$ (1,552)	\$ 27,262	\$ 203	\$ -	\$ 25,045	\$ 52,330

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

**ALAMO AREA DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Reporting Entity

In 1995, Alamo Area Council of Governments (AACOG) formed a nonprofit organization, Alamo Area Development Corporation (the Corporation). The Corporation is governed by a board of seven directors, of which four directors are also members of the governing body of AACOG. The Corporation is reported as a discretely presented component unit of AACOG.

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. For the most part, the effect of 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 segments are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions 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 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 Corporation reports the following major governmental funds:

The *General Fund* is the Corporation'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 *Workforce Solutions Alamo Fund* is used to account for federal and state grants awarded to the Corporation by Workforce Solutions Alamo.

The Bexar Alamo Aging Fund is used to account for federal and state grants awarded to the Corporation by Texas Department of Aging and Disability Services.

The City of San Antonio Fund is used to account for federal grants awarded to the Corporation by the City of San Antonio.

**ALAMO AREA DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Texas Veteran Commission Fund is used to account for state grants awarded to the Corporation by Veteran's Housing Authority.

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, deferred inflows/outflows, 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 assets. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 Corporation 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.

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

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

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

**ALAMO AREA DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Tax

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation had no unrelated business income during the year ended December 31, 2014. Accordingly, no provision for income taxes is made in the accompanying financial statements.

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

Unearned revenue also arises when resources are received by the Corporation, 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 revenue recognition criteria is met or when the Corporation has a legal claim to the resources, the liability for the unearned revenue is removed from the balance sheet and revenue is recognized.

Cash and Investments

Cash and investments are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash and investments in the Corporation's financial statements include amounts in demand deposits and public investment pools. Interest is distributed according to each fund's relative percentage of the total pool.

State statutes authorize the Corporation to invest in obligations of the United States, its agencies, certificates of deposits with banks and savings and loan associations, banker's acceptances, commercial paper, mutual funds, investment pools and repurchase agreements with underlying collateral of government securities. Investments for the Corporation are reported at fair value.

Intergovernmental Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). All the other outstanding balances between funds are also reported as "due to/from other funds." The Corporation had no "advances to/from other funds" at December 31, 2014.

**ALAMO AREA DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cost Allocation Plan

The Corporation uses an administrative cost pool to allocate administrative costs, which cannot be identified by specific program. These costs are allocated based on some acceptable measure of benefits received. Only actual, not budgeted, unassigned direct costs are pooled and distributed to the various programs.

The plan is reviewed annually for modification, addition/deletion of funding sources, significant changes in the programs or cost pool expenditures, or other events, which could affect the reliability of the cost allocation plan.

Net Position and Fund Balance

Net position represents the difference between assets, deferred inflows/outflows, and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund balance classifications, under GASB 54 are non-spendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

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

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form, or for legal or contractual reasons, must be kept intact. At December 31, 2014, the Corporation had no nonspendable fund balance amounts.

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 Corporation 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, 2014, the Corporation had no committed fund balance amounts.

**ALAMO AREA DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Position and Fund Balance– Continued

Assigned – includes fund balance amounts that are self-imposed by the Corporation to be used for a particular purpose. Fund balance can be assigned by the Board of Directors pursuant to the Corporation’s fund balance policy. At December 31, 2014, the Corporation 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 Corporation’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.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The Corporation’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 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 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 Corporation. Although the financial plans are reviewed and approved by the Corporation’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 3. CASH AND INVESTMENTS

Deposits

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Corporation’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.

**ALAMO AREA DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 4. INTERFUND RECEIVABLES AND PAYABLES

The Corporation pools cash in one bank account that 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, 2014, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental funds	Workforce Solutions Alamo	\$ 31,740
Bexar Alamo Aging	Workforce Solutions Alamo	32,945
City of San Antonio	General	16,792
Texas Veteran Commission	General	107,900
		<u>107,900</u>
		<u>\$ 189,377</u>

NOTE 5. UNEARNED REVENUE

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Grant funds	\$ -	\$ 86,946	\$ 86,946
	<u>\$ -</u>	<u>\$ 86,946</u>	<u>\$ 86,946</u>

NOTE 6. CONTINGENCIES

Risk Management

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

**ALAMO AREA DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. CONTINGENCIES – CONTINUED

Contingencies

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

Agencies expending \$500,000 or more in Corporation grant funds are required to have an independent audit each year. Copies of such audits are required to be submitted to the Corporation. 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 Corporation or the subcontractor. The Corporation generally has the right of recovery from the subcontracted agencies.

NOTE 7. FEDERAL AND STATE AWARDS

The Corporation is a discretely presented component unit of AACOG. The entire financial reporting entity of the AACOG is considered on a combined basis for single audit purposes. Accordingly, the Corporation's federal and state programs are included within the scope of the AACOG's single audit.

NONMAJOR GOVERNMENTAL FUNDS

**ALAMO AREA DEVELOPMENT CORPORATION
COMBINING BALANCE SHEET
DECEMBER 31, 2014**

	Special Revenue			
	Office of the Governor Criminal Justice Division	Other Local Funds	Ryan White	VIA Metropolitan Transit
ASSETS				
Intergovernmental receivables	\$ -	\$ -	\$ 1,602	\$ -
Due from other funds	3,622	17,858	-	1,500
Total assets	\$ 3,622	\$ 17,858	\$ 1,602	\$ 1,500
LIABILITIES				
Accounts payable	\$ -	\$ 3,798	\$ -	\$ -
Unearned revenue	-	2,290	-	1,500
Total liabilities	-	6,088	-	1,500
FUND BALANCES				
Restricted Grants	3,622	11,770	1,602	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,622	\$ 17,858	\$ 1,602	\$ 1,500

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

**ALAMO AREA DEVELOPMENT CORPORATION
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(CONTINUED)**

	Special Revenue		
	TX Department of Housing and Community Affairs	Texas Department of Transportation	Total Nonmajor Governmental Funds
ASSETS			
Intergovernmental receivables	\$ -	\$ 512	\$ 2,114
Due from other funds	7,539	-	30,519
Total assets	\$ 7,539	\$ 512	\$ 32,633
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 3,798
Unearned revenue	-	-	3,790
Total liabilities	-	-	7,588
FUND BALANCES			
Restricted Grants	7,539	512	25,045
TOTAL LIABILITIES AND FUND BALANCE	\$ 7,539	\$ 512	\$ 32,633

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

**ALAMO AREA DEVELOPMENT CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014**

	Special Revenue			
	Office of the Governor Criminal Justice Division	Other Local Funds	Ryan White	VIA Metropolitan Transit
REVENUES				
Local	\$ -	\$ 15,170	\$ 1,602	\$ -
Total revenues	-	15,170	1,602	-
EXPENDITURES				
Aging	-	9,105	-	-
Community affairs	-	-	-	-
Transportation	-	-	-	-
Criminal justice	-	4,800	-	-
Total expenditures	-	13,905	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	1,265	1,602	-
FUND BALANCES, beginning of year	3,622	10,505	-	-
FUND BALANCES, end of year	\$ 3,622	\$ 11,770	\$ 1,602	\$ -

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

**ALAMO AREA DEVELOPMENT CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	Special Revenue		
	TX Department of Housing and Community Affairs	Texas Department of Transportation	Total Nonmajor Governmental Funds
REVENUES			
Local	\$ 15,000	\$ 70,512	\$ 102,284
Total revenues	15,000	70,512	102,284
EXPENDITURES			
Aging	-	-	9,105
Community affairs	7,461	-	7,461
Transportation	-	70,000	70,000
Criminal justice	-	-	4,800
Total expenditures	7,461	70,000	91,366
EXCESS OF REVENUES OVER EXPENDITURES	7,539	512	10,918
FUND BALANCES, beginning of year	-	-	14,127
FUND BALANCES, end of year	\$ 7,539	\$ 512	\$ 25,045

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



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 Development Corporation
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, each major fund, and the aggregate remaining fund information of the Alamo Area Development Corporation (the Corporation), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated July 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation'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 Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Development Corporation

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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 Corporation'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
July 22, 2015