

**ALAMO AREA  
COUNCIL OF GOVERNMENTS**

**SAN ANTONIO, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2009**



**ALAMO AREA COUNCIL OF GOVERNMENTS**

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# **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

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

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, 2009, which collectively comprise the Council's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Council, as of December 31, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 15, 2010, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The combining nonmajor fund financial statements and supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by 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 also is not a required part of the basic financial statements of the Council. The combining nonmajor fund financial statements, supplementary schedules (except for those marked "unaudited," or which we express no opinion) and the Schedule of Expenditures of Federal and State Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Pattillo, Brown & Hill, LLP*

April 15, 2010

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Alamo Area Council of Governments' (AACOG) 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, 2009. 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 AACOG exceeded its liabilities at the close of the most recent fiscal year by \$11,022,108 (net assets). Of this amount, \$1,246,422 (unrestricted net assets) is unrestricted. This reflects an increase of \$924,582.
- ◆ As of the close of the current fiscal year, AACOG's governmental funds financial statements reported combined ending fund balances of \$5,580,147. The unreserved and undesignated amount in the General Fund that is available for operations is \$1,101,312.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to AACOG'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 AACOG's finances in a manner similar to a private-sector business.

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

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

**Fund Financial Statements** – A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. AACOG, 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*.

AACOG maintains 24 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each major fund: the General Fund, the Bexar Area Agency on Aging Fund, the Texas Department of Transportation Fund, the Bexar Mental Retardation Authority Fund, the Alamo Area Development Corporation Fund and the Alamo Area Agency on Aging Fund. The basic governmental fund financial statements can be found on pages 11 through 15 of this report.

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. AACOG’s assets exceeded liabilities by \$11,022,108 at December 31, 2009. The following table reflects the condensed Statement of Net Assets compared to prior year.

#### Alamo Area Council of Government’s Statement of Net Assets

	Total	
	2009	2008
Assets:		
Current and other assets	\$ 10,671,648	\$ 9,956,431
Capital assets	5,530,016	5,323,909
Total assets	<u>16,201,664</u>	<u>15,280,340</u>
Liabilities:		
Current liabilities	4,808,025	4,862,679
Noncurrent liabilities	371,531	320,135
Total liabilities	<u>5,179,556</u>	<u>5,182,814</u>
Net assets:		
Invested in capital assets	5,530,016	5,323,909
Restricted for grant purposes	4,245,670	3,541,665
Unrestricted	<u>1,246,422</u>	<u>1,231,952</u>
Total net assets	<u>\$ 11,022,108</u>	<u>\$ 10,097,526</u>

The balance of *unrestricted net assets* (\$1,246,422) 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, 2009, as compared to the year ended December 31, 2008. The Council's net assets increased by \$924,582.

Expenses:		
General government	\$ 30,355	\$ 168,274
Workforce development	3,313,710	2,891,519
Aging	14,373,314	13,691,487
Emergency communications	1,716,584	1,249,277
Economic development	70,131	53,874
Environmental quality	1,648,712	1,363,596
Community affairs	2,052,388	1,260,106
Homeland security	937,369	827,749
Transportation	4,118,625	3,877,107
Housing	540,811	558,323
Criminal justice	1,150,753	1,022,560
Health and welfare	6,504,210	7,166,280
Interest on long-term debt	-	3,326
Total expenses	<u>36,456,962</u>	<u>34,133,478</u>
Change in net assets	924,582	2,697,559
Net assets, beginning	<u>10,097,526</u>	<u>7,399,967</u>
Net assets, ending	<u>\$ 11,022,108</u>	<u>\$ 10,097,526</u>

The Council's increase to net assets is due to program capital expenditures for the Rural Public Transportation (RPT), Job Access Reverse Commute (JARC) programs and building improvements for the Information Technology department as well as program earnings from the RPT Medical Transportation and the Bexar Mental Retardation Service Coordination programs.

The program capital expenditures for fiscal year 2009 totaled \$1,615,984 which was used to purchase vehicles, a surveillance system, communication software and to replace the cooling system in the IT department.

The RPT program purchased a total of twenty-two vehicles through funding from the American Recovery Reinvestment Act (ARRA), Vehicle Capital Replacement (VCR) and Local funding. Sixteen of the twenty-two vehicles were purchased with ARRA funding. These vehicles will enhance the fleet to accommodate the rapid growth in ridership and serve as replacements for eight retired vehicles.

The RPT program also installed a surveillance system at the Kerrville Transportation Center for added security and updated the vehicles with Mobile Data Computers (MDC) which are used to streamline communications between the drivers and dispatchers.

The JARC program added one fifteen passenger van that will support the Atascosa, Medina and Frio counties.

The IT department replaced the cooling system for the office that contains the agency servers which support the various AACOG networks.

**Comparisons to 2008 Expenditures/Funding**

The Council's revenues increased by \$468,631 and expenditures increased by \$1,251,067 from fiscal 2008 to 2009. The overall agency budget for 2009 increased due to the Bexar Mental Retardation, Rural Public Transportation, Weatherization and various ARRA funding.

**BUDGETARY HIGHLIGHTS**

The financial plan for AACOG is drafted on a grant basis, which spans more than one fiscal year. Although the financial plan is reviewed and approved by the AACOG'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**

	Governmental Activities	
	2009	2008
Capital assets	\$ 10,297,955	\$ 9,682,516
Less: accumulated depreciation	( 4,767,939)	( 4,358,607)
Total capital assets, net	\$ 5,530,016	\$ 5,323,909



The RPT program purchased a total of twenty-two vehicles, a surveillance system and mobile data computers for the programs vehicles, which totaled \$1,539,800 of the \$1,615,984 expended in 2009.

The JARC program added one fifteen passenger van for a total of \$66,330.

The IT department replaced the cooling system in the amount of \$9,854.

## **ECONOMIC FACTORS AND NEXT YEAR'S FINANCIAL PLAN**

The Council's projected 2010 annual budget is \$48,259,777 which includes twelve months of ARRA funding and the implementation of the Home and Community Based Services for the MRA program which is projected to start June 1, 2010. The increase from 2009 is \$11,648,104 or a 31.8% from the actual 2009 expenditures.

The Council's combined ending fund balances of \$5,580,147 include \$3,962,194 of dedicated program fund balances and \$1,617,953 of general fund balance. From the general fund balance, \$371,531 is designated for compensated absences and \$1,246,422 is available for the Agency's operational costs. The Council increased the general fund balance by \$166,666 for 2009 and is projected to increase by \$70,358 in 2010.

The Council negotiated an expansion to the current lease with Cotter & Sons for approximately 14,365 additional rentable square feet during 2009. The additional space is to accommodate the new HCS-BMRA program and to accommodate the growth within the Alamo Area Law Enforcement Academy. The term on the building lease remains the same and terminates on December 31, 2012.

## **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 Controller's Office, Alamo Area Council of Governments, 8700 Tesoro Drive, San Antonio, Texas 78217.

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**BASIC  
FINANCIAL STATEMENTS**

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# ALAMO AREA COUNCIL OF GOVERNMENTS

## STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	Primary Government	Component Unit
	Governmental Activities	Alamo Area Development Corporation
<b>ASSETS</b>		
Cash and investments	\$ 5,180,963	\$ 282,314
Receivables:		
Grantors	4,836,885	1,028,030
Other	446,718	-
Deposits	10,000	-
Prepaid items	145,110	-
Under recovered indirect costs	51,972	-
Capital assets, net of accumulated depreciation	5,530,016	-
Total assets	16,201,664	1,310,344
<b>LIABILITIES</b>		
Accounts payable	2,513,266	1,230,228
Accrued liabilities	430,534	-
Unearned revenue	1,554,794	69,109
Other liabilities	33,230	-
Over recovered employee benefits	224,022	-
Over recovered central service costs	52,179	-
Noncurrent liabilities:		
Due within one year	92,883	-
Due in more than one year	278,648	-
Total liabilities	5,179,556	1,299,337
<b>NET ASSETS</b>		
Invested in capital assets	5,530,016	-
Restricted for grant programs	4,245,670	-
Unrestricted	1,246,422	11,007
Total net assets	\$ 11,022,108	\$ 11,007

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

# ALAMO AREA COUNCIL OF GOVERNMENTS

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Expenses	Indirect Cost Allocation	Expenses After Allocation of Indirect Costs	Program Revenues	
				Charges for Services	Operating Grants and Contributions
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 29,372	\$ 983	\$ 30,355	\$ -	\$ 182,903
Workforce development	3,168,887	144,823	3,313,710	-	3,276,899
Aging	14,031,351	341,963	14,373,314	585,783	13,564,888
Emergency communications	1,687,117	29,467	1,716,584	-	1,220,687
Economic development	62,646	7,485	70,131	-	64,899
Environmental quality	1,559,363	89,349	1,648,712	-	1,637,765
Community affairs	1,983,301	69,087	2,052,388	-	2,731,246
Homeland security	899,734	37,635	937,369	-	537,109
Transportation	3,894,806	223,819	4,118,625	86,110	5,297,656
Housing	536,214	4,597	540,811	-	427,364
Criminal justice	1,036,192	114,561	1,150,753	250,929	880,975
Health and welfare	6,049,933	454,277	6,504,210	1,986	6,374,495
Indirect costs	<u>1,518,046</u>	<u>( 1,518,046)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>36,456,962</u>	<u>-</u>	<u>36,456,962</u>	<u>924,808</u>	<u>36,196,886</u>
 Total primary government	 <u>\$ 36,456,962</u>	 <u>\$ -</u>	 <u>\$ 36,456,962</u>	 <u>\$ 924,808</u>	 <u>\$ 36,196,886</u>
<b>Component unit:</b>					
Alamo Area Development Corporation	\$ <u>4,386,137</u>	\$ <u>-</u>	\$ <u>4,386,137</u>	\$ <u>-</u>	\$ <u>4,386,137</u>
 Total component unit	 <u>\$ 4,386,137</u>	 <u>\$ -</u>	 <u>\$ 4,386,137</u>	 <u>\$ -</u>	 <u>\$ 4,386,137</u>

General revenues:  
 Investment earnings  
 Member dues  
 Miscellaneous  
 Total general revenues  
 Change in net assets  
 Net assets, beginning  
 Net assets, ending

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

Net (Expense) Revenue and Changes in Net Assets	Component Unit
<u>Primary Government Governmental Activities</u>	<u>Alamo Area Development Corporation</u>
\$ 152,548	
( 36,811)	
( 222,643)	
( 495,897)	
( 5,232)	
( 10,947)	
678,858	
( 400,260)	
1,265,141	
( 113,447)	
( 18,849)	
( 127,729)	
-	
664,732	
664,732	
	\$ <u>-</u>
	<u>-</u>
9,459	-
245,458	-
4,933	-
259,850	-
924,582	-
10,097,526	11,007
\$ 11,022,108	\$ <u>11,007</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**DECEMBER 31, 2009**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,875,967	\$ -	\$ 1,110,833
Accounts receivable:			
Grantors	62,664	1,014,789	818,022
Other	95,912	-	102,474
Due from other funds	2,212,461	43,736	1,443,840
Deposits	10,000	-	-
Prepaid items	145,110	-	-
Under recovered indirect costs	<u>51,972</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 4,454,086</u>	 <u>\$ 1,058,525</u>	 <u>\$ 3,475,169</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	179,979	852,589	144,082
Accrued liabilities	430,534	-	-
Due to other funds	1,869,362	200,661	23,678
Over recovered employee benefits	224,022	-	-
Over recovered central service costs	52,179	-	-
Other liabilities	33,230	-	-
Deferred revenue	<u>46,827</u>	<u>2,959</u>	<u>198</u>
Total liabilities	<u>2,836,133</u>	<u>1,056,209</u>	<u>167,958</u>
<b>FUND BALANCES</b>			
Reserved for:			
Prepaid items	145,110	-	-
Unreserved, reported in:			
General fund			
Designated for compensated absences	371,531	-	-
Undesignated	1,101,312	-	-
Special revenue funds	<u>-</u>	<u>2,316</u>	<u>3,307,211</u>
Total fund balances	<u>1,617,953</u>	<u>2,316</u>	<u>3,307,211</u>
 Total liabilities and fund balances	 <u>\$ 4,454,086</u>	 <u>\$ 1,058,525</u>	 <u>\$ 3,475,169</u>

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



<u>Bexar Mental Retardation Authority</u>	<u>Alamo Area Development Corporation</u>	<u>Alamo Area Agency on Aging</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,025,492	\$ -	\$ -	\$ 168,671	\$ 5,180,963
-	887,612	241,310	1,812,488	4,836,885
232,714	-	-	15,618	446,718
17,536	5,679	79,576	278,995	4,081,823
-	-	-	-	10,000
-	-	-	-	145,110
-	-	-	-	51,972
<u>\$ 2,275,742</u>	<u>\$ 893,291</u>	<u>\$ 320,886</u>	<u>\$ 2,275,772</u>	<u>\$ 14,753,471</u>
229,908	3,977	197,542	905,189	2,513,266
-	-	-	-	430,534
1,037	889,286	122,464	975,335	4,081,823
-	-	-	-	224,022
-	-	-	-	52,179
-	-	-	-	33,230
<u>1,609,689</u>	<u>28</u>	<u>880</u>	<u>177,689</u>	<u>1,838,270</u>
<u>1,840,634</u>	<u>893,291</u>	<u>320,886</u>	<u>2,058,213</u>	<u>9,173,324</u>
-	-	-	-	145,110
-	-	-	-	371,531
-	-	-	-	1,101,312
435,108	-	-	217,559	3,962,194
<u>435,108</u>	<u>-</u>	<u>-</u>	<u>217,559</u>	<u>5,580,147</u>
<u>\$ 2,275,742</u>	<u>\$ 893,291</u>	<u>\$ 320,886</u>	<u>\$ 2,275,772</u>	<u>\$ 14,753,471</u>

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**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE**  
**SHEET TO THE STATEMENT OF NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Total fund balance - governmental funds (page 12)	\$ 5,580,147
Amounts reported for governmental activities in the Statement of Net Assets (page 8) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,530,016
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.	283,476
Long-term liabilities (compensated absences) are not due and payable in the current period and therefore are not reported in the funds.	<u>( 371,531)</u>
Net assets of governmental activities in the statement of net assets	\$ <u>11,022,108</u>

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

**ALAMO AREA COUNCIL OF GOVERNMENTS**

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

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Bexar Area Agency on Aging	Texas Department of Transportation
	<u>General</u>	<u>on Aging</u>	<u>Transportation</u>
<b>REVENUES</b>			
Federal	\$ -	\$ 5,834,413	\$ 2,516,293
State	154,280	398,043	1,128,544
Local	405	11,892	1,560,276
Delegate agencies:			
Cash match	-	3,110,484	-
In-kind	-	538,361	31,728
Program income	-	354,555	86,110
Membership dues	245,458	-	-
Investment income	490	-	-
Miscellaneous	<u>33,151</u>	<u>-</u>	<u>-</u>
Total revenues	<u>433,784</u>	<u>10,247,748</u>	<u>5,322,951</u>
<b>EXPENDITURES</b>			
General government	52,536	-	-
Aging	-	10,370,261	-
Health and welfare	-	-	-
Transportation	-	-	4,681,049
Workforce development	-	-	-
Environmental quality	-	-	-
Community affairs	-	-	-
Criminal justice	-	-	-
Emergency communications	-	-	-
Homeland security	-	-	-
Housing	-	-	-
Economic development	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>52,536</u>	<u>10,370,261</u>	<u>4,681,049</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>381,248</u>	<u>( 122,513)</u>	<u>641,902</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	122,513	-
Transfers out	<u>( 214,582)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>( 214,582)</u>	<u>122,513</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	166,666	-	641,902
<b>FUND BALANCES, BEGINNING</b>	<u>1,451,287</u>	<u>2,316</u>	<u>2,665,309</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,617,953</u>	<u>\$ 2,316</u>	<u>\$ 3,307,211</u>

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

<u>Bexar Mental Retardation Authority</u>	<u>Alamo Area Development Corporation</u>	<u>Alamo Area Agency on Aging</u>	<u>Other Governmental Funds</u>	<u>Total Governmental</u>
\$ -	\$ 2,563,003	\$ 2,342,223	\$ 4,368,473	\$ 17,624,405
5,124,680	113,369	148,919	3,517,201	10,585,036
1,062,264	-	4,471	334,030	2,973,338
-	-	609,950	-	3,720,434
-	-	505,352	-	1,075,441
1,986	-	231,228	257,718	931,597
-	-	-	-	245,458
8,969	-	-	-	9,459
549	-	-	-	33,700
<u>6,198,448</u>	<u>2,676,372</u>	<u>3,842,143</u>	<u>8,477,422</u>	<u>37,198,868</u>
-	-	-	9,166	61,702
-	-	3,903,174	75,019	14,348,454
6,490,701	-	-	4,335	6,495,036
-	-	-	582,519	5,263,568
-	2,676,372	-	600,524	3,276,896
-	-	-	1,643,314	1,643,314
-	-	-	2,049,493	2,049,493
-	-	-	1,111,487	1,111,487
-	-	-	1,220,687	1,220,687
-	-	-	537,626	537,626
-	-	-	533,378	533,378
-	-	-	70,032	70,032
<u>6,490,701</u>	<u>2,676,372</u>	<u>3,903,174</u>	<u>8,437,580</u>	<u>36,611,673</u>
( 292,253)	-	( 61,031)	39,842	587,195
-	-	61,031	31,087	214,631
-	-	-	( 49)	( 214,631)
-	-	61,031	31,038	-
( 292,253)	-	-	70,880	587,195
727,361	-	-	146,679	4,992,952
<u>\$ 435,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,559</u>	<u>\$ 5,580,147</u>

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**ALAMO AREA COUNCIL OF GOVERNMENTS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

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

Net change in fund balances - total governmental funds (pages 14 - 15 )	\$ 587,195
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 capital outlays exceeded depreciation in the current period.	666,388
The net effect of various disposals of capital assets is to decrease net assets.	( 460,281)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	182,676
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>51,396</u> )
Change in net assets of governmental activities (pages 9 - 10 )	\$ <u><u>924,582</u></u>

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

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**AS OF DECEMBER 31, 2009**

	<u>Social Security Administration</u>
<b>ASSETS</b>	
Due from other funds	\$ <u>7,933</u>
Total assets	\$ <u>7,933</u>
<b>LIABILITIES</b>	
Due to others	\$ <u>7,933</u>
Total liabilities	\$ <u>7,933</u>

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



# ALAMO AREA COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

### 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 governmental 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 the 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 of 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, AACOG 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 AACOG. During 1998, AADC contracted with Alamo Workforce Development, Inc., subsequently renamed Workforce Solutions Alamo ("WSA") during 2006, 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 entity's administrative office.

(continued)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component units. 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 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.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 or soon enough thereafter to pay liabilities of 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.

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** (Continued)

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 **Bexar Mental Retardation Authority Fund** is used to account for state funds awarded to Alamo Area Council of Governments by the Texas Department of Aging and Disability Services as the mental retardation authority of Bexar County.

The **Alamo Area Development Corporation Fund** is used to account for federal and state funds awarded to Alamo Area Council of Governments by the Alamo Area Development Corporation, a discretely presented component unit of the Council.

The **Alamo 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.

Additionally, the Council reports the following fund type:

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

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

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

**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.

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Assets or Equity**

**Cash and Investments**

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

**Grants Receivable**

Grants receivable represent amounts due from federal and state agencies for the various programs administered by the Council. The receivable includes amounts due on programs closed-out and those in progress as of December 31, 2009.

**Other Receivables**

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

**Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." The Council had no "advances to/from other funds" at December 31, 2009.

**Prepaid Items**

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

**Deferred Revenue**

Deferred revenue primarily consists of amounts received from grantors in excess of expenditures for programs in progress as of December 31, 2009.

**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 or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

(continued)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Assets or Equity (Continued)

#### Capital Assets (Continued)

Equipment of the primary government is depreciated using the straight-line method with a useful life of 3 –15 years.

#### Compensated Absences

Employees earn twelve (12) days of annual leave and are credited with longevity days up to a maximum of eight (8) days for a total of twenty (20) days in any one calendar year. Employees may also carry forward a maximum of thirty five (35) days of unused annual leave. Employees will be paid for accrued annual leave upon termination of employment provided they have been in a fulltime 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.

Fulltime 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.

#### Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### 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 benefit 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 achieved." The Council uses a fixed-rate plus carry-forward provision. The rates are submitted with 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 and Indirect Costs

Under (over) recovered employee benefits 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.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

**Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$666,388 difference are as follows:

Capital outlay	\$ 1,615,985
Depreciation expense	( 949,597)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 666,388</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**Budgetary Information**

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

4. DETAILED NOTES ON ALL FUNDS

**Deposits and Investments**

As of December 31, 2009, the primary government had the following investment:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Tex Pool	\$ 3,417,710	42

(continued)

#### 4. DETAILED NOTES ON ALL FUNDS (Continued)

##### Deposits and Investments (Continued)

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Council to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the 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 accounts, (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.

The Council's investment pool is 2a7-like pool. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

*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, 2009, \$1,925,856 of the Council's \$1,663,252 deposit balance was collateralized with securities held by the pledging financial institution. The remaining balance, \$262,604, was covered by FDIC insurance.

(continued)

4. **DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital Assets**

Capital asset activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 127,000	\$ -	\$ -	\$ 127,000
Total capital assets not being depreciated	<u>127,000</u>	<u>-</u>	<u>-</u>	<u>127,000</u>
Capital assets, being depreciated:				
Buildings	1,000,000	-	-	1,000,000
Improvements	28,781	9,854	-	38,635
Furniture, fixtures and equipment	<u>8,526,735</u>	<u>1,606,131</u>	<u>( 1,000,546)</u>	<u>9,132,320</u>
Total capital assets being depreciated	<u>9,555,516</u>	<u>1,615,985</u>	<u>( 1,000,546)</u>	<u>10,170,955</u>
Less accumulated depreciation:				
Buildings	( 75,757)	( 45,455)	-	( 121,212)
Improvements	( 343)	( 5,519)	-	( 5,862)
Furniture, fixtures and equipment	<u>( 4,282,507)</u>	<u>( 898,623)</u>	<u>540,265</u>	<u>( 4,640,865)</u>
Total accumulated depreciation	<u>( 4,358,607)</u>	<u>( 949,597)</u>	<u>540,265</u>	<u>( 4,767,939)</u>
Total capital assets, being depreciated, net	<u>5,196,909</u>	<u>666,388</u>	<u>( 460,281)</u>	<u>5,403,016</u>
Governmental activities capital assets, net	<u>\$ 5,323,909</u>	<u>\$ 666,388</u>	<u>\$ ( 460,281)</u>	<u>\$ 5,530,016</u>

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

**Governmental activities:**

General government	\$ 26,013
Workforce development	32,140
Aging	4,587
Emergency communications	33,195
Environmental quality	3,072
Homeland security	398,421
Transportation	407,856
Housing	6,670
Criminal justice	<u>37,643</u>
Total depreciation expense - governmental activities	<u>\$ 949,597</u>

(continued)



4. **DETAILED NOTES ON ALL FUNDS (Continued)**

**Interfund Receivables and Payables**

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, 2009, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Bexar Area Agency on Aging	\$ 200,661
	Texas Department of Transportation	23,678
	Bexar Mental Retardation Authority	1,037
	Alamo Area Development Corporation	889,286
	Alamo Area Agency on Aging	122,464
	Other governmental funds	975,335
Bexar Area Agency on Aging	General fund	43,736
Texas Department of Transportation	General fund	1,443,840
Bexar Mental Retardation Authority	General fund	17,536
Alamo Area Development Corporation	General fund	5,679
Alamo Area Agency on Aging	General fund	79,576
Other governmental funds	General fund	<u>278,995</u>
		<u>\$ 4,081,823</u>

**Deferred Revenue**

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

	<u>Unavailable</u>	<u>Unearned</u>
Local funds	\$ 106,053	\$ -
Medicaid	75,777	-
Medicaid Administrative Claiming (MAC)	101,646	-
Grant funds	-	1,503,672
Program income	-	4,295
Miscellaneous	<u>-</u>	<u>5,940</u>
	<u>\$ 283,476</u>	<u>\$ 1,513,907</u>

(continued)

4. **DETAILED NOTES ON ALL FUNDS (Continued)**

**Long-term Debt**

Long-term liability activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Compensated absences	\$ <u>320,135</u>	\$ <u>107,726</u>	\$ <u>56,330</u>	\$ <u>371,531</u>	\$ <u>92,883</u>
Governmental activity long-term liabilities	\$ <u>320,135</u>	\$ <u>107,726</u>	\$ <u>56,330</u>	\$ <u>371,531</u>	\$ <u>92,883</u>

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

5. **OTHER INFORMATION**

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

Agencies expending \$500,000 or more in Council grant funds are required to have an independent audit each year. Copies of such audits are required to be submitted to the Council. If such audits disclose expenditures not in accordance with terms of the grants, the grantor agency could disallow the costs and require reimbursements of the disallowed costs either from the Council or the subcontractor. The Council generally has the right of recovery from the subcontracted agencies.

(continued)

## 5. OTHER INFORMATION (Continued)

### **Retirement Plan**

#### **Texas County and District Retirement System (TCDRS)**

##### **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 state 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.

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 using annuity 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 Council contributed using the actuarially determined rate of 7.99% for the months of the accounting year in 2008, and 8.06% for the months of the accounting year in 2009.

The deposit rate payable by the employee members of the plan for calendar year 2009 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.

(continued)

**5. OTHER INFORMATION (Continued)**

**Retirement Plan (Continued)**

**Texas County and District Retirement System (TCDRS) (Continued)**

**Annual Pension Cost**

For the Council's accounting year ended December 31, 2008, the annual pension cost for the TCDRS plan was \$719,846 and the actual contributions were \$719,846.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2006 and December 31, 2007, the basis for determining the contribution rates for calendar years 2008 and 2009. The December 31, 2008, actuarial valuation is the most recent valuation.

Actuarial Valuation Date	12/31/06	12/31/07	12/31/08
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	15	15	20
Asset valuation method	SAF: 10-yr smoothed value ESF: fund value	SAF: 10-yr smoothed value ESF: fund value	SAF: 10-yr smoothed value ESF: fund value
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

(1) includes inflation at the stated rate

**Trend Information**

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 685,978	100%	\$ -
12/31/08	672,227	100%	-
12/31/09	719,846	100%	-

**(continued)**

**5. OTHER INFORMATION (Continued)**

**Retirement Plan (Continued)**

**Texas County and District Retirement System (TCDRS) (Continued)**

**Annual Pension Cost (Continued)**

**Schedule of Funding Progress**

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2006	\$ 6,865,197	\$ 8,312,024	\$ 1,446,827	82.59%	\$ 6,704,005	21.58%
2007	8,055,754	9,427,148	1,371,394	85.45%	8,108,479	16.91%
2008	8,833,285	10,847,179	2,013,894	81.43%	8,413,347	23.94%

(1) The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific 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 awarded to Alamo Area Council of Governments by the VIA Metropolitan Transit.

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

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

*Commission on State Emergency Communications* – 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.

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

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

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

***Environmental Protection Agency*** – This fund is used to account for federal 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.

***Ryan White*** – This fund is used to account for the Ryan White grant program.

***Katrina*** – This fund is used to account for the Katrina federal grant program awarded to Alamo Area Council of Governments by the Texas Health and Human Services Commission.

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2009**

	Special Revenue		
	Texas Commission on Environmental Quality	VIA Metropolitan Transit	NANASP
<b>ASSETS</b>			
Cash and investments	\$ 110,963	\$ -	\$ -
Accounts receivable:			
Grantors	132,429	15,680	853
Other	-	-	-
Due from other funds	15,456	-	-
 Total assets	\$ 258,848	\$ 15,680	\$ 853
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 5,257	\$ 5	\$ -
Due to other funds	128,547	15,675	853
Deferred revenue	120,547	-	-
Total liabilities	254,351	15,680	853
 Fund balance	4,497	-	-
 Total liabilities and fund balance	\$ 258,848	\$ 15,680	\$ 853



Special Revenue

Economic Development Administration	Commission on State Emergency Communications	Metropolitan Planning Organization	Texas Department of Rural Affairs	Texas Department of Housing and Community Affairs	U. S. Department of Housing and Urban Development
\$ -	\$ 7,068	\$ -	\$ -	\$ 2,601	\$ 48,016
-	241,602	63,755	5,402	749,522	-
-	-	-	-	-	-
<u>3,731</u>	<u>-</u>	<u>1,096</u>	<u>2,279</u>	<u>38,231</u>	<u>132,812</u>
<u>\$ 3,731</u>	<u>\$ 248,670</u>	<u>\$ 64,851</u>	<u>\$ 7,681</u>	<u>\$ 790,354</u>	<u>\$ 180,828</u>
\$ 31	\$ 104,498	\$ 162	\$ 25	\$ 758,394	\$ 723
-	144,172	63,594	4,131	2,457	45,328
<u>3,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,101</u>
<u>3,484</u>	<u>248,670</u>	<u>63,756</u>	<u>4,156</u>	<u>760,851</u>	<u>78,152</u>
<u>247</u>	<u>-</u>	<u>1,095</u>	<u>3,525</u>	<u>29,503</u>	<u>102,676</u>
<u>\$ 3,731</u>	<u>\$ 248,670</u>	<u>\$ 64,851</u>	<u>\$ 7,681</u>	<u>\$ 790,354</u>	<u>\$ 180,828</u>

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**(Continued)**

**DECEMBER 31, 2009**

	Special Revenue		
	Texas Department of Public Safety	Capital Area Council of Governments	State Energy Conservation Office
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ -
Accounts receivable:			
Grantors	236,431	-	1,272
Other	-	-	-
Due from other funds	4,281	288	21,952
 Total assets	\$ 240,712	\$ 288	\$ 23,224
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 2,474	\$ -	\$ 64
Due to other funds	234,474	-	-
Deferred revenue	-	-	-
Total liabilities	236,948	-	64
 Fund balance	3,764	288	23,160
 Total liabilities and fund balance	\$ 240,712	\$ 288	\$ 23,224

Special Revenue

Office of the Governor	Environmental Protection Agency	City of San Antonio	Local Projects	Ryan White	Katrina	Totals
\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,671
152,008	-	207,377	6,152	-	5	1,812,488
15,618	-	-	-	-	-	15,618
<u>13,760</u>	<u>1,228</u>	<u>361</u>	<u>43,520</u>	<u>-</u>	<u>-</u>	<u>278,995</u>
<u>\$ 181,409</u>	<u>\$ 1,228</u>	<u>\$ 207,738</u>	<u>\$ 49,672</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 2,275,772</u>
\$ 24,839	\$ -	\$ 7,838	\$ 874	\$ -	\$ 5	\$ 905,189
136,614	-	199,309	181	-	-	975,335
-	-	230	21,358	-	-	177,689
<u>161,453</u>	<u>-</u>	<u>207,377</u>	<u>22,413</u>	<u>-</u>	<u>5</u>	<u>2,058,213</u>
<u>19,956</u>	<u>1,228</u>	<u>361</u>	<u>27,259</u>	<u>-</u>	<u>-</u>	<u>217,559</u>
<u>\$ 181,409</u>	<u>\$ 1,228</u>	<u>\$ 207,738</u>	<u>\$ 49,672</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 2,275,772</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Special Revenue		
	Texas Commission on Environmental Quality	VIA Metropolitan Transit	NANASP
<b>REVENUES</b>			
Federal	\$ -	\$ 60,815	\$ 45,853
State	1,560,997	-	-
Local	45,027	-	-
Program income	-	-	-
Total revenues	1,606,024	60,815	45,853
<b>EXPENDITURES</b>			
General government	-	-	-
Workforce development	-	-	-
Aging	-	-	45,853
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	1,612,116	-	-
Community affairs	-	-	-
Homeland security	-	-	-
Transportation	-	60,815	-
Housing	-	-	-
Criminal justice	-	-	-
Health and welfare	-	-	-
Total expenditures	1,612,116	60,815	45,853
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 6,092)	-	-
<b>OTHER FINANCING SOURCES AND USES</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	( 6,092)	-	-
<b>FUND BALANCES, BEGINNING</b>	10,589	-	-
<b>FUND BALANCES, ENDING</b>	\$ 4,497	\$ -	\$ -

Special Revenue

Economic Development Administration	Commission on State Emergency Communications	Metropolitan Planning Organization	Texas Department of Rural Affairs	Texas Department of Housing and Community Affairs	U. S. Department of Housing and Urban Development
\$ 49,943	\$ -	\$ 520,083	\$ 8,942	\$ 2,022,416	\$ 386,888
-	1,220,687	-	-	-	-
614	-	-	1,707	29,519	20,494
-	-	-	-	-	-
<u>50,557</u>	<u>1,220,687</u>	<u>520,083</u>	<u>10,649</u>	<u>2,051,935</u>	<u>407,382</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	1,220,687	-	-	-	-
70,032	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,002	2,022,432	-
-	-	-	-	-	-
-	-	521,704	-	-	-
-	-	-	-	-	393,833
-	-	-	-	-	-
<u>70,032</u>	<u>1,220,687</u>	<u>521,704</u>	<u>10,002</u>	<u>2,022,432</u>	<u>393,833</u>
( 19,475)	-	( 1,621)	647	29,503	13,549
19,545	-	-	246	-	-
-	-	-	-	-	-
<u>19,545</u>	<u>-</u>	<u>-</u>	<u>246</u>	<u>-</u>	<u>-</u>
70	-	( 1,621)	893	29,503	13,549
177	-	2,716	2,632	-	89,127
<u>\$ 247</u>	<u>\$ -</u>	<u>\$ 1,095</u>	<u>\$ 3,525</u>	<u>\$ 29,503</u>	<u>\$ 102,676</u>

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Special Revenue		
	U. S. Department of Homeland Security	Capital Area Council of Governments	State Energy Conservation Office
<b>REVENUES</b>			
Federal	\$ 537,109	\$ -	\$ -
State	-	-	10,722
Local	-	-	21,017
Program income	-	-	-
Total revenues	<u>537,109</u>	<u>-</u>	<u>31,739</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Workforce development	-	-	-
Aging	-	-	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	-	-	17,216
Community affairs	-	-	-
Homeland security	537,626	-	-
Transportation	-	-	-
Housing	-	-	-
Criminal justice	-	-	-
Health and welfare	-	-	-
Total expenditures	<u>537,626</u>	<u>-</u>	<u>17,216</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>			
<b>OVER (UNDER) EXPENDITURES</b>	( 517)	-	14,523
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	( 517)	-	14,523
<b>FUND BALANCES, BEGINNING</b>	<u>4,281</u>	<u>288</u>	<u>8,637</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 3,764</u>	<u>\$ 288</u>	<u>\$ 23,160</u>

Special Revenue

Office of the Governor	Environmental Protection Agency	City of San Antonio	Local Projects	Ryan White	Katrina	Totals
\$ 135,899	\$ -	\$ 600,525	\$ -	\$ -	\$ -	\$ 4,368,473
724,795	-	-	-	-	-	3,517,201
18,331	-	14,342	178,644	4,335	-	334,030
<u>250,929</u>	<u>-</u>	<u>-</u>	<u>6,789</u>	<u>-</u>	<u>-</u>	<u>257,718</u>
<u>1,129,954</u>	<u>-</u>	<u>614,867</u>	<u>185,433</u>	<u>4,335</u>	<u>-</u>	<u>8,477,422</u>
-	-	-	9,166	-	-	9,166
-	-	600,524	-	-	-	600,524
-	-	-	29,166	-	-	75,019
-	-	-	-	-	-	1,220,687
-	-	-	-	-	-	70,032
-	-	13,982	-	-	-	1,643,314
-	-	-	17,059	-	-	2,049,493
-	-	-	-	-	-	537,626
-	-	-	-	-	-	582,519
-	-	-	139,545	-	-	533,378
1,111,487	-	-	-	-	-	1,111,487
-	-	-	-	4,335	-	4,335
<u>1,111,487</u>	<u>-</u>	<u>614,506</u>	<u>194,936</u>	<u>4,335</u>	<u>-</u>	<u>8,437,580</u>
<u>18,467</u>	<u>-</u>	<u>361</u>	<u>( 9,503)</u>	<u>-</u>	<u>-</u>	<u>39,842</u>
-	-	-	11,296	-	-	31,087
-	-	-	( 49)	-	-	( 49)
-	-	-	11,247	-	-	31,038
18,467	-	361	1,744	-	-	70,880
<u>1,489</u>	<u>1,228</u>	<u>-</u>	<u>25,515</u>	<u>-</u>	<u>-</u>	<u>146,679</u>
<u>\$ 19,956</u>	<u>\$ 1,228</u>	<u>\$ 361</u>	<u>\$ 27,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,559</u>

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# **INDIRECT COSTS AND EMPLOYEE BENEFIT SCHEDULES**

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

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**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF INDIRECT COSTS**

**YEAR ENDED DECEMBER 31, 2009**

Personnel services	\$ 1,342,294
Employee benefits	402,342
Other contract services	132,322
Travel	17,501
Rent	777,983
Supplies	75,511
Equipment	63,829
Insurance and bonding	2,586
Public notices	780
Printing and reproduction	18,548
Repairs and maintenance	75,772
Fuel/oil	973
Employee recruitment	1,122
Communications	99,109
Postage	58,635
Meetings other	20,442
Training in region	1,050
Publications	220
Professional dues	28,991
Depreciation	1,408
Tuition staff	2,909
Equipment rental	<u>104,274</u>
Total indirect costs	3,228,601
Less: administration cost received	<u>( 1,374,152)</u>
<b>NET INDIRECT COSTS</b>	1,854,449
<b>ACTUAL INDIRECT COSTS RECOVERED</b>	<u>( 1,518,046)</u>
<b>OVER RECOVERY OF INDIRECT COSTS PER 2008 AUDIT</b>	<u>( 284,431)</u>
<b>ACCUMULATED COST UNDER RECOVERY</b>	<u>\$ 51,972</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

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

**YEAR ENDED DECEMBER 31, 2009**

Benefits:	
FICA	\$ 683,063
Group life insurance	54,189
Unemployment insurance	8,392
Workers' compensation	36,743
Health insurance	1,079,186
Retirement	724,309
Travel - via bus pass	90
Release time	<u>1,285,015</u>
Total employee benefits	3,870,987
<b>ACTUAL EMPLOYEE BENEFITS RECOVERED</b>	( 3,936,115)
<b>OVER RECOVERY OF EMPLOYEE BENEFITS PER 2008 AUDIT</b>	( <u>158,894</u> )
<b>ACCUMULATED OVER RECOVERY</b>	<u><u>\$ ( 224,022)</u></u>

# **SUPPLEMENTAL SCHEDULES – BEXAR MENTAL RETARDATION AUTHORITY**

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.

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**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
RECONCILIATION OF TOTAL EXPENDITURES  
TO FOURTH QUARTER FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

	<u>CARE *</u> <u>Report III</u>	<u>Additions**</u>	<u>Deletions***</u>	<u>Audited***</u> <u>Financial</u> <u>Statements</u>
<b>EXPENDITURES</b>				
Salaries	\$ 1,758,414	\$ 6,763,451	\$ 636,829	\$ 7,885,036
Employee benefits	523,575	1,968,643	189,291	2,302,927
Professional consulting services	2,676,261	2,809,039	817,196	4,668,104
Training/travel	69,856	314,308	22,981	361,183
Debt service	-	1,867	-	1,867
Capital outlay	-	1,795,439	-	1,795,439
Non-capital equipment	89,622	89,923	-	179,545
Other operating expenditures	<u>1,315,459</u>	<u>18,459,736</u>	<u>357,623</u>	<u>19,417,572</u>
 Total expenditures	 <u>\$ 6,433,187</u>	 <u>\$ 32,202,406</u>	 <u>\$ 2,023,920</u>	 <u>\$ 36,611,673</u>

\* CARE Report III

\*\* Other Agency Programs

\*\*\* Sept - December 2008 MR Expenses

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
RECONCILIATION OF TOTAL REVENUE  
TO FOURTH QUARTER FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

	<u>CARE *</u> <u>Report III</u>	<u>Additions**</u>	<u>Deletions***</u>	<u>Audited</u> <u>Financial</u> <u>Statements</u>
<b>LOCAL AND EARNED REVENUES</b>				
Medicaid	\$ 889,280	\$ -	\$ 439,600	\$ 449,680
Medicaid administrative claiming	393,245	14,744	-	407,989
Membership dues	-	245,458	-	245,458
Local	-	2,828,234	-	2,828,234
Contributions	392,642	-	101,030	291,612
Delegate agency match	-	4,849,275	-	4,849,275
Interest	8,969	490	-	9,459
Other	-	5,368,077	-	5,368,076
Total local and earned revenues	<u>1,684,136</u>	<u>13,306,278</u>	<u>540,630</u>	<u>14,449,783</u>
<b>STATE PROGRAM REVENUES</b>				
General revenue	4,188,533	1,912,169	1,779,779	4,320,923
In-home and Family Support	536,618	71,514	79,732	528,400
Permanency planning	63,400	19,020	19,020	63,400
CLOIP	205,598	41,961	41,961	205,598
OBRA funds	6,359	1,908	1,908	6,359
Total state program revenues	<u>5,000,508</u>	<u>2,046,572</u>	<u>1,922,400</u>	<u>5,124,680</u>
<b>FEDERAL PROGRAM REVENUES</b>				
Federal revenue	-	17,624,405	-	17,624,405
Total federal program revenues	<u>-</u>	<u>17,624,405</u>	<u>-</u>	<u>17,624,405</u>
Total revenues	<u>\$ 6,684,644</u>	<u>\$ 32,977,255</u>	<u>\$ 2,463,030</u>	<u>\$ 37,198,868</u>

\* CARE Report III

\*\* Other Agency Programs and Sept-Dec 2009 MR

\*\*\* Sept - December 2008 MR revenues



**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
RECONCILIATION OF TOTAL REVENUE  
TO FIRST QUARTER FY 2008 FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

	<u>1st Qtr * CARE Report III</u>	<u>(Dec 09)** Additions</u>	<u>All other Agency</u>	<u>Audited Financial Statements</u>
<b>LOCAL AND EARNED REVENUES</b>				
Medicaid	\$ -	\$ 228,755	\$ 220,925	\$ 449,680
Medicaid administrative claiming	-	14,745	393,244	407,989
Membership dues	-	-	245,458	245,458
Local	106,053	-	2,722,181	2,828,234
Contributions	-	-	291,612	291,612
Delegate agency match	-	-	4,849,275	4,849,275
Interest	-	-	9,459	9,459
Other	-	-	5,368,077	5,368,076
Total local and earned revenues	<u>106,053</u>	<u>243,500</u>	<u>14,100,231</u>	<u>14,449,783</u>
<b>STATE PROGRAM REVENUES</b>				
General revenue	1,383,300	432,032	2,505,591	4,320,923
In-home and family support	160,985	-	367,415	528,400
Permanency planning	19,897	-	43,503	63,400
CLOIP	62,559	-	143,039	205,598
OBRA funds	-	-	6,359	6,359
Total state program revenues	<u>1,626,741</u>	<u>432,032</u>	<u>3,065,907</u>	<u>5,124,680</u>
<b>FEDERAL PROGRAM REVENUES</b>				
Federal revenue	-	-	17,624,405	17,624,405
Total federal program revenues	<u>-</u>	<u>-</u>	<u>17,624,405</u>	<u>17,624,405</u>
Total revenues	<u>\$ 1,732,794</u>	<u>\$ 675,532</u>	<u>\$ 34,790,543</u>	<u>\$ 37,198,868</u>

\* 1st qtr FY10 Sept - Nov

\*\* December 2009 MR Revenues

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

<u>Fund Sources</u>	<u>Total Revenue</u>	<u>Jan - Aug Mental Retardation Expenditures</u>	<u>Sept - Dec Mental Retardation Expenditures</u>	<u>All other Program Expenditures</u>	<u>Excess Revenue Over Expenditures</u>
Objects of expense:					
Personnel	\$ 7,855,036	\$ 1,364,466	\$ 683,450	\$ 5,807,120	\$ -
Employee benefits	2,302,927	405,216	203,159	1,694,552	-
Debt service	1,867	-	-	1,867	-
Capital outlay	1,795,439	72,884	161,012	1,561,543	-
Other operating expense	23,658,696	2,281,311	864,885	20,512,500	-
Allocation of general administration to strategies	519,900	293,255	161,012	65,633	-
Allocation of authority administration to strategies	<u>477,808</u>	<u>-</u>	<u>-</u>	<u>477,808</u>	<u>-</u>
Total expenditures	36,611,673	4,417,132	2,073,518	30,121,023	-
Method of finance:					
General revenue - Mental Retardation	4,188,533	2,483,447	1,705,086	-	-
In-Home and Family Support - Mental Retardation	528,400	373,492	146,690	-	8,218
Permanency planning	63,400	44,380	19,020	-	-
OBRA Funds	6,359	4,934	1,425	-	-
CLOIP	205,598	155,420	50,178	-	-
Earned income	929,610	-	-	929,610	-
Additional local funds	9,204,638	1,050,026	328,106	7,834,724	( 8,218)
Other services revenues	<u>22,072,330</u>	<u>-</u>	<u>-</u>	<u>21,485,135</u>	<u>587,195</u>
Total expended sources	\$ <u>37,198,868</u>	\$ <u>4,111,699</u>	\$ <u>2,250,505</u>	\$ <u>30,249,469</u>	\$ <u>587,195</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF INDIRECT COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(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	\$ 7,884,278	\$ -	\$ -	\$ 7,884,278	\$ 6,541,984	\$ 1,342,294
Fringe benefits	2,302,738	-	-	2,302,738	1,900,396	402,342
Capital outlay	2,003,278	2,003,278	-	-	-	-
Depreciation	-	-	949,597	949,597	949,597	-
Other operating expense	<u>24,421,379</u>	<u>-</u>	<u>-</u>	<u>24,421,379</u>	<u>24,311,568</u>	<u>109,811</u>
Total expenses	<u>\$ 36,611,673</u>	<u>\$ 2,003,278</u>	<u>\$ 949,597</u>	<u>\$ 35,557,992</u>	<u>\$ 33,703,545</u>	<u>\$ 1,854,447</u>

Indirect costs	\$ 1,854,447
Direct costs	33,703,545
Indirect cost rate	5.50%

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF INSURANCE IN EFFECT**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/09	09/30/10	Workers' Compensation	Statutory
Texas Municipal League Risk Management Fund	10/01/09	09/30/10	Automobile Liability	
			Per Occurrence Limit	\$ 5,000,000
			Deductible	-
			Annual Aggregate	-
			Medical Payments per person	25,000
			Deductible	-
			Automobile Physical Damage	
			Per Occurrence Limit	10,000
			Deductible	250
Texas Municipal League Risk Management Fund	10/01/09	09/30/10	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	10/01/09	09/30/10	Law Enforcement Liability	
			Per Occurrence Limit	2,000,000
			Annual Aggregate	4,000,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/09	09/30/10	Errors and Omissions Liability	
			Each Wrongful Act	2,000,000
			Annual Aggregate	4,000,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/09	09/30/10	All Risk Property Coverage	
			Coverage Basis	
			Building : Replacement Cost Valuation	2,903,200
			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

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF INSURANCE IN EFFECT  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
			Newly Acquired Property FMV up to Pollutant Cleanup and Removal Each Premise	\$ 1,000,000 20,000
			Flood and Earthquake Deductible	2,903,200 25,000
			Boiler & Machinery Per Accident Limit Deductible	100,000 250
Texas Municipal League Risk Management Fund	10/01/09	09/30/10	Public Employee Dishonesty Limit of Coverage Deductible Coverage Includes Faithful Performance of Duty	500,000 5,000

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES**

**DECEMBER 31, 2009  
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>	<u>Amount</u>
<b>January - August 2009</b>			
THE CENTER FOR HEALTH CARE SER	San Antonio	Day Programming	\$ 4,987
RESPIRE CARE OF SAN ANTONIO	San Antonio	Respite Hourly	1,751
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Daily	1,050
RESPIRE CARE OF SAN ANTONIO	San Antonio	Respite Daily	3,300
MILAGRO DISCOVERY	San Antonio	Respite Daily	2,400
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Daily	26,700
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite	63,858
LIFETIME LIVING, INC.	San Antonio	Respite Daily	3,150
MILAGRO DISCOVERY	San Antonio	Respite Daily	600
EDUCARE COMMUNITY LIVING	San Antonio	Respite	2,889
LIFETIME LIVING, INC.	San Antonio	Respite	10,247
MILAGRO DISCOVERY	San Antonio	Respite Hourly In Home	10,995
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Hourly In Home	74,584
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Daily In Home	150
CALIDAD - CONVERSE	Converse	Respite Daily In Home	2,400
LIFETIME LIVING, INC.	San Antonio	Respite Daily In Home	750
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Daily In Home	13,650
ESTRELLA DE MAR, INC.	San Antonio	Day Program	9,171
MILAGRO DISCOVERY	San Antonio	Day Program	3,998
UNICORN CENTER, INC.	San Antonio	Day Program	112,445
CALIDAD-DREXEL	San Antonio	Day Program	132,870
LIFETIME LIVING, INC.	San Antonio	Day Program	2,481
REHABILITATION COUNSELING &	San Antonio	Community Support	44,220
CALIDAD-DREXEL	San Antonio	Community Support	163,210
CLINICAL BEHAVIOR ANALYSIS, LL	San Antonio	Community Support	450
CALIDAD-DREXEL	San Antonio	Employment Assistance	3,143
REHABILITATION COUNSELING &	San Antonio	Employment Assistance	1,064
CHILDREN'S ASSOCIATION FOR	San Antonio	Respite Camp	17,200
CHILDREN'S ASSOCIATION FOR	San Antonio	CAMP Weeklong Respite C	72,400
BEHAVIOR ANALYTIC SOLUTIONS, L	San Antonio	ABA Therapy	11,190
CLINICAL BEHAVIOR ANALYSIS, LL	San Antonio	Speech & Language	2,060
HOMELIFE COMMUNITY SERVICES	San Antonio	Counseling Service	6,000

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES**

**(Continued)  
DECEMBER 31, 2009  
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>	<u>Amount</u>
<b>January - August 2009 (Continued)</b>			
CALIDAD-DREXEL	San Antonio	Vocational Training	\$ 2,340
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Hourly	9,641
RESPITE CARE OF SAN ANTONIO	San Antonio	Respite Hourly	1,219
CALIDAD - CONVERSE	Converse	Respite Hourly	4,515
LIFETIME LIVING, INC.	San Antonio	Respite Hourly	4,084
MILAGRO DISCOVERY	San Antonio	Respite Hourly	120
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Daily	1,950
RESPITE CARE OF SAN ANTONIO	San Antonio	Respite Daily	1,500
CALIDAD - CONVERSE	Converse	Respite Daily	4,950
CHILDREN'S ASSOCIATION FOR	San Antonio	Respite Daily	900
MILAGRO DISCOVERY	San Antonio	Respite Daily	600
SAN ANTONIO SIMPLY LOVE ALL PE	San Antonio	Respite Daily	3,900
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Daily	6,150
LIFETIME LIVING, INC.	San Antonio	Respite Daily	600
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Hourly In Home	36,645
CALIDAD - CONVERSE	Converse	Respite Hourly In Home	16,583
LIFETIME LIVING, INC.	San Antonio	Respite Hourly In Home	22,718
MILAGRO DISCOVERY	San Antonio	Respite Hourly In Home	4,155
HOMELIFE COMMUNITY SERVICES	San Antonio	Respite Daily In Home	7,800
CALIDAD - CONVERSE	Converse	Respite Daily In Home	4,050
LIFETIME LIVING, INC.	San Antonio	Respite Daily In Home	2,400
MILAGRO DISCOVERY	San Antonio	Respite Daily In Home	900
THE ARC OF SAN ANTONIO	San Antonio	Day Program	25,000
HOMELIFE COMMUNITY SERVICES	San Antonio	Day Program	9,041
MISSION ROAD MINISTRIES	San Antonio	Day Program	6,288
UNICORN CENTER, INC.	San Antonio	Day Program	55,694
CALIDAD-DREXEL	San Antonio	Day Program	64,550
ESTRELLA DE MAR, INC.	San Antonio	Day Program	4,182
LIFETIME LIVING, INC.	San Antonio	Day Program	7,911
MILAGRO DISCOVERY	San Antonio	Day Program	1,188
LIFELINE CARE AND SERVICES, LL	San Antonio	Day Program	8,237
THE ARC OF SAN ANTONIO	San Antonio	Day Program	40,123
HOMELIFE COMMUNITY SERVICES	San Antonio	Day Program	6,003
UNICORN CENTER, INC.	San Antonio	Head Start	4,260
HOMELIFE COMMUNITY SERVICES	San Antonio	Community Support	46,090
UNICORN CENTER, INC.	San Antonio	Community Support	7,804
CALIDAD-DREXEL	San Antonio	Community Support	72,720
MOSAIC	Live Oak	Community Support	150

**(continued)**

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
(Continued)  
DECEMBER 31, 2009  
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>	<u>Amount</u>
<b>January - August 2009 (Continued)</b>			
SAN ANTONIO SIMPLY LOVE ALL PE	San Antonio	Community Support	\$ 690
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Community Support	1,810
AUTISTIC TREATMENT CENTER, INC	San Antonio	Community Support	280
LIFETIME LIVING, INC.	San Antonio	Community Support	23,504
UNICORN CENTER, INC.	San Antonio	Community Support	11,696
CALIDAD-DREXEL	San Antonio	Supported Employment	924
UNICORN CENTER, INC.	San Antonio	Supported Employment	1,925
UNICORN CENTER, INC.	San Antonio	Employment Assistance	903
HOMELIFE COMMUNITY SERVICES	San Antonio	Behavioral Support	900
CLINICAL BEHAVIOR ANALYSIS, LL	San Antonio	Behavioral Support	360
BEHAVIOR ANALYTIC SOLUTIONS, L	San Antonio	Behavioral Support	6,728
HOMELIFE COMMUNITY SERVICES	San Antonio	Behavioral Support	4,118
LIFETIME LIVING, INC.	San Antonio	Behavioral Support	113
THE CENTER FOR HEALTH CARE SER	San Antonio	Safety Net	28,359
CLINICAL BEHAVIOR ANALYSIS, LL	San Antonio	ABA Therapy	11,933
BEHAVIOR ANALYTIC SOLUTIONS, L	San Antonio	ABA Therapy	12,503
CLINICAL BEHAVIOR ANALYSIS, LL	San Antonio	Speech & Language	660
HOMELIFE COMMUNITY SERVICES	San Antonio	Counseling Services	2,250



**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF LEGAL SERVICES**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF LEASE AND RENTAL COMMITMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF SPACE OCCUPIED IN A STATE-OWNED FACILITY**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**BEXAR MENTAL RETARDATION AUTHORITY  
SCHEDULE OF BONDED EMPLOYEES**

**FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

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

# **SINGLE AUDIT SECTION**

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

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

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Alamo Area Council of Governments (the "Council") as of and for the year ended December 31, 2009, and have issued our report thereon dated April 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

## 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*.

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

*Pattillo, Brown & Hill, LLP*

April 15, 2010





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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND THE STATE OF TEXAS  
UNIFORM GRANT MANAGEMENT STANDARDS**

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

**Compliance**

We have audited the compliance of Alamo Area Council of Governments (the "Council") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended December 31, 2009. The Council's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and the State of Texas Uniform Grant Management Standards. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal or state program occurred. An audit includes examining on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2009.

## Internal Control Over Compliance

The 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 in order to determine our 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 the State of Texas Uniform Grant Management Standards, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

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

*Patillo, Brown & Hill, LLP*

April 15, 2010

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b>Primary Government:</b>			
<u>U. S. Department of Agriculture</u>			
Passed through Alamo Area Development Corporation:			
Food Stamps 100%	10.551	CC2006001-01	\$( 1,245)
Food Stamps 100%	10.551	CC2006001-02	67,989
Food Stamps 50/50	10.551	CC2006001-02	32,139
Subtotal			98,883
SNAP E&T 100%	10.561	CC2006001-03	12,478
SNAP E&T 50/50	10.561	CC2006001-03	7,691
Able Bodied Americans Without Dependents	10.561	CC2006001-01	349
Able Bodied Americans Without Dependents	10.561	CC2006001-02	45,769
Able Bodied Americans Without Dependents	10.561	CC2006001-03	4,092
Subtotal			70,379
Total Alamo Area Development Corporation			169,262
Total U. S. Department of Agriculture			169,262
<u>U. S. Department of Commerce</u>			
Passed through Economic Development Administration:			
Economic Development Partnership Planning	11.302	08-83-04338	49,943
Total Economic Development Administration			49,943
Passed through National Association of Nutrition and Aging Services Programs:			
Special Projects - Digital TV: Keeping Seniors Connected	11.553	74-1557491	45,853
Total National Association of Nutrition and Aging Services Programs:			45,853
Total U. S. Department of Commerce			95,796
<u>U. S. Department of Housing and Urban Development</u>			
Passed through Texas Department of Rural Affairs:			
Community Development Block Grant	14.228	DRS014010	3,540
Community Development Block Grant	14.228	C798221	5,402
Total Texas Department of Rural Affairs			8,942

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
<b>FEDERAL AWARDS (Continued)</b>			
<b>Primary Government: (Continued)</b>			
<u>U. S. Department of Housing and Urban Development (Continued)</u>			
Direct program:			
Housing Choice Vouchers	14.871	TX564	\$ 386,888
Total direct program			<u>386,888</u>
Total U. S. Department of Housing and Urban Development			<u>395,830</u>
<u>U. S. Department of Justice</u>			
Passed through Office of the Governor, Criminal Justice Division:			
Byrne Justice Assistance Grant Recovery Act Program - ARRA	16.803	300-9-2897	43,628
Total Office of the Governor, Criminal Justice Division			<u>43,628</u>
Total U. S. Department of Justice			<u>43,628</u>
<u>U. S. Department of Labor</u>			
Passed through Alamo Area Development Corporation:			
Employment Services	17.207	CC2006001-03	4,770
Employment Services	17.207	CC2006001-02	19,736
Subtotal			<u>24,506</u>
WIA Adult Services - ARRA	17.258 ARRA	CC2006001-02	68,661
WIA Adult Services	17.258	CC2006001-02	299,312
WIA Adult Services	17.258	CC2006001-03	138,573
Subtotal			<u>506,546</u>
WIA Youth - ARRA	17.259 ARRA	CC2006001-02	331,572
WIA Youth	17.259	CC2006001-01	( 135)
WIA Youth	17.259	CC2006001-02	120,401
WIA Youth	17.259	CC2006001-03	25,728
Subtotal			<u>477,566</u>
WIA Dislocated Work - ARRA	17.260 ARRA	CC2006001-02	111,257
WIA Dislocated Work - Performance Award	17.260	CC2006001-02	15,750
WIA Dislocated Work	17.260	CC2006001-02	172,347
WIA Dislocated Work	17.260	CC2006001-03	117,786
Subtotal			<u>417,140</u>
Total Alamo Area Development Corporation			<u>1,425,758</u>
Total U. S. Department of Labor			<u>1,425,758</u>

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
<b>FEDERAL AWARDS (Continued)</b>			
<b>Primary Government: (Continued)</b>			
<u>U. S. Department of Transportation</u>			
Passed through Metropolitan Planning Organization:			
Highway Planning and Construction	20.205	2008-09	\$ 63,755
Highway Planning and Construction	20.205	2009-10	<u>456,328</u>
Total Metropolitan Planning Organization			<u>520,083</u>
Passed through Texas Department of Transportation:			
Commute Solutions	20.205	0915-12-469	60,535
Commute Solutions	20.205	0915-12-437	<u>108,231</u>
Subtotal			<u>168,766</u>
Formula Grants for Other than Urbanized Areas - ARRA	20.509 ARRA	51915F7270	1,082,497
Formula Grants for Other than Urbanized Areas	20.509	519XXF7001	50,727
Formula Grants for Other than Urbanized Areas	20.509	51815F7080	512,220
Formula Grants for Other than Urbanized Areas	20.509	51015F7137	81,012
Formula Grants for Other than Urbanized Areas	20.509	51915F7132	355,849
Formula Grants for Other than Urbanized Areas	20.509	51815F7241	<u>100,448</u>
Subtotal			<u>2,182,753</u>
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	51915F7245	<u>16,000</u>
Job Access/Reverse Commute	20.516	51915F7318	2,246
Job Access/Reverse Commute	20.516	51015F7124	5,940
Job Access/Reverse Commute	20.516	51715F7085	97,769
Job Access/Reverse Commute	20.516	51715F7283	<u>42,819</u>
Subtotal			<u>148,774</u>
Total Texas Department of Transportation			<u>2,516,293</u>
Passed through VIA Metropolitan Transit:			
New Freedom Grant - Mobility Management	20.521	TX-57-X013-00	<u>60,815</u>
Total VIA Metropolitan Transit			<u>60,815</u>
Total U. S. Department of Transportation			<u>3,097,191</u>

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
<b>FEDERAL AWARDS (Continued)</b>			
<b>Primary Government: (Continued)</b>			
<u>U. S. Department of Energy</u>			
Passed through Texas Department of Housing and Community Affairs:			
Weatherization Assistance for Low Income Persons - ARRA	81.042 ARRA	16090000773	\$ 83,337
Weatherization Assistance for Low Income Persons	81.042	56090000447	1,130,429
Weatherization Assistance for Low Income Persons	81.042	568001	<u>96,337</u>
Total Texas Department of Housing and Community Affairs			<u>1,310,103</u>
Total U. S. Department of Energy			<u>1,310,103</u>
<u>U. S. Department of Education</u>			
Passed through Office of the Governor - Criminal Justice Division:			
Regional Youth CJD FY 2010	84.186	ED-07-J20-14864-09	29,439
Regional Youth CJD FY 2009	84.186	ED-07-J20-14864-10	<u>62,832</u>
Total Office of the Governor - Criminal Justice Division			<u>92,271</u>
Total U. S. Department of Education			<u>92,271</u>
<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:			
Title VII-EAP	93.041	539-08-0162-00001	25,275
Title VII-OAG	93.042	539-08-0162-00001	84,105
Title III-D	93.043	539-08-0162-00001	84,318
Title III-B	93.044	539-08-0162-00001	1,264,736
Title III-B - Texas Healthy Lifestyles	93.044	539-08-0162-00001	6,641
Title III-C	93.045	539-08-0162-00001	2,352,230
Special Programs for the Aging - Title IV and II - ADRC	93.048	539-08-0162-00001	26,311
Special Programs for the Aging - Title IV and II	93.048	539-08-0162-00001	3,885
Special Programs for the Aging - Title IV and II - Texas Healthy Lifestyles	93.048	539-08-0162-00001	47,523
Title III-E	93.052	539-08-0162-00001	604,187
Transportation Services NSIP	93.053	539-08-0162-00001	902,309
Trans-NIH Recovery Act Research Support	93.701	539-08-0162-00001	1,864
ARRA - Home Delivered Meals	93.705	539-08-0162-00001	126,055
ARRA - Congregate Meals	93.707	539-08-0162-00001	189,788
CMS - Aging and Disability Resource Center	93.779	539-08-0162-00001	18,665
CMS	93.779	539-08-0162-00001	<u>96,521</u>
Total Bexar Area Agency on Aging			<u>5,834,413</u>

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
<b>FEDERAL AWARDS (Continued)</b>			
<b>Primary Government: (Continued)</b>			
<u>U. S. Department of Health and Human Services (Continued)</u>			
Passed through Texas Department of Aging and Disability Services to the Alamo Area Agency on Aging:			
Title VII-EAP	93.041	539-08-0160-00001	\$ 10,407
Title VII-OAG	93.042	539-08-0160-00001	44,524
Title III-D	93.043	539-08-0160-00001	38,172
Title III-B	93.044	539-08-0160-00001	561,695
Title III-C	93.045	539-08-0160-00001	1,097,723
Title III-E	93.052	539-08-0160-00001	250,018
Transportation Services NSIP	93.053	539-08-0160-00001	175,452
ARRA - Home Delivered Meals	93.705	539-08-0160-00001	82,030
ARRA - Congregate Meals	93.707	539-08-0160-00001	49,618
CMS	93.779	539-08-0160-00001	32,584
Total Alamo Area Agency on Aging			<u>2,342,223</u>
Total Texas Department of Aging and Disability Services			<u>8,176,636</u>
Passed through Texas Department of Housing and Community Affairs:			
Low-Income Home Energy Assistance Program	93.568	81090000474	503,392
Low-Income Home Energy Assistance Program	93.568	818001	208,921
Total Texas Department of Housing and Community Affairs			<u>712,313</u>
Passed through the City of San Antonio:			
Child Care Development Services - ARRA	93.575 ARRA	4600009623	14,383
Child Care Development Services	93.575	4600009624	129,691
Child Care Development Services	93.575	4600008155	456,451
Total City of San Antonio			<u>600,525</u>
Passed through Alamo Area Development Corporation:			
TANF Choices	93.558	CC2006001-02	753,890
TANF Choices	93.558	CC2006001-03	214,093
Total Alamo Area Development Corporation			<u>967,983</u>
Total U. S. Department of Health and Human Services			<u>10,457,457</u>

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
<b>FEDERAL AWARDS (Continued)</b>			
<u>U. S. Department of Homeland Security</u>			
Passed through Office of the Governor, Division of Emergency Management			
Interoperable Emergency Communication Grant Program	97.001	2009-IP-T9-0014	\$ <u>22,313</u>
State Homeland Security Program	97.067	2005-GE-T5-4025	10,499
State Homeland Security Program	97.067	2008-GE-T8-0034	277,679
State Homeland Security Program	97.067	2007-GE-T7-0024	<u>226,618</u>
Subtotal			<u>514,796</u>
Total Office of the Governor, Division of Emergency Management			<u>537,109</u>
Total U. S. Department of Homeland Security			<u>537,109</u>
Total Federal Awards - Primary Government			<u>17,624,405</u>
<b>Discretely Presented Component Unit:</b>			
<u>U. S. Department of Agriculture</u>			
Passed through Workforce Solutions Alamo:			
Food Stamps Employment and Training - 50/50	10.551	CC2006001-01	71,854
Food Stamps Employment and Training - 50/50	10.551	CC2006001-02	896
Food Stamps Employment and Training - 100%	10.551	CC2006001-01	( 1,245)
Food Stamps Employment and Training - 100%	10.551	CC2006001-02	67,989
SNAP 100%	10.551	CC2006001-03	12,478
TANF/Food Stamps Transportation	10.561	CC2006001-02	( 28,920)
TANF/SNAP Transportation	10.561	CC2006001-03	594
Food Stamps - ABAWD	10.561	CC2006001-01	349
Food Stamps - ABAWD	10.561	CC2006001-02	52,852
SNAP ABAWD	10.561	CC2006001-03	4,642
SNAP 50/50	10.561	CC2006001-03	<u>7,753</u>
Total Passed through Workforce Solutions Alamo			<u>189,242</u>
Total U. S. Department of Agriculture			<u>189,242</u>
<u>U. S. Department of Labor</u>			
Passed through Workforce Solutions Alamo:			
Employment Service	17.207	CC2006001-01	19,736
Employment Service	17.207	CC2006001-02	4,770
Workforce Investment Act - Adult - ARRA	17.258 ARRA	CC2006001-02	182,001
Workforce Investment Act - Adult	17.258	CC2006001-01	( 883)
Workforce Investment Act - Adult	17.258	CC2006001-02	429,743
Workforce Investment Act - Adult	17.258	CC2006001-03	180,862
Workforce Investment Act - Youth Services - ARRA	17.259 ARRA	CC2006001-02	335,748
Workforce Investment Act - Youth Services	17.259	CC2006001-01	( 569)

(continued)



**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
<b>FEDERAL AWARDS (Continued)</b>			
<b>Discretely Presented Component Unit: (Continued)</b>			
<u>U. S. Department of Labor (Continued)</u>			
Passed through Workforce Solutions Alamo: (Continued)			
Workforce Investment Act - Youth Services	17.259	CC2006001-02	\$ 136,742
Workforce Investment Act - Youth Services	17.259	CC2006001-03	32,252
Performance Award	17.260	CC2006001-02	15,750
Workforce Investment Act - Dislocated Workers - ARRA	17.260 ARRA	CC2006001-02	291,592
Workforce Investment Act - Dislocated Workers	17.260	CC2006001-01	4,721
Workforce Investment Act - Dislocated Workers	17.260	CC2006001-02	357,897
Workforce Investment Act - Dislocated Workers	17.260	CC2006001-03	175,876
Total Passed through Workforce Solutions Alamo			<u>2,166,238</u>
Total U. S. Department of Labor			<u>2,166,238</u>
<u>U. S. Department of Transportation</u>			
Passed through Texas Department of Transportation:			
Job Access/Reverse Commute	20.516	51915F7318	300
Job Access/Reverse Commute	20.516	511015F7124	5,950
Job Access/Reverse Commute	20.516	51715F7085	134,187
Job Access/Reverse Commute	20.516	51715F7283	55,600
Total Passed through Texas Department of Transportation			<u>196,037</u>
Total U. S. Department of Transportation			<u>196,037</u>
<u>U. S. Department of Health and Human Services</u>			
Passed through Workforce Solutions Alamo:			
TANF/SNAP Transportation	93.558	CC2006001-03	20,144
Temporary Assistance for Needy Families	93.558	CC2006001-01	( 300)
Temporary Assistance for Needy Families	93.558	CC2006001-02	779,779
Temporary Assistance for Needy Families	93.558	CC2006001-03	223,839
Total Passed through Workforce Solutions Alamo			<u>1,023,462</u>
Passed through City of San Antonio:			
Child Care and Development Block Grant - ARRA	93.575 ARRA	4600009623	14,383
Child Care and Development Block Grant	93.575	4600009624	129,692
Child Care and Development Block Grant	93.575	4600008155	456,450
Total Passed through City of San Antonio			<u>600,525</u>
Total U. S. Department of Health and Human Services			<u>1,623,987</u>
Total Federal Awards - Discretely Presented Component Unit			<u>4,175,504</u>
Total Federal Expenditures - Reporting Entity			<u>21,799,909</u>

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

State Grantor/Program Title	Grant Number	Expenditures
<b>STATE AWARDS</b>		
<b>Primary Government:</b>		
<u>Texas Department of Aging and Disability Services</u>		
Aging State General Revenue - Alamo	539-08-0160-00001	\$ 108,589
Aging State Highway Fund - Alamo	539-08-0160-00001	7,995
Aging Title III-E Match - Alamo	539-08-0160-00001	32,335
Aging State General Revenue - Bexar	539-08-0162-00001	311,465
Aging State Highway Fund - Bexar	539-08-0162-00001	18,674
Aging Title III-E Match - Bexar	539-08-0162-00001	67,904
State General Revenue - Mental Retardation - FY 2008	539-08-0005-00001	54
State General Revenue - Mental Retardation - FY 2009	539-08-0005-00001	2,262,096
Community Living Options - FY 2009	539-08-0005-00001	205,598
In-Home Family Support - FY 2009	539-08-0005-00001	528,400
Omnibus Reconciliation Act - FY 2009	539-08-0005-00001	6,359
Permanency Planning - FY 2009	539-08-0005-00001	63,400
State General Revenue - Mental Retardation - FY 2010	539-10-0005-00001	2,058,773
Total Texas Department of Aging and Disability Services		<u>5,671,642</u>
<u>Commission on State Emergency Communications</u>		
911 Emergency Communications	FY 2007	93,643
911 Emergency Communications	FY 2010	272,154
911 Emergency Communications	FY 2009	854,890
Total Commission on State Emergency Communications		<u>1,220,687</u>
<u>Office of the Governor - Criminal Justice Division</u>		
State Planning Assistance Grant - FY 2010	2059002	154,280
Regional Criminal Justice Coordination	SF-08-197-14468-09	138,458
Regional Criminal Justice Coordination	300-0-0-482	33,763
Regional Police Training Academy	SF-10-A10-14859-11	189,675
Regional Police Training Academy	SF-09-A10-14859-10	362,899
Total Office of the Governor - Criminal Justice Division		<u>879,075</u>
<u>Texas Commission on Environmental Quality</u>		
Air Quality	582-8-86227	461,805
Solid Waste Resource Recovery	582-10-91876	62,075
Solid Waste Resource Recovery	582-6-78026	117
Solid Waste Resource Recovery	582-8-86680	1,037,000
Total Texas Commission on Environmental Quality		<u>1,560,997</u>
<u>State Energy Conservation Office</u>		
Clean Cities 2007	CM705	10,722
Total State Energy Conservation Office		<u>10,722</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2009**

State Grantor/Program Title	Grant Number	Expenditures
<b>STATE AWARDS (Continued)</b>		
<u>Texas Department of Transportation</u>		
Rural Public Transportation	51015F7001	\$ 341,878
Rural Public Transportation	51915F7001	723,154
Job Access Reverse Commute	51715F7085	28,613
Job Access Reverse Commute	51715F7283	<u>34,899</u>
Total Texas Department of Transportation		<u>1,128,544</u>
<u>Texas Workforce Commission</u>		
Passed through Alamo Area Development Corporation:		
Food Stamps - 50/50	CC2006001-02	31,244
SNAP E&T 50/50	CC2006001-03	7,690
WIA RIO	CC2006001-02	60,249
WIA RIO	CC2006001-03	<u>14,186</u>
Total Alamo Area Development Corporation		<u>113,369</u>
Total Texas Workforce Commission		<u>113,369</u>
Total State Awards - Primary Government		<u>10,585,036</u>
<b>Discretely Presented Component Unit:</b>		
<u>Workforce Solutions Alamo</u>		
TANF/Food Stamps Transportation	CC2006001-02	60,095
TANF/SNAP Transportation	CC2006001-03	594
WIA RIO	CC2006001-03	15,400
WIA RIO	CC2006001-02	60,458
SNAP - 50/50	CC2006001-03	<u>7,753</u>
Total Workforce Solutions Alamo		<u>144,300</u>
<u>Texas Department of Transportation</u>		
Job Access/Reverse Commute	51715F7085	9,936
Job Access/Reverse Commute	51715F7283	<u>48,351</u>
Total Texas Department of Transportation		<u>58,287</u>
Total State Awards - Discretely Presented Component Unit		<u>202,587</u>
Total State Expenditures - Reporting Entity		<u>10,787,623</u>
Total Expenditures of Federal and State Awards - Reporting Entity		<u>\$ 32,587,533</u>

# ALAMO AREA COUNCIL OF GOVERNMENTS

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

DECEMBER 31, 2009

### 1. GENERAL

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

### 2. BASIS OF ACCOUNTING

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

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and *the State of Texas Uniform Grant Management Standards*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

### 3. NEGATIVE AMOUNTS

Due to a revision in the allocation of certain costs, the funding agent has retroactively allocated certain grant expenditures. As a result of this, the effected grants reflect a negative balance on the current Schedule of Expenditures of Federal and State Awards.

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Summary of Auditors' Results**

Type of report on financial statements	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Internal control over major programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance which is material to the basic financial statements	No
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for federal awards as defined in OMB Circular A-133 and state awards as defined by the State of Texas Uniform Grant Management Standards	No
Dollar threshold considered between Type A and Type B federal programs	\$653,997
Dollar threshold considered between Type A and Type B state programs	\$323,514
Low risk auditee statement	The Council was not classified as a low-risk auditee in the context of OMB Circular A-133 and the State of Texas Uniform Grant Management Standards.
Major federal programs	Aging Cluster - CFDA #93.044, 93.045, 93.053, 93.705, 93.707 WIA Cluster - CFDA #17.258, 17.259, 17.260, 17.258 ARRA, 17.259 ARRA, 17.260 ARRA Formula Grants for Other than Urbanized Areas, CFDA #20.509 Title III E - CFDA #93.052 Childcare and Development Block Grant - CFDA #93.575, 93.575 ARRA Temporary Assistance for Needy Families - CFDA #93.558 Weatherization Assistance for Low Income Persons, CFDA #81.042, 81.042 ARRA Low-income Home Energy Assistance Program, CFDA #93.568 Highway Planning and Construction - CFDA #20.205

(continued)

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Major state programs

General revenue - MR  
Community Living Options  
In-home Family Support  
Rural Public Transportation  
911 Emergency Communications  
Air Quality  
Solid Waste Resource Recovery  
Regional Police Training Academy  
Aging State General Revenue

**Findings Relating to the Financial Statements Which  
are Required to be Reported in Accordance With  
Generally Accepted Government Auditing Standards**

None

**Findings and Questioned Costs for Federal and State Awards**

None

**ALAMO AREA COUNCIL OF GOVERNMENTS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**Findings and Questioned Costs for Federal and State Awards**

<b><u>Item 2008-1:</u></b>	All major federal programs
<b><u>Compliance Requirement:</u></b>	Allowable Costs/Costs Principles
<b><u>Criteria:</u></b>	<p>Documentation of allowable salaries and wages in accordance with OMB Circular A-87 include the following:</p> <ul style="list-style-type: none"><li>• Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. Such documentary support will be required where employees work on:<ul style="list-style-type: none"><li>○ More than one federal award;</li><li>○ A federal award and a non-federal award;</li><li>○ An indirect cost activity and a direct cost activity;</li><li>○ Two or more indirect activities which are allocated using different allocation basis; or</li><li>○ An unallowable activity and a direct or indirect cost activity.</li></ul></li></ul> <p>Personnel activity reports must reflect an after-the-fact distribution of the actual activity of each employee. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for the charges to federal awards.</p>
<b><u>Condition:</u></b>	We selected a sample of 40 employees to test the allowability of salaries charged to each program (160 total). Of these, we noted 14 employees that only had budget estimates to support the allocation of their time charged to federal awards.
<b><u>Effect:</u></b>	As noted earlier, personnel activity reports must reflect an after-the-fact distribution of the actual activity of each employee. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for the charges to federal awards.
<b><u>Questioned Costs:</u></b>	A quantification of questioned costs could not be reasonably determined. However, the total amount of salary costs charged to federal programs using only budgeted estimates exceeded \$350,000.
<b><u>Recommendation:</u></b>	Management should implement policies and procedures to ensure all employees certify time and effort in accordance with the requirements of OMB Circular A-87.
<b><u>Current Status:</u></b>	This matter has been resolved.

**(continued)**

ALAMO AREA COUNCIL OF GOVERNMENTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2009

Findings and Questioned Costs for Federal and State Awards (Continued)

<u>Item 2008-2:</u>	CFDA #20.509
<u>Compliance Requirement:</u>	Davis-Bacon Act
<u>Criteria:</u>	Entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations. This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). This reporting is often done using Optional Form WH-347, which includes the required statement of compliance ( <i>OMB No. 1215-0149</i> ).
<u>Condition:</u>	The Council used grant funding to pay for construction expenditures exceeding \$2,000 and there were no procedures in place to ensure the contractors complied with the Davis-Bacon Act. The Council also does not have a provision in their contracts that contractors or subcontractors are required to comply with the Davis-Bacon Act.
<u>Effect:</u>	Grant funds could be paid to contractors that are not meeting the Department of Labor's requirements, which would make the expenditures unallowable.
<u>Questioned Costs:</u>	\$28,781.09
<u>Recommendation:</u>	The Council should implement policies and procedures that will ensure that the requirements of the Davis-Bacon Act are met.
<u>Current Status:</u>	This matter has been resolved.