

ALAMO AREA COUNCIL OF GOVERNMENTS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2012

weaver 



# CONTENTS

	Page
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	4
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position.....	11
Statement of Activities.....	12
<b>Fund Financial Statements:</b>	
Balance Sheet Governmental Funds.....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Fiduciary Assets and Liabilities Agency Fund.....	20
Notes to Financial Statements.....	21
<b>Nonmajor Governmental Funds:</b>	
Nonmajor Governmental Funds Special Revenue Funds.....	40
Combining Balance Sheet.....	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	46

# CONTENTS

Page

## FINANCIAL SECTION – CONTINUED

### SUPPLEMENTAL SCHEDULES

Indirect Costs and Employee Benefit Schedules .....	50
Schedule of Indirect Costs.....	51
Schedule of Employee Benefits (Fringe and Release Time) .....	52

### Alamo Local Authority (Unaudited):

Supplemental Schedules Alamo Local Authority.....	53
Reconciliation of Total Expenditures to Fourth Quarter Financial Report.....	54
Reconciliation of Total Revenue to Fourth Quarter Financial Report .....	55
Reconciliation of Total Revenue to First Quarter FY 2012 Financial Report .....	56
Schedule of Revenues and Expenditures by Source of Funds .....	57
Schedule of Indirect Costs.....	58
Schedule of Insurance in Effect .....	59
Schedule of Professional and Consulting Services .....	61
Schedule of Legal Services .....	65
Schedule of Lease and Rental Commitments .....	66
Schedule of Space Occupied in a State-Owned Facility .....	67
Schedule of Bonded Employees.....	68

# CONTENTS

	Page
<b>ALAMO AREA COUNCIL OF GOVERNMENTS SINGLE AUDIT</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	69
Independent Auditor's Report on Compliance for Each Major Program and the Report on Internal Control Over Compliance Required by <i>OMB Circular A-133 and the State of Texas Uniform Grant Management Standards</i> .....	71
Schedule of Findings and Questioned Costs.....	73
Schedule of Expenditures of Federal and State Awards.....	76
Notes to the Schedule of Expenditures of Federal and State Awards.....	85

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Alamo Area of Council of Governments (Council) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

To the Board of Directors  
Alamo Area Council of Governments

Page 2

### ***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, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, as listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and the State of Texas *Uniform Grant Management Standards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules listed in the foregoing table of contents (except for those marked "unaudited," for which we express no opinion), and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to



To the Board of Directors  
Alamo Area Council of Governments

Page 3

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2013 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Council's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

May 22, 2013  
San Antonio, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Alamo Area Council of Governments' ("Council") discussion and analysis offers readers of the Council's financial statements a narrative overview and analysis of the Council's financial activities for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the financial statements and notes to the financial statements.

### FINANCIAL HIGHLIGHTS

- ◆ The assets of the Council exceeded its liabilities at the close of the most recent fiscal year by \$10,788,869 (net position). Of this amount, \$1,603,840 is unrestricted. This reflects a decrease to net position of \$1,352,358.
- ◆ As of the close of the current fiscal year, the Council's governmental funds financial statements reported on page 14 combined ending fund balances of \$7,153,735. The unassigned fund balance in the General Fund that is available for operations is \$1,932,797.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

The Council maintains 23 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each major fund: the General Fund, the Bexar Area Agency on Aging Fund, the Texas Department of Transportation Fund, the Alamo Local Authority Fund, and the Texas Department of Housing and Community Affairs Fund. The basic governmental fund financial statements can be found on pages 14 through 20 of this report.

## **NOTES TO THE FINANCIAL STATEMENTS**

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Council's assets exceeded liabilities by \$10,788,869 at December 31, 2012. The following table reflects the condensed Statement of Net Position compared to prior year.

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

	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Current and other assets	\$ 12,086,536	\$ 13,989,729
Capital assets	<u>3,971,524</u>	<u>4,536,725</u>
Total assets	16,058,060	18,526,454
<b>Liabilities:</b>		
Current liabilities	4,982,694	6,092,760
Noncurrent liabilities	<u>286,497</u>	<u>292,467</u>
Total liabilities	5,269,191	6,385,227
<b>Net position:</b>		
Investment in capital assets	3,971,524	4,536,725
Restricted for grant purposes	5,213,505	6,043,430
Unrestricted	<u>1,603,840</u>	<u>1,561,072</u>
Total net position	<u>\$ 10,788,869</u>	<u>\$ 12,141,227</u>

The balance of *unrestricted net position* \$1,603,840 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, 2012, as compared to the year ended December 31, 2011. The Council's net position decreased by \$1,352,358.

	<u>2012</u>	<u>2011</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 1,309,988	\$ 1,049,852
Operating grants and contributions	37,322,513	48,505,521
General revenues:		
Investment earnings	3,291	9,067
Member dues	295,636	290,239
Miscellaneous	92	(6,394)
<b>Total revenues</b>	<u>38,931,520</u>	<u>49,848,285</u>
<b>Expenses:</b>		
General government	160,091	72,342
Workforce development	3,127,544	3,044,434
Aging	15,566,223	15,690,963
Emergency communication	1,152,930	1,581,207
Economic development	121,919	77,645
Environmental quality	781,122	2,012,505
Community affairs	3,065,124	8,716,080
Homeland security	625,480	1,648,922
Transportation	5,685,078	6,084,768
Housing	610,889	421,823
Criminal justice	901,854	1,138,372
Health and welfare	8,485,624	8,746,243
<b>Total expenses</b>	<u>40,283,878</u>	<u>49,235,304</u>
Change in net position	(1,352,358)	612,981
Net position, beginning of year	<u>12,141,227</u>	<u>11,528,246</u>
Net position, end of year	<u>\$ 10,788,869</u>	<u>\$ 12,141,227</u>

The Council's decrease in net position is primarily due to the programmatic fund balance decreases. Additionally, the Council's capital purchases totaled \$334,399.

The General Fund balance decreased by \$7,151 for a total of \$1,943,877.

The special revenue funds decreased fund balance by \$637,220. The majority of the decrease is primarily in the Alamo Local Authority (ALA) program and the Texas Department of Transportation – Alamo Regional Transportation (ART) program. Fund balance decreases occurred in the ALA and ART programs by \$302,999 and \$438,662, respectively.

### **Comparisons to 2011 Revenues, Expenditures, and Funding**

The Council's revenues decreased by \$10,737,714 and expenditures decreased by \$9,217,793 from fiscal 2011 to 2012.

#### **Revenues**

The General Fund experienced a decrease in revenues of \$81,533 which was due to the loss of the State Appropriation Funding. The BAAA, ART, ALA, TDHCA and various non-major programs experienced a decrease to revenues of \$10,656,181.

#### **Expenditures**

The general government expenditures reflect an increase of \$22,182. The BAAA, ART, TDHCA and various non-major programs experienced a decrease to expenditures of \$9,236,289.

### **BUDGETARY HIGHLIGHTS**

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

### **CAPITAL ASSET ADMINISTRATION**

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

	<u>2012</u>	<u>2011</u>
Capital assets	\$ 11,605,200	\$ 11,270,801
Less: accumulated depreciation	<u>(7,633,676)</u>	<u>(6,734,076)</u>
Total capital assets, net	<u>\$ 3,971,524</u>	<u>\$ 4,536,725</u>

The Council's capital purchases totaled \$334,399 during 2012.

## **Equipment**

The IT department upgraded the voicemail system and the agency network for a total cost of \$18,644. The voicemail system cost \$7,470, network digital switch cost \$5,665 and a new server cost \$5,509.

## **Vehicles**

The ART program purchased two (2) 2012 Defender M2-34 Passenger with wheelchair and additional options for \$137,436 each and one (1) Paratransit package B-208Type I vehicle with options for \$40,880.

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

The Council's projected 2013 annual budget reflects \$37,410,628 in revenues and \$37,527,078 in budgeted expenditures. The projected revenue decrease in 2013 is \$1,646,531 or an approximately 4.2% from the actual 2012 revenues and the projected expenditure decrease in 2013 is \$2,178,138 or an approximately 5.5% from the actual 2012 expenditures. The revenue and expenditure decreases are due to the budget cuts throughout the AACOG programs. The largest area of decreased funding and expenditures is primarily due to the completion of the Weatherization ARRA funding tasks.

The Council's combined ending fund balances of \$7,153,735 include \$5,209,858 of dedicated program fund balances and \$1,943,877 of general fund balance. From the general fund balance, \$383,986 is designated for compensated absences and \$1,559,891 is available for the Agency's operating capital. The Council decreased the general fund balance by \$7,151 during fiscal year 2012 and is not projecting an increase for 2013. The Council's special revenue fund balance decreased by \$637,220 for 2012 and is projected to decrease by \$156,051 in 2013. The 2012 decrease to the special revenue fund balances is primarily from the Alamo Local Authority and the Rural Public Transportation programs for increased services and budget cuts from federal and state sources.

During 2012 AACOG received additional budget cuts from the Homeland Security programs and therefore was forced to reduce staffing in this area. Due to the Budget Control Act of 2011 the sequestration began on March 1, 2013 and therefore the Council anticipates additional budget reductions for 2013.

The Council continues to pursue other non-traditional funding streams in an effort to mitigate the funding decreases. During 2012 the Council took the lead role in forming a collaboration that will address the growth management and environmental issues associated with Eagle Ford Shale Play development area. The Council anticipates future state funding that will support such efforts. Additional efforts include finalization of the Natural Gas Consortium, a fixed route service within the City of Seguin and expansion of the Veteran's Administration and Texas Veteran's Commission programs that will increase services to veterans in the Alamo Area region.

The Council selected the Mitchell Humphrey Financial Management System (FMS) II and the Personnel Data Systems Inc. (PDS) Vista Human Resource management System (HRMS)

that provides a fully integrated accounting, purchasing and human resource system. The Council plans to begin and complete the migration to the new software in 2013.

The Council currently resides at 8700 Tesoro Dr., San Antonio, Texas in a multiple floor building leased from Cotter & Sons that originally commenced on August 14, 2000 and has been amended six (6) times to accommodate additional program space. The Board of Directors approved a seventh (7<sup>th</sup>) amendment that includes expansion space of 7,904 square feet for a total leased space of 66,321 square feet and a lease extension through December 31, 2020.

## **REQUESTS FOR INFORMATION**

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



## **BASIC FINANCIAL STATEMENTS**

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**ALAMO AREA COUNCIL OF GOVERNMENTS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Alamo Area Development Corporation</b>
<b>ASSETS</b>		
Cash and investments	\$ 7,197,224	\$ 176,463
Receivables		
Grantors	3,942,854	861,787
Other	925,378	-
Deposits	10,000	-
Prepaid items	11,080	751
Capital assets, net of accumulated depreciation	3,971,524	-
<b>Total assets</b>	16,058,060	1,039,001
<b>LIABILITIES</b>		
Accounts payable	2,723,559	939,751
Accrued liabilities	211,911	-
Unearned revenue	1,602,089	29,074
Over-recovered employee benefits	284,128	-
Over-recovered indirect costs	17,359	-
Over-recovered central service costs	46,159	-
Compensated absences		
Due within one year	97,489	-
Due in more than one year	286,497	-
<b>Total liabilities</b>	5,269,191	968,825
<b>NET POSITION</b>		
Investment in capital assets	3,971,524	-
Restricted for grant programs	5,213,505	26,754
Unrestricted	1,603,840	43,422
<b>Total net position</b>	\$ 10,788,869	\$ 70,176

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

**ALAMO AREA COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

<u>Function/ Programs</u>	<u>Expenses</u>	<u>Indirect Cost Allocation</u>	<u>Expenses After Allocation of Indirect Costs</u>
<b>Primary government</b>			
Governmental activities			
General government	\$ 160,091	\$ 162	\$ 160,253
Workforce development	3,127,544	130,001	3,257,545
Aging	15,566,223	439,443	16,005,666
Emergency communication	1,152,930	31,631	1,184,561
Economic development	121,919	10,412	132,331
Environmental quality	781,122	80,420	861,542
Community affairs	3,065,124	103,268	3,168,392
Homeland security	625,480	26,687	652,167
Transportation	5,685,078	304,973	5,990,051
Housing	610,889	7,563	618,452
Criminal justice	901,854	94,287	996,141
Health and welfare	8,485,624	824,043	9,309,667
Indirect costs	-	(2,052,890)	(2,052,890)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total governmental activities and primary government</b>	<b>\$ 40,283,878</b>	<b>\$ -</b>	<b>\$ 40,283,878</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Component unit</b>			
Alamo Area Development Corporation	\$ 4,412,288	\$ -	\$ 4,412,288
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total component unit</b>	<b>\$ 4,412,288</b>	<b>\$ -</b>	<b>\$ 4,412,288</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position	Component Unit
Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	Alamo Area Development Corporation
\$ 65	\$ 53,838	\$ (106,350)	\$ -
-	2,996,784	(260,761)	-
480,924	14,853,138	(671,604)	-
-	1,117,882	(66,679)	-
-	101,450	(30,881)	-
-	766,452	(95,090)	-
-	3,047,130	(121,262)	-
-	510,859	(141,308)	-
-	4,962,146	(1,027,905)	-
-	567,063	(51,389)	-
173,504	822,265	(372)	-
655,495	7,523,506	(1,130,666)	-
-	-	2,052,890	-
<u>\$ 1,309,988</u>	<u>\$ 37,322,513</u>	<u>(1,651,377)</u>	<u>-</u>
\$ -	\$ 4,448,339		36,051
<u>\$ -</u>	<u>\$ 4,448,339</u>		<u>36,051</u>
<b>GENERAL REVENUES</b>			
	Investment earnings	3,291	-
	Member dues	295,636	-
	Miscellaneous	92	-
	<b>Total general revenues</b>	<b>299,019</b>	<b>-</b>
	<b>Change in net position</b>	<b>(1,352,358)</b>	<b>36,051</b>
	<b>NET POSITION, beginning of year</b>	<b>12,141,227</b>	<b>34,125</b>
	<b>NET POSITION, end of year</b>	<b>\$ 10,788,869</b>	<b>\$ 70,176</b>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,504,246	\$ -	\$ 1,615,882
Accounts receivable			
Grantors	4,000	1,042,616	392,442
Other	909,508	-	-
Due from other funds	-	78,462	1,504,310
Deposits	10,000	-	-
Prepaid items	11,080	-	-
	<u>\$ 3,438,834</u>	<u>\$ 1,121,078</u>	<u>\$ 3,512,634</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 764,663	\$ 1,098,677	\$ 156,648
Accrued liabilities	211,911	-	-
Due to other funds	123,141	-	-
Over-recovered employee benefits	284,128	-	-
Over-recovered indirect costs	17,359	-	-
Over-recovered central service costs	46,159	-	-
Deferred revenue	47,596	3,948	-
	<u>1,494,957</u>	<u>1,102,625</u>	<u>156,648</u>
<b>FUND BALANCE</b>			
Nonspendable			
Prepays	11,080	-	-
Restricted			
Grants	-	18,453	3,355,986
Unassigned	1,932,797	-	-
	<u>1,943,877</u>	<u>18,453</u>	<u>3,355,986</u>
<b>Total fund balances</b>	<u>1,943,877</u>	<u>18,453</u>	<u>3,355,986</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,438,834</u>	<u>\$ 1,121,078</u>	<u>\$ 3,512,634</u>

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

<u>Alamo Local Authority</u>	<u>Texas Department of Housing and Community Affairs</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,568,086	\$ 78,712	\$ 430,298	\$ 7,197,224
9	109,554	2,394,233	3,942,854
-	-	15,870	925,378
379,929	-	130,907	2,093,608
-	-	-	10,000
-	-	-	11,080
<u>\$ 2,948,024</u>	<u>\$ 188,266</u>	<u>\$ 2,971,308</u>	<u>\$ 14,180,144</u>
\$ 164,720	\$ 72,196	\$ 466,655	\$ 2,723,559
-	-	-	211,911
-	116,070	1,854,397	2,093,608
-	-	-	284,128
-	-	-	17,359
-	-	-	46,159
1,308,951	-	289,190	1,649,685
1,473,671	188,266	2,610,242	7,026,409
-	-	-	11,080
1,474,353	-	364,713	5,213,505
-	-	(3,647)	1,929,150
<u>1,474,353</u>	<u>-</u>	<u>361,066</u>	<u>7,153,735</u>
<u>\$ 2,948,024</u>	<u>\$ 188,266</u>	<u>\$ 2,971,308</u>	<u>\$ 14,180,144</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

Total fund balance - governmental funds	\$	7,153,735
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,971,524
Other long term assets are not available to pay for current-period expenditures and therefore deferred in the funds.		47,596
Long term liabilities (compensated absences are not due and payable in the current period and therefore are not reported in the funds).		<u>(383,986)</u>
Net position of governmental activities in the statement of net position	\$	<u><u>10,788,869</u></u>

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



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**ALAMO AREA COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	<u>General</u>	<u>Bexar Area Agency on Aging</u>	<u>Texas Department of Transportation</u>
<b>REVENUES</b>			
Federal	\$ -	\$ 6,947,293	\$ 1,689,565
State	-	216,406	398,219
Local	22,457	4,297	2,185,109
Delegate agencies:			
Cash match	-	2,607,613	-
In-kind	-	760,779	-
Program income	-	242,831	219,592
Membership dues	295,636	-	-
Investment income	3,291	-	-
Miscellaneous	24,119	-	-
<b>Total revenues</b>	<b>345,503</b>	<b>10,779,219</b>	<b>4,492,485</b>
<b>EXPENDITURES</b>			
General government	140,534	-	-
Workforce development	-	-	-
Aging	-	10,918,062	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	-	-	-
Community affairs	-	-	-
Homeland security	-	-	-
Transportation	-	-	4,931,147
Housing	-	-	-
Criminal justice	-	-	-
Health and welfare	-	-	-
<b>Total expenditures</b>	<b>140,534</b>	<b>10,918,062</b>	<b>4,931,147</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>204,969</b>	<b>(138,843)</b>	<b>(438,662)</b>
<b>OTHER FINANCING SOURCES AND USES</b>			
Transfers in	-	131,521	-
Transfers out	(212,120)	-	-
<b>Total other financing sources (uses)</b>	<b>(212,120)</b>	<b>131,521</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(7,151)</b>	<b>(7,322)</b>	<b>(438,662)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>1,951,028</b>	<b>25,775</b>	<b>3,794,648</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,943,877</b>	<b>\$ 18,453</b>	<b>\$ 3,355,986</b>

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

<b>Alamo Local Authority</b>	<b>Texas Department of Housing and Community Affairs</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 3,001,434	\$ 7,010,074	\$ 18,648,366
3,748,482	-	2,829,132	7,192,239
4,427,151	4,270	260,635	6,903,919
-	-	875,091	3,482,704
-	-	868,655	1,629,434
-	-	411,660	874,083
-	-	-	295,636
3,368	-	-	6,659
-	-	-	24,119
<b>8,179,001</b>	<b>3,005,704</b>	<b>12,255,247</b>	<b>39,057,159</b>
-	-	1,443	141,977
-	-	3,093,331	3,093,331
-	-	4,624,122	15,542,184
-	-	1,117,882	1,117,882
-	-	121,919	121,919
-	-	779,773	779,773
-	3,005,704	59,420	3,065,124
-	-	518,225	518,225
-	-	470,801	5,401,948
-	-	590,873	590,873
-	-	846,294	846,294
<b>8,482,000</b>	<b>-</b>	<b>-</b>	<b>8,482,000</b>
<b>8,482,000</b>	<b>3,005,704</b>	<b>12,224,083</b>	<b>39,701,530</b>
(302,999)	-	31,164	(644,371)
-	-	80,599	212,120
-	-	-	(212,120)
-	-	80,599	-
(302,999)	-	111,763	(644,371)
<b>1,777,352</b>	<b>-</b>	<b>249,303</b>	<b>7,798,106</b>
<b>\$ 1,474,353</b>	<b>\$ -</b>	<b>\$ 361,066</b>	<b>\$ 7,153,735</b>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

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

Net change in fund balances - total governmental funds	\$	(644,371)
Governmental funds report capital outlays as expenditures, however in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(565,201)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(148,756)
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>5,970</u>
Change in net position of governmental activities	\$	<u><u>(1,352,358)</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
DECEMBER 31, 2012**

	<u>Social Security Administration</u>
<b>ASSETS</b>	
Due from other funds	\$ <u>1,319</u>
<b>Total assets</b>	<u>\$ 1,319</u>
<b>LIABILITIES</b>	
Due to others	\$ <u>1,319</u>
<b>Total liabilities</b>	<u>\$ 1,319</u>

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

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Alamo Area Council of Governments (the Council) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the significant accounting policies and practices used by the Council.

**Reporting Entity**

The Alamo Area Council of Governments is a political subdivision of the State of Texas and a voluntary association of local governments within a 12-county region. The Council was established in 1967 to study and resolve area-wide problems through the cooperation and coordinated action of member cities, counties, school districts and special purpose districts of the region.

Membership in the Council is voluntary. Any county, city or special purpose district within the region may become a member in the independent association by passing a resolution to join the Council and paying annual dues. Each member government is entitled to have voting representation on the Board of Directors, which is the Council's governing body.

The Council's basic financial statements include the accounts of all the Council operations. The criteria for including organizations within the Council's reporting entity is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The following organization has been included within the Council's reporting entity.

**Discretely Presented Component Unit**

During 1995, the Council formed a nonprofit organization, Alamo Area Development Corporation (AADC). AADC is governed by a board of seven directors, which are also members of the governing body of the Council. AADC contracts with Workforce Solutions Alamo (WSA) to administer various grant programs, consisting primarily of Texas Workforce Commission grants as presented on the accompanying schedule of expenditures of federal and state awards. Complete financial statements may be obtained at the AADC's administrative office.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of any interfund activity has been removed from these statements. *Governmental activities* are generally supported by intergovernmental revenue.

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

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

The Council reports the following major governmental funds:

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

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

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

The Alamo Local Authority Fund is used to account for state funds awarded to Alamo Area Council of Governments by the Texas Department of Aging and Disabilities Services as the Mental Retardation Authority of Bexar County.

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

Additionally, the Council reports the following fund type:

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

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

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

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

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

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

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



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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Use of Estimates**

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

**Federal, State, and Local Grant Revenue**

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Deferred revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also arises when resources are received by the Council, before it has a legal claim to them, as when grant money is received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Council has a legal claim to the resources, the liability for the deferred revenue is removed from the balance sheet and revenue is recognized.

**Member Government Dues**

All member governments are required to pay dues to the Council. Dues are determined annually and are recognized as revenues when assessed because they are measurable and are collectible within the current period.

Dues are reported in the General Fund and funds are transferred to the Special Revenue Fund as needed to meet matching requirements of the grants.

**Local Contributed Cash**

Contributions to grant programs from local governments and other participants are recognized as revenue when grant expenditures are incurred in the case of cost reimbursement grants, and when courses are completed in the case of Regional Police Academy tuition.

**In-Kind and Contributed Services**

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

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Cash and Investments**

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

**Grants Receivable**

Grants receivable represent amounts due from federal and state agencies for the various programs administered by the Council. The receivables include amounts due on programs closed-out and those in progress as of December 31, 2012.

**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, 2012.

**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, 2012.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Capital Assets**

Capital assets, which include equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is not capitalized. Equipment of the primary government is depreciated using the straight-line method with a useful life of 3 – 15 years.

**Compensated Absences**

Employees earn twelve (12) days of annual leave and are credited with longevity days up to a maximum of eight (8) days for a total of twenty (20) days in any one calendar year. Employees may also carry forward a maximum of thirty-five (35) days of unused annual leave. Employees will be paid for accrued annual leave upon termination of employment provided they have been in a full-time position for three months or more. All annual leave pay is accrued when incurred in the government-wide statements. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

**Net Position and Fund Balance**

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

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Net Position and Fund Balance – Continued**

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

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

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

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are imposed by providers, such as grantors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of federal and state grants.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Council through formal action in an open meeting of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the Board of Directors. At December 31, 2012, the Council had no committed fund balance amounts.

*Assigned* – includes fund balance amounts that are self-imposed by the Council to be used for a particular purpose. Fund balance can be assigned by the Board of Directors pursuant to the Council's fund balance policy. At December 31, 2012, the Council had no assigned fund balance amounts.

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

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Net Position and Fund Balance – Continued**

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

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

General administrative and employee fringe benefits costs are recorded in cost pools. The costs are partially recovered from Special Revenue Funds based on negotiated indirect and fringe benefit rates. These rates are negotiated with the Texas Department of Aging and Disability Services, which is the Council's designated cognizant agency for the negotiation and approval of indirect and fringe benefits rates for use on federal grants. Indirect costs are defined by the U.S. Office of Management and Budget Circular A-87 as costs "(a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved." The Council uses a fixed-rate plus carry-forward provision. The rates are submitted to the cognizant agency on an annual basis, based on projected costs submitted on a Cost Allocation Plan for indirect fringe benefit and leave pool costs. The negotiated rates approved are used for billing purposes. Final costs not recovered by the billing rates are allowed by the oversight federal agency to be recovered in succeeding years.

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

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

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

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$565,201 difference are as follows:

Capital outlay	\$	334,399
Depreciation expense		<u>(899,600)</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities		<u>\$ (565,201)</u>

**NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The Council’s financial plan is controlled at the fund and grant level with management authorized to make transfers of budgeted amounts between object class levels within a fund or grant, within restrictions imposed by grantor agencies. The Board approves the financial plan for revenue and expenditures in all funds. The financial plan for the Special Revenue Funds is made on a project (grant) basis, spanning more than one year. Appropriations for all projects in the Special Revenue Funds lapse at the end of a contract period which may not coincide with the fiscal year-end of the Council. Although the financial plans are reviewed and approved by the Council’s Board, they are not considered legally adopted annual budgets or appropriations. Accordingly, comparative budget and actual results are not presented in this report.

**NOTE 4. CASH AND INVESTMENTS**

Cash and investments at December 31, 2012 consist of the following which are reported in assets as cash and investments in the accompanying financial statements.

Cash	\$	2,391,053
Investments		<u>4,806,171</u>
Total		<u>\$ 7,197,224</u>

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

**NOTE 4. CASH AND INVESTMENTS – CONTINUED**

The Public Funds Investment Act (Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Council to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the Council to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings account, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the Council to have independent auditors perform test procedures related to investment practices as provided by the Act. The Council is in substantial compliance with the requirements of the Act and with local policies.

As of December 31, 2012, the primary government had the following investment:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity</u>	<u>Minimum Legal Rating</u>	<u>Rating as of December 31, 2012</u>
TexPool	\$ 4,806,171	46	AAA	AAAm

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

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

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

**NOTE 4. CASH AND INVESTMENTS – CONTINUED**

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

*Credit Risk:* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the council's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government Securities or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of December 31, 2012, the Council's \$2,850,612 deposit balance was fully collateralized with securities held by the pledging financial institution.



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

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance December 31, 2011	Additions	Deletions	Balance December 31, 2012
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 127,000	\$ -	\$ -	\$ 127,000
<b>Capital assets, being depreciated</b>				
Equipment	2,772,930	18,644	-	2,791,574
Furniture and fixtures	147,322	-	-	147,322
Software	800,280	-	-	800,280
Vehicles	6,362,732	315,755	-	6,678,487
Property	1,060,537	-	-	1,060,537
	<u>11,143,801</u>	<u>334,399</u>	<u>-</u>	<u>11,478,200</u>
<b>Less accumulated depreciation</b>				
Equipment	(2,296,418)	(151,143)	-	(2,447,561)
Furniture and fixtures	(142,127)	(3,897)	-	(146,024)
Software	(716,258)	(28,484)	-	(744,742)
Vehicles	(3,347,274)	(656,987)	-	(4,004,261)
Property	(231,999)	(59,089)	-	(291,088)
<b>Total accumulated depreciation</b>	<u>(6,734,076)</u>	<u>(899,600)</u>	<u>-</u>	<u>(7,633,676)</u>
<b>Total capital assets being depreciated, net</b>	<u>4,409,725</u>	<u>(565,201)</u>	<u>-</u>	<u>3,844,524</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 4,536,725</u>	<u>\$ (565,201)</u>	<u>\$ -</u>	<u>\$ 3,971,524</u>

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

**NOTE 5. CAPITAL ASSETS – CONTINUED**

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

Governmental activities		
General government	\$	24,084
Workforce development		34,213
Aging		922
Emergency communications		35,048
Homeland security		107,255
Environmental quality		1,349
Transportation		617,529
Housing		20,016
Criminal justice		55,560
Health and welfare		3,624
		<hr/>
Total depreciation expense - governmental activities	\$	<u>899,600</u>

**NOTE 6. INTERFUND BALANCES AND TRANSFERS**

Internal transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions are recorded as transfers.

The following is a summary of interfund transfers for the year ended December 31, 2012:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>	<u>Purpose</u>
Bexar Area Agency on Aging	General fund	\$ 131,521	Local match
Other governmental funds	General fund	<u>80,599</u>	Local match
	Total	<u>\$ 212,120</u>	

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

**NOTE 6. INTERFUND BALANCES AND TRANSFERS – CONTINUED**

The Council pools cash in one bank account which is accounted for in the General Fund. All expenditures are paid out of this cash account, and appropriate interfund balances are recorded to reflect this activity. The composition of interfund balances as of December 31, 2012, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Texas Department of Transportation	Other governmental funds	\$ 1,388,240
Texas Department of Transportation	Texas Department of Housing and Community Affairs	116,070
Bexar Area Agency on Aging	General fund	78,462
Alamo Local Authority	Other governmental funds	379,929
Other governmental funds	Other governmental funds	86,228
Other governmental funds	General fund	44,679
		<u>\$ 2,093,608</u>

**NOTE 7. DEFERRED REVENUE**

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Local funds	\$ 47,596	\$ -	\$ 47,596
Grant funds	-	1,602,089	1,602,089
	<u>\$ 47,596</u>	<u>\$ 1,602,089</u>	<u>\$ 1,649,685</u>

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

**NOTE 8. LONG-TERM LIABILITIES**

Long term liability activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 389,956	\$ 673,213	\$ 679,183	\$ 383,986	\$ 97,489

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

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

**Risk Management**

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

**Contingencies**

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

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

**Litigation**

The Council is involved in numerous legal proceedings arising from providing various transportation services. As of December 31, 2012, none of these proceedings have been determined to result in probable loss to the Council. Accordingly, no related loss contingencies have been recorded in the accompanying financial statements.

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

**NOTE 9. COMMITMENTS AND CONTINGENCIES – CONTINUED**

**Operating Lease**

The Council leases office space in San Antonio, Texas under an agreement classified as an operating lease. Rent expense totaled \$1,156,976 for the year ended December 31, 2012. Future minimum lease payments under this agreement are as follows:

Year ending December 31,		
2013	\$	1,021,343
2014		1,114,193
2015		1,021,343
2016		1,181,840
2017		1,083,354
2018-2020		3,514,407
Total	\$	8,936,480

**NOTE 10. RETIREMENT PLAN**

**Plan Description**

Alamo Area Council of Governments provides pension, disability, and death benefits to its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the government body of the Council, within the options available in the states statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and up with 10 years of service or prior to age 60 with 80 years of total age plus service. Members are vested after 10 years of service, but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

**NOTE 10. RETIREMENT PLAN – CONTINUED**

**Plan Description – Continued**

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Council within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity based on purchase rates prescribed by the TCDRS Act.

**Funding Policy**

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

The deposit rate payable by the employee members of the plan for calendar year 2012 is the rate of 6% as adopted by the governing body of the Council. The employee deposit rate and the employer contribution rate may be changed by the Board of Directors of the Council within the options available in the TCDRS Act.

**Annual Pension Cost**

For the Council's accounting year ended December 31, 2012, the annual pension cost for the TCDRS plan was \$956,461 and the actual contributions were \$956,461. The required contribution rates for the year ended December 31, 2012 were determined by the December 31, 2011 actuarial valuations. Additional information as of the actuarial valuation dates is on the following page.

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

**NOTE 10. RETIREMENT PLAN – CONTINUED**

**Annual Pension Cost – Continued**

	December 31, 2011	December 31, 2010	December 31, 2009
Actuarial valuation date	Entry age	Entry age	Entry age
Actuarial cost method	Level percentage of	Level percentage of	Level percentage of
Amortization method	payroll, closed	payroll, closed	payroll, closed
Amortization period of years	20	20	20
Asset valuation method	SAF:10-yr smoothed value	SAF:10-yr smoothed value	SAF: 10-yr smoothed value
Actuarial assumption			
Investment return*	8%	8%	8%
Projected salary increases	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost of Living adjustments	0%	0%	0%

\* Includes inflation at the stated rate

The funding status as of December 31, 2011, the most recent actuarial valuation date and the two preceding actuarial valuations is as follows:

Actuarial valuation date	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>
Actuarial value of assets	\$ 13,909,108	\$ 12,228,058	\$ 10,485,324
Actuarial accrued liability (AAL)	16,065,162	14,584,300	12,723,740
Unfunded actuarial accrued liability (UAAL)	2,156,054	2,356,242	2,238,416
Funded ratio	86.58%	83.84%	82.41%
Annual covered payroll	11,698,302	10,981,582	8,933,889
UAAL as a percentage of covered payroll	18.43%	21.46%	25.06%

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

**NOTE 10. RETIREMENT PLAN – CONTINUED**

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

Year ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 956,461	100%	\$ -
2011	1,031,193	100%	-
2010	936,987	100%	-



## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds (Continued)

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

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

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

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

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**ALAMO AREA COUNCIL OF GOVERNMENTS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	<u>Texas Commission on Environmental Quality</u>	<u>VIA Metropolitan Transit</u>	<u>Texas Veterans Commission</u>	<u>Economic Development Administration</u>
<b>ASSETS</b>				
Cash and investments	\$ 339,794	\$ -	\$ -	\$ -
Accounts receivable				
Grantors	109,779	142,726	29,815	29,336
Other	-	-	-	-
Due from other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<b><u>\$ 449,573</u></b>	<b><u>\$ 142,726</u></b>	<b><u>\$ 29,815</u></b>	<b><u>\$ 29,336</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 50,685	\$ 30,058	\$ -	\$ 192
Due to other funds	255,658	112,386	29,815	29,144
Deferred revenue	137,840	282	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<b>444,183</b>	<b>142,726</b>	<b>29,815</b>	<b>29,336</b>
<b>FUND BALANCE</b>				
Restricted				
Grants	5,390	-	-	-
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances (deficit)</b>	<b><u>5,390</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total liabilities and     fund balances</b>	<b><u>\$ 449,573</u></b>	<b><u>\$ 142,726</u></b>	<b><u>\$ 29,815</u></b>	<b><u>\$ 29,336</u></b>

Commission on State Emergency Communication	Metropolitan Planning Organization	Texas Department of Rural Affairs	U.S. Department of Housing and Urban Development	U.S. Department of Homeland Security	Capital Area Council of Governments	State Energy Conservation Office
\$ 53,692	\$ -	\$ -	\$ 36,789	\$ -	\$ -	\$ -
371,722	70,414	2,865	7,619	331,900	4,574	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,091
<u>\$ 425,414</u>	<u>\$ 70,414</u>	<u>\$ 2,865</u>	<u>\$ 44,408</u>	<u>\$ 331,900</u>	<u>\$ 4,574</u>	<u>\$ 1,091</u>
\$ 109,907	\$ 136	\$ 137	\$ 278	\$ 30,669	\$ -	\$ -
181,504	70,323	2,728	14,581	299,783	4,574	-
134,003	-	-	-	5,050	-	-
425,414	70,459	2,865	14,859	335,502	4,574	-
-	-	-	29,549	-	-	1,091
-	(45)	-	-	(3,602)	-	-
-	(45)	-	29,549	(3,602)	-	1,091
<u>\$ 425,414</u>	<u>\$ 70,414</u>	<u>\$ 2,865</u>	<u>\$ 44,408</u>	<u>\$ 331,900</u>	<u>\$ 4,574</u>	<u>\$ 1,091</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2012  
 (CONTINUED)**

	<u>Office of the Governor</u>	<u>Environmental Protection Agency</u>	<u>City of San Antonio</u>	<u>Local Projects</u>
<b>ASSETS</b>				
Cash and investments	\$ 23	\$ -	\$ -	\$ -
Accounts Receivable				
Grantors	200,610	-	127,750	20,268
Other	15,870	-	-	-
Due from other funds	53,988	-	-	75,828
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ 270,491</u>	<u>\$ -</u>	<u>\$ 127,750</u>	<u>\$ 96,096</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 17,576	\$ -	\$ 555	\$ 10,663
Due to other funds	-	-	127,195	-
Deferred revenue	-	-	-	9,808
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	17,576	-	127,750	20,471
<b>FUND BALANCE</b>				
Restricted				
Grants	252,915	-	-	75,625
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u>252,915</u>	<u>-</u>	<u>-</u>	<u>75,625</u>
<b>Total liabilities and     fund balances</b>	<u>\$ 270,491</u>	<u>\$ -</u>	<u>\$ 127,750</u>	<u>\$ 96,096</u>

<u>Alamo Area Development Corporation</u>	<u>Alamo Area Agency on Aging</u>	<u>Totals</u>
\$ -	\$ -	\$ 430,298
670,233	274,622	2,394,233
-	-	15,870
-	-	130,907
<u>\$ 670,233</u>	<u>\$ 274,622</u>	<u>\$ 2,971,308</u>
\$ 3,797	\$ 212,002	\$ 466,655
666,320	60,386	1,854,397
116	2,091	289,190
670,233	274,479	2,610,242
-	143	364,713
-	-	(3,647)
-	143	361,066
<u>\$ 670,233</u>	<u>\$ 274,622</u>	<u>\$ 2,971,308</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2012**

	Texas Commission on Environmental Quality	VIA Metropolitan Transit	Texas Veterans Commission	Economic Development Administration
<b>REVENUES</b>				
Federal	\$ -	\$ 226,163	\$ -	\$ 77,346
State	763,204	-	95,826	-
Local	2,457	-	-	5,911
Delegate agencies				
Cash match	-	-	-	-
In-kind	-	-	-	18,193
Program income	-	-	-	-
<b>Total revenues</b>	<b>765,661</b>	<b>226,163</b>	<b>95,826</b>	<b>101,450</b>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Workforce development	-	-	95,826	-
Aging	-	-	-	-
Emergency communications	-	-	-	-
Economic development	-	-	-	121,919
Environmental quality	764,364	-	-	-
Community affairs	-	-	-	-
Homeland security	-	-	-	-
Transportation	-	226,163	-	-
Housing	-	-	-	-
Criminal justice	-	-	-	-
<b>Total expenditures</b>	<b>764,364</b>	<b>226,163</b>	<b>95,826</b>	<b>121,919</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,297</b>	<b>-</b>	<b>-</b>	<b>(20,469)</b>
<b>OTHER FINANCING SOURCES AND USES</b>				
Transfers in	-	-	-	18,016
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,016</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,297</b>	<b>-</b>	<b>-</b>	<b>(2,453)</b>
<b>FUND BALANCES, beginning</b>	<b>4,093</b>	<b>-</b>	<b>-</b>	<b>2,453</b>
<b>FUND BALANCES (DEFICIT), ending</b>	<b>\$ 5,390</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



<u>Commission on State Emergency Communication</u>	<u>Metropolitan Planning Organization</u>	<u>Texas Department of Rural Affairs</u>	<u>U.S. Department of Housing and Urban Development</u>	<u>U.S. Department of Homeland Security</u>	<u>Capital Area Council of Governments</u>	<u>State Energy Conservation Office</u>
\$ -	\$ 243,498	\$ 8,559	\$ 446,318	\$ 510,859	\$ -	\$ -
1,117,882	-	-	-	-	4,285	-
-	-	-	71,473	-	-	2,019
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,117,882</u>	<u>243,498</u>	<u>8,559</u>	<u>517,791</u>	<u>510,859</u>	<u>4,285</u>	<u>2,019</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,117,882	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	14,181
-	-	13,252	-	-	4,573	-
-	-	-	-	518,225	-	-
-	244,638	-	-	-	-	-
-	-	-	527,653	-	-	-
-	-	-	-	-	-	-
<u>1,117,882</u>	<u>244,638</u>	<u>13,252</u>	<u>527,653</u>	<u>518,225</u>	<u>4,573</u>	<u>14,181</u>
-	(1,140)	(4,693)	(9,862)	(7,366)	(288)	(12,162)
-	-	356	-	-	-	-
-	-	-	-	-	-	-
-	-	356	-	-	-	-
-	(1,140)	(4,337)	(9,862)	(7,366)	(288)	(12,162)
-	1,095	4,337	39,411	3,764	288	13,253
<u>\$ -</u>	<u>\$ (45)</u>	<u>\$ -</u>	<u>\$ 29,549</u>	<u>\$ (3,602)</u>	<u>\$ -</u>	<u>\$ 1,091</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2012  
 (CONTINUED)**

	Office of the Governor	Environmental Protection Agency	City of San Antonio
<b>REVENUES</b>			
Federal	\$ 57,219	\$ -	\$ 579,954
State	703,451	-	-
Local	-	-	-
Delegate agencies			
Cash match	-	-	-
In-kind	-	-	-
Program income	173,504	-	-
Total revenues	934,174	-	579,954
<b>EXPENDITURES</b>			
General government	-	-	-
Workforce development	-	-	580,315
Aging	-	-	-
Emergency communications	-	-	-
Economic development	-	-	-
Environmental quality	-	1,228	-
Community affairs	-	-	-
Homeland security	-	-	-
Transportation	-	-	-
Housing	-	-	-
Criminal justice	815,306	-	-
Total expenditures	815,306	1,228	580,315
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	118,868	(1,228)	(361)
<b>OTHER FINANCING SOURCES AND USES</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	118,868	(1,228)	(361)
<b>FUND BALANCES, beginning</b>	134,047	1,228	361
<b>FUND BALANCES, ending</b>	\$ 252,915	\$ -	\$ -

<u>Local Projects</u>	<u>Alamo Area Development Corporation</u>	<u>Alamo Area Agency on Aging</u>	<u>Total</u>
\$ -	\$ 2,417,190	\$ 2,442,968	\$ 7,010,074
-	-	144,484	2,829,132
177,581	-	1,194	260,635
-	-	875,091	875,091
-	-	850,462	868,655
63	-	238,093	411,660
<u>177,644</u>	<u>2,417,190</u>	<u>4,552,292</u>	<u>12,255,247</u>
1,443	-	-	1,443
-	2,417,190	-	3,093,331
10,494	-	4,613,628	4,624,122
-	-	-	1,117,882
-	-	-	121,919
-	-	-	779,773
41,595	-	-	59,420
-	-	-	518,225
-	-	-	470,801
63,220	-	-	590,873
30,988	-	-	846,294
<u>147,740</u>	<u>2,417,190</u>	<u>4,613,628</u>	<u>12,224,083</u>
29,904	-	(61,336)	31,164
891	-	61,336	80,599
-	-	-	-
<u>891</u>	<u>-</u>	<u>61,336</u>	<u>80,599</u>
30,795	-	-	111,763
44,830	-	143	249,303
<u>\$ 75,625</u>	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 361,066</u>

## **SUPPLEMENTAL SCHEDULES**

## **INDIRECT COSTS AND EMPLOYEE BENEFIT SCHEDULES**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF INDIRECT COSTS  
YEAR ENDED DECEMBER 31, 2012**

<b>INDIRECT COSTS</b>	
Personnel salaries	\$ 1,470,811
Employee benefits	468,001
Audit	58,100
Other contract services	214,863
Travel	28,169
Auto operating	68
Rent administration	33,473
Rent	870,374
Supplies	67,390
Equipment	32,878
Insurance and bonding	17,417
Public notices	2,870
Printing and reproduction	28,146
Repairs and maintenance	73,005
Fuel / oil	2,202
Employee recruitment	2,929
Communications	124,304
Postage	57,497
Meetings-other	15,591
Training in region	2,225
Publications	699
Professional dues	29,434
Equipment rental	98,588
Tuition staff	2,087
Depreciation expense - information technology	<u>11,825</u>
 Total indirect costs	 3,712,946
 Less: Administration cost received	 <u>(1,598,141)</u>
 Net indirect cost	 2,114,805
 <b>ACTUAL INDIRECT COST RECOVERED</b>	 <u>(2,052,890)</u>
 <b>OVER-RECOVERY OF INDIRECT COSTS PER 2011 AUDIT</b>	 <u>(79,274)</u>
 <b>ACTUAL CUMMULATIVE OVER-RECOVERY</b>	 <u><u>\$ (17,359)</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
 SCHEDULE OF EMPLOYEE BENEFITS (FRINGE AND RELEASE TIME)  
 YEAR ENDED DECEMBER 31, 2012**

<b>BENEFITS</b>	
FICA	\$ 860,017
Group life insurance	45,585
Unemployment insurance	90,820
Worker's compensation	96,369
Health insurance	1,503,910
Retirement	956,461
Release time	<u>1,600,091</u>
 Total employee benefits	 5,153,253
 <b>ACTUAL EMPLOYEE BENEFITS RECOVERED</b>	 <u>(5,186,912)</u>
 Net unrecovered employee benefits	 (33,659)
 <b>OVER-RECOVERY OF EMPLOYEE BENEFITS PER 2011 AUDIT</b>	 <u>(250,469)</u>
 <b>ACTUAL CUMMULATIVE OVER-RECOVERY</b>	 <u><u>\$ (284,128)</u></u>

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

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



**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
RECONCILIATION OF TOTAL EXPENDITURES  
TO FOURTH QUARTER FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012  
(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	\$ 3,316,854	\$ 7,884,047	\$ 1,110,325	\$ 10,090,576
Employee benefits	1,049,854	2,444,294	352,952	3,141,197
Professional consulting services	1,790,510	18,263,394	392,230	19,661,673
Training/travel	177,359	284,577	48,322	413,614
Capital outlay	-	585,029	-	585,029
Non-capital equipment	11,558	77,042	3,785	84,815
Other operating expenditures	1,944,464	4,292,185	512,023	5,724,626
Total expenditures	<u>\$ 8,290,599</u>	<u>\$ 33,830,568</u>	<u>\$ 2,419,637</u>	<u>\$ 39,701,530</u>

\* CARE Report III

\*\* Other Agency Programs

\*\*\* Sept - December 2012 MR Expenses

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

	CARE * Report III	Additions**	Deletions***	Audited Financial Statements
<b>LOCAL AND EARNED REVENUES</b>				
Medicaid	\$ 3,902,114	\$ 726,226	\$ 1,182,255	\$ 3,446,086
Medicaid administrative claiming	361,897	297,496	-	659,393
Membership dues	-	295,636	-	295,636
Local	-	3,143,071	-	3,143,070
Contributions	320,724	(210,728)	109,996	-
Delegate agency match	-	5,649,545	-	5,649,545
Interest	2,728	4,536	605	6,659
Other	-	21,365	5,201	16,164
	<u>4,587,463</u>	<u>9,927,147</u>	<u>1,298,057</u>	<u>13,216,553</u>
<b>STATE PROGRAM REVENUES</b>				
General revenue	3,411,959	4,769,399	1,297,742	6,883,616
Permanency planning	70,911	41,737	25,254	87,393
CLOIP	208,531	65,419	59,988	213,963
OBRA funds	11,735	(4,467)	-	7,268
	<u>3,703,136</u>	<u>4,872,088</u>	<u>1,382,984</u>	<u>7,192,240</u>
<b>FEDERAL PROGRAM REVENUES</b>				
Federal revenue	-	18,648,366	-	18,648,366
	<u>-</u>	<u>18,648,366</u>	<u>-</u>	<u>18,648,366</u>
Total federal program revenues	<u>-</u>	<u>18,648,366</u>	<u>-</u>	<u>18,648,366</u>
Total revenues	<u>\$ 8,290,599</u>	<u>\$ 33,447,601</u>	<u>\$ 2,681,041</u>	<u>\$ 39,057,159</u>

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

	1st Qtr * CARE Report III	(Dec 12)** Additions	All other Agency	Audited Financial Statements
<b>LOCAL AND EARNED REVENUES</b>				
Medicaid	\$ 450,754	\$ 631,187	\$ 2,364,143	\$ 3,446,086
Medicaid administrative claiming	-	101,133	558,260	659,393
Membership dues	-	-	295,636	295,636
Local	-	6,284	3,136,787	3,143,070
Contributions	72,114	24,038	(96,152)	-
Delegate agency match	-	-	5,649,545	5,649,545
Interest	565	681	5,414	6,659
Other	-	-	16,164	16,164
Total local and earned revenues	<u>523,433</u>	<u>763,323</u>	<u>11,929,797</u>	<u>13,216,553</u>
<b>STATE PROGRAM REVENUES</b>				
General revenue	1,233,379	99,932	5,550,304	6,883,615
Permanency planning	28,459	10,477	48,458	87,394
CLOIP	50,183	5,887	157,893	213,963
OBRA funds	-	-	7,268	7,268
Total state program revenues	<u>1,312,021</u>	<u>116,296</u>	<u>5,763,923</u>	<u>7,192,240</u>
<b>FEDERAL PROGRAM REVENUES</b>				
Federal revenue	-	-	18,648,366	18,648,366
Total federal program revenues	<u>-</u>	<u>-</u>	<u>18,648,366</u>	<u>18,648,366</u>
Total revenues	<u>\$ 1,835,454</u>	<u>\$ 879,619</u>	<u>\$ 36,342,086</u>	<u>\$ 39,057,159</u>

\* 1st qtr FY11 Sept - Nov

\*\* December 2012 MR Revenues

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS  
YEAR ENDED DECEMBER 31, 2012  
(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>
<b>Objects of expense</b>					
Personnel	\$ 10,090,576	\$ 2,473,092	\$ 1,063,152	\$ 6,554,332	\$ -
Employee benefits	3,141,196	780,799	338,933	2,021,464	-
Capital outlay	669,844	7,774	-	662,070	-
Other operating expense	25,799,914	1,990,919	780,310	23,028,685	-
Allocation of general administration to strategies	-	338,050	107,107	(445,157)	-
Allocation of authority administration to strategies	-	401,940	199,913	(601,853)	-
<b>Total expenditures</b>	<b><u>\$ 39,701,530</u></b>	<b><u>\$ 5,992,574</u></b>	<b><u>\$ 2,489,415</u></b>	<b><u>\$ 31,219,541</u></b>	<b><u>\$ -</u></b>
<b>Method of finance</b>					
General revenue - Mental Retardation	\$ 3,439,846	\$ 2,106,535	\$ 1,333,311	\$ -	\$ -
Permanency planning	87,393	48,457	38,936	-	-
OBRA Funds	7,268	7,268	-	-	-
CLOIP	213,963	157,893	56,070	-	-
Earned income	6,660	2,123	1,246	3,291	-
Additional local funds	13,209,894	3,141,640	1,285,511	8,782,743	-
Other services revenues	22,092,135	-	-	22,092,135	-
<b>Total expended sources</b>	<b><u>\$ 39,057,159</u></b>	<b><u>\$ 5,463,916</u></b>	<b><u>\$ 2,715,074</u></b>	<b><u>\$ 30,878,169</u></b>	<b><u>\$ -</u></b>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF INDIRECT COSTS  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

	<u>Total Costs</u>	<u>Nonallowable Costs</u>	<u>Depreciation</u>	<u>Total Adjusted Cost</u>	<u>Direct Costs</u>	<u>Indirect Costs</u>
Personnel	\$ 10,090,576	\$ -	\$ -	\$ 10,090,576	\$ 8,619,766	\$ 1,470,810
Fringe benefits	3,141,197	-	-	3,141,197	2,673,196	468,001
Capital outlay	669,844	669,844	-	-	(6,809)	6,809
Depreciation	-	-	899,600	899,600	899,600	-
Other operating expense	<u>25,799,913</u>	<u>-</u>	<u>-</u>	<u>25,799,913</u>	<u>25,630,728</u>	<u>169,185</u>
<b>Total expenses</b>	<b><u>\$ 39,701,530</u></b>	<b><u>\$ 669,844</u></b>	<b><u>\$ 899,600</u></b>	<b><u>\$ 39,931,286</u></b>	<b><u>\$ 37,816,481</u></b>	<b><u>\$ 2,114,805</u></b>
Indirect costs						\$ 2,114,805
Direct costs						\$ 37,816,481
Indirect cost rate						5.59%

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF INSURANCE IN EFFECT  
DECEMBER 31, 2012  
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	Workers' Compensation	Statutory
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	Automobile Liability Per Occurrence Limit Deductible Annual Aggregate Medical Payments per person Deductible	\$ 5,000,000 2,500 - 25,000 -
	10/01/12	10/01/13	Automobile Physical Damage Per Occurrence Limit Deductible	10,000 1,000
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	General Liability Per Occurrence Limit Deductible Sudden Events Each Occurrence Annual Aggregate	10,000,000 - 2,000,000 10,000,000
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	Law Enforcement Liability Per Occurrence Limit Annual Aggregate Deductible	2,000,000 4,000,000 1,000
Texas Municipal League Risk Management Fund	10/01/12	10/01/13	Errors and Omissions Liability Each Wrongful Act Annual Aggregate Deductible	2,000,000 4,000,000 1,000

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF INSURANCE IN EFFECT  
(CONTINUED)  
DECEMBER 31, 2012  
(UNAUDITED)**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

Name	City	Type of Service	Amount
<b>January - August 2012</b>			
CALIDAD - DREXEL	San Antonio	Vocational Training	\$ 2,507
CALIDAD - CONVERSE	Converse	Respite Hourly - Out of Home	6,296
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - Out of Home	17,336
LIFELINE CARE & SERVICES	San Antonio	Respite Hourly - Out of Home	994
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - Out of Home	585
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Respite Hourly - Out of Home	2,081
WORKACCESS INC.	San Antonio	Respite Hourly - Out of Home	746
CALIDAD - CONVERSE	Converse	Respite Daily - Out of Home	13,800
CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL	San Antonio	Respite Daily - Out of Home	2,400
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - Out of Home	2,250
LIFETIME LIVING, INC.	San Antonio	Respite Daily - Out of Home	600
MOSAIC	Live Oak	Respite Daily - Out of Home	1,950
RESPITE CARE OF SAN ANTONIO	San Antonio	Respite Daily - Out of Home	2,100
CALIDAD - CONVERSE	Converse	Respite Hourly - In Home	12,683
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - In Home	40,624
LIFELINE CARE & SERVICES	San Antonio	Respite Hourly - In Home	9,139
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - In Home	18,319
MILAGRO DISCOVERY	San Antonio	Respite Hourly - In Home	3,248
MOSAIC	Live Oak	Respite Hourly - In Home	2,130
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Respite Hourly - In Home	3,461
WORKACCESS INC.	San Antonio	Respite Hourly - In Home	2,055
CALIDAD - CONVERSE	Converse	Respite Daily - In Home	5,850
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - In Home	1,950
LIFETIME LIVING, INC.	San Antonio	Respite Daily - In Home	150
MILAGRO DISCOVERY	San Antonio	Respite Daily - In Home	1,650
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Respite Daily - In Home	2,700
ANGEL CARE CENTER OF SAN ANTONIO	San Antonio	Day Programming	1,605
CALIDAD - DREXEL	San Antonio	Day Programming	22,070
ESTRELLA DE MAR, INC.	San Antonio	Day Programming	4,492
EVA'S HEROES	San Antonio	Day Programming	558
HOMELIFE COMMUNITY SERVICE	San Antonio	Day Programming	9,437
LIFETIME LIVING, INC.	San Antonio	Day Programming	30,723
MILAGRO DISCOVERY	San Antonio	Day Programming	9,048
MISSION ROAD MINISTRIES	San Antonio	Day Programming	18,672
MOSAIC	Live Oak	Day Programming	9,417
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Day Programming	98
THE ARC OF SAN ANTONIO	San Antonio	Day Programming	140,874
UNICORN CENTER, INC.	San Antonio	Day Programming	53,250
WORKACCESS INC.	San Antonio	Day Programming	32
UNICORN CENTER, INC.	San Antonio	Head Start	3,470
ABA CENTER FOR EXCELLENCE	San Antonio	Community Support	4,900
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Community Support	1,490
CALIDAD - DREXEL	San Antonio	Community Support	71,670
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Community Support	550
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Community Support	20,348



**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
(CONTINUED)  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

HOMELIFE COMMUNITY SERVICE	San Antonio	Community Support	67,040
LIFELINE CARE & SERVICES	San Antonio	Community Support	21,910
LIFETIME LIVING, INC.	San Antonio	Community Support	39,980
MILAGRO DISCOVERY	San Antonio	Community Support	2,790
MOSAIC	Live Oak	Community Support	9,625
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Community Support	27,280
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Community Support	9,660
UNICORN CENTER, INC.	San Antonio	Community Support	34,980
WORKACCESS INC.	San Antonio	Community Support	10,650
CALIDAD - DREXEL	San Antonio	Supported Employment	1,056
MOSAIC	Live Oak	Supported Employment	50
UNICORN CENTER, INC.	San Antonio	Supported Employment	1,469
CALIDAD - DREXEL	San Antonio	Employment Assistance	369
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Employment Assistance	4,119
HOMELIFE COMMUNITY SERVICE	San Antonio	Employment Assistance	694
LIFETIME LIVING, INC.	San Antonio	Employment Assistance	488
WORKACCESS INC.	San Antonio	Employment Assistance	150
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Behavioral Support	3,330
ABA CENTER FOR EXCELLENCE	San Antonio	Behavioral Support	1,575
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Behavioral Support	13,973
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Behavioral Support	7,178
HOMELIFE COMMUNITY SERVICE	San Antonio	Behavioral Support	4,838
SOUTH TEXAS BEHAVIORAL INSTITUTE	San Antonio	Behavioral Support	315
WORKACCESS INC.	San Antonio	Behavioral Support	13,500
CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL	San Antonio	Weekly Camp	93,800
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Safety Net	183,336
CALIDAD - DREXEL	San Antonio	Day Habilitation Summer Camp	8,825
EVA'S HEROES	San Antonio	Day Habilitation Summer Camp	2,772
MISSION ROAD MINISTRIES	San Antonio	Day Habilitation Summer Camp	1,448
SAN ANTONIO SIMPLY LOVES ALL PEOPLE	San Antonio	Day Habilitation Summer Camp	4,456
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Applied Behavioral Analysis	22,878
ABA CENTER FOR EXCELLENCE	San Antonio	Applied Behavioral Analysis	4,223
AUTISTIC TREATMENT CENTER	San Antonio	Applied Behavioral Analysis	(200)
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Applied Behavioral Analysis	27,480
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Applied Behavioral Analysis	8,640
SOUTH TEXAS BEHAVIORAL INSTITUTE	San Antonio	Applied Behavioral Analysis	6,330
WORKACCESS INC.	San Antonio	Applied Behavioral Analysis	3,000
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Speech & Language Services	5,000
CALIDAD - CONVERSE	San Antonio	Nursing Services	200

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
(CONTINUED)  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

Name	City	Type of Service	Amount
<b>September - December 2011</b>			
CALIDAD - DREXEL	San Antonio	Vocational Training	81
CALIDAD - CONVERSE	Converse	Respite Hourly - Out of Home	2,933
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - Out of Home	5,385
LIFELINE CARE AND SERVICES, LLC	San Antonio	Respite Hourly - Out of Home	1,305
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - Out of Home	45
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Respite Hourly - Out of Home	206
CALIDAD - CONVERSE	Converse	Respite Daily - Out of Home	150
CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL	San Antonio	Respite Daily - Out of Home	900
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - Out of Home	300
RESPITE CARE OF SAN ANTONIO	San Antonio	Respite Daily - Out of Home	450
CALIDAD - CONVERSE	Converse	Respite Hourly - In Home	7,448
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Hourly - In Home	16,579
LIFELINE CARE AND SERVICES, LLC	San Antonio	Respite Hourly - In Home	2,051
LIFETIME LIVING, INC.	San Antonio	Respite Hourly - In Home	8,756
MILAGRO DISCOVERY	San Antonio	Respite Hourly - In Home	30
MOSAIC	Live Oak	Respite Hourly - In Home	-
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Respite Hourly - In Home	705
WORKACCESS, INC.	San Antonio	Respite Hourly - In Home	866
CALIDAD - CONVERSE	Converse	Respite Daily - In Home	1,050
HOMELIFE COMMUNITY SERVICE	San Antonio	Respite Daily - In Home	1,050
LIFELINE CARE AND SERVICES, LLC	San Antonio	Respite Daily - In Home	150
ANGEL CARE CENTER OF SAN ANTONIO	San Antonio	Day Programming	1,359
CALIDAD - DREXEL	San Antonio	Day Programming	8,195
ESTRELLA DE MAR, INC.	San Antonio	Day Programming	1,578
EVA'S HEROES	San Antonio	Day Programming	132
HOMELIFE COMMUNITY SERVICE	San Antonio	Day Programming	5,481
LIFETIME LIVING, INC.	San Antonio	Day Programming	10,638
MILAGRO DISCOVERY	San Antonio	Day Programming	2,322
MISSION ROAD MINISTRIES	San Antonio	Day Programming	6,114
MOSAIC	San Antonio	Day Programming	2,828
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Day Programming	164
THE ARC OF SAN ANTONIO	San Antonio	Day Programming	58,409
UNICORN CENTER, INC.	San Antonio	Day Programming	29,372
UNIVERSITY UNITED METHODIST CHURCH	San Antonio	Day Programming	3,306
UNICORN CENTER, INC.	San Antonio	Head Start	1,390
ABA CENTER FOR EXCELLENCE LLC	San Antonio	Community Support	2,190
CALIDAD - DREXEL	San Antonio	Community Support	31,050
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Community Support	260
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Community Support	16,910
HOMELIFE COMMUNITY SERVICE	San Antonio	Community Support	20,750

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES  
(CONTINUED)  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

Name	City	Type of Service	Amount
LIFELINE CARE AND SERVICES, LLC	San Antonio	Community Support	14,180
LIFETIME LIVING, INC.	San Antonio	Community Support	20,840
MILAGRO DISCOVERY	San Antonio	Community Support	1,030
MOSAIC	San Antonio	Community Support	3,480
SAN ANTONIO SIMPLY LOVE ALL PEOPLE	San Antonio	Community Support	6,100
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Community Support	2,580
UNICORN CENTER, INC.	San Antonio	Community Support	21,050
WORKACCESS, INC.	San Antonio	Community Support	4,720
CALIDAD - DREXEL	San Antonio	Supported Employment	263
LIFETIME LIVING, INC.	San Antonio	Supported Employment	200
UNICORN CENTER, INC.	San Antonio	Supported Employment	750
CALIDAD - DREXEL	San Antonio	Employment Assistance	163
COMMUNITY LEARNING CENTER OF SAN ANTONIO	San Antonio	Employment Assistance	463
LIFETIME LIVING, INC.	San Antonio	Employment Assistance	375
MOSAIC	Live Oak	Employment Assistance	313
UNICORN CENTER, INC.	San Antonio	Employment Assistance	388
WORKACCESS, INC.	San Antonio	Employment Assistance	600
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Behavioral Support	563
ABA CENTER FOR EXCELLENCE LLC	San Antonio	Behavioral Support	315
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Behavioral Support	8,190
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Behavioral Support	1,350
HOMELIFE COMMUNITY SERVICE	San Antonio	Behavioral Support	1,418
SOUTH TEXAS BEHAVIORAL INSTITUTE	San Antonio	Behavioral Support	3,510
WORKACCESS, INC.	San Antonio	Behavioral Support	4,545
THE WOOD GROUP/TWG INVESTMENTS	San Antonio	Safety Net	91,668
ABA AND BEHAVIORAL SERVICES, LLC	San Antonio	Applied Behavioral Analysis	5,160
ABA CENTER FOR EXCELLENCE LLC	San Antonio	Applied Behavioral Analysis	1,815
BEHAVIOR ANALYTIC SOLUTIONS, LLC	San Antonio	Applied Behavioral Analysis	7,208
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Applied Behavioral Analysis	4,500
SOUTH TEXAS BEHAVIORAL INSTITUTE	San Antonio	Applied Behavioral Analysis	3,105
WORKACCESS, INC.	San Antonio	Applied Behavioral Analysis	360
CLINICAL BEHAVIOR ANALYSIS, LLC	San Antonio	Speech & Language Services	2,200

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF LEGAL SERVICES  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF LEASE AND RENTAL COMMITMENTS  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

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

**ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF SPACE OCCUPIED IN A STATE-OWNED FACILITY  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)**

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

ALAMO AREA COUNCIL OF GOVERNMENTS  
ALAMO LOCAL AUTHORITY  
SCHEDULE OF BONDED EMPLOYEES  
YEAR ENDED DECEMBER 31, 2012  
(UNAUDITED)

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

# **SINGLE AUDIT REPORT**





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Alamo Area Council of Governments (the Council), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated May 22, 2013.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

San Antonio, Texas  
May 22, 2013



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

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

**Report on Compliance for Each Major Federal Program**

We have audited Alamo Area Council of Governments' (the Council's) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Council's major federal and state programs for the year ended December 31, 2012. The Council's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Council's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas *Uniform Grant Management Standards (UGMS)*. Those standards, OMB Circular A-133, and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Council's compliance.

**Opinion on Each Major Federal and State Program**

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

### Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and *UGMS*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

San Antonio, Texas  
May 22, 2013

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2012**

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

An unqualified opinion was issued on the financial statements.

Internal control over financial reporting:

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

**Federal and State Awards**

Internal control over major programs:

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

An unqualified opinion was issued on compliance for major programs.

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

Identification of Major Federal Programs:

81.042	Weatherization Assistance for Low Income Persons
93.044	Aging Cluster- Title III Part B
93.045	Aging Cluster- Title III Part C
93.053	Aging Cluster- Nutrition Services Incentive Program
93.052	National Family Caregiver Program
93.568	Low-Income Home Energy Assistance

Identification of Major State Programs:

Air Quality  
Texas Veterans Grant  
Regional Police Training  
Intellectual Developmental Disabilities

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

Dollar threshold used to distinguish  
between type A and type B programs?

\$679,798 – Federal

\$300,000 – State

Auditee qualified as low-risk auditee?

Yes       No

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

NONE

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**SECTION IV – SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

NONE

**SECTION V – CORRECTIVE ACTION PLAN**

N/A

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Grantor/State Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b>FEDERAL AWARDS</b>			
<b>Primary Government</b>			
<u>U.S. Department of Commerce</u>			
Passed through Economic Development Administration Economic Development Support for Planning Organizations	08-83-04338.01	11.302	\$ 1,728
Passed through Texas Department of Public Safety Public Safety Interoperable Communications	09-AACOG-01	11.555	<u>75,618</u>
<i>Total U.S. Department of Commerce</i>			77,346
<u>U.S. Department of Transportation</u>			
Passed through the Metropolitan Planning Organization Highway Planning and Construction	2011-2013	20.205	245,995
Highway Planning and Construction	2010-2011	20.205	<u>(2,497)</u>
Total			243,498
Passed through Texas Department of Transportation Highway Planning and Construction	0915-12-413	20.205	(766)
Highway Planning and Construction	0915-12-473	20.205	(1,056)
Highway Planning and Construction	0915-12-485	20.205	179,057
Highway Planning and Construction	0915-12-491	20.205	56,579
Job Access - Reverse Commute	51015F7327	20.516	329,278
Formula Grants for Other than Urbanized Areas - ARRA	51015F7082	20.509	39,948
Formula Grants for Other than Urbanized Areas	51115F7040	20.509	7,772
Formula Grants for Other than Urbanized Areas	51215F7074	20.509	1,083
Formula Grants for Other than Urbanized Areas	51215F7199	20.509	518,886
Formula Grants for Other than Urbanized Areas	51115F7176	20.509	485,262
Formula Grants for Other than Urbanized Areas	51215F7069	20.509	15,600
Federal Transit - Capital Investment Grants Assistance Program for Elderly Persons and Persons with Disabilities	51115F7149	20.500	
	51115F7306	20.513	13,648
State Planning and Research	51215F7136	20.515	37,099
State Planning and Research	51207F7132	20.515	<u>7,175</u>
Total			1,689,565



**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

<b>Federal Grantor/Program Title</b>	<b>Pass-Through Grantor/State Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b><u>FEDERAL AWARDS</u></b>			
<b>Primary Government - Continued</b>			
Passed through VIA Metropolitan Transit			
New Freedom Program	TX-57-X013-00	20.521	(77)
New Freedom Program	TX-57-X032-00	20.521	226,240
Total			226,163
<i>Total U.S. Department of Transportation</i>			2,159,226
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>			
HUD-Section 8 Housing Choice Vouchers	TX564	14.871	446,318
Passed through Texas Department of Rural Affairs			
Community Development Block Grants	C710221	14.228	5,693
Community Development Block Grants	C711221	14.228	2,866
Total			8,559
<i>Total U.S. Department of Housing and Urban Development</i>			454,877
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through Texas Department of Aging and Disability			
Services to the Bexar Area Agency on Aging			
Special Programs for the Aging Title VII, Chapter 3	539-11-0004-00001	93.041	24,304
Special Programs for the Aging Title VII, Chapter 2	539-11-0004-00001	93.042	52,507
Special Programs for the Aging Title III Part D	539-11-0004-00001	93.043	99,409
Special Programs for the Aging - Title III Part B	539-11-0004-00001	93.044	1,407,142
Special Programs for the Aging - Title III Part C	539-11-0004-00001	93.045	2,763,509
Special Programs for Aging Title VII & Title II			
Discretionary	539-11-0004-00001	93.048	38,143
National Family Caregiver Support Title III, Part E	539-11-0004-00001	93.052	762,171
Nutrition Services Incentive Program	539-11-0004-00001	93.053	1,523,165
		93.072	61,481
ARRA-Communities Putting Prevention to Work	539-11-0004-00001	93.725	25,064
Centers for Medicare & Medicaid Services (CMS)	539-08-0162-00001	93.779	88,336
Affordable Care Act Medicare Improvements for			
		93.791	18,688
Affordable Care Act Medicare Improvements for			
Patients & Providers	539-11-0004-00001	93.518	83,374
Total			6,947,293

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
<b>FEDERAL AWARDS</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			
Special Programs for the Aging Title VII, Chapter 3	539-11-0001-00001	93.041	9,456
Special Programs for the Aging Title 7, Chapter 2	539-11-0001-00001	93.042	36,892
Special Programs for the Aging Title III Part D	539-11-0001-00001	93.043	33,694
Special Programs for the Aging - Title III Part B	539-11-0001-00001	93.044	624,292
Special Programs for the Aging - Title III Part C	539-11-0001-00001	93.045	1,086,266
National Family Caregiver Support Title III, Part E	539-11-0001-00001	93.052	296,485
Nutrition Services Incentive Program	539-11-0001-00001	93.053	230,719
Affordable Care Act Medicare Improvements for Patients & Providers	539-11-0001-00001	93.518	9,941
		93.791	183
Centers for Medicare & Medicaid Services (CMS)	539-11-0001-00001	93.779	115,040
Total			2,442,968
Passed through City of San Antonio			
Childcare and Development Block Grant	46000	93.575	452,204
Childcare and Development Block Grant	4600012788	93.575	127,750
Total			579,954
Passed through Texas Department of Housing and Community Affairs			
Low-Income Home Energy Assistance Program	81100001151	93.568	568,953
Low-Income Home Energy Assistance Program	81120001393	93.568	912,043
Total			1,480,996
Passed through Alamo Area Development Corporation			
Temporary Assistance for Needy Families	CC20011001	93.558	615,522
Temporary Assistance for Needy Families	CC20011001-01	93.558	220,126
Total			835,648
<i>Total U.S. Department of Health and Human Services</i>			12,286,859

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
<b><u>FEDERAL AWARDS</u></b>			
<b>Primary Government - Continued</b>			
<b><u>U.S. Department of Education</u></b>			
Passed through Office of the Governor - Criminal Justice Division Regional Youth	JA-11-J20-14864-13	16.540	54,079
<i>Total U.S. Department of Education</i>			54,079
<b><u>U.S. Department of Criminal Justice</u></b>			
Passed through Office of the Governor - Criminal Justice Division ARRA - Violence Against Women	WF-12-V30-26107-C	16.588	3,140
<i>Total U.S. Department of Criminal Justice</i>			3,140
<b><u>U.S. Department of Labor</u></b>			
Passed through Workforce Solutions Alamo			
WIA Adult	CC20011001	17.258	236,794
WIA Adult	CC20011001-01	17.258	101,284
WIA Youth Activities	CC20011001	17.259	564,367
WIA Youth Activities	CC20011001-01	17.259	74,508
WIA Dislocated Workers	CC20011001	17.260	332,682
WIA Dislocated Workers	CC200111001-01	17.260	107,234
<i>Total U.S. Department of Labor</i>			1,416,869
<b><u>U.S. Department of Energy</u></b>			
Passed through Texas Department of Housing and Community Affairs			
ARRA- Weatherization Assistance for Low Income Persons	16090000649	81.042	783,176
ARRA- Weatherization Assistance for Low Income Persons	16090000773	81.042	111,220
Weatherization Assistance for Low Income Persons	56110001201	81.042	517,140
Weatherization Assistance for Low Income Persons	56120001470	81.042	108,902
<i>Total U.S. Department of Energy</i>			1,520,438

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

<b>Federal Grantor/Program Title</b>	<b>Pass-Through Grantor/State Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>FEDERAL AWARDS</b>			
<b>Primary Government - Continued</b>			
<u><b>U.S. Department of Homeland Security</b></u>			
Hazard Mitigation	DIR-1791-103	97.039	26,437
State Homeland Security Program (SHSP)	08-GA 99001-03	97.073	(6,225)
State Homeland Security Program (SHSP)	09-GA 99001-07	97.073	209,698
State Homeland Security Program (SHSP)	11-SR-99001-04	97.073	212,775
Specials Projects	12-SR-99001-01.02	97.073	71,836
Public Safety Interoperable Communications	08-GA99001-07	97.001	(2,092)
Public Safety Interoperable Communications	09-AACOG-01	97.001	(2,159)
Public Safety Interoperable Communications	01ECG9001	97.001	<u>589</u>
<i>Total U.S. Department of Homeland Security</i>			510,859
<u><b>U.S. Department of Agriculture</b></u>			
Passed through Workforce Solutions Alamo			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001	10.561	133,251
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001-01	10.561	<u>31,425</u>
<i>Total U.S. Department of Agriculture</i>			<u>164,676</u>
<b>Total Federal Grant Funds - Primary Government</b>			<u><u>18,648,369</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

Federal Grantor/Program Title	Pass-Through Grantor/State Number	Federal CFDA Number	Expenditures
<b><u>FEDERAL AWARDS</u></b>			
<b>Discretely Presented Component Unit</b>			
<b><u>U.S. Department of Criminal Justice</u></b>			
Passed through Office of the Governor - Criminal Justice Division Investigative Topics for VAWA	WF-12-V30-26107-C	16.588	3,140
Total			3,140
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through City of San Antonio			
Childcare and Development Block Grant	4600011289	93.575	75
Childcare and Development Block Grant	46000	93.575	452,207
Childcare and Development Block Grant	4600012788	93.575	127,660
Passed through Alamo Area Development Corporation			
WF-Performance	CC2011001	93.558	21,088
Temporary Assistance for Needy Families	CC20011001	93.558	667,717
Temporary Assistance for Needy Families	CC2011001-01	93.558	251,256
<i>Total U.S. Department of Health and Human Services</i>			1,520,003
<b><u>U.S. Department of Labor</u></b>			
Passed through Workforce Solutions Alamo			
WIA Adult	CC2011001	17.258	484,852
WIA Adult	CC2011001-01	17.258	235,066
WIA Youth OSY (Out of School Youth)	CC2011001	17.259	373,366
WIA Youth OSY (Out of School Youth)	CC2011001-01	17.259	105,542
WIA Youth OSY (In School Youth)	CC2011001	17.259	275,268
WIA Youth OSY (In School Youth)	CC2011001-01	17.259	18,687
WIA Dislocated Workers	CC2011001	17.260	588,413
WIA Dislocated Workers	CC2011001-01	17.260	196,860
<i>Total U.S. Department of Labor</i>			2,278,054

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

<b>Federal Grantor/Program Title</b>	<b>Pass-Through Grantor/State Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>FEDERAL AWARDS</b>			
<b>Discretely Presented Component Unit - Continued</b>			
<u>U.S. Department of Agriculture</u>			
Passed through Workforce Solutions Alamo			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001	10.561	90,749
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC20011001	10.561	78,179
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	CC2011001-01	10.561	41,443
<i>Total U.S. Department of Agriculture</i>			<u>210,371</u>
<b>Total Federal Grant Funds - Discretely Presented Component Unit</b>			<u>4,011,568</u>
<b>TOTAL FEDERAL GRANT FUNDS</b>			<u><u>\$ 22,659,937</u></u>

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

<u>State Grantor/Program Title</u>	<u>Grantor/State Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<b>STATE AWARDS</b>			
<b>Primary Government</b>			
<u>Texas Department of Aging and Disability Services</u>			
State General Revenue - Intellectual Developmental Disabilities - FY 2011	539-12-0120-00001		\$ 2,320,164
State General Revenue - Intellectual Developmental Disabilities - FY 2012	539-12-0120-00001		1,428,318
Aging State General Revenue - Alamo	539-11-0001-00001		144,484
Aging State General Revenue - Bexar	539-11-0004-00001		216,406
<i>Total Texas Department of Aging and Disability Services</i>			4,109,372
<u>Texas Commission on Environmental Quality</u>			
Air Quality	582-11-11219		234,544
Air Quality	582-8-86227		258,520
Solid Waste Resource Recovery	582-10-91876		10,691
Solid Waste Resource Recovery	582-10-91876		254,875
<i>Total Texas Commission of Environmental Quality</i>			758,630
<u>Commission on State Emergency Communications</u>			
911 Emergency Communications	FY 2013		234,467
911 Emergency Communications	FY 2012		541,406
911 Emergency Communications	FY 2011		342,009
<i>Total Commission on State Emergency Communications</i>			1,117,882
<u>Texas Department of Transportation</u>			
Rural Public Transportation	51115F7001		221,526
Rural Public Transportation	51215F7001		176,693
<i>Total Texas Department of Transportation</i>			398,219
<u>Office of the Governor - Criminal Justice Division</u>			
Regional Police Training Program	SF-11-A10-14859-13		556,335
Criminal Justice Planning	30010618		142,982
Criminal Justice Regional Youth	SF-13-J20-25822-01		4,134
<i>Total Office of the Governor - Criminal Justice Division</i>			703,451

**ALAMO AREA COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

<u>State Grantor/Program Title</u>	<u>Pass-Through Grantor/State Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b>STATE AWARDS</b>			
<b>Primary Government - Continued</b>			
<u>U.S. Department of Homeland Security</u>			
Mining & Quarry Equipment Emissions Inventory	582-11-11219		<u>4,574</u>
<i>Total U.S. Department of Homeland Security</i>			4,574
<u>Texas Veterans Commission</u>			
FVA	VHA_12_0079		<u>95,826</u>
<b>Total State Grant Funds - Primary Government</b>			7,187,954
<b>STATE AWARDS</b>			
<b>Discretely Presented Component Unit</b>			
<u>Texas Veterans Commission</u>			
FVA	VHA_13_0123		<u>400,547</u>
<b>Total State Grant Funds - Discretely Presented Component Unit</b>			<u>400,547</u>
<b>TOTAL STATE GRANT FUNDS</b>			<u><u>\$ 7,588,501</u></u>



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

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Grant expenditures reports as of December 31, 2012, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**NOTE 4. SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

The schedule of findings and questioned costs, including the summary of auditor's results for federal and state awards, is included beginning on page 73.



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