

ALAMO AREA COUNCIL OF GOVERNMENTS

SAN ANTONIO, TEXAS

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

Prepared by:

Julio Elizondo, MSF, CFO
Jhoan Torres, Controller

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Annual Comprehensive Financial Report
For the Year Ended December 31, 2025

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INTRODUCTORY SECTION



Elevating Quality of Life. Impacting People.

2026 BOARD OF DIRECTORS

Wade Hedtke, Chair
County Judge, Karnes County
Misty Spears, Vice Chair
Councilwoman, City of San Antonio
Tommy Calvert
Commissioner, Bexar County
Rebeca Clay-Flores
Commissioner, Bexar County
Weldon Cude
County Judge, Atascosa County
Mary Dennis
Mayor, City of Live Oak
Donna Dodgen
Mayor, City of Seguin
Richard A. Evans
County Judge, Bandera County
Ric Galvan
Council of San Antonio
Ryan Guillen
State Representative, District 31
DeAnna Hardwick
Chief Strategy Officer, CPS Energy
James Hasslocher
Board Member, University Health System
Joe Herring
Mayor, City of Kerrville
Kristen Hoyt
County Judge, Comal County
Alexandria Inocencio
Mayor, City of Dilley
Daniel Jones
County Judge, Gillespie County
Rob Kelly
County Judge, Kerr County
Keith Lutz
County Judge, Medina County
Mario Martinez
Commissioner, Frio County
Jose Menendez
Senator, State of Texas, District 26
Grant Moody
Commissioner, Bexar County
Chris Riley
Mayor, City of Leon Valley
Lawrence Spradley
Councilman, City of New Braunfels
Shane Stolarczyk
County Judge, Kendall County
Alfred "Al" Suarez
Mayor, City of Converse
James E. Teal
County Judge, McMullen County
Enrique Valdivia
Chair, Edwards Aquifer Authority
Sylvester Vasquez Jr.
President, Southwest ISD
Hank Whitman
County Judge, Wilson County
Mark Whyte
Councilman, City of San Antonio
Jim Wolverton
Commissioner, Guadalupe County
Suzanne de Leon (Ex-Officio)
Former Board of Directors Chair
Brian Hoffman (Ex-Officio)
Joint Base San Antonio
Judith Zaffirini (Ex-Officio)
State Senator, District 21

August 26, 2026

Judge Wade Hedtke, Chair

Members of the Board of Directors

Alamo Area Council of Governments

San Antonio, Texas

Dear Chair Judge Wade Hedtke, Members of the Board of Directors and Citizens of the Alamo Area:

The Annual Comprehensive Financial Report (ACFR) of the Alamo Area Council of Governments ("the Council" or "AACOG") for the fiscal year ended December 31, 2025, is hereby submitted. This report was prepared by the Department of Accounting, which accepts responsibility for the accuracy, completeness, and fairness of the data presented. To provide a reasonable basis for making these representations, the AACOG team has established a comprehensive framework of internal controls designed to protect AACOG from loss and to enable the compilation of reliable information for the preparation of the attached financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governments. It should be noted that reasonable internal control measures weigh the cost of those procedures against their benefits, and AACOG's internal control measures provide reasonable, but not absolute, assurance that the financial statements are free of material misstatement. We believe the data, as presented, is accurate in all material respects, that it properly reflects the financial position and the results of operation of AACOG, and that all disclosures have been made to enable the reader to acquire the maximum understanding of the financial affairs of the Council.

These financial statements are presented annually in compliance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the State of Texas Uniform Grant Management Standards, the Governmental Accounting Standards Board (GASB) financial reporting principles, as well as Article X of the Council's bylaws. AACOG notes that during 2025, the agency implemented GASB Statement No. 102, which establishes standards for improving disclosure requirements related to credit and other risks in notes. Arledge & Associates, P.C., Certified Public Accountants, has issued an unmodified opinion, sometimes referred to as a "clean" opinion, on the AACOG financial statements included herein. This report is located on pages 1-3 at the front of the financial section of the report.



Elevating Quality of Life. Impacting People.

AACOG has prepared Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

Alamo Area Council of Governments profile:

Defined as a political subdivision of the State of Texas, the Alamo Area Council of Governments (AACOG) was established in 1967 under Chapter 391 of the Texas Local Government Code as a voluntary association of local governments and organizations that serves its members through planning, information, and coordination activities. AACOG serves the Alamo Area/State Planning Region 18, which covers 13 counties and 12,582 square miles in South-central Texas, as illustrated below.



Originally established as a regional planning commission, AACOG has continually broadened its duties to include delivering a wide range of community services to assist its member governments and enhance the quality of life for all residents in the Alamo Area. State law requires that at least two-thirds of the board of directors be elected local government officials. AACOG coordinates regional planning and efficiently delivers public services by achieving economies of scale. Albeit a governmental entity, AACOG does not have the authority to tax or to regulate in support of its mission.



Elevating Quality of Life. Impacting People.

Texas Economic Condition and Outlook:

Texas's economy remains the 2nd-largest in the United States at \$2.9 trillion and is the 8th-largest in the world. In 2025, Texas led the nation in Fortune 500 companies, with 54 headquartered in the state. Texas continues to produce a significant share of U.S. GDP and exports and has been named the Best State for Business for 21 consecutive years. As of mid-2025, Texas's seasonally adjusted labor force reached a record high of nearly 15.9 million, with a labor force participation rate of around 64.8%, both exceeding the national average. Texas's total nonfarm job count posted 40 new series highs over the 45 months leading up to June 2025, reflecting sustained economic strength. San Antonio and Bexar County continued to see strong population growth: the San Antonio metro area gained more than 38,000 residents between July 2024 and July 2025, the ninth-highest numeric growth of any metro area in the country, including over 21,000 new residents in Bexar County alone. It is estimated that the San Antonio metropolitan area will top 4 million residents by 2050. Overall, the state remains in very good economic health.

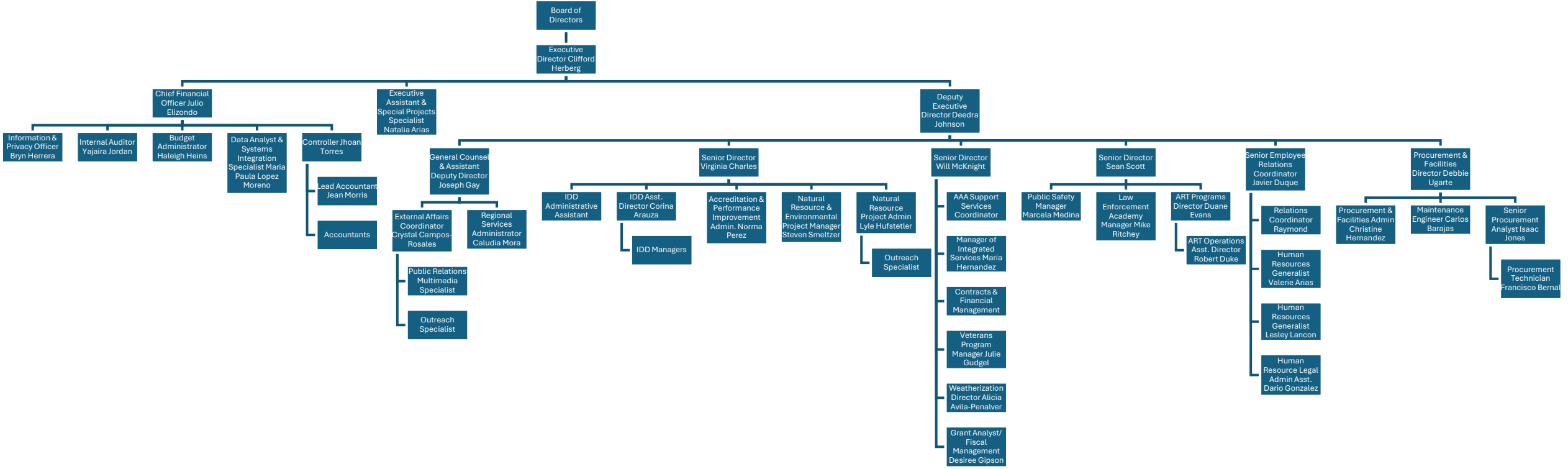
The Council prepared and submitted the Annual Comprehensive Financial Report for the year ended December 31, 2025, to the Government Finance Officers Association (GFOA) for consideration of the Certificate of Achievement for Excellence in Financial Reporting. A Certificate is valid for one year. We believe that our current Annual Comprehensive Financial Report has met the Certificate of Achievement Program's requirements, and we look forward to their response.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to AACOG for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements.

We want to express our thanks to all the AACOG department staff, the Executive Director, Board Chairman, and the Board Members for their continued oversight and guidance.

Respectfully submitted,

Julio Elizondo, MSF
Chief Financial Officer



OFFICERS OF THE BOARD OF DIRECTORS
2025

CHAIR

Mary Dennis
Mayor, City of Live Oak

VICE CHAIR

Wade Hedtke
County Judge Karnes County

ADMINISTRATIVE STAFF

As of 01/01/26

Executive Director	Clifford Herberg
Deputy Executive Director of Operations	Jacob Ulczynski
Deputy Executive Director of Admin & Program Svcs	Deedra Johnson
Chief Financial Officer	Julio Elizondo



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Alamo Area Council of Governments
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alamo Area Council of Governments (the "Council"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council, as of December 31, 2025, and the respective changes in financial positions thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Capital Assets Restatement of Beginning Net Position and Major-Class Presentation

Alamo Area Council of Governments has recorded a prior period adjustment to the financial statements relating to an overstatement of Equipment, Vehicles, and Furniture as discussed in Note 11. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 grants fund schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of expenditures of state awards, as required by the *Texas Grant Management Standards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, statistical section and intellectual and development disabilities services schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2026, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Arlidge & Associates PC

Oklahoma City, Oklahoma
August 26, 2026

Alamo Area Council of Governments
Management's Discussion and Analysis (Unaudited)
December 31, 2025

Introduction

Alamo Area Council of Governments' (the 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, 2025. 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

- For the fiscal year ended December 31, 2025, the Council adopted GASB Statement No. 102, *Disclosure of Certain Risks* (GASB 102). This new standard improves disclosure requirements related to credit and other risks in notes.
- The assets and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$26,591,593 (net position). This reflects an increase to net position of \$1,175,978. Of this amount, \$15,598,649 is unrestricted, \$7,614,054 represents the net investment in capital assets, \$2,555,286 is restricted for pension and \$823,604 is restricted for grant programs.
- As of the close of the current fiscal year, the Council's governmental funds financial statements reported combined ending fund balances of \$15,315,562. The unassigned fund balance in the Grants Fund that is a deficit of \$(258,203).

Overview of 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 deferred outflows of resources and liabilities and deferred inflows of resources, 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).

Alamo Area Council of Governments
Management's Discussion and Analysis (Unaudited)
December 31, 2025

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 2 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 and Grants Fund.

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 Overall 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,591,593 at December 31, 2025. The table on the following page reflects the condensed statement of net position compared to prior year.

Alamo Area Council of Governments
Management's Discussion and Analysis (Unaudited)
December 31, 2025

	Governmental Activities	
	2025	2024
Assets:		
Current and other assets	\$ 27,864,445	\$ 25,774,899
Capital assets and pension assets	24,506,724	24,648,178
Total assets	52,371,169	50,423,077
Deferred outflows of resources	2,178,782	1,897,553
Liabilities:		
Current liabilities	10,217,167	10,780,393
Noncurrent liabilities	14,642,465	13,062,084
Total liabilities	24,859,632	23,842,477
Deferred inflows of resources	3,098,726	2,896,664
Net position:		
Investment in capital and lease assets	7,614,054	10,959,304
Restricted for pension	2,555,286	1,733,577
Restricted for grant programs	823,604	14,098,902
Unrestricted	15,598,649	(1,210,294)
Total net position	\$ 26,591,593	\$ 25,581,489

Analysis of the Council's Operations. The table on the following page provides a summary of the Council's operations for the year ended December 31, 2025, as compared to the year ended December 31, 2024. The Council's net position increased by \$1,175,978.

Alamo Area Council of Governments
Management's Discussion and Analysis (Unaudited)
December 31, 2025

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 719,142	\$ 560,397
Operating grants and contributions	83,539,206	83,511,368
Capital grants and contributions	5,114,915	1,368,922
General revenues:		
Investment earnings	546,844	390,604
Membership dues	365,898	358,459
Total revenues	<u>90,286,005</u>	<u>86,189,750</u>
Expenses:		
General government	12,007,738	4,796,343
Aging and veterans services	46,142,946	46,940,556
Emergency communications	1,710,246	1,577,646
Economic development	445,800	1,610,182
Environmental quality	1,064,181	933,635
Community affairs	3,065,737	2,937,387
Homeland security	359,640	362,513
Transportation	7,400,238	5,984,687
Criminal justice	1,536,877	1,193,669
Health and welfare	14,891,319	14,460,348
Interest on leases	11,050	11,050
Interest on SBITAs	26,050	1,799
Interest on long-term debt	448,205	452,725
Total expenses	<u>89,110,027</u>	<u>81,262,540</u>
Change in net position	1,175,978	4,927,210
Net position, beginning	<u>25,415,615</u>	<u>20,654,279</u>
Net position, ending	<u>\$ 26,591,593</u>	<u>\$ 25,581,489</u>

Net position, beginning of year, as reflected in the comparative information above, reflects amounts as previously reported for fiscal year 2024 and has not been restated. During fiscal year 2025, the Council identified and corrected an error related to capital assets that resulted in a restatement of beginning net position. See Note 11 to the financial statements for additional information regarding the nature and amount of this restatement.

Alamo Area Council of Governments
Management's Discussion and Analysis (Unaudited)
December 31, 2025

The Council's charges for services increased by \$158,745, and operating grants and contributions increased by \$27,838. The increase in charges for services was caused by an increase in program income from various grant activities. The increase in operating grants and contributions was primarily generated by increases in funding from Area Agency on Aging, Office of the Governor, and Veterans Assistance funding. Further, expenses increased by \$7,847,487 from fiscal year 2024 to 2025. The main driver of this increase was caused by expenditures related to Transportation. The Council's revenues and expenses are driven primarily by federal and state grant funding, which varies from year to year.

Analysis of Fund Financial Statements. The General Fund beginning balance at January 1, 2025 was \$(1,634,185). The fund balance increased by \$16,045,448 for an ending balance at December 31, 2025 of \$14,411,263. The increase is primarily due to the debt service, operating, and tenant acquisition costs. The capital outlay costs are the upfront costs needed for tenant buildouts, both for new and existing tenants.

The Grants Fund balance at January 1, 2025 was \$14,450,724. The fund balance decreased by \$13,546,425 for an ending balance at December 31, 2025 of \$904,299. The decrease is primarily due to programs that have fee-for-service programs improving operational efficiencies and increased client bases.

Budgetary Highlights

The Council's annual budget is approved by the Board of Directors (Board) at the December Annual Meeting. The Council does not have a legally adopted annual budget. Although the annual budget is reviewed and approved by the Council's Board, it is based on a project-length basis. Accordingly, budgetary information is not presented in this report. As grant funding changes, the Council's Board approves periodic budget modifications.

Alamo Area Council of Governments **Management's Discussion and Analysis (Unaudited)** **December 31, 2025**

Capital Assets and Debt Administration

Alamo Area Council of Governments' Capital Assets at Year-End. The Council's investment in capital assets for its governmental activities as of December 31, 2025 amounts to \$21,951,438 (net of accumulated depreciation). This investment includes land, equipment, furniture and fixtures, software, vehicles, lease and subscription assets, and buildings and improvements.

During 2025, the Council's total capital assets decreased by \$963,163 due to the current year capital, lease and subscription asset additions, deletions, current year depreciation/amortization and restatement.

The Council's capital asset additions totaled \$2,408,577 during 2025, primarily from the following categories and programs:

- \$61,740 increase in equipment
- \$112,480 increase in building and improvements
- \$406,930 increase in lease assets
- \$1,425,722 increase in subscription-based assets
- \$401,705 in vehicles purchased for the transportation department

A summary of the Council's capital assets for the current and prior year can be found below. Additional information on the Council's capital and lease assets can be found in *Note 4* on page 29 of this report.

	Governmental Activities	
	2025	2024
Land	\$ 2,985,905	\$ 2,957,124
Equipment	4,341,177	5,947,753
Furniture and fixtures	224,167	247,623
Software	1,395,712	1,395,712
Vehicles	6,693,449	9,370,263
Lease assets	1,183,460	776,530
Buildings and improvements	18,844,549	18,760,850
Subscription assets	1,746,283	450,810
Less: accumulated depreciation/amortization	<u>(15,463,264)</u>	<u>(16,992,064)</u>
Total capital assets, net	\$ <u>21,951,438</u>	\$ <u>22,914,601</u>

Alamo Area Council of Governments
Management's Discussion and Analysis (Unaudited)
December 31, 2025

Alamo Area Council of Governments' Outstanding Long-Term Liabilities at Year-End

	Governmental Activities	
	2025	2024
Compensated absences	\$ 716,894	\$ 633,554
Lease liability	457,267	234,507
Subscription liability	1,143,152	238,726
Long-term obligations	<u>12,325,152</u>	<u>11,955,297</u>
 Total long-term liabilities	 \$ <u>14,642,465</u>	 \$ <u>13,062,084</u>

The Council's total debt increased by \$1,580,381. This liability reflects the payout of paid time off (PTO) of \$716,894 due upon termination, the \$457,267 lease liability related to the long-term rental of the Wetmore building, subscription liabilities of \$1,143,152 for Subscription Based IT Agreements longer than one year, and the long-term obligation of \$12,325,152 on the loans for the Titan Complex and SECO. Additional information on the Council's long-term liabilities can be found in *Note 8* of this report.

Economic Factors and Next Year's Financial Plan

AACOG membership dues are calculated on population against a set rate per person. For 2026, the per-capita membership revenue is estimated at \$374,650. The membership dues were based on the most recent census and were consistent with the budgeted amount in 2025. AACOG decreased its estimated revenues, by \$4,587,585 for 2026. The budget reflects increases in Transportation programs of \$2,370,099, Community and Environmental programs of \$239,761, Intellectual and Developmental Disability programs of \$242,319, and General fund of \$4,786,514, offset by decreases in Public Safety of \$3,734,467, Military and Veteran affairs of \$4,473,604, Aging programs of \$3,462,299, and Weatherization programs of \$731,826. These changes are primarily attributable to adjustments in funding allocations across the respective programs.

In 2026 AACOG plans to move its Public Safety Department from the location on Wetmore road to a space adjacent to Driscoll Elementary School. The move is budgeted to cost an estimated \$690,000 in 2026. Rent savings throughout the duration of the lease should offset these costs, and provide cost savings to the program.

The Council intends to make a \$5,000,000 lump sum payment against the Titan Complex loan for the buildings located at 2700 Northeast Loop 410, and 8200 Perrin Beitel, decreasing the interest paid over the life of the loan and providing immediate cost savings to program from current rent costs.

Alamo Area Council of Governments
Management's Discussion and Analysis (Unaudited)
December 31, 2025

Information Requests

This financial report is designed to provide a general overview of the 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, 2700 NE Loop 410, Suite 101, San Antonio, Texas 78217.

The Council's administrative offices are located at 2700 NE Loop 410, Titan Tower, San Antonio, Texas.

BASIC FINANCIAL STATEMENTS

ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government
	Governmental
	Activities
Assets	
Cash and investment	\$ 10,753,806
Receivables:	
Grantors	13,861,205
Leases	2,496,450
Deposits	25,459
Prepaid items	727,525
Capital assets, not being depreciated:	
Land	2,985,905
Capital assets, net of accumulated depreciation/amortization	
Equipment	1,409,056
Furniture and fixtures	115,534
Software	11,929
Vehicles	2,778,088
Lease asset: Building	428,493
Buildings and improvements	13,098,427
Subscription assets	1,124,006
Net pension asset	2,555,286
Total assets	<u>52,371,169</u>
Deferred Outflows of Resources	
Pensions	2,178,782
Total deferred outflows of resources	<u>2,178,782</u>
Liabilities	
Accounts payable	7,706,118
Accrued liabilities	591,048
Unearned revenue	1,920,001
Noncurrent liabilities:	
Due within one year:	
Current portion of lease liability	196,933
Current portion of subscription liabilities	554,593
Current portion of long-term obligations	472,192
Compensated absences	653,019
Due in more than one year:	
Noncurrent portion of lease liability	260,334
Noncurrent portion of subscription liabilities	588,559
Noncurrent portion of long-term obligations	11,852,960
Noncurrent portion of compensated absences	63,875
Total liabilities	<u>24,859,632</u>
Deferred Inflows of Resources	
Leases	2,331,716
Pensions	767,010
Total deferred inflows of resources	<u>3,098,726</u>
Net Position	
Net investment in capital assets	7,614,054
Restricted for pension	2,555,286
Restricted for grant programs:	
Aging and veterans services	39,461
Community affairs	4,777
Criminal justice	184,966
Environmental quality	16,930
Transportation	311,513
Workforce development	1,953
Health and welfare	264,004
Unrestricted (deficit)	15,598,649
Total net position	<u>\$ 26,591,593</u>

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

ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Functions/Programs			Program Revenues			Net (Expense)
		Indirect		Operating	Capital	Revenue and
	Expenses	Expense	Charges for	Grants and	Grants and	Changes in Net
		Allocation	Services	Contributions	Contributions	Position
Primary Government:						Governmental
Governmental activities:						Activities
General government	\$ 12,007,738	\$ (3,981,986)	\$ 8,118	\$ 3,125,495	\$ -	\$ (4,892,139)
Aging and veterans services	46,142,946	982,987	5,656	50,240,863	-	3,120,586
Emergency communications	1,710,246	88,534	-	1,799,548	265,821	266,589
Economic development	445,800	33,136	-	378,260	-	(100,676)
Environmental quality	1,064,181	82,622	1,030	786,223	-	(359,550)
Community affairs	3,065,737	175,858	-	3,232,387	-	(9,208)
Homeland Security	359,640	22,765	-	390,384	349,094	357,073
Transportation	7,400,238	894,477	208,708	7,432,767	-	(653,240)
Criminal justice	1,536,877	156,283	495,620	844,374	4,500,000	4,146,834
Health and welfare	14,891,319	1,545,324	10	15,308,905	-	(1,127,728)
Interest on leases	11,050	-	-	-	-	(11,050)
Interest on SBITAs	26,050	-	-	-	-	(26,050)
Interest on long-term debt	448,205	-	-	-	-	(448,205)
Total governmental activities	89,110,027	-	719,142	83,539,206	5,114,915	263,236
Total primary government	<u>\$ 89,110,027</u>	<u>\$ -</u>	<u>\$ 719,142</u>	<u>\$ 83,539,206</u>	<u>\$ 5,114,915</u>	<u>263,236</u>
General revenues						
Unrestricted investment earnings						546,844
Membership dues						<u>365,898</u>
Total general revenues						<u>912,742</u>
Change in net position						1,175,978
Net position, beginning, as previously presented						<u>25,581,489</u>
Restatement (Note 11)						(165,874)
Net position, beginning, as restated						<u>25,415,615</u>
Net position, ending						<u>\$ 26,591,593</u>

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

**ALAMO AREA COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS DECEMBER 31, 2025**

	General	Grants Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 2,756,813	\$ 7,996,993	\$ 10,753,806
Accounts receivable:			
Grantors	391,193	13,470,012	13,861,205
Leases	2,496,450	-	2,496,450
Due from other funds	12,920,417	2,582,697	15,503,114
Deposits	11,555	13,904	25,459
Prepaid items	388,627	338,898	727,525
Total assets	<u>\$ 18,965,055</u>	<u>\$ 24,402,504</u>	<u>\$ 43,367,559</u>
Liabilities			
Accounts payable	\$ 1,180,846	\$ 6,525,272	\$ 7,706,118
Accrued liabilities	258,302	332,746	591,048
Due to other funds	-	15,503,114	15,503,114
Unearned revenue	782,928	1,137,073	1,920,001
Total liabilities	<u>2,222,076</u>	<u>23,498,205</u>	<u>25,720,281</u>
Deferred Inflows of Resources			
Leases	<u>2,331,716</u>	<u>-</u>	<u>2,331,716</u>
Fund Balances			
Nonspendable:			
Prepaid items	388,627	338,898	727,525
Restricted:			
Grants	-	823,604	823,604
Unassigned (deficit)	14,022,636	(258,203)	13,764,433
Total fund balances	<u>14,411,263</u>	<u>904,299</u>	<u>15,315,562</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,965,055</u>	<u>\$ 24,402,504</u>	<u>\$ 43,367,559</u>

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

**ALAMO AREA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025**

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

Total fund balances – governmental funds	\$ 15,315,562
Capital assets of \$34,428,797, net of accumulated depreciation and amortization of \$15,463,264 used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,951,438
The net pension asset (liability) reported in governmental activities is not a current financial resource and, therefore, is not reported in the funds.	2,555,286
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings and contributions subsequent to the measurement date for pension are recognized as deferred outflows and inflows of resources on the statement of net position.	
Deferred outflows: pension	2,178,782
Deferred inflows: pension	(767,010)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Lease liability	(457,268)
Subscription liability	(1,143,151)
Long-term obligations	(12,325,152)
Compensated absences	(716,894)
Net position of governmental activities	<u>\$ 26,591,593</u>

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

ALAMO AREA COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	<u>General</u>	<u>Grants Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Intergovernmental	\$ 735,071	\$ 40,823,424	\$ 41,558,495
Matching funds	-	5,772,375	5,772,375
Local	2,062,879	39,260,372	41,323,251
Program income	8,118	711,024	719,142
Membership dues	365,898	-	365,898
Investment income	388,289	158,555	546,844
Total revenues	<u>3,560,255</u>	<u>86,725,750</u>	<u>90,286,005</u>
Expenditures			
Current:			
General government	2,212,923	168,689	2,381,612
Aging and veterans services	-	47,124,015	47,124,015
Community affairs	-	3,241,595	3,241,595
Criminal justice	-	1,424,662	1,424,662
Economic development	-	478,936	478,936
Emergency communications	-	1,798,780	1,798,780
Environmental quality	-	1,104,081	1,104,081
Health and welfare	-	16,340,510	16,340,510
Homeland security	-	382,405	382,405
Transportation	-	7,205,940	7,205,940
Capital outlay	2,069,942	5,198,968	7,268,910
Leases:			
Principal retirement	184,170	-	184,170
Interest	11,050	-	11,050
SBITA - Principal Retirement	521,296	-	521,296
SBITA - Interest	26,050	-	26,050
Debt Service:			
Principal retirement	367,232	-	367,232
Interest	448,205	-	448,205
Total expenditures	<u>5,840,868</u>	<u>84,468,581</u>	<u>90,309,449</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(2,280,613)</u>	<u>2,257,169</u>	<u>(23,444)</u>
Other Financing Sources (Uses)			
Issuance of Long-Term Debt	689,815	-	689,815
Inception of lease (as lessee)	406,930	-	406,930
Inception of SBITA	1,425,722	-	1,425,722
Transfers in	17,772,260	392,704	18,164,964
Transfers out	(1,968,666)	(16,196,298)	(18,164,964)
Total other financing sources (uses)	<u>18,326,061</u>	<u>(15,803,594)</u>	<u>2,522,467</u>
Net Change in Fund Balances	16,045,448	(13,546,425)	2,499,023
Fund Balances, Beginning	<u>(1,634,185)</u>	<u>14,450,724</u>	<u>12,816,539</u>
Fund Balances, Ending	<u><u>\$ 14,411,263</u></u>	<u><u>\$ 904,299</u></u>	<u><u>\$ 15,315,562</u></u>

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

ALAMO AREA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Net change in fund balances – total governmental funds	\$	2,499,023
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Governmental funds report capital outlays as expenditures. However, in
the statement of activities, the cost of these assets is allocated over their
estimated useful lives and reported as depreciation expense.

Capital outlay		7,268,910
Depreciation and amortization expense		(3,181,226)

The issuance of long-term debt (e.g., bonds, notes, leases, and loans) provides
current financial resources to governmental funds, while the repayment of the
principal of long-term debt consumes the current financial resources of
governmental funds. Neither transaction, however, has any effect on net
position. This amount is the net effect of these differences in treatment of
long-term debt and related items:

Long-term debt issued		(689,815)
Payments on leases		184,170
Payments on subscription assets		521,296
Payments on long-term obligations		367,232

Some expenses 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:

Compensated absences		(83,340)
Change in net pension asset/liability and related deferred outflows and deferred inflows of resources		(5,710,272)

Change in net position of governmental activities	\$	1,175,978
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The notes to the financial statements are an integral part of this statement.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 (the “Council”) is a political subdivision of the state of Texas and a voluntary association of local governments within a 13-county region. The Council was established in 1967 to study and resolve area-wide problems through the cooperation and coordination 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. The Council is governed by a 31-member Board of Directors from member local governments. Each member of the government is entitled to have voting representation on the Board of Directors.

The accompanying financial statements present the Council and its component units, entities for which the Council is considered to be financially accountable. Blended components are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The Council has one blended component unit, described below. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Council. The Council has no discretely presented component units.

Blended Component Unit

During 1995, the Council formed a nonprofit organization, Alamo Area Development Corporation (AADC). AADC is governed by a board of seven and must reside within the jurisdictional boundaries of the following counties: Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, and Wilson. AADC is reported as a component unit because the Council appoints its governing body and can remove its members at will. The Council also guarantees AADC’s debt obligations. There was no debt outstanding as of December 31, 2025.

Description of 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 nonfiduciary activities of the primary government and its component units. The Council has no fiduciary activities.

Governmental activities, which normally are supported primarily by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 1: Summary of significant accounting policies – Continued

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. The Council does not utilize any proprietary funds or fiduciary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Council's funds. The Council only utilizes governmental funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The Council has no nonmajor funds.

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 Grants Fund is used to account for grants awarded by various organizations.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, eliminations are made in the preparation of the government-wide financial statements.

Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 1: Summary of significant accounting policies – Continued

Measurement Focus, Basis of Accounting – Continued

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of grant revenue, which is considered available if collected within one year. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases and subscriptions are reported as other financing sources.

Charges for services and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within one year of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within one year of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Council.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Assets, liabilities, deferred inflows of resources, and net position/fund balance

Cash and investment - Cash in the Council's financial statements include amounts in demand deposits, certificates of deposit, and public fund investment pools. Investments for the Council are reported at fair value, except for the position in investment pools. The Council's investment pools are reported at net asset value per share, which approximates fair value.

Accounts Receivable – Grantors - This represents amounts due from federal and state grantor agencies for various programs administered by the Council. The receivables include amounts due on programs closed-out and those in progress as of December 31, 2025. Accounts receivable are recorded net of estimated uncollectible amounts.

Accounts Receivable – Leases - This represents amounts due from tenants for office/building space in the Titan Complex administered by the Council. Leases receivable are initially valued at the present value of the lease payments expected to be received during the lease term, reduced by any provisions for estimated uncollectible amounts.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 1: Summary of significant accounting policies – Continued

Assets, liabilities, deferred inflows of resources, and net position/fund balance - Continued

Interfund Receivables and Payables - During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are, for the most part,

eliminated from the government-wide statement of net position and are classified as “due from other funds” or “due to other funds” in the fund financial statements. Transactions between the primary government and the discretely presented component unit, if any, are classified as due from component unit and due to primary government.

Prepaid items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets - Capital assets, which include property and equipment, are reported in the governmental activities' columns in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

Land is not depreciated. The other capital assets classes are depreciated using the straight-line method over the following estimated useful lives:

Equipment	3 - 10 years
Furniture and fixtures	5 - 10 years
Software	5 years
Vehicles	5 - 12 years
Buildings and improvements	3 - 25 years

Lease assets include any property the Council is leasing for a term longer than one year. The Council has elected to include all leases and not implement a capitalization threshold. Lease assets are initially valued at the present value of the lease payments expected to be made during the lease term. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus any subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the term of the SBITA or the useful life of the underlying asset.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 1: Summary of significant accounting policies – Continued

Assets, liabilities, deferred inflows of resources, and net position/fund balance - Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows/inflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The Council has the following items that qualify for reporting in this category.

- Pension contributions subsequent to the measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions or other inputs included in determining the pension liability – These effects on the total pension liability are deferred and amortized over the rounded average remaining service life for all active, inactive, and retired members as of the measurement date.
- Difference between expected and actual economic experience – This difference is deferred and recognized over the rounded average remaining service life for all active, inactive, and retired members as of the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Council has the following item that qualifies for reporting in this category.

- Changes in actuarial assumptions or other inputs included in determining the pension liability – These effects on the total pension liability are deferred and amortized over the rounded average remaining service life for all active, inactive, and retired members as of the measurement date.
- Difference in projected and actual investment earnings – This difference is deferred and amortized over a five-year period.
- Leases – This present value of the leases receivable outstanding as of year-end is deferred and recognized on a straight-line basis over the life of the lease.

Unearned Revenue - Unearned revenue primarily consists of amounts received from grantors in excess of expenditures for programs in progress as of December 31, 2025.

Compensated Absences

All full-time employees are eligible to accrue Paid Time Off (PTO). Part-time and temporary employees do not earn PTO. Earned but unused PTO can be carried over to the next fiscal year. Employees may accumulate a maximum of 240 hours. Any PTO balance in excess of the maximum is reduced to the maximum without compensation. Pay in lieu of PTO is not permitted other than upon separation. Regular full-time employees earn PTO based on actual hours worked as follows:

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 1: Summary of significant accounting policies – Continued

Assets, liabilities, deferred inflows of resources, and net position/fund balance - Continued

<u>Years of Employment</u>	<u>PTO Accrual</u>
1 - 2 years	10 days
2 - 5 years	15 days
5 - 7 years	20 days
7 - 10 years	22 days
10+ years	25 days

The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Pensions - For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Flow Assumption - Sometimes the Council will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Council's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Net position is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of amounts with constraints placed on their use by external parties or enabling legislation. Unrestricted net position consists of the remaining net position not included in the other categories. When both restricted and unrestricted resources are available for use, the Council considers restricted resources to be used first.

Fund Balance Flow Assumption - Sometimes the Council will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Council's policy to utilize restricted fund balance first when possible for allowable costs before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Council itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 1: Summary of significant accounting policies – Continued

Assets, liabilities, deferred inflows of resources, and net position/fund balance - Continued

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Council's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Council that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Council for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors has by resolution authorized the Chief Financial Officer to assign fund balance.

Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Amounts in unassigned fund balance are available for any purpose. Positive amounts are reported only in the General Fund.

Intergovernmental 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 inflows of resources will arise when potential revenue does not meet the "available" criteria for revenue recognition in the current period.

Unearned revenue arises when resources are received by the Council before it has a legal claim to them, as when grant money is received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Council has a legal claim to the resources, the liability for the unearned revenue or the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Matching Funds - 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.

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 special revenue funds as needed to meet matching requirements for grants.

Indirect Costs and Fringe Benefit and Leave Pool Allocations

General administrative and employee fringe benefits costs are recorded in cost pools. The costs are recovered from special revenue funds based on indirect and fringe benefit rates. Indirect costs are defined by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, 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 based on projected costs submitted on a Cost Allocation Plan. The rates are used for billing purposes. Final costs not recovered by the billing rates are allowed by granting agencies to be recovered in succeeding years.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 1: Summary of significant accounting policies – Continued

Assets, liabilities, deferred inflows of resources, and net position/fund balance - Continued

In the statement of activities, indirect expenses are allocated amongst functions using the methods described above.

Indirect and direct expenses are presented as separate columns to enhance comparability to governments that do not allocate indirect expenses to other functions.

New Accounting Pronouncements Adopted in Fiscal Year 2025

The Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, effective for the Council's fiscal year ended December 31, 2025. GASB 102 requires disclosure when a government (a) has a concentration or constraint that limits its ability to diversify, and (b) an event or condition has occurred, prior to the issuance of the financial statements, that makes the government vulnerable to a risk of substantial impact, and it is at least reasonably possible that the substantial impact will occur within 12 months of the financial statement date.

Management evaluated the Council's concentrations and constraints as of December 31, 2025 and through the date the financial statements were available to be issued, and determined that no event or condition met the criteria requiring disclosure under GASB 102.

Note 2: Stewardship, Compliance, and Accountability

Budgetary Information - The Council's financial plan is controlled at the fund and grant level with management authorized to make transfers of budgeted amounts between object class levels within a fund or grant, within restrictions imposed by grantor agencies. The Board approves the financial plan for revenue and expenditures in all funds. The financial plan for the special revenue funds is made on a project (grant) basis, spanning more than one year. Appropriations for all projects in the special revenue funds lapse at the end of a contract period which may not coincide with the fiscal year-end of the Council. The Council does not have a legally adopted annual budget and, accordingly, comparative budget and actual results are not presented in this report.

Note 3 : Cash and Investment

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

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 3 : Cash and Investment – Continued

At December 31, 2025, the Council’s cash and investments consisted of the following:

Demand deposits	\$ 296,918
Money Market accounts	37,662
TexPool	38,808
Lone Star Corporate Overnight Fund	7,100,889
Certificates of deposit	<u>3,279,529</u>
Total	\$ 10,753,806

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, 2025, the Council’s deposit value was fully collateralized with securities held by the pledging financial institution.

Interest Rate Risk - In accordance with its investment policy, the Council manages its exposure to declines in fair value by limiting the Council’s participation in investment pools to those with investment portfolios showing a dollar-weighted average stated maturity of 90 days or fewer.

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. It is the Council’s policy to limit its investments in obligations of other states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm to not less than “A” or its equivalent. Further, for an investment pool to be eligible for consideration, the Council’s investment policy requires an investment pool to be continuously rated no lower than AAA or AAA- or at an equivalent rating by at least one nationally recognized rating service.

Concentration of Credit Risk - The Council’s investment policy states that investments shall be diversified to reduce the risk of loss resulting from over concentration of investments in a specific maturity, a specific issue, or a specific class of securities.

Public Funds Investment Pools - Public fund investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act Chapter 79 of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act (Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the value of its shares. The Council participates in TexPool and Lone Star Corporate Overnight Fund. Both are public funds investment pools operating in full compliance with the Act.

At December 31, 2025, the Council’s investment portfolio consists of the following:

Investment Type	Net Asset Value	Weighted-Average Maturity (Days)	Rating
TexPool	\$ 38,808	35	AAAm
Lone Star Corporate Overnight Fund	7,100,889	93	AAAm
Total	<u>\$ 7,139,697</u>		
Portfolio weighted-average maturity		93	

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance, As Restated	Additions	Deletions	Transfers In / Out	Ending Balance
<i>Governmental activities Capital Assets not being depreciated:</i>					
Land	\$ 2,957,124	\$ -	\$ -	\$ 28,781	\$ 2,985,905
<i>Capital assets being depreciated:</i>					
Equipment	4,546,234	61,740	-	(266,797)	4,341,177
Furniture and fixtures	224,167	-	-	-	224,167
Software	1,395,712	-	-	-	1,395,712
Vehicles	7,769,657	401,705	(1,744,710)	266,797	6,693,449
Lease asset: building	776,530	406,930	-	-	1,183,460
Buildings and improvements	18,760,850	112,480	-	(28,781)	18,844,549
Subscription assets	450,809	1,425,722	(130,248)	-	1,746,283
Total capital assets being depreciated:	33,923,959	2,408,577	(1,874,958)	(28,781)	34,428,797
Less accumulated depreciation and amortization:					
Equipment	(2,717,728)	(481,190)	-	266,797	(2,932,121)
Furniture and fixtures	(84,455)	(24,178)	-	-	(108,633)
Software	(1,322,148)	(61,635)	-	-	(1,383,783)
Vehicles	(4,537,845)	(802,008)	1,691,289	(266,797)	(3,915,361)
Lease asset: building	(559,101)	(195,866)	-	-	(754,967)
Building and improvements	(4,745,388)	(1,029,515)	-	28,781	(5,746,122)
Subscription assets amortization	(165,691)	(586,834)	130,248	-	(622,277)
Total accumulated depreciation and amortization:	(14,132,356)	(3,181,226)	1,821,537	28,781	(15,463,264)
Total capital assets being depreciated or amortized, net	19,791,603	(772,649)	(53,421)	-	18,965,533
Governmental activities capital assets, net	\$ 22,748,727	\$ (772,649)	\$ (53,421)	\$ 28,781	\$ 21,951,438

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

Governmental activities:

Criminal Justice	\$ 164,182
Homeland Security	211,234
General Government	1,947,133
Transportation	791,139
Health and welfare	21,541
Environmental Quality	45,997
Total depreciation/amortization expense	<u>\$ 3,181,226</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 5: Interfund receivables, payables and transfers

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 due to/from other funds balances as of December 31, 2025, is as follows:

Fund	Receivable	Payable
General	\$ 12,920,417	\$ -
Grants	<u>2,582,697</u>	<u>15,503,114</u>
Total	<u><u>\$ 15,503,114</u></u>	<u><u>\$ 15,503,114</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

Internal transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures 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, 2025:

Fund	Transfer In	Transfer Out
General	\$ 17,772,260	\$ 1,968,666
Grants	<u>392,704</u>	<u>16,196,298</u>
Total	<u><u>\$ 18,164,964</u></u>	<u><u>\$ 18,164,964</u></u>

Amounts transferred between funds relate to matching requirements for grants and movement of grant funds no longer restricted.

Note 6: Leases Receivable

The Council leases a portion of its property and office space within the Titan Complex to various third parties. The terms of these leases expire in various years through 2031. Lease payments based on the future performance of the lessee are not included in the lease receivable because they are not fixed in substance.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 6: Leases Receivable – Continued

Revenue recognized under lease contracts during the year ended December 31, 2025, was approximately \$615,454, which includes both lease revenue and interest and is included in intergovernmental revenue on the accompanying statement of revenues, expenditures, and changes in fund balances.

The Council did not recognize any variable payments not previously included in the measurement of the lease receivable for the year ended December 31, 2025.

Note 7: Lease and Subscription-based information technology arrangements (SBITA) Liabilities

The Council leases building space, the terms of which expire in 2028. Variable payments based upon the future performance of the lessor or usage of the underlying asset are not included in the lease liability because they are not fixed in substance. During the year ended December 31, 2025, the Council did not recognize rental expense for variable payments not previously included in the measurement of the liability.

The following is a schedule by year of payments under the lease as of December 31, 2025:

Fiscal Year	Governmental Activities				
	Principal Payments		Interest Payments		Total Payments
2026	\$	196,933	\$	27,662	\$ 224,595
2027		221,518		12,061	233,579
2028		38,817		364	39,181
Total Payments	\$	457,268	\$	40,087	\$ 497,355

The Council has various subscription-based information technology arrangements (SBITAs), the terms of which expire in 2028. Variable payments based upon the future performance of the subscription issuer or usage of the underlying asset are not included in the subscription liability because they are not fixed in substance. During the year ended December 31, 2025, the Council did not recognize subscription expense for variable payments not previously included in the measurement of the liability.

The following is a schedule by year of payments under the subscriptions as of December 31, 2025:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 554,593	\$ 69,218	\$ 623,811
2027	553,528	26,665	580,193
2028	35,031	2,978	38,009
Total Payments	\$ 1,143,152	\$ 98,861	\$ 1,242,013

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 8: Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One year
Governmental activities:					
Lease liability	\$ 234,507	\$ 406,930	\$ 184,170	\$ 457,267	\$ 196,933
Subscription liability	238,726	1,425,722	521,296	1,143,152	554,593
Long-term debt obligations	11,955,297	737,086	367,231	12,325,152	472,192
Compensated absences	633,554	716,894	633,554	716,894	653,019
	<u>\$ 13,062,084</u>	<u>\$ 3,286,632</u>	<u>\$ 1,706,251</u>	<u>\$ 14,642,465</u>	<u>\$ 1,876,737</u>

Typically, compensated absences liabilities are liquidated based on the assignment of an employee within a fund.

In 2021, the Council obtained a promissory note for \$12,000,000 to finance the purchase of the Titan Building Complex. The note matures on May 10, 2046 and has a current interest rate of 3.75% until May 10, 2026 when the interest will be the lesser of 0.50% in excess of the Prime Interest Rate and will be adjusted every five years thereafter based on base. The note is secured by the Titan Building Complex. The outstanding balance as of December 31, 2025 is \$10,547,670 principal and interest on the note are paid from the General Fund.

In February 2024, the Council obtained a LoanSTAR loan for a maximum amount of \$8,000,000, of which \$741,810 was drawn during the year 2024 to finance the utility cost reduction measures at the Titan Complex. In 2025, the maximum amount was adjusted to \$1,777,481, of which all the amount had been drawn as of December 31, 2025. The loan is under a project simple payback, which is the total amount of the loan divided by the annual energy cost savings. This is currently estimated to be 12.8 years from completion of the project. The note is unsecured, outstanding principal balance as of December 31, 2025 is \$1,777,481 with current interest rate of 2%. Principal and interest on the note are paid from the General Fund.

The aggregate maturities of long-term debt at December 31, 2025 are as follows:

	Principal	Interest
2026	\$ 472,192	\$ 438,945
2027	485,747	414,106
2028	501,221	398,632
2029	519,348	380,505
2030	537,079	362,774
2031-2035	2,973,579	1,525,685
2036-2040	3,193,079	982,375
After 2040	3,642,907	393,496
Total	<u>\$ 12,325,152</u>	<u>\$ 4,896,518</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 8: Long-Term Liabilities – Continued

Compensated Absences - The Council reports a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Under GASB 101, the Council recognizes a liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event outside the control of the government and its employees. The Council has elected to present the net change in the liability for compensated absences, as permitted by GASB 101. The portion of the liability expected to be liquidated with expendable available financial resources is reported as a current liability; the remainder is reported as a long-term liability.

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 grant funds to the agencies based on expenditure reports received from each agency.

Agencies expending \$1,000,000 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 periodically involved in legal proceedings arising from providing various services. As of December 31, 2025, 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.

Note 10: Defined Benefits Pension Plan

Plan Description

The Council participates in 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 non-traditional defined benefit pension plans. TCDRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tcdrs.org.

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 10: Defined Benefits Pension Plan – Continued

Benefits Provided

TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 10 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after eight years of service and may request up to 100% of their personal contribution as a lump-sum withdrawal at retirement therefore leaving the AACOG match to fund their monthly pension. Unvested members are only eligible to withdraw their account balance and will not benefit from the AACOG match.

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 employer 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. By law, employee accounts earn 7% interest. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	158
Inactive employees entitled to but not yet receiving benefits	578
Active employees	<u>307</u>
Total	<u><u>1,043</u></u>

Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan.

Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability. Employees for the Council were required to contribute 7% of their annual gross earnings during the fiscal year. The required contribution rate for the Council was 9% in calendar year 2024. The Council's contributions to TCDRS for the year ended December 31, 2024 were \$2,116,359, which exceeded the required contribution.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 10: Defined Benefits Pension Plan – Continued

Net Pension Asset/Liability

The Council's Net Pension Asset/Liability was measured as of December 31, 2024, and the Total Pension Liability used to calculate the Net Pension Asset/Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.00% per year
Investment rate of return	7.60%, net of administrative and investment expense, including inflation gross of administrative expenses as required by GASB 68.

The Council has no automatic cost-of-living adjustments (COLA) and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the Council may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The actuarial assumptions that determined the total pension liability as of December 31, 2024 were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 7.5%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2025 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2021.

The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 10: Defined Benefits Pension Plan – Continued

Actuarial Assumptions – Continued

Asset Class	Benchmark	Target Allocation⁽¹⁾	Geometric Real Rate of Return⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.80%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	8.15%
Hedge Funds	HFR, Inc. Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U. S. Treasury	2.00%	1.10%

⁽¹⁾ Target asset allocation adopted at the March 2025 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 capital market assumptions.

⁽³⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.6%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute.

Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 10: Defined Benefits Pension Plan – Continued

Changes in the Net Pension Liability (Asset)

Changes in Net Pension Liability / (Asset)			
Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2023	\$50,972,392	\$52,705,969	\$(1,733,577)
Changes for the year:			
Service cost	1,872,234		1,872,234
Interest on total pension liability ⁽¹⁾	3,925,048		3,925,048
Effect of plan changes ⁽²⁾	1,596,351		1,596,351
Effect of economic/demographic gains or losses	124,846		124,846
Effect of assumptions changes or inputs	0		0
Refund of contributions	(461,697)	(461,697)	0
Benefit payments	(1,981,551)	(1,981,551)	0
Administrative expenses		(31,901)	31,901
Member contributions		1,048,165	(1,048,165)
Net investment income		5,383,109	(5,383,109)
Employer contributions		1,897,553	(1,897,553)
Other ⁽³⁾	0	43,261	(43,261)
Balances as of December 31, 2024	\$56,047,623	\$58,602,909	\$(2,555,286)

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Reflects plan changes adopted effective in 2025.

⁽³⁾ Relates to allocation of system-wide items.

Typically, the net pension liability for governmental activities is liquidated based on the assignment of an employee within a fund.

Sensitivity Analysis

The following presents the net pension liability (asset) of the Council, calculated using the discount rate of 7.6%, as well as what the Council's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6%) or 1-percentage-higher (8.6%) than the current rate:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$64,175,579	\$56,047,623	\$49,366,453
Fiduciary net position	58,602,909	58,602,909	58,602,909
Net pension liability / (asset)	\$5,572,670	(\$2,555,286)	(\$9,236,456)

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 10: Defined Benefits Pension Plan – Continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TCDRS financial report. The report may be obtained on the internet at www.tcdrs.org.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the Council recognized pension expense of \$1,571,196.

At December 31, 2025, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 255,100	\$ 62,423
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	511,910	-
Contributions subsequent to the measurement date	<u>-</u>	<u>2,116,359</u>
Total	\$ <u>767,010</u>	\$ <u>2,178,782</u>

A balance of \$2,116,359 was reported as deferred outflows of resources related to pensions resulted from contributions subsequent to the measurement date and will be recognized as an addition of the net pension liability in the year ending December 31, 2026.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (601,377)
2026	762,450
2027	(594,001)
2028	<u>(271,659)</u>
Total	\$ <u>(704,587)</u>

Note 11: Restatement of Net Position

During fiscal year 2025, the Council identified errors in the historical cost and accumulated depreciation and amortization of certain capital asset categories reported in prior periods. A review of the capital asset subledger determined that the recorded historical cost of certain asset classes was overstated, and that accumulated depreciation and amortization for certain asset classes was misstated, requiring correction.

ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 11: Restatement of Net Position – Continued

These errors did not affect the Council's governmental fund financial statements, as capital assets and related depreciation are reported only in the government-wide financial statements.

The effect of the correction on governmental activities net position as of January 1, 2025 is as follows:

Net position, beginning, as previously reported	\$25,581,489
Correction of error, capital assets, net (Note 4)	<u>(165,874)</u>
Net position, beginning, as restated	<u>\$25,415,615</u>

This correction has been reported in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, which requires error corrections to previously issued financial statements to be reported as a restatement of beginning net position rather than as a component of current-period change in net position.

**REQUIRED SUPPLEMENTARY
INFORMATION – UNAUDITED**

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2025

Measurement Year Ended December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 1,872,234	\$ 1,886,575	\$ 1,789,338	\$ 1,735,794	\$ 1,494,753	\$ 1,466,688	\$ 1,413,355	\$ 1,462,580	\$ 1,573,957	\$ 1,383,125
Interest on total pension liability	3,925,048	3,718,291	3,475,629	3,248,868	2,986,030	2,741,625	2,488,455	2,244,632	2,045,000	1,931,965
Effect of plan changes	1,596,351	276,708	-	-	-	199,488	73,306	151,525	-	(236,658)
Effect of assumption changes or inputs -	-	-	-	(184,449)	2,404,569	-	-	292,223	-	329,757
Effect of economic/demographic (gains) or losses	124,846	(765,300)	66,707	15,759	342,526	67,665	465,649	244,364	(620,447)	(1,004,313)
Benefit payments/refunds of contributions	(2,443,248)	(2,321,863)	(2,153,210)	(1,628,036)	(1,542,203)	(1,432,306)	(1,307,218)	(1,363,548)	(1,091,432)	(1,022,508)
Net change in total pension liability	5,075,231	2,794,411	3,178,464	3,187,936	5,685,675	3,043,160	3,133,547	3,031,776	1,907,078	1,381,368
Total pension liability – beginning	50,972,393	48,177,981	44,999,516	41,811,580	36,125,905	33,082,745	29,949,198	26,917,422	25,010,345	23,628,977
Total pension liability – ending (a)	\$ 56,047,624	\$ 50,972,392	\$ 48,177,980	\$ 44,999,516	\$ 41,811,580	\$ 36,125,905	\$ 33,082,745	\$ 29,949,198	\$ 26,917,423	\$ 25,010,345
Plan Fiduciary Net Position										
Employer contributions	\$ 1,897,553	\$ 1,371,662	\$ 1,545,393	\$ 1,190,572	\$ 1,130,088	\$ 1,144,130	\$ 1,002,049	\$ 1,125,912	\$ 993,791	\$ 1,176,341
Member contributions	1,048,165	953,737	1,087,029	892,929	847,566	783,098	751,537	754,434	745,343	732,256
Investment income net of investment expenses	5,383,109	5,221,691	(2,967,329)	8,951,915	3,755,027	5,056,486	(571,181)	3,882,475	1,779,491	(463,983)
Benefit payments including refunds of contributions	(2,443,248)	(2,321,863)	(2,153,210)	(1,628,036)	(1,542,203)	(1,432,306)	(1,307,218)	(1,363,548)	(1,091,431)	(1,022,508)
Administrative expenses	(31,901)	(27,521)	(27,844)	(27,008)	(29,647)	(27,692)	(24,734)	(20,568)	(19,341)	(17,140)
Other	43,261	(6,260)	109,188	24,061	16,310	22,007	16,405	6,733	191,638	37,139
Net change in plan fiduciary net position	5,896,939	5,191,446	(2,406,773)	9,404,433	4,177,141	5,545,723	(133,142)	4,385,438	2,599,491	442,105
Plan fiduciary net position – beginning	52,705,969	47,514,523	49,921,296	40,516,864	36,339,723	30,794,000	30,927,142	26,541,704	23,942,214	23,500,111
Plan fiduciary net position – ending (b)	58,602,908	52,705,969	47,514,523	49,921,297	40,516,864	36,339,723	30,794,000	30,927,142	26,541,705	23,942,216
Net pension liability/(asset) – ending (a) - (b)	\$ (2,555,284)	\$ (1,733,577)	\$ 663,457	\$ (4,921,781)	\$ 1,294,716	\$ (213,818)	\$ 2,288,745	\$ (977,944)	\$ 375,718	\$ 1,068,129
Fiduciary net position as a percentage of total pension liability	104.6%	103.4%	98.6%	110.9%	96.9%	100.6%	93.1%	103.3%	98.6%	95.7%
Pensionable covered payroll	\$ 17,469,418	\$ 15,895,612	\$ 18,117,155	\$ 14,882,154	\$ 14,126,101	\$ 13,051,626	\$ 12,525,614	\$ 12,458,425	\$ 12,431,363	\$ 12,204,268
Net pension liability(asset) as a percentage of covered payroll	-14.63%	-10.91%	3.66%	-33.07%	9.17%	-1.64%	18.27%	-7.85%	3.02%	8.75%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule.

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYER CONTRIBUTIONS -
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2016	804,309	993,791	(189,482)	12,431,363	8.0%
2017	788,618	1,125,912	(337,294)	12,458,425	9.0%
2018	761,062	1,002,049	(240,987)	12,525,614	8.0%
2019	854,882	1,144,130	(289,248)	13,051,626	8.8%
2020	981,764	1,130,088	(148,324)	14,126,101	8.0%
2021	1,013,475	1,190,572	(177,097)	14,882,154	8.0%
2022	1,545,393	1,425,940	119,453	18,117,155	7.9%
2023	1,249,395	1,371,662	(122,267)	15,895,612	8.6%
2024	1,352,133	1,897,553	(545,420)	17,469,418	12.1%
2025	1,508,602	2,116,359	(607,757)	17,959,547	11.8%

1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

2) Payroll is calculated based on contributions as reported to TCDRS.

**ALAMO AREA COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS -
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2025**

Notes to Schedule of Employer Contributions

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (Dec. 31, 2022 valuation for 2024 contributions):

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	8.3 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
	2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule.
	2016: No changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: Employer contributions reflect that a 2% flat COLA was adopted
	2019: No changes in plan provisions were reflected in the Schedule.
	2020: Employer contributions reflect that a 2% flat COLA was adopted
	2021: No changes in plan provisions were reflected in the Schedule.
	2022: No changes in plan provisions were reflected in the Schedule.
	2023: No changes in plan provisions were reflected in the Schedule.
	2024: Employer contributions reflect that a 2% flat COLA was adopted

**Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.*

SUPPLEMENTARY INFORMATION

Grants Fund Fund Details Fund Descriptions

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Alamo Area Agency on Aging – This fund is used to account for certain grants awarded by the Texas Health and Human Services Commission.

Amerigroup – This fund is used to account for certain grants awarded by Amerigroup.

Bexar Area Agency on Aging – This fund is used to account for certain grants awarded by the Texas Health and Human Services Commission.

Bexar County – This fund is used to account for certain grants awarded by Bexar County.

City of San Antonio – This fund is used to account for grants awarded by the City of San Antonio.

Commission on State Emergency Communications – This fund is used to account for grants awarded by the Commission on State Emergency Communications.

Department of Defense - This fund is used to account for grants awarded by the Department of Defense.

Department of Energy - This fund is used to account for grants awarded by the U.S. Department of Energy.

Economic Development Administration – This fund is used to account for grants awarded by the U.S. Economic Development Administration.

Environmental Protection Agency – This fund is used to account for grants awarded by the U.S. Environmental Protection Agency.

Housing Choice Voucher – This fund is used to account for grants awarded by the U.S. Department of Housing and Urban Development.

Intellectual Developmental Disabilities Services—This fund accounts for grants awarded by the Department of Health and Human Services.

Judicial Commission on Mental Health – This fund is used to account for grants awarded by the Judicial Commission on Mental Health.

Kronkosky Autism Lifeline Link—This fund accounts for grants related to the Kronkosky Autism Lifeline Link.

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

Metropolitan Planning Organization – This fund is used to account for grants awarded by the Metropolitan Planning Organization.

Morgan's Multi Assistance Center—This fund accounts for grants awarded by Morgan's Multi Assistance Center.

Grants Fund Fund Details Fund Descriptions

Office of Rural and Community Affairs– This fund is used to account for grants awarded by the Office of Rural and Community Affairs.

Office of the Governor – This fund is used to account for grants awarded by the Office of the Governor.

State Energy Conservation Office – This fund is used to account for grants awarded by the State Energy Conservation Office.

Texas Association of Regional Councils– This fund is used to account for grants awarded by the Texas Association of Regional Councils.

Texas Commission on Environmental Quality – This fund is used to account for grants awarded by the Texas Commission on Environmental Quality.

Texas Council for Developmental Disabilities – This fund is used to account for grants awarded by the Texas Council for Developmental Disabilities.

Texas Department of Housing and Community Affairs – This fund is used to account for grants awarded by the Texas Department of Housing and Community Affairs.

Texas Department of Public Safety – This fund is used to account for grants awarded by the Texas Department of Public Safety.

Texas Department of Transportation – This fund is used to account for grants awarded by the Texas Department of Transportation.

Texas Parks and Wildlife Department – This fund is used to account for grants related to the Texas Parks and Wildlife.

Texas Workforce Commission – This fund is used to account for grants awarded by the Texas Workforce Commission.

The Oasis Institute – This fund is used to account for grants awarded by the Oasis Institute.

Veterans Services – This fund is used to account for grants awarded by the Department of Veterans Affairs.

VIA Metropolitan Transit – This fund is used to account for grants awarded by the VIA Metropolitan Transit.

Alamo Area Development Corporation – This fund is used to account for grants awarded to the Alamo Area Development Corporation.

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2025**

SPECIAL REVENUE FUNDS					
	Alamo Area Agency on Aging	Bexar Area Agency on Aging	Bexar County	City of San Antonio	Commission on State Emergency Communications
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 85,176
Accounts receivable					
Grantors	479,493	1,637,916	300,673	-	587,214
Due from other funds	54,682	1,033,111	-	6	-
Deposits	-	-	-	-	-
Prepaid items	33,980	-	-	-	17,108
Total assets	<u>\$ 568,155</u>	<u>\$ 2,671,027</u>	<u>\$ 300,673</u>	<u>\$ 6</u>	<u>\$ 689,498</u>
Liabilities					
Accounts payable	\$ 137,122	\$ 735,030	\$ 4,426	\$ 6	\$ 142,775
Accrued liabilities	15,607	37,274	12,670	-	5,577
Due to other funds	557,908	1,818,086	283,577	-	355,743
Unearned revenue	13,630	41,176	-	-	183,895
Total liabilities	<u>724,267</u>	<u>2,631,566</u>	<u>300,673</u>	<u>6</u>	<u>687,990</u>
Fund Balances					
Nonspendable					
Prepaid items	33,980	-	-	-	17,108
Restricted					
Grants	-	39,461	-	-	(15,600)
Unassigned (deficit)	(190,092)	-	-	-	(15,600)
Total fund balances	<u>(156,112)</u>	<u>39,461</u>	<u>-</u>	<u>-</u>	<u>1,508</u>
Total liabilities, and fund balances	<u>\$ 568,155</u>	<u>\$ 2,671,027</u>	<u>\$ 300,673</u>	<u>\$ 6</u>	<u>\$ 689,498</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2025**

SPECIAL REVENUE FUNDS					
	Department of Defense	Department of Energy	Economic Development Administration	Housing Choice Voucher	Intellectual Developmental Disability Services
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 1,471,236
Accounts receivable					
Grantors	86,290	7,297	9,546		2,372,860
Due from other funds		14,624	24,588	3,894	-
Deposits	-	-	-	-	-
Prepaid items	-	-	-	-	80,173
Total assets	<u>\$ 86,290</u>	<u>\$ 21,921</u>	<u>\$ 34,134</u>	<u>\$ 3,894</u>	<u>\$ 3,924,269</u>
Liabilities					
Accounts payable	\$ 2,000	\$ 177	\$ 2,856	\$ 3,894	\$ 434,617
Accrued liabilities	-	562	3,542	-	160,400
Due to other funds	84,290	-	12,836	-	2,468,432
Unearned revenue	-	4,252	14,900	-	516,643
Total liabilities	<u>86,290</u>	<u>4,991</u>	<u>34,134</u>	<u>3,894</u>	<u>3,580,092</u>
Fund Balances					
Nonspendable					
Prepaid items	-	-	-	-	80,173
Restricted					
Grants		16,930			264,004
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>-</u>	<u>16,930</u>	<u>-</u>	<u>-</u>	<u>344,177</u>
Total liabilities, and fund balances	<u>\$ 86,290</u>	<u>\$ 21,921</u>	<u>\$ 34,134</u>	<u>\$ 3,894</u>	<u>\$ 3,924,269</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2025**

SPECIAL REVENUE FUNDS					
	Local Projects	Metropolitan Planning Organization	Office of Rural and Community Affairs	Office of the Governor	State Energy Conservation Office
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ 189,175	\$ -
Accounts receivable					
Grantors	1,500	11,202	5,259	148,897	48,102
Due from other funds	3,624	-	241,484	133,192	1,864
Deposits	-	-	-	13,904	-
Prepaid items	-	-	-	56,630	-
Total assets	<u>\$ 5,124</u>	<u>\$ 11,202</u>	<u>\$ 246,743</u>	<u>\$ 541,798</u>	<u>\$ 49,966</u>
Liabilities					
Accounts payable				\$ 52,415	\$ -
Accrued liabilities	-	669	49	8,693	-
Due to other funds	-	10,530	251,327	178,915	20,150
Unearned revenue	3,171	3	-	60,179	30,333
Total liabilities	<u>3,171</u>	<u>11,202</u>	<u>251,376</u>	<u>300,202</u>	<u>50,483</u>
Fund Balances					
Nonspendable					
Prepaid items	-	-	-	56,630	-
Restricted					
Grants	1,953			184,966	
Unassigned (deficit)	-	-	(4,633)	-	(517)
Total fund balances	<u>1,953</u>	<u>-</u>	<u>(4,633)</u>	<u>241,596</u>	<u>(517)</u>
Total liabilities, and fund balances	<u>\$ 5,124</u>	<u>\$ 11,202</u>	<u>\$ 246,743</u>	<u>\$ 541,798</u>	<u>\$ 49,966</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2025**

	SPECIAL REVENUE FUNDS				
	Texas Commission on Environmental Quality	Texas Council for Developmental Disabilities	Texas Department of Housing and Community Affairs	Texas Department of Public Safety	Texas Department of Transportation
Assets					
Cash and investments	\$ 252,803	\$ -	\$ -	\$ -	\$ 2,063,003
Accounts receivable					
Grantors	146,657	16,283	522,339	170,135	1,752,701
Due from other funds	-	-	192,933		274,046
Deposits	-	-	-	-	-
Prepaid items	429	-	7,396	-	132,933
Total assets	<u>\$ 399,889</u>	<u>\$ 16,283</u>	<u>\$ 722,668</u>	<u>\$ 170,135</u>	<u>\$ 4,222,683</u>
Liabilities					
Accounts payable	\$ 6,861		\$ 180,806	\$ 27,617	\$ 116,816
Accrued liabilities	4,732	862	14,811	2,334	50,191
Due to other funds	310,829	15,420	475,229	137,392	3,477,834
Unearned revenue	73,719	1	39,649	-	136,188
Total liabilities	<u>396,141</u>	<u>16,283</u>	<u>710,495</u>	<u>167,343</u>	<u>3,781,029</u>
Fund Balances					
Nonspendable					
Prepaid items	429	-	7,396	-	132,933
Restricted					
Grants			4,777	2,792	308,721
Unassigned (deficit)	3,319	-	-	-	-
Total fund balances	<u>3,748</u>	<u>-</u>	<u>12,173</u>	<u>2,792</u>	<u>441,654</u>
Total liabilities, and fund balances	<u>\$ 399,889</u>	<u>\$ 16,283</u>	<u>\$ 722,668</u>	<u>\$ 170,135</u>	<u>\$ 4,222,683</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2025**

SPECIAL REVENUE FUNDS					
	Texas Workforce Commission	Veterans Services	VIA Metropolitan Transit	Capital Area Council of Governments	Department of Justice
Assets					
Cash and investments	\$ -	\$ 3,925,874	\$ -	\$ -	\$ -
Accounts receivable					
Grantors	839	5,070,242	78,263	-	16,304
Due from other funds	4,906	-	52,877	6,523	428,117
Deposits	-	-	-	-	-
Prepaid items	-	10,249	-	-	-
Total assets	<u>\$ 5,745</u>	<u>\$ 9,006,365</u>	<u>\$ 131,140</u>	<u>\$ 6,523</u>	<u>\$ 444,421</u>
Liabilities					
Accounts payable	\$ 50	\$ 4,194,296	\$ 54,449		\$ 428,117
Accrued liabilities	-	14,773	-		-
Due to other funds	3,038	4,834,362	79,683	6,523	-
Unearned revenue	2,657	-	373		16,304
Total liabilities	<u>5,745</u>	<u>9,043,431</u>	<u>134,505</u>	<u>6,523</u>	<u>444,421</u>
Fund Balances					
Nonspendable					
Prepaid items	-	10,249	-	-	-
Restricted					
Grants					
Unassigned (deficit)	-	(47,315)	(3,365)	-	-
Total fund balances	<u>-</u>	<u>(37,066)</u>	<u>(3,365)</u>	<u>-</u>	<u>-</u>
Total liabilities, and fund balances	<u>\$ 5,745</u>	<u>\$ 9,006,365</u>	<u>\$ 131,140</u>	<u>\$ 6,523</u>	<u>\$ 444,421</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2025**

	SPECIAL REVENUE FUNDS	
	Alamo Area Development Corporation	Total
Assets		
Cash and investments	\$ 9,726	\$ 7,996,993
Accounts receivable		
Grantors	-	13,470,012
Due from other funds	112,226	2,582,697
Deposits	-	13,904
Prepaid items	-	338,898
Total assets	<u>\$ 121,952</u>	<u>\$ 24,402,504</u>
Liabilities		
Accounts payable	\$ 942	\$ 6,525,272
Accrued liabilities		332,746
Due to other funds	121,010	15,503,114
Unearned revenue		1,137,073
Total liabilities	<u>121,952</u>	<u>23,498,205</u>
Fund Balances		
Nonspendable		
Prepaid items	-	338,898
Restricted		
Grants		823,604
Unassigned (deficit)	-	(258,203)
Total fund balances	<u>-</u>	<u>904,299</u>
Total liabilities, and fund balances	<u>\$ 121,952</u>	<u>\$ 24,402,504</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS				
	Alamo Area Agency on Aging	Amerigroup	Bexar Area Agency on Aging	Bexar County	City of San Antonio
Revenues					
Intergovernmental	\$ 3,337,454	\$ -	\$ 10,239,818	\$ 589,305	\$ -
Matching funds	2,914,116	-	2,734,001	-	-
Local	-	-	31,317	272,193	-
Program income	1,600	-	4,056	-	-
Investment income	-	-	-	-	-
Total revenues	<u>6,253,170</u>	<u>-</u>	<u>13,009,192</u>	<u>861,498</u>	<u>-</u>
Expenditures					
Aging and veterans services	6,366,777	-	13,293,699	-	-
Community affairs	-	-	-	-	-
Criminal justice	-	-	-	-	-
Economic development	-	-	-	-	-
Emergency communications	-	-	-	-	-
Environmental quality	-	-	-	-	-
General government	133,146	-	-	-	-
Health and welfare	-	-	-	858,095	-
Homeland security	-	-	-	-	-
Transportation	-	-	-	-	-
Capital outlay	-	-	-	4,226	-
Total expenditures	<u>6,499,923</u>	<u>-</u>	<u>13,293,699</u>	<u>862,321</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(246,753)</u>	<u>-</u>	<u>(284,507)</u>	<u>(823)</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in	71,879	-	229,082	823	-
Transfers out	-	(17)	-	-	(124,379)
Total other financing sources (uses)	<u>71,879</u>	<u>(17)</u>	<u>229,082</u>	<u>823</u>	<u>(124,379)</u>
Net Change in Fund Balances	<u>(174,874)</u>	<u>(17)</u>	<u>(55,425)</u>	<u>-</u>	<u>(124,379)</u>
Fund Balances, Beginning	<u>18,762</u>	<u>17</u>	<u>94,886</u>	<u>-</u>	<u>124,379</u>
Fund Balances, Ending	<u>\$ (156,112)</u>	<u>\$ -</u>	<u>\$ 39,461</u>	<u>\$ -</u>	<u>\$ -</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS				
	Commission on State Emergency Communications	Department of Defense	Department of Energy	Economic Development Administration	Intellectual Developmental Disability Services
Revenues					
Intergovernmental	\$ 2,065,369	\$ 210,092	\$ 54,391	\$ 69,629	\$ 8,938,843
Matching funds	-	64,652	-	15,229	-
Local	-	18,658	-	-	6,253,025
Program income	-	-	-	-	10
Investment income	-	-	-	-	38,112
Total revenues	<u>2,065,369</u>	<u>293,402</u>	<u>54,391</u>	<u>84,858</u>	<u>15,229,990</u>
Expenditures					
Aging and veterans services	-	-	-	-	-
Community affairs	-	-	-	-	-
Criminal justice	-	-	-	-	-
Economic development	-	370,057	-	108,879	-
Emergency communications	1,798,780	-	-	-	-
Environmental quality	-	-	57,607	-	-
General government	-	-	-	-	1,720
Health and welfare	-	-	-	-	15,365,378
Homeland security	-	-	-	-	-
Transportation	-	-	-	-	-
Capital outlay	265,821	-	-	2,200	-
Total expenditures	<u>2,064,601</u>	<u>370,057</u>	<u>57,607</u>	<u>111,079</u>	<u>15,367,098</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>768</u>	<u>(76,655)</u>	<u>(3,216)</u>	<u>(26,221)</u>	<u>(137,108)</u>
Other Financing Sources (Uses)					
Transfers in	-	11,654	-	28,216	-
Transfers out	(2,150)	-	-	-	(10,180)
Total other financing sources (uses)	<u>(2,150)</u>	<u>11,654</u>	<u>-</u>	<u>28,216</u>	<u>(10,180)</u>
Net Change in Fund Balances	<u>(1,382)</u>	<u>(65,001)</u>	<u>(3,216)</u>	<u>1,995</u>	<u>(147,288)</u>
Fund Balances, Beginning	<u>2,890</u>	<u>65,001</u>	<u>20,146</u>	<u>(1,995)</u>	<u>491,465</u>
Fund Balances, Ending	<u>\$ 1,508</u>	<u>\$ -</u>	<u>\$ 16,930</u>	<u>\$ -</u>	<u>\$ 344,177</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

SPECIAL REVENUE FUNDS

	Kronkosky Autism Lifeline Link	Local Projects	Metropolitan Planning Organization	Office of Rural and Community Affairs	Office of the Governor
Revenues					
Intergovernmental	\$ -	\$ -	\$ 54,744	\$ 15,947	\$ 799,151
Matching funds	-	-	-	-	44,377
Local	-	4,782	-	-	846
Program income	-	-	-	-	495,620
Investment income	-	-	-	-	11,668
Total revenues	-	4,782	54,744	15,947	1,351,662
Expenditures					
Aging and veterans services	-	2,829	-	-	-
Community affairs	-	-	-	15,947	-
Criminal justice	-	-	-	-	1,424,662
Economic development	-	-	-	-	-
Emergency communications	-	-	-	-	-
Environmental quality	-	-	54,744	-	-
General government	-	-	-	4,938	28,369
Health and welfare	-	-	-	-	-
Homeland security	-	-	-	-	-
Transportation	-	-	-	-	-
Capital outlay	-	-	-	-	30,135
Total expenditures	-	2,829	54,744	20,885	1,483,166
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,953	-	(4,938)	(131,504)
Other Financing Sources (Uses)					
Transfers in	18	-	-	-	-
Transfers out	-	-	-	-	(354,032)
Total other financing sources (uses)	18	-	-	-	(354,032)
Net Change in Fund Balances	18	1,953	-	(4,938)	(485,536)
Fund Balances, Beginning	(18)	-	-	305	727,132
Fund Balances, Ending	\$ -	\$ 1,953	\$ -	\$ (4,633)	\$ 241,596

ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS				
	State Energy Conservation Office	Texas Association of Regional Councils	Texas Commission on Environmental Quality	Texas Council for Developmental Disabilities	Texas Department of Housing and Community Affairs
Revenues					
Intergovernmental	\$ 187,880	\$ -	\$ 786,223	\$ 117,037	\$ 3,210,774
Matching funds	-	-	-	-	-
Local	-	25,748	-	-	-
Program income	-	-	1,030	-	-
Investment income	-	-	145	-	-
Total revenues	<u>187,880</u>	<u>25,748</u>	<u>787,398</u>	<u>117,037</u>	<u>3,210,774</u>
Expenditures					
Aging and veterans services	-	25,748	-	-	-
Community affairs	-	-	-	-	3,219,982
Criminal justice	-	-	-	-	-
Economic development	-	-	-	-	-
Emergency communications	-	-	-	-	-
Environmental quality	230,349	-	761,381	-	-
General government	516	-	-	-	-
Health and welfare	-	-	-	117,037	-
Homeland security	-	-	-	-	-
Transportation	-	-	-	-	-
Capital outlay	-	-	24,900	-	6,241
Total expenditures	<u>230,865</u>	<u>25,748</u>	<u>786,281</u>	<u>117,037</u>	<u>3,226,223</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(42,985)</u>	<u>-</u>	<u>1,117</u>	<u>-</u>	<u>(15,449)</u>
Other Financing Sources (Uses)					
Transfers in	42,469	-	-	-	-
Transfers out	-	-	-	(2)	(19,129)
Total other financing sources (uses)	<u>42,469</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(19,129)</u>
Net Change in Fund Balances	<u>(516)</u>	<u>-</u>	<u>1,117</u>	<u>(2)</u>	<u>(34,578)</u>
Fund Balances, Beginning	<u>(1)</u>	<u>-</u>	<u>2,631</u>	<u>2</u>	<u>46,751</u>
Fund Balances, Ending	<u>\$ (517)</u>	<u>\$ -</u>	<u>\$ 3,748</u>	<u>\$ -</u>	<u>\$ 12,173</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS				
	Texas Department of Public Safety	Texas Department of Transportation	Texas Parks and Wildlife Department	Texas Workforce Commission	Veterans Services
Revenues					
Intergovernmental	\$ 739,478	\$ 4,421,217	\$ 5,666	\$ -	\$ 373,948
Matching funds	-	-	-	-	-
Local	-	2,905,092	-	-	29,748,711
Program income	-	208,708	-	-	-
Investment income	4	37,420	-	-	71,206
Total revenues	<u>739,482</u>	<u>7,572,437</u>	<u>5,666</u>	<u>-</u>	<u>30,193,865</u>
Expenditures					
Aging and veterans services	-	-	-	-	27,434,962
Community affairs	-	-	5,666	-	-
Criminal justice	-	-	-	-	-
Economic development	-	-	-	-	-
Emergency communications	-	-	-	-	-
Environmental quality	-	-	-	-	-
General government	-	-	-	-	-
Health and welfare	-	-	-	-	-
Homeland security	382,405	-	-	-	-
Transportation	-	7,090,932	-	-	-
Capital outlay	349,094	16,351	-	-	-
Total expenditures	<u>731,499</u>	<u>7,107,283</u>	<u>5,666</u>	<u>-</u>	<u>27,434,962</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,983</u>	<u>465,154</u>	<u>-</u>	<u>-</u>	<u>2,758,903</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	13	-
Transfers out	(91,776)	(4,446,180)	-	-	(11,137,726)
Total other financing sources (uses)	<u>(91,776)</u>	<u>(4,446,180)</u>	<u>-</u>	<u>13</u>	<u>(11,137,726)</u>
Net Change in Fund Balances	<u>(83,793)</u>	<u>(3,981,026)</u>	<u>-</u>	<u>13</u>	<u>(8,378,823)</u>
Fund Balances, Beginning	<u>86,585</u>	<u>4,422,680</u>	<u>-</u>	<u>(13)</u>	<u>8,341,757</u>
Fund Balances, Ending	<u>\$ 2,792</u>	<u>\$ 441,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,066)</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

SPECIAL REVENUE FUNDS				
	VIA Metropolitan Transit	Department of Justice	Alamo Area Development Corporation	Total
Revenues				
Intergovernmental	\$ 106,458	\$ 4,500,000	\$ -	\$ 40,823,424
Matching funds	-	-	-	5,772,375
Local	-	-	-	39,260,372
Program income	-	-	-	711,024
Investment income	-	-	-	158,555
Total revenues	<u>106,458</u>	<u>4,500,000</u>	<u>-</u>	<u>86,725,750</u>
Expenditures				
Aging and veterans services	-	-	-	47,124,015
Community affairs	-	-	-	3,241,595
Criminal justice	-	-	-	1,424,662
Economic development	-	-	-	478,936
Emergency communications	-	-	-	1,798,780
Environmental quality	-	-	-	1,104,081
General government	-	-	-	168,689
Health and welfare	-	-	-	16,340,510
Homeland security	-	-	-	382,405
Transportation	115,008	-	-	7,205,940
Capital outlay	-	4,500,000	-	5,198,968
Total expenditures	<u>115,008</u>	<u>4,500,000</u>	<u>-</u>	<u>84,468,581</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,550)</u>	<u>-</u>	<u>-</u>	<u>2,257,169</u>
Other Financing Sources (Uses)				
Transfers in	8,550	-	-	392,704
Transfers out	-	-	(10,727)	(16,196,298)
Total other financing sources (uses)	<u>8,550</u>	<u>-</u>	<u>(10,727)</u>	<u>(15,803,594)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,727)</u>	<u>(13,546,425)</u>
Fund Balances, Beginning	<u>(3,365)</u>	<u>-</u>	<u>10,727</u>	<u>14,450,724</u>
Fund Balances, Ending	<u>\$ (3,365)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 904,299</u>

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Personnel Salaries	\$ 2,257,122
Employee Benefits	1,155,704
Other Contract Services	1,063,352
Travel	41,930
Supplies	53,498
Insurance and Bonding	28,602
Public Notice	246
Printing and Reproduction	8,915
Membership fees & Dues	2,730
Fuel / Oil	812
Communications	306,838
Postage	19,819
Meetings Other	23,984
Training in/out region	16,161
Publications	7,718
Professional Dues	55,241
Equipment	120,937
Rent	4,569
Equipment Rental	167,394
Software	282,661
Maintenance/Repairs Software	76,578
Maintenance/Repairs Vehicles	87
Maintenance/Repairs Other	373
Total indirect costs	5,695,271
Less: administration cost received (rent, communications, postage, copies directly charged to program)	(1,690,772)
Net Indirect Costs	4,004,499
Actual Indirect Costs Recovered	(3,981,986)
Over-Recovery of Indirect Costs Carried Forward From Prior Year	58,347
Adjustments to 2024 Schedule of Indirect Costs	66,357
Accumulated Cost Over-Recovery	\$ 147,217

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS (FRINGE AND RELEASE TIME)
FOR THE YEAR ENDED DECEMBER 31, 2025**

Benefits:

EMPLOYER FICA	\$ 1,335,927
LIFE INSURANCE	115,132
STATE UNEMPLOYMENT TAX	18,061
WORKER'S COMPENSATION INSURANCE	129,262
HEALTH INSURANCE	2,402,333
EMPLOYEE RETIREMENT	2,116,359
RELEASE TIME	2,078,371

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Actual Employee Benefits Recovered		(8,172,051)
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Under-Recovery of Employee Benefits Carried Forward From Prior Year		15,776
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Accumulated Under (Over)-Recovery	\$	39,170
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Statistical Section (Unaudited)

This part of the Council's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Council's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the Council's financial performance and well-being have changed over time.</i>	61–66
Revenue Capacity <i>These schedules contain information to help the reader assess the Council's most significant local revenue sources.</i>	67
Demographic and Economic Information <i>These schedules present information to help the reader understand the environment within which the Council's financial activities take place.</i>	68–69
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Council's financial report relates to the services the Council provides and the activities it performs.</i>	70–73

ALAMO AREA COUNCIL OF GOVERNMENTS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities:										
Net investment in										
capital assets	\$ 3,857,627	\$ 3,158,888	\$ 4,232,400	\$ 5,132,815	\$ 5,140,075	\$ 8,781,545	\$ 9,699,447	\$ 8,838,330	\$ 10,959,304	\$ 7,614,054
Restricted	3,783,220	3,832,310	3,813,652	4,145,115	5,934,267	7,948,346	13,581,706	13,250,374	15,382,479	3,378,890
Unrestricted	<u>2,467,162</u>	<u>3,199,304</u>	<u>3,625,103</u>	<u>3,520,139</u>	<u>3,058,212</u>	<u>1,649,248</u>	<u>(3,210,113)</u>	<u>(1,434,425)</u>	<u>(1,210,294)</u>	<u>15,598,649</u>
Total governmental										
activities net position	\$ <u>10,108,009</u>	\$ <u>10,190,502</u>	\$ <u>11,671,155</u>	\$ <u>12,798,069</u>	\$ <u>14,132,554</u>	\$ <u>18,379,139</u>	\$ <u>20,071,040</u>	\$ <u>20,654,279</u>	\$ <u>25,131,489</u>	\$ <u>26,591,593</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018	2019	Fiscal Year		2022	2023	2024	2025
EXPENSES					2020	2021				
Governmental activities:										
General government	\$ 229,932	\$ 130,920	\$ 61,036	\$ 32,566	\$ 52,833	\$ 1,660,666	\$ 2,523,606	\$ 4,183,550	\$ 4,796,343	\$ 12,007,738
Workforce development	334,846	426,572	2,443,360	2,823,796	-	84,521	-	91,709	-	-
Housing and urban development	30,372	17,445	-	-	-	-	-	-	-	-
Emergency communications	1,544,150	1,812,052	1,413,105	1,670,714	1,215,766	2,286,025	1,899,330	1,788,360	1,577,646	1,710,246
Economic development	853,881	4,431,081	647,838	433,744	1,350,562	6,617,291	3,027,758	393,591	1,610,182	445,800
Environmental quality	949,942	992,880	704,083	483,930	1,141,244	1,984,876	121,020	1,489,691	933,635	1,064,181
Community affairs	1,625,004	2,078,269	2,475,773	2,991,145	2,607,786	2,897,307	2,303,830	2,179,194	2,937,387	3,065,737
Health and human services	11,866,163	11,600,496	12,446,756	13,612,174	13,265,591	13,792,278	15,964,536	15,746,920	14,460,348	14,891,319
Homeland security	411,654	281,861	287,900	388,563	372,143	348,253	462,324	1,512,235	362,513	359,640
Aging and veterans services	17,093,970	18,732,002	17,018,023	20,076,977	25,931,144	31,921,661	38,879,559	46,751,499	46,940,556	46,142,946
Criminal justice	1,508,118	1,417,596	1,536,841	1,567,352	1,586,864	1,467,445	1,501,935	1,492,196	1,193,669	1,536,877
Transportation	5,122,713	5,904,299	5,250,931	6,054,983	7,035,493	8,017,050	8,767,851	7,430,975	5,984,687	7,400,238
Interest	-	18,580	4,707	-	-	334,263	484,370	457,852	465,574	485,305
Total governmental activities expenses	<u>41,570,745</u>	<u>47,844,053</u>	<u>44,290,353</u>	<u>50,135,944</u>	<u>54,559,426</u>	<u>71,411,636</u>	<u>75,936,119</u>	<u>83,517,772</u>	<u>81,262,540</u>	<u>89,110,027</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	-	-	-	-	-	-	-	39,421	-	8,118
Workforce development	-	-	-	-	-	-	-	10	42	10
Health and welfare	-	-	-	-	-	-	-	-	-	-
Housing and urban development	-	-	-	-	-	-	-	-	-	-
Emergency communications	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Environmental quality	-	-	-	-	-	20,377	-	-	-	1,030
Community affairs	-	-	-	520	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Homeland security	-	-	-	-	-	-	-	-	-	-
Aging and veterans services	403,393	421,338	242,894	349,274	145,493	195,278	221,734	261,532	10,107	5,656
Criminal justice	281,673	436,947	423,974	405,077	413,029	462,510	543,574	477,743	525,051	495,620
Transportation	-	-	-	-	-	101,972	1,367	5,915	35,197	208,708
Operating grants and contributions	39,344,336	46,719,605	43,172,279	48,563,380	54,845,286	73,785,454	75,111,206	80,783,379	83,511,368	83,539,206
Capital grants and contributions	-	-	1,515,394	1,526,754	-	659,366	1,242,373	1,940,000	1,368,922	5,114,915
Total governmental activities program revenues	<u>40,029,402</u>	<u>47,577,890</u>	<u>45,354,541</u>	<u>50,845,005</u>	<u>55,403,808</u>	<u>75,224,957</u>	<u>77,120,254</u>	<u>83,508,000</u>	<u>85,450,687</u>	<u>89,373,263</u>
NET (EXPENSE) REVENUES										
Governmental activities	(1,541,343)	(266,163)	1,064,188	709,061	844,382	3,813,331	1,184,135	(9,772)	4,178,147	263,236
Total	<u>(1,541,343)</u>	<u>(266,163)</u>	<u>1,064,188</u>	<u>709,061</u>	<u>844,382</u>	<u>3,813,331</u>	<u>1,184,135</u>	<u>(9,772)</u>	<u>4,178,147</u>	<u>263,236</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	8,160	6,276	32,950	40,142	137,122	73,858	158,934	233,537	233,537	546,844
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Member dues	330,379	332,780	342,501	343,057	352,981	359,396	348,832	350,074	350,074	365,898
Gain on sale of capital assets	-	9,600	41,014	34,654	-	-	-	-	-	-
Total governmental activities	<u>338,539</u>	<u>348,656</u>	<u>416,465</u>	<u>417,853</u>	<u>490,103</u>	<u>433,254</u>	<u>507,766</u>	<u>583,611</u>	<u>583,611</u>	<u>912,742</u>
CHANGE IN NET POSITION										
Governmental activities	(1,202,804)	82,493	1,480,653	1,126,914	1,334,485	4,246,585	1,691,901	573,839	4,927,210	1,175,978
Total	<u>\$ (1,202,804)</u>	<u>\$ 82,493</u>	<u>\$ 1,480,653</u>	<u>\$ 1,126,914</u>	<u>\$ 1,334,485</u>	<u>\$ 4,246,585</u>	<u>\$ 1,691,901</u>	<u>\$ 573,839</u>	<u>\$ 4,927,210</u>	<u>\$ 1,175,978</u>

Notes:

1 Economic Development expenditures increased drastically in 2017 due to a one-time grant, the Defense Economic Adjustment Assistance Grant.

2 Aging was updated to aging and veterans services in 2020.

3 Workforce development was reclassified to Aging and veterans services.

ALAMO AREA COUNCIL OF GOVERNMENTS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Reserved	\$ 274,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	313,604	412,199	269,977	388,520	87,428	83,288	118,425	386,835	388,627
Unassigned	<u>1,638,063</u>	<u>1,851,426</u>	<u>2,011,899</u>	<u>2,581,217</u>	<u>2,497,958</u>	<u>1,622,132</u>	<u>338,060</u>	<u>(1,363,791)</u>	<u>(2,021,020)</u>	<u>14,022,636</u>
Total general fund	<u>\$ 1,912,435</u>	<u>\$ 2,165,030</u>	<u>\$ 2,424,098</u>	<u>\$ 2,851,194</u>	<u>\$ 2,886,478</u>	<u>\$ 1,709,560</u>	<u>\$ 421,348</u>	<u>\$ (1,245,366)</u>	<u>\$ (1,634,185)</u>	<u>\$ 14,411,263</u>
Special revenue funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	2,000	149,167	187,673	308,339	240,876	492,366	546,121	455,692	338,898
Restricted	-	3,832,310	3,664,068	3,963,305	5,720,449	7,948,346	8,659,925	13,257,337	14,109,646	823,604
Unassigned	<u>3,508,481</u>	<u>(45)</u>	<u>(2,779)</u>	<u>(15,709)</u>	<u>(39,809)</u>	<u>(118,560)</u>	<u>(148,501)</u>	<u>(1,911,318)</u>	<u>(114,614)</u>	<u>(258,203)</u>
Total special revenue funds	<u>\$ 3,508,481</u>	<u>\$ 3,834,265</u>	<u>\$ 3,810,456</u>	<u>\$ 4,135,269</u>	<u>\$ 5,988,979</u>	<u>\$ 8,070,662</u>	<u>\$ 9,003,790</u>	<u>\$ 11,892,140</u>	<u>\$ 14,450,724</u>	<u>\$ 904,299</u>

ALAMO AREA COUNCIL OF GOVERNMENTS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
Intergovernmental	\$ 25,285,580	\$ 30,077,011	\$ 28,892,676	\$ 33,641,062	\$ 40,890,288	\$ 54,233,363	\$ 38,655,309	\$ 40,224,254	\$ 42,338,312	\$ 41,558,495
Matching Funds	7,006,685	8,182,400	7,240,447	7,457,284	5,747,304	11,132,680	5,063,619	5,503,158	8,517,651	5,772,375
Local	7,025,515	8,450,713	8,556,888	8,944,587	8,207,694	9,078,787	32,634,651	36,995,967	36,710,011	41,323,251
Program Income	700,857	859,472	666,868	754,351	558,522	780,137	766,675	784,621	560,397	719,142
Membership Dues	330,379	332,780	342,501	343,057	352,981	359,396	348,832	350,074	358,459	365,898
Investment Income	18,925	24,170	32,950	122,527	137,122	73,858	158,934	233,537	390,604	546,844
Total revenues	<u>40,367,941</u>	<u>47,926,546</u>	<u>45,732,330</u>	<u>51,262,868</u>	<u>55,893,911</u>	<u>75,658,221</u>	<u>77,628,020</u>	<u>84,091,611</u>	<u>88,875,434</u>	<u>90,286,005</u>
EXPENDITURES										
Current:										
General government	178,991	76,643	10,438	-	42,330	1,270,009	1,615,841	3,135,947	2,714,392	2,381,612
Aging	17,312,612	18,812,366	17,081,492	19,869,451	25,662,883	31,811,462	39,384,967	46,875,049	47,723,130	47,124,015
Health and welfare	12,016,644	11,646,967	12,768,090	13,641,656	13,032,290	13,651,874	16,100,005	15,700,919	16,047,682	16,340,510
Transportation	4,691,292	5,638,199	6,342,407	7,071,819	6,357,737	7,246,570	8,158,571	6,697,879	6,780,239	7,205,940
Workforce development	323,068	426,330	2,452,707	2,795,136	-	84,230	61,446	91,955	-	-
Environmental quality	1,007,720	986,047	730,549	462,019	1,112,545	1,978,044	68,478	1,448,192	1,023,292	1,104,081
Community affairs	1,645,789	2,087,229	2,514,757	2,945,451	2,561,288	2,862,015	2,337,581	2,167,367	3,087,201	3,241,595
Criminal justice	1,235,837	1,125,083	1,249,501	1,264,282	1,364,993	1,385,217	1,376,622	1,373,317	1,322,604	1,424,662
Emergency communications	1,643,255	1,814,118	1,413,665	1,647,275	1,198,503	2,278,156	1,927,155	1,793,160	1,655,895	1,798,780
Homeland security	391,600	266,337	288,995	384,571	368,311	347,054	309,652	1,358,728	386,853	382,405
Housing	13,091	-	-	-	-	-	-	-	-	-
Economic Development	864,803	4,450,187	649,756	429,289	1,336,658	6,594,513	3,072,114	394,648	1,631,049	478,936
Capital outlay	-	-	-	-	967,379	16,733,759	2,784,408	1,057,657	3,897,115	7,268,910
Leases:										
Principal retirement							166,194	175,110	192,907	184,170
Interest							23,573	15,058	11,050	11,050
Subscriptions:										
Principal retirement								74,908	121,805	521,296
Interest								1,799	1,799	26,050
Debt service										
Principal retirement	-	-	-	-	-	17,290	353,270	404,987	397,741	367,232
Interest	-	18,661	4,714	-	-	334,263	460,797	440,995	452,725	448,205
Total expenditures	<u>41,324,702</u>	<u>47,348,167</u>	<u>45,507,071</u>	<u>50,510,949</u>	<u>54,004,917</u>	<u>86,594,456</u>	<u>78,200,674</u>	<u>83,207,675</u>	<u>87,447,479</u>	<u>90,309,449</u>
NET CHANGE IN FUND BALANCES	<u>(956,761)</u>	<u>578,379</u>	<u>235,259</u>	<u>751,919</u>	<u>1,888,994</u>	<u>(10,936,235)</u>	<u>(572,654)</u>	<u>883,936</u>	<u>1,427,955</u>	<u>(23,444)</u>
OTHER FINANCING SOURCES (USES)										
Issuance of debt	-	-	-	-	-	12,000,000	217,570	328,304	741,810	689,815
Inception of lease (as lessee)						-	-	-	-	406,930
Inception of SBITA						-	-	-	-	1,425,722
Transfers in	274,414	225,780	324,288	300,526	1,194,871	841,426	297,576	6,445,251	6,719,125	18,164,964
Transfers out	<u>(274,414)</u>	<u>(225,780)</u>	<u>(324,288)</u>	<u>(300,526)</u>	<u>(1,194,871)</u>	<u>(841,426)</u>	<u>(297,576)</u>	<u>(6,445,251)</u>	<u>(6,719,125)</u>	<u>(18,164,964)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000,000</u>	<u>217,570</u>	<u>328,304</u>	<u>741,810</u>	<u>2,522,467</u>
NET CHANGE IN FUND BALANCES	<u>\$ (956,761)</u>	<u>\$ 578,379</u>	<u>\$ 235,259</u>	<u>\$ 751,919</u>	<u>\$ 1,888,994</u>	<u>\$ 1,063,765</u>	<u>\$ (355,084)</u>	<u>\$ 1,212,240</u>	<u>\$ 2,169,765</u>	<u>\$ 2,499,023</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>- %</u>	<u>0.04%</u>	<u>0.01%</u>	<u>- %</u>	<u>- %</u>	<u>0.50%</u>	<u>1.33%</u>	<u>1.35%</u>	<u>1.41%</u>	<u>1.88%</u>

Notes:

¹ Membership dues are comprised of eligible governmental units and various associate members within the 13-county Alamo Area planning region. Dues are used as local funds in matching federal and state planning grants.

² Economic Development expenditures increased drastically in 2017 due to a one-time grant, the Defense Economic Adjustment Assistance Grant.

³ Aging was updated to aging and veterans services in 2020.

⁴ Workforce development was reclassified to Aging and veterans services.

ALAMO AREA COUNCIL OF GOVERNMENTS
LOCAL GOVERNMENT ANNUAL MEMBERSHIP DUES BY ENTITY
LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City										
City of Alamo Heights	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 601.51	\$ 615.30	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Balcones Heights	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Bandera	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Boerne	\$ 898.45	\$ 898.45	\$ 1,037.12	\$ 1,037.12	\$ 1,197.42	\$ 1,246.35	\$ 1,249.50	\$ 1,337.63	\$ 1,449.49	\$ 1,600.90
City of Bulverde	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Castle Hills	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Castroville	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Charlotte	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of China Grove	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Christine	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ -	\$ -	\$ 600.00	\$ -
City of Cibolo	\$ 1,769.60	\$ 1,769.60	\$ 1,974.49	\$ 1,974.49	\$ 2,139.41	\$ 2,264.99	\$ 2,259.32	\$ 2,343.25	\$ 2,436.98	\$ 2,701.86
City of Converse	\$ 1,473.78	\$ 1,473.78	\$ 1,521.45	\$ 1,521.45	\$ 1,941.94	\$ 2,056.95	\$ 1,922.62	\$ 2,005.01	\$ 2,072.21	\$ 2,186.45
City of Devine	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Dilley	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Elmendorf	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Fair Oaks Ranch	\$ 600.00	\$ 600.00	\$ 630.21	\$ 630.21	\$ 679.00	\$ 672.98	\$ 688.31	\$ 735.35	\$ 777.28	\$ 795.62
City of Falls City	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Floresville	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Fredericksburg	\$ 762.02	\$ 762.02	\$ 807.94	\$ 807.94	\$ 801.22	\$ 806.96	\$ 761.25	\$ 775.04	\$ 787.99	\$ 783.09
City of Grey Forest	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Helotes	\$ 600.00	\$ 600.00	\$ 622.23	\$ 622.23	\$ 669.00	\$ 738.64	\$ 632.10	\$ 642.46	\$ 671.79	\$ 727.37
City of Hill Country Village	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Hondo	\$ 633.92	\$ 633.92	\$ 651.91	\$ 651.91	\$ 657.09	\$ 676.27	\$ 600.00	\$ 600.00	\$ 604.52	\$ 602.28
City of Ingram	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Jourdanton	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Karnes	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Kenedy	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Kerrville	\$ 1,603.35	\$ 1,603.35	\$ 1,649.13	\$ 1,649.13	\$ 1,661.03	\$ 1,684.97	\$ 1,699.46	\$ 1,713.39	\$ 1,732.64	\$ 1,732.85
City of Kirby	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 612.29	\$ 616.35	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of La Coste	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of La Vernia	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 735.35	\$ 600.00	\$ 600.00
City of Leon Valley	\$ 771.05	\$ 771.05	\$ 788.13	\$ 788.13	\$ 803.95	\$ 837.48	\$ 807.94	\$ 802.41	\$ 800.03	\$ 810.39
City of Live Oak	\$ 1,058.12	\$ 1,058.12	\$ 1,109.43	\$ 1,109.43	\$ 1,113.56	\$ 1,165.22	\$ 1,104.67	\$ 1,108.80	\$ 1,116.71	\$ 1,146.95
City of Lytle	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Marion	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City Of Natalia	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of New Berlin	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of New Braunfels	\$ 4,647.58	\$ 4,938.01	\$ 5,245.10	\$ 5,245.10	\$ 5,922.84	\$ 6,191.85	\$ 6,328.21	\$ 6,919.99	\$ 7,329.49	\$ 7,908.67
City of Olmos Park	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Pearsall	\$ 689.64	\$ 689.64	\$ 703.99	\$ 703.99	\$ 730.38	\$ 744.03	\$ 600.00	\$ -	\$ 621.46	\$ 600.00
City of Pleasanton	\$ 674.66	\$ 674.66	\$ 745.99	\$ 745.99	\$ 752.78	\$ 769.79	\$ 745.36	\$ 754.60	\$ 770.28	\$ 785.40
City of Poteet	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Poth	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Runge	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Saint Hedwig							\$ 600.00	\$ 600.00	\$ -	\$ 600.00
City of San Antonio	\$ 100,568.79	\$ 100,568.79	\$ 105,033.18	\$ 105,033.18	\$ 107,256.31	\$ 108,875.90	\$ 100,423.75	\$ 101,629.71	\$ 103,103.63	\$ 104,781.32

ALAMO AREA COUNCIL OF GOVERNMENTS
LOCAL GOVERNMENT ANNUAL MEMBERSHIP DUES BY ENTITY
LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City of Sandy Oaks					\$ 600.00	\$ -	\$ -	\$ -	\$ -	\$ -
City of Santa Clara								\$ 600.00	\$ 600.00	\$ 600.00
City of Schertz	\$ 2,582.72	\$ 2,582.72	\$ 2,665.88	\$ 2,665.88	\$ 2,873.99	\$ 3,000.55	\$ 2,940.14	\$ 2,983.54	\$ 3,010.70	\$ 3,182.90
City of Seguin	\$ 1,892.87	\$ 1,892.87	\$ 2,148.02	\$ 2,148.02	\$ 2,079.00	\$ 2,244.48	\$ 2,060.31	\$ 2,163.14	\$ 2,338.56	\$ 2,500.05
City of Selma	\$ 600.00	\$ 600.00	\$ 671.72	\$ 671.72	\$ 775.25	\$ 993.30	\$ 766.64	\$ 813.33	\$ 820.47	\$ 793.31
City of Shavano Park	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Somerset	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Stockdale	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Terrell Hills	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 1,222.55	\$ 600.00	\$ 600.00	\$ 600.00
City of Universal City	\$ 1,380.47	\$ 1,380.47	\$ 1,467.27	\$ 1,467.27	\$ 1,451.11	\$ 1,544.06	\$ 1,380.40	\$ 1,386.56	\$ 1,399.30	\$ 1,419.95
City of Von Ormy	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
City of Windcrest	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ -	\$ -	\$ 600.00	\$ -
Town of Hollywood Park	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
	\$ (699.99)	\$ (750.00)								
City Total	\$ 145,307	\$ 145,547	\$ 152,273	\$ 152,273	\$ 156,919	\$ 159,346	\$ 149,793	\$ 151,650	\$ 155,244	\$ 157,859
County										
Atascosa County	\$ 3,344	\$ 3,314	\$ 3,447	\$ 3,447	\$ 3,521.70	\$ 3,586.31	\$ 3,475.99	\$ 3,495.73	\$ 3,522.40	\$ 3,561.11
Bandera County	\$ 1,462	\$ 1,462	\$ 1,554	\$ 1,554	\$ 1,597.68	\$ 1,635.20	\$ 1,535.59	\$ 1,509.55	\$ 1,551.83	\$ 1,571.78
Bexar County	\$ 129,911	\$ 129,911	\$ 135,267	\$ 135,267	\$ 139,023.43	\$ 140,433.51	\$ 143,532.41	\$ 141,976.52	\$ 144,359.60	\$ 147,349.02
Comal County	\$ 8,659	\$ 8,949	\$ 9,589	\$ 9,589	\$ 10,386.11	\$ 11,292.96	\$ 12,786.83	\$ 12,249.02	\$ 13,271.44	\$ 13,326.88
Frio County	\$ 1,297	\$ 1,297	\$ 1,318	\$ 1,318	\$ 1,387.12	\$ 1,325.59	\$ 1,332.10	\$ 1,290.52	\$ 1,275.33	\$ 1,303.05
Gillespie County	\$ 1,786	\$ 1,786	\$ 1,887	\$ 1,887	\$ 1,876.28	\$ 1,933.19	\$ 1,909.88	\$ 1,910.79	\$ 1,953.49	\$ 1,950.97
Guadalupe County	\$ 10,308	\$ 10,308	\$ 11,047	\$ 11,047	\$ 11,458.58	\$ 11,839.73	\$ 12,421.43	\$ 12,392.52	\$ 12,924.80	\$ 13,521.06
Karnes County	\$ 1,043	\$ 1,043	\$ 1,079	\$ 1,079	\$ 1,095.50	\$ 1,104.46	\$ 1,019.13	\$ 1,032.78	\$ 1,027.46	\$ 1,051.26
Kendall County	\$ 2,722	\$ 2,722	\$ 3,031	\$ 3,031	\$ 3,194.87	\$ 3,339.00	\$ 3,344.39	\$ 3,275.16	\$ 3,372.46	\$ 3,788.75
Kerr County	\$ 3,539	\$ 3,539	\$ 3,615	\$ 3,615	\$ 3,668.35	\$ 3,711.68	\$ 3,772.58	\$ 3,721.27	\$ 3,785.11	\$ 3,780.42
McMullen County	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Medina County	\$ 3,353	\$ 3,353	\$ 3,579	\$ 3,579	\$ 3,564.47	\$ 3,822.84	\$ 3,607.03	\$ 3,638.67	\$ 3,663.52	\$ 3,943.66
Wilson County	\$ 3,248	\$ 3,248	\$ 3,420	\$ 3,420	\$ 3,515.68	\$ 3,698.73	\$ 3,620.61	\$ 3,587.99	\$ 3,708.25	\$ 3,728.62
County Total	\$ 171,672	\$ 171,932	\$ 179,833	\$ 179,833	\$ 185,290	\$ 188,723	\$ 193,358	\$ 191,081	\$ 195,416	\$ 199,877
School Districts Total	\$ 2,400	\$ 3,750	\$ 3,680	\$ 3,600	\$ 3,600	\$ 3,600	\$ 4,800	\$ 3,600	\$ 3,600	\$ 1,800
Special Districts Total	\$ 11,000	\$ 11,400	\$ 10,200	\$ 10,200	\$ 10,200	\$ 5,400	\$ 5,400	\$ 4,200	\$ 5,400	\$ 2,400
Public Utilities Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ 1,200
Associate Member Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600	\$ 1,200
Total Membership Dues:	\$ 330,379	\$ 332,630	\$ 345,986	\$ 345,907	\$ 356,009	\$ 357,070	\$ 353,351	\$ 350,530	\$ 364,459	\$ 364,336

ALAMO AREA COUNCIL OF GOVERNMENTS
PRINCIPAL SOURCES OF REVENUES
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2016 (2)	2017	2018	2019	2020	2021	2022	2023	2024	2025
Earned Revenues:										
Medicaid (1)	\$ 5,745,153	\$ 6,403,262	\$ 6,599,793	\$ 6,465,604	\$ 6,362,345	\$ 6,770,785	\$6,394,683	\$6,407,521	\$6,185,445	\$6,056,575
Membership Dues	330,379	332,780	342,501	343,057	352,981	359,396	348,832	350,074	358,459	365,898
Local	786,163	1,212,943	1,419,462	1,631,288	511,933	2,847,435	28,089,426	28,890,836	33,003,160	34,951,548
Contributions	269,165	383,878	334,754	407,274	221,965	308,086	308,048	326,694	315,202	315,128
Matching Funds	7,392,976	8,489,710	7,240,447	7,457,274	5,747,304	11,024,273	5,295,355	5,503,158	1,810,660	5,772,375
Investment Income	18,867	24,170	32,950	122,527	137,122	82,842	158,934	233,537	390,604	546,844
Other	539,658	1,002,792	879,747	1,194,772	1,669,973	873,079	1,533,712	4,691,447	6,089,053	990,654
Total local and earned revenues	15,082,361	17,849,535	16,849,654	17,621,796	15,003,623	22,265,896	42,128,990	46,403,267	48,152,583	48,999,022
State Program Revenues:										
General Revenue	9,231,702	13,151,436	9,516,097	10,856,888	9,148,994	15,405,327	11,062,108	11,304,036	11,172,630	11,258,534
Permanency Planning	88,772	61,061	78,895	64,754	66,442	58,049	65,676	69,194	38,717	80,834
Community Living Options Information Process (CLOIP)	270,079	209,271	206,799	193,956	236,263	301,142	159,419	197,674	217,796	267,942
Crisis Behavioral Support	327,407	639,699	204,516	171,506	235,519	219,814	212,341	700,620	674,888	454,910
Nursing Facilities Preadmission Screening and Resident Review	-	638,745	512,829	119,361	554,778	991,033	1,730,760	1,344,461	1,672,992	2,168,944
Omnibus Reconciliation Reform (OBRA) Funds	338,271	-	-	-	-	-	-	-	-	-
HHSC ARPA	-	-	-	-	-	-	-	248,049	6,799	4,372
Other State	-	-	-	-	-	579,408	472,537	-	-	-
Total state program revenues	10,256,231	14,700,212	10,519,136	11,406,465	10,241,996	17,554,773	13,702,841	13,864,034	13,783,822	14,235,536
Federal Program Revenues										
Federal	13,859,576	14,440,342	17,378,962	21,277,595	29,681,653	34,842,613	21,796,904	22,028,467	25,740,166	25,491,064
Habitation Coordination	-	-	-	-	-	-	514,119	-	441,665	764,820
Medicaid Administrative Claiming	1,169,773	936,458	994,578	957,002	966,601	994,938	1,125,877	1,795,843	1,072,907	795,563
Total federal program revenues	15,029,349	15,376,800	18,373,540	22,234,597	30,648,254	35,837,551	23,436,900	23,824,310	27,254,738	27,051,447
Total revenues	40,367,941	47,926,547	45,742,330	51,262,858	55,893,873	75,658,220	\$79,268,731	\$84,091,611	\$89,191,143	\$90,286,005

Notes:

¹ The *Patient Protection and Affordable Care Act* (ACA) was signed into law in March 2010, providing for expansion of the Medicaid Program.

² OBRA funds ended in fiscal year 2016.

ALAMO AREA COUNCIL OF GOVERNMENTS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
SBITA liability ¹								55,339	283,726	1,143,152
Lease liability ²							602,524	427,414	427,414	457,267
Long-term debt obligations ³						11,823,710	11,688,010	11,611,327	11,955,297	12,325,152
Compensated absences	352,077	353,771	473,461	508,421	736,796	665,939	644,693	732,482	633,555	716,894
Net pension liability	1,068,130	375,717	-	-	-	-	-	-	-	-
 Total Debt	<u>\$1,420,207</u>	<u>\$729,488</u>	<u>\$473,461</u>	<u>\$508,421</u>	<u>\$736,796</u>	<u>\$12,489,649</u>	<u>\$12,935,227</u>	<u>\$12,826,562</u>	<u>\$13,299,992</u>	<u>\$14,642,465</u>
Total Revenues	<u>40,367,941</u>	<u>47,926,546</u>	<u>45,732,330</u>	<u>51,262,868</u>	<u>55,893,911</u>	<u>75,658,221</u>	<u>77,628,020</u>	<u>84,091,611</u>	<u>111,001,369</u>	<u>N/A5</u>
% Debt to Revenue	<u>3.52%</u>	<u>1.52%</u>	<u>1.04%</u>	<u>0.99%</u>	<u>1.32%</u>	<u>16.51%</u>	<u>16.66%</u>	<u>15.25%</u>	<u>11.98%</u>	<u>N/A5</u>
Population ⁴	<u>2,539,276</u>	<u>2,587,905</u>	<u>2,633,460</u>	<u>2,665,784</u>	<u>2,679,777</u>	<u>2,716,044</u>	<u>2,769,787</u>	<u>2,831,840</u>	<u>2,880,287</u>	<u>2,880,287</u>
Total Debt Per Capita	<u>\$0.56</u>	<u>\$0.28</u>	<u>\$0.18</u>	<u>\$0.19</u>	<u>\$0.27</u>	<u>\$4.60</u>	<u>\$4.67</u>	<u>\$4.53</u>	<u>\$4.60</u>	<u>\$5.08</u>

Notes:

¹ Liability related to the long-term use of the subscription-based information technology aragments per GASB Statement No. 96

² Liability related to the long-term rental of the Wetmore building per GASB Statement No. 87

³ Balance related to the purchase of the Titan building complex in 2021 and the related upgrades to the facilities.

⁴ U.S. Census Bureau, Annual Estimates of the Resident Population for Counties: July 1, 2023 and July 1, 2024

⁵ Per the Texas Demographic Center, Selected Economics Characteristics for 2025 have not been released for Texas as of April 2026.

ALAMO AREA COUNCIL OF GOVERNMENTS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Calendar Year	Population ¹	Personal Income (\$000) ¹	Avg. Per Capita Income	Gross Sales ²	Taxable Sales ²	Average Outlets ²	Total Employment ³	Unemployment Rate
2016	2,539,276	\$ 69,792,782	27,485	133,579,582,935	33,546,158,475	5,057	1,104,774	3.9%
2017	2,587,905	\$ 75,199,941	29,058	103,523,685,063	24,811,767,292	4,435	1,132,763	3.4%
2018	2,633,460	\$ 78,972,198	29,988	168,662,115,611	36,417,332,369	5,015	1,079,726	3.0%
2019	2,665,784	\$ 82,644,636	31,002	175,264,123,266	37,848,856,980	6,950	1,189,293	5.1%
2020	2,679,777	\$ 84,967,689	31,707	151,116,360,983	35,061,199,033	5,442	1,098,628	5.9%
2021	2,718,208	\$ 92,818,649	34,147	200,882,552,228	41,871,968,291	5,744	1,233,362	4.5%
2022	2,770,443	\$ 100,012,992	36,100	218,805,318,934	46,500,590,293	6,072	1,262,897	4.2%
2023	2,831,840	\$ 105,301,970	37,185	214,111,374,692	46,557,697,549	6,447	1,382,384	4.1%
2024	2,891,263	\$ 111,001,369	38,392	219,539,564,923	46,806,005,383	6,744	1,303,031	4.1%
2025	2,930,089	N/A ⁴	N/A ⁴	218,866,933,715	47,339,854,370	6,630	N/A ⁴	N/A ⁴

Notes:

¹ U.S. Census Bureau, Annual Estimates of the Resident Population for Counties: July 1, 2023 and July 1, 2024

² Gross Sales, State Tax, and Avg. Outlets Derived from Texas Comptroller of Public Accounts Quarterly Sales tax Report for all industries year 2024. Only available for first 3 quarters of 2024.

³ Total Employment reflects Civilian Labor Force as of December 2023.

⁴ Per the Texas Demographic Center, Selected Economics Characteristics for 2025 have not been released for Texas as of April 2026.

ALAMO AREA COUNCIL OF GOVERNMENTS
PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	2025			2016		
	Employees	Rank	Percentage of Employment ¹	Employees	Rank	Percentage Of Employment ²
Joint Base San Antonio - Lackland, Fort Sam & Randolph	67,350	1	5.10%	93,434	1	9.49%
H-E-B Food Stores	20,000	2	1.51%	20,000	2	2.03%
United Services Automobile Association (USAA)	17,000	3	1.29%	17,000	3	1.73%
UT-San Antonio (Merger UTSA& UT-Health)	17,000	4				
City of San Antonio	15,922	5	1.20%	12,032	5	1.22%
Northside Independent School District	13,593	6	1.03%	13,161	4	1.34%
Methodist Health Care System	12,000	7	0.91%	8,600	7	0.87%
North East Independent School District	8,206	8	0.62%	9,292	6	0.94%
San Antonio Independent School District	7,213	9	0.55%	7,382	8	0.75%
Baptist Health System	7,148	10	0.54%	5,800	10	0.59%
Wells Fargo				6,100	9	0.62%
Total	<u>185,432</u>		<u>12.75%</u>	<u>192,801</u>		<u>19.58%</u>

Source: Economic Development Division, City of San Antonio, Texas, Book of Lists 2025, and Department of Defense personnel statistics.

¹ Percent based on an Employment Estimate of 1,206,000 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of September 2025. Figure provided by the U.S. Bureau of Labor Statistics.

² Percent based on an Employment Estimate of 984,800 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2016. Figure provided by the Texas Workforce Commission.

ALAMO AREA COUNCIL OF GOVERNMENTS
PROGRAM AND FUNCTION INDICATORS
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Alamo Area Agency on Aging:										
Home delivered meals	143,731	133,233	130,568	161,152	319,355	357,374	245,050	309,504	210,130	304,661
Congregate meals	72,386	64,258	67,124	65,264	15,986	22,778	58,652	113,211	87,765	98,577
Transportation Trips	492	1,090	1,356	2,535	7,422	5,261	5,837	9,904	5,863	5,223
Bexar Area Agency on Aging:										
Home delivered meals	316,252	317,000	785,821	790,416	790,872	1,637,542	663,027	58,438	645,961	530,817
Congregate meals	382,750	355,000	263,598	605,052	119,787	4,291	190,018	519,803	405,571	552,235
Transportation Trips	12,695	12,642	11,061	14,139	11,112	13,789	12,098	15,933	13,143	9,572
Hours of legal and guardianship services	5,212	4,954	3,648	4,310	2,184	2,094	1,289	961	1,458	1,737
Intellectual Developmental Disabilities (IDD) Services										
Individuals enrolled in HCS program	115	103	89	79	94	148	82	227	183	241
Criminal Justice										
Full time Basic Peace officer courses completed	3	3	3	3	3	3	4	3	3	3
Basic Peace officer Graduates	81	88	76	72	86	75	94	111	71	91
Housing/Weatherization										
LIHEAP Units Completed	177	180	228	280	225	142	143	84	106	91
LIHEAP Expenditures	\$ 1,297,925	\$ 1,504,234	\$ 1,858,132	\$ 2,207,642	\$ 1,112,902	\$ 1,708,093	\$ 1,390,681	\$ 1,196,364	\$ 1,339,464	\$ 1,325,329
DOE Units Completed	47	37	37	36	18	83	32	64	90	162
DOE Expenditures	\$ 380,014	\$ 341,899	\$ 363,252	\$ 442,640	\$ 110,989	\$ 484,126	\$ 409,071	\$ 672,656	\$ 1,083,928	\$ 1,801,334
Natural resources										
Ozone monitors completed	6	6	6	7	7	7	7	7	7	7
Clean Cities										
Outreach events completed	4	-	4	10	4	2	6	5	13	0
9-1-1/Technical Assistance										
AACOG Match rates	92%	98%	99%	98%	99%	99%	99%	99%	99%	100%
Resource Recovery										
Pass-Through Dollars for annual projects	\$ -	\$ -	\$ -	\$ 106,715	\$ 190,000	\$ 175,000	\$ 120,345	\$ 162,929	\$ 150,000	\$ 164,115
Alamo Regional Transit										
Ridership	89,037	101,394	117,378	137,635	90,507	115,520	131,976	136,524	157,967	159,201
MVA										
Veteran members served	-	-	242	727	1,114	3,049	4,036	3,077	4,013	6,700

ALAMO AREA COUNCIL OF GOVERNMENTS
FULLTIME EQUIVALENT EMPLOYEES
BY PROGRAM/DEPARTMENT
LAST TEN FISCAL YEARS

Program/Department	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Intellectual & Developmental Disability Services	133	135	133	138	142	141	153	142	137	133
Area Agency on Aging	53	53	52	55	63	57	44	45	44	43
Transportation	34	34	36	38	44	47	42	37	44	35
Administrative	28	26	24	29	27	29	33	33	32	34
Military and Veterans Affairs	-	-	-	-	-	14	21	17	19	20
Public Safety	11	12	12	11	13	12	12	13	12	12
Weatherization	7	8	8	7	9	10	9	10	12	12
Natural Resources	8	5	2	2	3	2	2	3	5	3
Regional Services	1	4	2	2	1	1	1	1	1	1
Resource Recovery	2	2	2	-	2	1	1	1	1	1
Compatible Use Program	-	-	-	-	2	-	-	-	-	-
Workforce / Childcare	-	-	-	-	-	-	-	-	-	-
Total	277	279	271	282	307	314	318	302	307	294

Year to Year Percentage Increases										
Intellectual & Developmental Disability Services	20%	2%	-1%	4%	3%	0%	9%	-7%	-4%	-3%
Area Agency on Aging	47%	0%	-2%	-6%	15%	-10%	-23%	2%	-2%	-2%
Transportation	-35%	0%	6%	-6%	17%	6%	-11%	-12%	19%	-20%
Administrative	-3%	-7%	-8%	-21%	-7%	7%	14%	0%	-3%	6%
Military and Veterans Affairs	0%	0%	0%	0%	0%	0%	0%	0%	12%	5%
Public Safety	-15%	9%	0%	8%	21%	-10%	0%	8%	-8%	0%
Weatherization	-50%	14%	0%	13%	34%	6%	-10%	11%	20%	0%
Natural Resources	-20%	-38%	-60%	0%	55%	-35%	0%	50%	67%	-40%
Regional Services	0%	300%	-50%	0%	-30%	-29%	0%	0%	0%	0%
Resource Recovery	0%	0%	0%	100%	0%	100%	0%	0%	0%	0%
Compatible Use Program	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%
Workforce / Childcare	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%
Total	0%	1%	-3%	4%	9%	2%	1%	-5%	-3%	-3%

ALAMO AREA COUNCIL OF GOVERNMENTS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	Fiscal Year 2020	2021	2022	2023	2024	2025
<u>General Government</u>										
Vehicles	-	-	-	-	-	-	-	-	2	14
Equipment	2	-	-	-	-	-	-	-	5	34
Software	-	-	-	-	-	-	-	-	-	4
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	9
Buildings	-	-	-	-	-	2	2	2	2	3
Land	-	-	-	-	-	-	1	1	1	3
Property Improvements	-	-	-	-	-	4	6	9	13	31
<u>Aging</u>										
Equipment	-	-	-	1	1	1	1	1	1	1
<u>IDD</u>										
Equipment	2	2	2	2	4	3	-	-	-	1
Software	-	-	-	-	-	-	3	3	2	1
Furniture & Fixtures	1	1	-	-	-	2	1	1	1	23
<u>Alamo Regional Transit</u>										
Vehicles	67	43	45	56	54	52	61	53	70	52
Equipment	2	2	-	2	2	2	2	2	0	14
Software	2	1	2	2	3	3	4	4	3	5
Buildings	1	1	1	1	1	1	1	1	1	1
Furniture & Fixtures	-	-	-	-	1	1	1	1	1	0
Property Improvements	-	-	-	-	-	-	7	7	7	4
<u>Public Safety</u>										
Vehicles	1	1	2	1	1	3	3	3	2	5
Equipment	14	13	13	13	13	11	13	15	6	21
Software	2	2	1	1	-	-	1	1	1	2
Furniture & Fixtures	-	-	-	-	-	-	-	4	3	-
Leashold Improvements	1	1	1	1	1	1	2	2	2	1
<u>9-1-1</u>										
Equipment	4	4	3	3	3	5	4	4	1	72
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	2
<u>Homeland Security</u>										
Equipment	1	1	-	-	-	1	1	1	1	23
Software	-	-	-	-	-	-	-	-	-	1
<u>Weatherization</u>										
Vehicles	5	5	9	4	5	5	5	5	1	3
Equipment	-	-	-	-	-	-	-	-	-	1
Software	-	-	-	-	-	1	1	1	1	1
<u>Workforce Development</u>										
Vehicles	3	-	-	-	-	-	-	-	-	-
<u>Veterans Directed</u>										
Furniture & Fixtures	-	-	-	-	-	1	1	1	1	-
<u>Natural Resources</u>										
Vehicles	-	-	-	-	-	-	-	-	-	1
Equipment	6	6	6	6	6	6	20	20	15	21
<u>Resource Recovery</u>										
Equipment	2	2	2	2	2	2	-	-	-	-

Notes: Capital assets are defined as assets with a cost in excess of \$5,000
Assets listed are based on items that were depreciated in that fiscal year. Fully depreciated assets are not included in this schedule.
Assets purchased with grant funds but owned by subrecipients are not included.

OTHER INFORMATION

Intellectual and Developmental Disabilities Services Schedules (Unaudited)

This section of the annual comprehensive financial report contains other supplementary schedules required of Intellectual and Developmental Disabilities (IDD) authorities in the state of Texas. IDD 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
RECONCILIATION OF TOTAL EXPENDITURES
TO FOURTH QUARTER FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

	CARE *		***	Audited***
	Report III	Additions**	Deletions***	Financial Statements
EXPENDITURES				
Salaries	\$ 7,810,610	\$ 9,693,516	\$ 2,146,194	\$ 15,357,932
Employee benefits	2,658,795	3,360,732	738,724	5,280,802
Professional consulting services	2,865,039	48,685,343	1,077,345	50,473,037
Training/travel	234,811	368,454	64,475	538,790
Debt service	-	448,205	-	448,205
Capital outlay	-	5,365,420	-	5,365,420
Non-capital equipment	-	23,976	-	23,976
Other operating expenditures	<u>1,616,940</u>	<u>9,866,539</u>	<u>951,128</u>	<u>10,532,351</u>
 Total expenditures	 <u>\$ 15,186,195</u>	 <u>\$ 77,812,185</u>	 <u>\$ 4,977,867</u>	 <u>\$ 88,020,513</u>

* CARE Report III FY2025

** Other Agency Programs

*** Sept - Dec 2025 IDD Expenses

ALAMO AREA COUNCIL OF GOVERNMENTS
RECONCILIATION OF TOTAL REVENUE
TO FOURTH QUARTER FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

	CARE * Report III	Additions**	Deletions***	Audited Financial Statements
LOCAL AND EARNED REVENUES				
Medicaid	5,823,793	2,238,263	2,005,481	6,056,575
Membership Dues		366,498		366,498
Local/Interest/Program Inc	30,062	34,472,565	51,608	34,451,019
Titan Complex Tenant/Occupancy		1,927,278		1,927,278
Contributions-UHS	315,202	104,994	105,067	315,128
Delegate Agency Match		5,830,848		5,830,848
	-	-	-	-
Other		-	-	
Total local and earned revenues	<u>6,169,057</u>	<u>44,940,445</u>	<u>2,162,156</u>	<u>48,947,346</u>
STATE PROGRAM REVENUES				
General Revenue	3,502,243	8,786,058	1,029,767	11,258,534
Permanency Planning	62,650	39,742	21,558	80,834
CLOIP	243,827	117,269	93,154	267,942
Crisis Behavioral Supports	208,110	97,932	78,587	227,455
Crisis Behavioral Respite	495,572	254,955	208,963	541,564
NF PASRR Special Services	2,030,213	912,769	774,038	2,168,944
HHSC ARPA EIP	-	8,744	4,372	4,372
Total state program revenues	<u>6,542,615</u>	<u>10,217,469</u>	<u>2,210,440</u>	<u>14,549,645</u>
FEDERAL PROGRAM REVENUES				
Federal Revenue	763,981	24,970,327	243,244	25,491,064
Habilitation Coordination	666,961	317,333	219,474	764,820
Medicaid Administrative Claiming	874,419	173,383	252,238	795,563
Total federal program revenues	<u>2,305,361</u>	<u>25,461,043</u>	<u>714,957</u>	<u>27,051,447</u>
Total revenues	<u>15,017,033</u>	<u>80,618,957</u>	<u>5,087,553</u>	<u>90,548,438</u>
Fund Balance Net Change	(169,162)			
Equals Report III FY2025	\$ 15,186,195			

* CARE Report III FY2025 ck

** Other Agency Programs and Sept-Dec IDD

*** Sept-Dec 2025 IDD revenues FY26

ALAMO AREA COUNCIL OF GOVERNMENTS

ALAMO AREA COUNCIL OF GOVERNMENTS RECONCILIATION OF TOTAL REVENUE TO FIRST QUARTER FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

	CARE * Report III	Additions**	***All Other Agency	Audited Financial Statements
LOCAL AND EARNED REVENUES				
Medicaid	1,446,889	489,146	4,120,540	6,056,575
Membership Dues	-	-	366,498	366,498
Local/Interest/Program Inc	29,252	22,357	34,399,410	34,451,019
Titan Complex Tenant/Occupancy	-	-	1,927,278	1,927,278
Contributions-UHS	78,800	26,267	210,062	315,128
Delegate Agency Match		-	5,830,848	5,830,848
Total local and earned revenues	<u>1,554,941</u>	<u>537,770</u>	<u>46,854,635</u>	<u>48,947,346</u>
STATE PROGRAM REVENUES				
General Revenue	718,803	312,013	10,227,718	11,258,534
Permanency Planning	13,275	8,283	59,276	80,834
CLOIP	73,311	19,843	174,788	267,942
Crisis Behavioral Supports	59,827	18,759	148,869	227,455
Crisis Behavioral Respite	157,994	50,969	332,601	541,564
NF PASRR Special Services	596,529	177,509	1,394,906	2,168,944
HHSC ARPA EIP	188	4,184	-	4,372
Total state program revenues	<u>1,619,927</u>	<u>591,560</u>	<u>12,338,158</u>	<u>14,549,645</u>
FEDERAL PROGRAM REVENUES				
Federal Revenue	153,580	89,663	25,247,821	25,491,064
Habilitation Coordination	166,168	53,307	545,345	764,820
Medicaid Administrative Claiming	<u>238,992</u>	<u>5,746</u>	<u>550,825</u>	<u>795,563</u>
Total federal program revenues	<u>558,740</u>	<u>148,716</u>	<u>26,343,991</u>	<u>27,051,447</u>
Total revenues	<u>3,733,608</u>	<u>1,278,046</u>	<u>85,536,784</u>	<u>90,548,438</u>

* 1st Quarter Fiscal Year 26 (September - November 2025) IDD Revenues

** December 2025 IDD Revenues

*** Other Agency Programs and January - August 2025 IDD Revenues

ALAMO AREA COUNCIL OF GOVERNMENTS

ALAMO AREA COUNCIL OF GOVERNMENTS SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Fund Sources	Total Revenue	FY2025	FY2026	All other Program Expenditures
		Jan - Aug Alamo IDD Expenditures	Sept - Dec Alamo IDD Expenditures	
Objects of expense:				
Personnel	\$ 15,357,932	\$ 4,165,218	\$ 1,939,750	\$ 9,252,964
Employee Benefits	5,280,802	1,432,434	668,232	3,180,136
Debt Service	448,205	-	-	448,205
Capital Outlay	5,365,420	-	-	5,365,420
Other Operating Expense	61,568,154	3,712,717	1,949,154	55,906,283
Allocation of General Administration to Strategies	-	759,716	314,494	(1,074,210)
Allocation of Authority Administration to Strategies	-	224,406	106,238	(330,644)
Total Expenditures	88,020,513	10,294,492	4,977,867	72,748,154
Method of Finance:				
General Revenue/IDD	11,262,906	2,267,251	1,034,139	7,961,515
Permanency Planning	80,834	59,276	21,558	-
CLOIP	267,942	174,788	93,154	-
Crisis Behavioral Supports	227,455	148,869	78,587	-
Crisis Behavioral Respite	541,564	332,601	208,963	-
NF PASRR Special Services	2,168,944	1,394,905	774,038	-
Earned Income	15,468,908	3,864,959	2,024,592	9,579,357
Additional Local Funds	33,478,438	453,852	137,564	32,887,022
Other Services Revenues	27,051,447	1,597,991	714,957	24,738,500
Total Expended Sources	\$ 90,548,438	\$ 10,294,492	\$ 5,087,553	\$ 75,166,394

ALAMO AREA COUNCIL OF GOVERNMENTS

ALAMO LOCAL AUTHORITY SCHEDULE OF INDIRECT COSTS

**FOR THE YEAR ENDED DECEMBER 31, 2025
(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	\$ 15,357,932	\$ -	\$ -	\$ 15,357,932	\$ 12,818,856	\$ 2,539,076
Fringe benefits	5,280,802	-	-	5,280,802	4,407,052	873,750
Debt service	448,205	-	-	448,205	448,205	-
Capital outlay	5,389,396	5,389,396	-	-	65,836	(65,836)
Depreciation	-	-	2,817,560	2,817,560	2,817,560	-
Other operating expense	<u>61,544,178</u>	<u>-</u>	<u>-</u>	<u>61,544,178</u>	<u>60,886,668</u>	<u>657,510</u>
Total expenses	<u>\$ 88,020,513</u>	<u>\$ 5,389,396</u>	<u>\$ 2,817,560</u>	<u>\$ 85,448,677</u>	<u>\$ 81,444,178</u>	<u>\$ 4,004,499</u>
Indirect costs						\$ 4,004,499
Direct costs						81,444,178
Indirect cost rate						4.92%

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF INSURANCE IN EFFECT

**FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/25	10/01/26	Workers' Compensation	Statutory
Texas Municipal League Risk Management Fund	10/01/25	10/01/26	Automobile Liability	
			Per Occurrence Limit	\$ 5,000,000
			Deductible	2,500
			Annual Aggregate	-
			Medical Payments per person	25,000
	10/01/25	10/01/26	Automobile Physical Damage	
			Per Occurrence Limit	10,000
			Deductible	1,000
	10/01/25	10/01/26	General Liability	
			Per Occurrence Limit	10,000,000
			Deductible	-
			Sudden Events Each Occurrence	2,000,000
			Annual Aggregate	10,000,000
Texas Municipal League Risk Management Fund	10/01/25	10/01/26	Law Enforcement Liability	
			Per Occurrence Limit	2,000,000
			Annual Aggregate	4,000,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/25	10/01/26	Errors and Omissions	
			Liability	-
			Each Wrongful Act	2,000,000
			Annual Aggregate	4,000,000
			Deductible	1,000

(continued)

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF INSURANCE IN EFFECT **(Continued)** **FOR THE YEAR ENDED DECEMBER 31, 2025** **(UNAUDITED)**

Insurer	Policy Period		Coverage	Amount
	Begins	Ends		
Texas Municipal League Risk Management Fund	10/01/25	10/01/26	All Risk Property Coverage	
			Coverage Basis	
			Building : Replacement Cost Valuation	27,876,860
			Deductible	1,000
			Transit Limit	1,000,000
			Valuable Papers and EDP Media	10,000
			Accounts Receivable	10,000
			Loss of Revenue Extra Expense and Rev	50,000
			Personal Property of Employees and Officials	5,000
			Leasehold Interest	5,000
			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	
			Flood Limit	2,787,686
			Earthquake Limit	10,000,000
			Deductible	25,000
			Boiler & Machinery	
			Per Accident Limit	1,000,000
			Deductible	1,000
Texas Municipal League Risk Management Fund	10/01/25	10/01/26	Public Employee Dishonesty	
			Limit of Coverage	500,000
			Deductible	5,000
WS&P Walthall Sachse & Pipes, Inc	07/01/25	07/01/26	Coverage Includes Faithful Performance of Duty	
			Pollution Coverage	
			General Aggregate Limit	1,000,000
			Each "Pollution Condition" Limit	1,000,000
			Each Crisis Management and Emergency	
			Response limit	250,000
WS&P Walthall Sachse & Pipes, Inc	02/14/25	02/14/26	Deductible	10,000
			Volunteers	
			Accidental Death and Dismemberment Benefit	
			Covered Person principal sum/amount	5,000
			Total Max Accident Medical and Dental	10,000
			Deductible	-

ALAMO AREA COUNCIL OF GOVERNMENTS

**SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES
December 31, 2025
(UNAUDITED)**

Name	City	Type of Service	Amount
January - August 2025			
ABA & Behavioral Services	San Antonio	6260-Behavioral Support	\$ 3,009.73
ABA & Behavioral Supports	San Antonio	6230-Community Supports	242,056.33
ABA Center for Excellence	San Antonio	6215-Crisis Respite Hourly In Home	437.50
ABA Center for Excellence	San Antonio	6260-Behavioral Support	459.12
Angel Care Center of San Antonio	San Antonio	6213-Respite Hourly In Home	45,045.00
Angel Care Center of San Antonio	San Antonio	6220-Day Habilitation	8,275.72
Angel Care Center of San Antonio	San Antonio	6230-Community Supports	538,473.32
ARC	San Antonio	6220-Day Habilitation	30,397.36
Behavior Savors	San Antonio	6215-Crisis Respite Hourly In Home	34,552.46
Behavior Savors	San Antonio	6260-Behavioral Support	11,478.00
Care Warriors	San Antonio	6230-Community Supports	432,630.23
CBA, LLC	San Antonio	6385-Speech & Language Services	13,950.00
Distinctively Remembered	San Antonio	6240-Employment Assistance	4,528.80
Eva's Heroes	San Antonio	6370-Day Hab Summer Camp	1,418.48
Jennifer Garrett	San Antonio	6260-Behavioral Support	61,010.01
Lifeline Care & Services	San Antonio	6210-Respite Hourly Out Of Home	2,493.75
Lifeline Care & Services	San Antonio	6211-Respite Daily Out Of Home	2,550.00
Lifeline Care & Services	San Antonio	6213-Respite Hourly In Home	52,935.00
Lifeline Care & Services	San Antonio	6214-Respite Daily In Home	2,850.00
Lifeline Care & Services	San Antonio	6230-Community Supports	43,363.19
Mission Development	San Antonio	6220-Day Habilitation	26,126.45
Mission Development	San Antonio	6370-Day Hab Summer Camp	797.15
RMI	San Antonio	6220-Day Habilitation	4,376.82
SAFIRE	San Antonio	6220-Day Habilitation	1,834.98
San Antonio Life Academy	San Antonio	6220-Day Habilitation	24,677.03
Shaping Solutions	San Antonio	6260-Behavioral Support	27,355.90
Shaping Solutions	San Antonio	6380-Applied Behavior ABA Therapy	2,983.50
The Local ABA LLC	San Antonio	6215-Crisis Respite Hourly In Home	93.75
The Local ABA LLC	San Antonio	6260-Behavioral Support	1,377.36
TWG Investments LTD	San Antonio	6280-Safety Net	300,000.00
University United Methodist	San Antonio	6220-Day Habilitation	4,092.41
			<u><u>\$ 1,925,629.35</u></u>

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES

December 31, 2025

(UNAUDITED)

Name	City	Type of Service	Amount
September - December 2025			
ABA & Behavioral Services	San Antonio	6260-Behavioral Support	\$ 838.06
ABA & Behavioral Supports	San Antonio	6230-Community Supports	87,498.03
Angel Care Center of San Antonio	San Antonio	6213-Respite Hourly In Home	16,818.75
Angel Care Center of San Antonio	San Antonio	6220-Day Habilitation	2,898.54
Angel Care Center of San Antonio	San Antonio	6230-Community Supports	185,483.45
ARC	San Antonio	6220-Day Habilitation	8,620.36
Behavior Saviors	San Antonio	6215-Crisis Respite Hourly In Home	22,994.46
Behavior Saviors	San Antonio	6260-Behavioral Support	2,257.34
Care Warriors	San Antonio	6230-Community Supports	186,305.10
CBA, LLC	San Antonio	6385-Speech & Language Services	4,290.00
Distinctively Remembered	San Antonio	6230-Community Supports	2,307.86
Distinctively Remembered	San Antonio	6240-Employment Assistance	1,627.20
Eva's Heroes	San Antonio	6370-Day Hab Summer Camp	1,263.52
Jennifer Garrett	San Antonio	6260-Behavioral Support	25,399.08
Lifeline Care & Services	San Antonio	6213-Respite Hourly In Home	17,137.50
Lifeline Care & Services	San Antonio	6214-Respite Daily In Home	450.00
Lifeline Care & Services	San Antonio	6230-Community Supports	15,284.38
Mission Development	San Antonio	6220-Day Habilitation	9,506.91
Mission Development	San Antonio	6370-Day Hab Summer Camp	834.40
RMI	San Antonio	6220-Day Habilitation	1,593.41
SAFIRE	San Antonio	6220-Day Habilitation	102.34
San Antonio Life Academy	San Antonio	6220-Day Habilitation	10,301.83
Shaping Solutions	San Antonio	6260-Behavioral Support	7,479.83
Shaping Solutions	San Antonio	6380-Applied Behavior ABA Therapy	1,530.00
TWG Investments LTD	San Antonio	6280-Safety Net	210,000.00
University United Methodist	San Antonio	6220-Day Habilitation	2,013.48
			<u><u>\$ 824,835.83</u></u>

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF LEGAL SERVICES

**FOR THE YEAR ENDED DECEMBER 31, 2025
(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**

**FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

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

ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF SPACE OCCUPIED IN A STATE-OWNED FACILITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

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

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF BONDED EMPLOYEES

**FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)**

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

SINGLE AUDIT SECTION



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*

To the Board of Directors of the
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 and each major fund of the Alamo Area Council of Governments (the "Council"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon August 26, 2026. Our report included an emphasis of matter paragraph related to the capital assets restatement of beginning net position for the Council's financial statements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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 or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a significant deficiency.

Alamo Area Council of Governments' Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Alamo Area Council of Governments' response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from 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 financial statements. 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Arlidge & Associates PC

Oklahoma City, Oklahoma
August 26, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM
GUIDANCE

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Alamo Area Council of Governments (the "Council") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *Texas Grant Management Standards* (TxGMS), issued by the Texas Comptroller of Public Accounts, that could have a direct and material effect on each of Council's major federal and state programs for the year ended December 31, 2025. 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.

In our opinion, the Council complied, in all material respects, with the types of 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, 2025.

Basis for Opinion on Each Major Federal and State Program

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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and TxGMS. Our responsibilities under those standards and the Uniform Guidance and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Council's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Arledge & Associates PC

Oklahoma City, Oklahoma
August 26, 2026

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
<u>U.S. Department of Commerce/Economic Development Administration</u>				
Direct:				
Economic Development - Support for Planning Organizations	11.302	ED24AUS0G0269	60,160	-
Economic Development Cluster				
Economic Adjustment Assistance - Title II, Section 209	11.307	ED25AUS0G0337	9,469	-
Subtotal Economic Development Cluster			9,469	-
Total U.S. Department of Commerce/Economic Development Administration			69,628	-
<u>U.S. Department of Defense/Office of Economic Adjustment</u>				
Direct:				
Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation	12.003	HQ00052310029	125,802	-
Total U.S. Department of Defense/Office of Economic Adjustment			125,802	-
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the Texas Department of Agriculture:				
Community Development Block Grant FY25	14.228	CEDAF24-21	10,688	-
Community Development Block Grant FY26	14.228	CEDAF25-21	5,259	-
Total U.S. Department of Housing and Urban Development			15,947	-
<u>U.S. Department of the Interior</u>				
Passed through the Texas Parks and Wildlife Department:				
Wildlife Restoration And Basic Hunter Education FY25	15.611	F21AF02504-00	(5,666)	-
Total U.S. Department of the Interior			(5,666)	-
<u>U.S. Department of Justice</u>				
Passed through the Office of the Governor, Criminal Justice Division:				
Violence Against Women Formula Grant FY25	16.588	2610713	49,324	-
Violence Against Women Formula Grant FY26	16.588	2610714	20,637	-
Cops Technology & Equipment program	16.710	15JCOPS-24-GG-02304-TECP	4,500,000	-
School Marshal & Active Shooter Training	16.738	4844501	(793)	-
Edward Byrne Memorial Justice Assistance Grant Program				-
Total Office of the Governor, Criminal Justice Division			4,569,169	-
Total U.S. Department of Justice			4,569,169	-

The accompanying notes are an integral part of this schedule

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS (Cont'd)				
<u>U.S. Department of Transportation</u>				
Passed through the Metropolitan Planning Organization:				
Highway Planning and Construction Cluster FY25	20.205	FY2024-2025 MPO	43,648	-
Highway Planning and Construction Cluster FY27	20.205	FY2026-2027 MPO	11,095	-
Subtotal Metropolitan Planning Organization			54,743	-
Passed through the VIA Metropolitan Transit:				
Federal Transit Cluster				
Federal Transit Formula Grants FY25	20.507	1937-2024-4	61,041	-
Federal Transit Formula Grants FY26	20.507	1937-2024-4	4,851	-
Subtotal VIA Metropolitan Transit			65,892	-
Passed through Texas Department of Transportation:				
Bus and Bus Facilities Formula Program FY25	20.526	DIS 2301 (15) 014_23	16,351	-
Subtotal Texas Department of Transportation			16,351	-
Subtotal Federal Transit Cluster			136,986	-
Passed through the VIA Metropolitan Transit:				
Enhanced Mobility of Seniors and Individuals with Disabilities FY25	20.513	ED 2504 (31) 108_24	64,736	-
Enhanced Mobility of Seniors and Individuals with Disabilities FY26	20.513	ED 2601 (22) 112_25	22,695	-
Subtotal VIA Metropolitan Transit			87,431	-
Passed through Texas Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities FY25	20.513	1937-2024-3	34,035	-
Enhanced Mobility of Seniors and Individuals with Disabilities FY26	20.513	1937-2025-7	72,423	-
Subtotal Texas Department of Transportation			106,458	-
Subtotal Transit Services Programs Cluster			193,889	-
Passed through Texas Department of Transportation:				
Formula Grants for Rural Areas FY24	20.509	RPT 2401 (15)	(112,559)	-
Formula Grants for Rural Areas FY25	20.509	RPT 2501 (15) 076_25	2,262,952	-
Formula Grants for Rural Areas FY26	20.509	RPT 2501 (15) 076_25	8,989	-
Subtotal			2,159,382	-
Metropolitan Transportation Planning and State Non-Metropolitan				
Planning and Research FY25	20.505	PLN 2501 (15) 060_23	3,765	-
Planning and Research FY26	20.505	PLN 2601 (22) 058_25	52,047	-
Subtotal			55,812	-
Subtotal Texas Department of Transportation			2,215,194	-
Total U.S. Department of Transportation			2,546,069	-

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS (Cont'd)				
<u>U.S. Department of Energy</u>				
Direct:				
Conservation Research and Development FY25	81.086	DE-EE0009565	33,583	-
Conservation Research and Development FY26	81.086	P6640	18,794	-
Total Direct Programs			52,377	-
Passed through GTI Energy				
Fossil Energy Research and Development	81.089	S1291	2,014	-
Total GTI Energy			2,014	-
Passed through Texas Department of Housing and Community Affairs:				
Weatherization Assistance for Low-Income Persons FY20	81.042	56240004258	(7,476)	-
Weatherization Assistance for Low-Income Persons FY25	81.042	56250004474	462,680	-
Weatherization Assistance for Low-Income Persons FY26	81.042	56250004474	90,909	-
BIL Weatherization Assistance for Low-Income Persons FY26	81.042	55220004047	1,194,204	-
Total Texas Department of Housing and Community Affairs			1,740,317	-
Total U.S. Department of Energy			1,794,708	-
<u>U.S. Department of the Treasury</u>				
Passed through Bexar County				
American Rescue Plan FY26	21.027	AACOG-900K	589,305	-
Subtotal Texas Bexar County			589,305	-
Total U.S. Department of the Treasury			589,305	-
<u>U.S. Department of Health and Human Services</u>				
Passed through Texas Health and Human Services Commission:				
Title VII-EAP - Bexar AAA FY25	93.041	HHS000874100003	19,897	-
Title VII-EAP - Bexar AAA FY26	93.041	HHS001603100003	19,939	-
Title VII-EAP - Alamo AAA FY25	93.041	HHS000874100001	6,861	-
Subtotal			46,697	-
Title VII-OM - Alamo AAA FY25	93.042	HHS000874100001	48,705	-
Title VII-OM - Bexar AAA FY25	93.042	HHS000874100003	101,244	-
Title VII-OM - Bexar AAA FY26	93.042	HHS001603100003	17,085	-
Subtotal			167,034	-
Passed through Texas Health and Human Services Commission (continued)				
Title III-D - Bexar AAA FY25	93.043	HHS000874100003	101,578	-
Title III-D - Bexar AAA FY26	93.043	HHS001603100003	33,026	-
Title III-D - Alamo AAA FY25	93.043	HHS000874100001	\$ 20,796	-
American Rescue Plan Title III-D Alamo AAA FY26	93.043	HHS001603100001	\$ 3,371	-
Subtotal			158,770	-

The accompanying notes are an integral part of this schedule

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS (Cont'd)				
Aging Cluster				
Title III-B - Bexar AAA FY25	93.044	HHS000874100003	1,174,538	-
Title III-B - Bexar AAA FY26	93.044	HHS001603100003	464,512	-
Title III-B - Alamo AAA FY25	93.044	HHS000874100001	559,476	-
Title III-B - Alamo AAA FY26	93.044	HHS001603100001	149,653	-
Elder Abuse Prevention Interventions Program Bexar FY26	93.747	HHS000874100003	22,999	
Elder Abuse Prevention Interventions Program Alamo FY26	93.747	HHS000874100001	18,773	
Lifespan Respite Care Program Bexar FY21	93.072	HHS000541100001	(3,171)	
Subtotal			2,386,780	
Title III-C- Bexar AAA FY25	93.045	HHS000874100003	4,075,739	3,838,627
Title III-C- Bexar AAA FY26	93.045	HHS001603100003	1,278,426	1,102,843
Title III-C- Alamo AAA FY25	93.045	HHS000874100001	1,141,400	68,521
Title III-C- Alamo AAA FY26	93.045	HHS001603100001	245,909	10,465
Subtotal			6,741,475	5,020,456
Texas Disaster Assistance for State Units on Aging and Tribal Organizations	93.048	HHS001603100001	51,908	
Nutrition Services Incentive Program - Alamo AAA FY25	93.053	HHS000874100001	216,931	3,471
Nutrition Services Incentive Program - Bexar AAA - FY25	93.053	HHS000874100003	507,376	507,376
Subtotal			776,215	510,847
Subtotal Aging Cluster			10,276,970	5,531,303
Title III-E - Bexar AAA FY25	93.052	HHS000874100003	872,098	
Title III-E - Bexar AAA FY26	93.052	HHS000874100003	270,341	-
Title III-E - Bexar AAA FY25	93.052	HHS001603100003	-	-
Title III-E - Alamo AAA FY25	93.052	HHS000874100001	286,590	-
Title III-E - Alamo AAA FY26	93.052	HHS001603100001	66,122	-
Subtotal			1,495,151	-
State Health Insurance Assistance Program - Bexar AAA FY25	93.324	HHS000874100003	1,942	-
State Health Insurance Assistance Program - Bexar AAA FY26	93.324	HHS001603100003	48,985	
State Health Insurance Assistance Program - Alamo AAA FY25	93.324	HHS000874100001	72,639	-
Subtotal			123,567	-
Habilitation Coordination FY25	93.778	HHS001333300002	545,345.37	
Habilitation Coordination FY26	93.778	HHS001586900002	165,542.85	-
Medicaid Administrative Claiming (MAC) FY25	93.778	HHS001333300002	543,325	-
Medicaid Administrative Claiming (MAC) FY26	93.778	HHS001586900002	252,238	
Subtotal Medicaid Cluster			1,506,452	-

The accompanying notes are an integral part of this schedule

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS (Cont'd)				
Money Follows the Person Rebalancing Demonstration - Transitional Support Team - IDD FY25	93.791	HHS001333300002	161,133	-
Money Follows the Person Rebalancing Demonstration - Transitional Support Team - IDD FY26	93.791	HHS001586900002	77,385	-
Money Follows the Person Rebalancing Demonstration - Enhanced Community Coordination - IDD FY25	93.791	HHS001333300002	348,188	-
Money Follows the Person Rebalancing Demonstration - Enhanced Community Coordination - IDD FY26	93.791	HHS001586900002	165,859	-
Money Follows the Person Rebalancing Demonstration - ADRC BEXAR FY25	93.791	HHS001341600016	35,155	-
Money Follows the Person Rebalancing Demonstration - ADRC BEXAR FY26	93.791	HHS001341600016	17,875	-
Money Follows the Person Rebalancing Demonstration - ADRC ALAMO FY25	93.791	HHS001341600001	33,530	-
Money Follows the Person Rebalancing Demonstration - ADRC ALAMO FY26	93.791	HHS001341600001	17,557	-
Subtotal			856,682	-
Total Texas Health and Human Services Commission			14,258,821	5,531,303
Passed through National Council on Aging:				
Medicare Enrollment Assistance Program (MIPPA -2) - Bexar ADRC FY25	93.071	HHS000874100003	67,133	-
Medicare Enrollment Assistance Program (MIPPA -2) - Bexar ADRC FY26	93.071	HHS001603100003	6,835	-
Medicare Enrollment Assistance Program (MIPPA -2) - Alamo ADRC FY25	93.071	HHS001341600001	54,987	-
Medicare Enrollment Assistance Program (MIPPA -2) - Alamo ADRC FY26	93.071	HHS001341600001	2,815	-
Subtotal			131,770	-
Passed through Texas Department of Housing and Community Affairs:				
Low-Income Home Energy Assistance Program FY25	93.568	81250004440	1,292,533	-
Total Texas Department of Housing and Community Affairs			1,292,533	-
Passed through Texas Council for Developmental Disabilities:				
Older Adults with Developmental Disabilities and their Caregivers FY24	93.630	23514	(77)	-
Developmental Disabilities Supporting Aging FY25	93.630	24217	50,363	-
Developmental Disabilities Supporting Aging FY26	93.630	25317	66,751	-
Total Texas Council for Developmental Disabilities			117,038	-
Direct:				
No Wrong Door/COVID19 ADRC BEXAR FY21	93.048	HHS000541100001	(7,876)	-
			(7,876)	-
Passed through The Oasis Institute				
Community Cares FY22			-	-
Total The Oasis Institute			-	-
Total U. S. Department of Health and Human Services			15,792,286	5,531,303
<u>Corporation for National and Community Service</u>				
Direct:				
Senior Companion Program FY25	94.016	23CGTX003	163,583	-
Senior Companion Program FY26	94.016	23CGTX003	117,838	-
Total Corporation for National and Community Service			281,421	-

The accompanying notes are an integral part of this schedule

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS (Cont'd)				
<u>U. S. Department of Homeland Security</u>				
Passed through Office of the Governor, Division of Emergency Management				
Homeland Security Grant Program FY25	97.067	2964010	220,267	-
Homeland Security Grant Program FY26	97.067	2964011	47,426	-
Homeland Security Grant Program FY26 - Domestic Violence Extremism	97.067	4433002	131,793	
Total Homeland Security Grant Program			399,487	-
Total U. S. Department of Homeland Security			399,487	-
Total Federal Expenditures			26,178,155	5,531,303

The accompanying notes are an integral part of this schedule

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Grant Number	Expenditures	Passed Through to Subrecipients
STATE AWARDS			
<u>Texas Health and Human Services Commission</u>			
State General Revenue - Bexar AAA FY25	HHS000874100003	\$ 533,171	\$ 185,038
State General Revenue - Bexar AAA FY26	HHS001603100003	42,081	
State General Revenue - Alamo AAA FY25	HHS000874100001	192,984	
State General Revenue - Alamo AAA FY26	HHS001603100001	14,214	
Subtotal		782,450	185,038
State General Revenue - Bexar AAA - ADRC FY25	HHS001341600016	187,804	
State General Revenue - Bexar AAA - ADRC FY26	HHS001341600016	63,608	
State General Revenue - Alamo AAA - ADRC FY25	HHS001341600001	99,484	
State General Revenue - Alamo AAA - ADRC FY26	HHS001341600001	32,750	
Subtotal		383,645	-
Senior Companion Program FY25	HHS001373500027	4,113	
Senior Companion Program FY26	HHS001373500027	1,946	
Subtotal		6,059	-
American Rescue Plan FY26	HHS001586900002	4,372	
Subtotal		4,372	-
Apprenticeship Pilot FY25	HHS001447800001	1,087	
Navigator Pilot FY26	HHS001591600001	90,608	
Subtotal		91,696	-
State General Revenue - FY25	HHS001333300002	2,267,251	
Permanency Planning	HHS001333300002	59,276	
Community Living Options Information Process (CLOIP)	HHS001333300002	174,788	
IDD Crisis Intervention Specialists	HHS001333300002	148,869	
IDD Crisis Respite Services	HHS001333300002	332,601	
Nursing Facility Specialized Services	HHS001333300002	1,394,905	
Subtotal		4,377,690	-

The accompanying notes are an integral part of this schedule

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Grant Number	Expenditures	Passed Through to Subrecipients
STATE AWARDS (Cont'd)			
State General Revenue - FY26	HHS001586900002	1,029,767	
Permanency Planning	HHS001586900002	21,558	
Community Living Options Information Process (CLOIP)	HHS001586900002	93,154	
IDD Crisis Intervention Specialists	HHS001586900002	78,587	
IDD Crisis Respite Services	HHS001586900002	208,963	
Nursing Facility Specialized Services	HHS001586900002	774,038	
Subtotal		2,206,068	-
Total Texas Health and Human Services Commission		7,851,979	185,038
<u>Commission on State Emergency Communications</u>			
911 Emergency Communications FY25	FY-2023	72,793	
911 Emergency Communications FY25	FY-2025	1,411,510	
911 Emergency Communications FY26	FY-2026	581,065	
Total Commission on State Emergency Communications		2,065,367	-
<u>Office of the Governor - Criminal Justice Division</u>			
Homeland Security Planning FY25	25-00035	27,133	
Homeland Security Planning FY26	26-00060	13,567	
Regional Criminal Justice Coordination FY25	25-00035	118,849	
Regional Criminal Justice Coordination FY26	26-00060	59,425	
Subtotal		218,974	-
Regional Police Training Academy FY25	1485919	332,325	
Regional Criminal Justice Coordination FY27	1485920	219,384	
Subtotal		551,709	-
Regional Communications Infrastructure Enhancement	4059303	299,292	
Subtotal		299,292	-
Total Office of the Governor - Criminal Justice Division		1,069,975	-

**ALAMO AREA COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Grant Number	Expenditures	Passed Through to Subrecipients
STATE AWARDS (Cont'd)			
<u>Texas Commission on Environmental Quality</u>			
Rider 7 Air Quality	582-20-11984	220,363	
Rider 7 PM 2.5 Local Air Quality Planning Grant	582-24-01370	125,250	
Solid Waste Resource Recovery FY26	582-24-50125	369,646	
Solid Waste Resource Recovery FY26	582-26-00070	70,965	
Total Texas Commission on Environmental Quality		786,223	-
<u>Texas Department of Housing and Community Affairs</u>			
Amy Young Barrier Removal Program	56240004258	177,923	
Total Texas Department of Housing and Community Affairs		177,923	-
<u>Texas Department of Transportation</u>			
Rural Public Transportation 2024 Cycle	RUR 2501 (15)	732,270	
Rural Public Transportation 2025 Cycle	RUR 2601 (15)	344,079	
Rural Public Transportation 2025 Cycle - Service Expansion program	SEP 2501 (15)	960,001	
Total Texas Department of Transportation		2,036,350	-
<u>State Energy Conservation Office</u>			
Regional Energy Management Program (SECO) FY25	CM23001	187,880	
Total Texas Department of Transportation		187,880	-
<u>Texas Veterans Commission</u>			
Housing 4 Texas Heroes FY26	HTX25-H-010	159,128	
Subtotal		159,128	-
Rides 4 Vets FY25	FVA24-T-080	135,480	
Rides 4 Vets FY26	GEN25-T-003	79,340	
Subtotal		214,820	-
Total Texas Veterans Commission		373,947	-
Total Expenditures of State Awards		14,549,645	185,038
Total Expenditures of Federal and State Awards		\$ 40,727,800	\$ 5,716,341

The accompanying notes are an integral part of this schedule

ALAMO AREA COUNCIL OF GOVERNMENTS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2025

NOTE A – BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (Schedules) include the activity of all applicable federal and state award programs of the reporting entity. The Council's reporting entity is defined in Note 1 of the basic financial statements. Federal and state awards received directly from federal and state agencies, as well as awards passed through other government agencies, are included on the Schedules. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the Texas Grants Management Standards (TxGMS). Because the Schedules present only a selected portion of the operations of the Council, they are not intended to and do not present the financial position or changes in net position of the Council.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Federal and state award expenditures reported on the Schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and TxGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The modified accrual basis of accounting is described in *Note 1* of the basic financial statements.

NOTE C – RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Grant expenditure reports as of December 31, 2025, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are often prepared at different dates and sometimes reflect refined estimates of year-end accruals. The reports will agree at termination of the grant, as the discrepancies noted are timing differences.

NOTE D – INDIRECT COST RATE

The Council has not elected to use the 15% de minimis indirect cost rate as allowed in the *Uniform Guidance, Section 414*. Instead, the Council uses indirect and fringe benefit rates that are negotiated with the U.S. Economic Development Administration, which is the Council's designated federal cognizant agency. The Council uses a fixed-rate plus carry-forward provision.

NOTE E – SUBRECIPIENTS

During the year ended December 31, 2025, Council provided federal and state awards to subrecipients.

NOTE F – FEDERAL LOAN PROGRAM

The Council did not have any federal loan programs during the year ended December 31, 2025.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date on which the report on the Schedules was available to be issued. No items of significance were determined.

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2025

Section I-Summary of Auditor's Results

Financial statements

Type of auditor's report issued on whether the financial statements were in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☒ yes ☐ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification of major federal programs:

Program

AL Number

Medicaid Cluster

93.778

Public Safety Partnership

16.710

Formula Grants for Rural Areas

20.509

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

\$1,000,000

- Auditee qualified as low-risk auditee? ☒ yes ☐ no

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Cont'd) For the Year Ended December 31, 2025

State Awards

Internal control over major state programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major state programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with TxGMS? ☐ yes ☒ no

Identification of major state programs:

Program

Grant Number

Aging Cluster

(HHS000874100003, HHS001603100003,
HHS000874100001, HHS001603100001,
HHS001341600016, HHS001341600001,
HHS001341600001)

Rural Public Transportation

(RUR 2501 (15), RUR 2601 (15), SEP 2501 (15))

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

- Auditee qualified as low-risk auditee? ☒ yes ☐ no

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Cont'd) For the Year Ended December 31, 2025

Section II-Findings Required to be Reported in Accordance with *Government Auditing Standards*:

A. Internal Control

Finding No: 2025-001 Capital Asset Records, Restatement of Beginning Net Position and Major-Class Presentation

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria: Management is responsible for maintaining effective internal controls over capital assets, including controls designed to ensure that capital asset records are accurate, complete, and periodically reconciled to the results of physical inventory procedures in accordance with generally accepted accounting principles. Under *GASB Statement No. 34*, capital asset note disclosures should present capital assets by major class and include beginning and ending balances, capital acquisitions, sales or other dispositions, and current-period depreciation, with accumulated depreciation presented separately from historical cost. In addition, *GASB Statement No. 100, Accounting Changes and Error Corrections*, provides the applicable guidance for prior-period error corrections. GASB 100 requires error corrections to be reported retroactively by restating beginning net position, fund balance, or fund net position, as applicable, for the cumulative effect of the error correction on prior periods in single-period financial statements.

Condition: During 2025, management implemented new capital asset software and performed a related review of its capital asset inventory and records. This process was responsive to the prior-year recommendation that AACOG move away from Excel-based capital asset and depreciation tracking and consider use of a dedicated capital asset management system or fixed asset module. As part of the new software implementation and inventory review, management identified numerous historical capital asset record discrepancies, including assets disposed of in prior years but not removed until 2025, assets not located during the 2025 inventory count, duplicate asset records, prior-year equipment additions not previously included, and accumulated depreciation corrections. The 2025 capital asset rollforward included prior-year adjustments consisting of a net reduction of \$3,025,582 to capital asset cost and a net increase of \$2,859,708 to accumulated depreciation for a net effect of \$165,874.

Management identified many of the underlying capital asset issues through implementation of the new software, and the initial capital asset rollforward did not consistently distinguish prior-period corrections as prior-period adjustments or restated beginning balances as required under GASB 100 for prior-period error corrections.

In addition, material reclassifications between major capital asset classes, including reclassifications between vehicles and equipment, and the related accumulated depreciation reclassifications, affected the presentation of capital assets by major class in the financial statements. Because GASB 34 requires major-class capital asset disclosure and separate presentation of historical cost and accumulated depreciation, these classification matters were a significant component of the deficiency.

Cause and Effect: The condition resulted from the historical use of Excel-based capital asset tracking, combined with insufficient review procedures over the financial reporting presentation of corrections identified during the transition to the new capital asset software. Management procedures during the implementation of the new system helped identify historical discrepancies, and additional procedures were needed to determine whether corrections related to prior periods or current-year activity and ensure that major-class reclassifications and accumulated depreciation corrections were properly reflected in the capital asset rollforward and related disclosures.

The errors did not arise because management failed to initiate corrective action; rather, the issue related to the proper classification and financial statement presentation of historical corrections identified during the capital asset software implementation and inventory review under GASB 100.

ALAMO AREA COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Cont'd) For the Year Ended December 31, 2025

Section II-Findings Required to be Reported in Accordance with *Government Auditing Standards: (Cont'd)*

A. Internal Control (Cont'd)

Recommendation: We recommend that AACOG continue using its capital asset software and further strengthen year-end review procedures over capital asset reporting. These procedures should include:

- Reviewing all capital asset corrections to determine whether they relate to the current year or to prior periods;
- Presenting prior-period capital asset corrections as prior-period adjustments
- Prepare and review any required GASB 100 prior-period adjustment disclosure;
- Reconciling historical cost and accumulated depreciation by major capital asset class;
- Reviewing reclassifications between major classes, including vehicles, equipment, buildings, improvements, and other asset categories, for proper financial statement presentation;
- Documenting management's review and approval of the final capital asset rollforward and related note disclosures; and
- Continuing to monitor the completeness and accuracy of capital asset records throughout the year.

Management Response: During 2025, AACOG implemented new capital asset software in response to a prior recommendation to move away from Excel-based capital asset tracking. As part of the implementation and related inventory review, management identified historical capital asset discrepancies, including prior-year disposals, missing or duplicate records, prior-year additions, and accumulated depreciation corrections. Management agrees that certain prior-period corrections were required and that additional review procedures are needed to ensure proper GASB 100 presentation and disclosure.

B. Compliance Findings

There are no findings requiring reporting under this section

Section III-Findings Required to be Reported in Accordance with the Uniform Guidance or TxGMS:

A. Internal Control

There are no findings requiring reporting under this section

B. Compliance Findings

There are no findings requiring reporting under this section

ALAMO AREA COUNCIL OF GOVERNMENTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended December 31, 2025

Section II-Findings Required to be Reported in Accordance with *Government Auditing Standards*:

A. Internal Control

None noted in prior year audit period

B. Compliance Findings

None noted in prior year audit period

Section III-Findings Required to be Reported in Accordance with the Uniform Guidance:

A. Internal Control

None noted in prior year audit period

B. Compliance Findings

None noted in prior year audit period