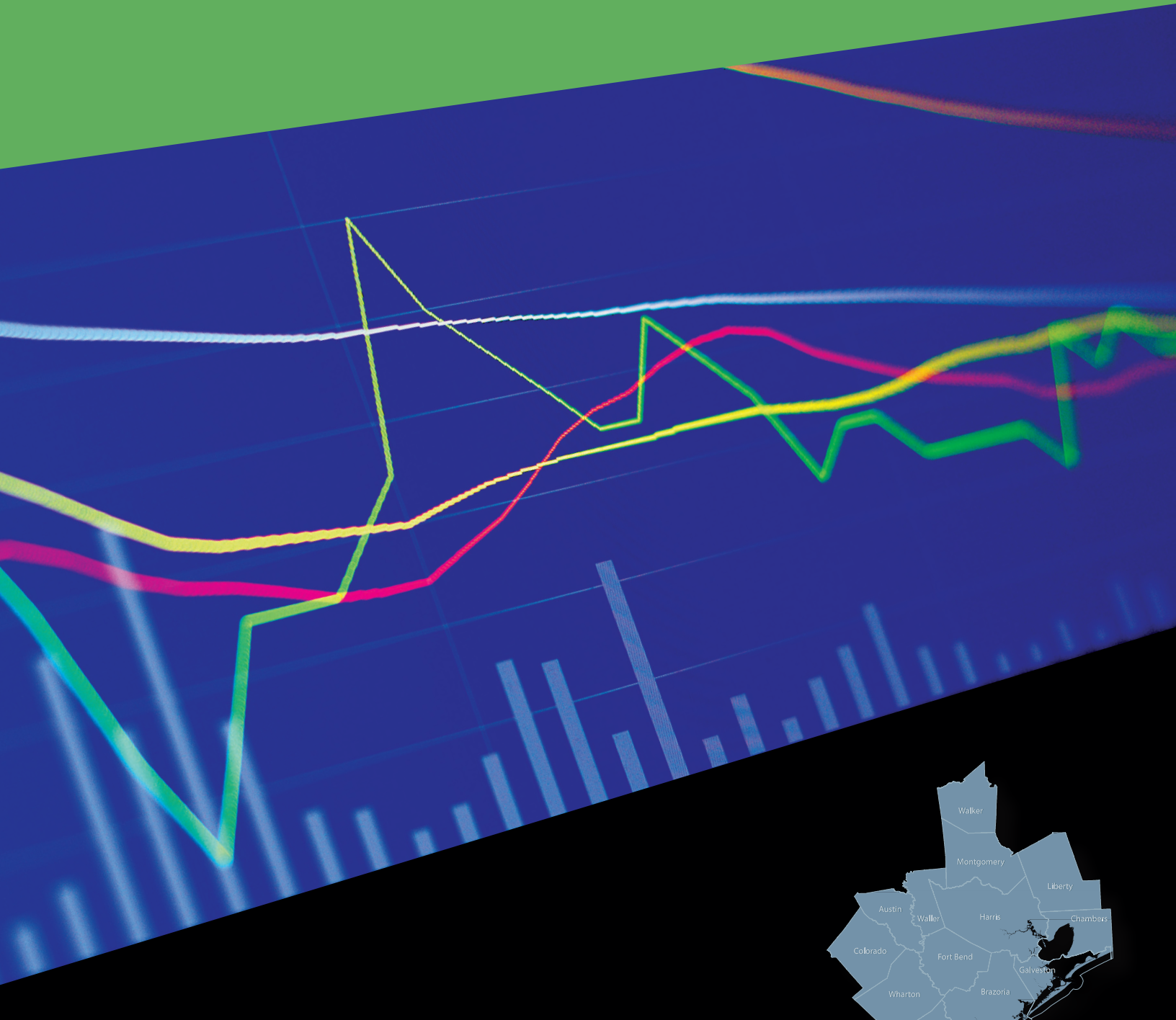
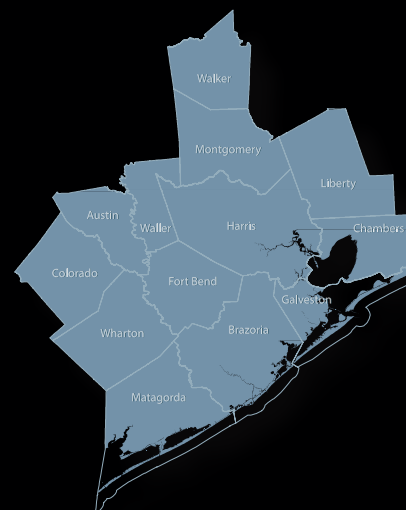


Comprehensive Annual Financial Report



FOR THE YEAR ENDED DECEMBER 31, 2020
HOUSTON, TEXAS



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**
of the
HOUSTON-GALVESTON AREA COUNCIL
Houston, Texas

For the year ended
December 31, 2020

Nancy Haussler, CPA
Chief Financial Officer
Member of the Government Finance Officers Association
of the United States and Canada

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Treebie Vasquez
Yolanda Tan

**HOUSTON-GALVESTON AREA COUNCIL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2020**

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Introductory Section



ΠΡΟΛΟΓΟΣ



Houston-Galveston Area Council

June 7, 2021

The Honorable Judge Phillip Spenrath and Members
of the Board of Directors
Houston-Galveston Area Council
Houston, TX

Dear Judge Spenrath and Members of the Board of Directors:

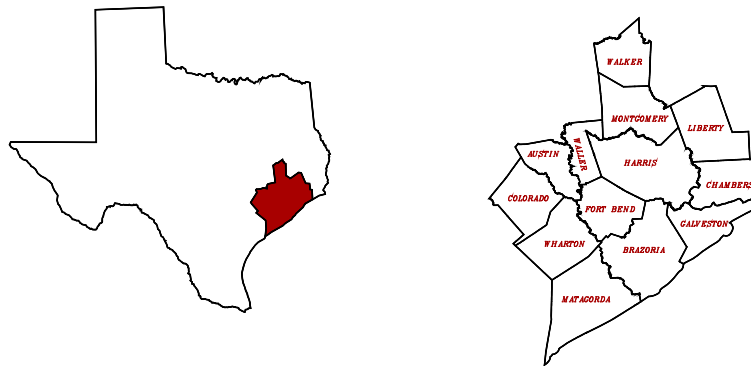
The Comprehensive Annual Financial Report of the Houston-Galveston Area Council, (the “Council” or “H-GAC”) for the fiscal year ended December 31, 2020 is hereby submitted. This report was prepared by the Department of Finance, which accepts responsibility for the accuracy, completeness, and fairness of the data presented. To provide a reasonable basis for making these representations, management of the Houston-Galveston Area Council has established a comprehensive framework of internal controls that is designed to protect H-GAC from loss and allow the compilation of reliable information to prepare the attached financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”). It should be noted that reasonable internal control measures weigh the cost of those procedures against their benefits and H-GAC’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 the Council, and that all disclosures have been made to enable the reader to acquire the maximum understanding of financial affairs concerning 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* and the *State of Texas Uniform Grant Management Standards* as well as Section 2 of the Council’s Bylaws. BKD LLP, Certified Public Accountants have issued an unmodified opinion, sometimes referred to as a “clean” opinion on the H-GAC financial statements included herein. This report is located on page 13 at the front of the financial section of the report.

The Council 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. This MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

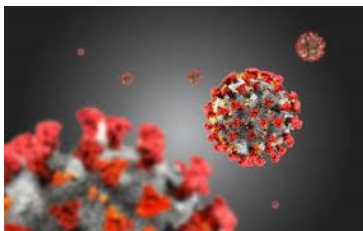
Profile of the Houston-Galveston Area Council

On September 9, 1966, a regional planning commission known as the Houston-Galveston Area Council was created under authority of State Law now recodified as Local Government Code, Chapter 391. The Council is a voluntary membership organization of local governments in a thirteen-county region of Southeast Texas. The organization is one of 24 regional councils in Texas. Local governments created H-GAC to develop a systematic method of evaluating and addressing common concerns that affect several governmental jurisdictions. Cooperative efforts to resolve regional issues such as employment, water and air pollution, crime, traffic and mobility, drainage and flooding, care of the elderly, and waste disposal have received collective action through H-GAC. The Council continues to be dedicated to improving the quality of life of the citizens of the region through cooperative efforts to enhance the physical, social, and economic environment.

H-GAC is governed by a General Assembly of 131 delegates from member local governments. A Board of Directors composed of 36 locally elected officials, members representing county governments, cities, school districts and soil and water conservation districts provide more specific guidance and policy-making through its regular monthly meetings. During 2020, H-GAC's membership was comprised of the 13 county governments, 108 cities, and 11 school districts, including all major general-purpose local governments in the region. According to 2010 estimates from the U.S. Bureau of Census, these member governments represented approximately 6.1 million citizens and covered an area of 12,500 square miles. Below is a graphic representation of the H-GAC region and its location in the state of Texas.



Economic Condition and Outlook



The single largest impact to the national and Texas economy was the debilitating spread of the deadly COVID-19 virus. During 2020, the Texas economy saw the loss of over 2 million jobs state-wide according to the State Comptroller. This peak of 12.9% unemployment erased the previous decade of job growth in the state. The major sectors that were affected included transportation and service industries.

Because of the mobility restrictions recommended by the Centers for Disease Control and local governmental enforcement of those measures, commuting within the region dipped dramatically during April and May 2020. Restaurants, entertainment venues, and retail outlets experienced significant financial impact. The Federal Government responded by providing unprecedented financial stimulus to businesses, unemployed individuals, and educational institutions. By the end of the year, Texas had recovered approximately half of the job loss and cut the unemployment rate to 6.9%. The job market continues to improve through the first quarter of 2021.

The Dallas branch of the Federal Reserve indicates that job growth has rebounded rapidly in the first quarter of 2021, lead primarily in manufacturing and oil and gas. The service sector continues to struggle which is reflected in the 6.9% unemployment rate as opposed to 3.2% before the pandemic. Also noted is the possibility of inflation in 2021 impacting job growth. Federal policy has been measured since most experts believe that the inflationary spending is transitory fueled from pent-up supply chain issues left over from the pandemic. As the completion of COVID-19 vaccines occur, the supply chain of manufactured goods is expected to ease and service industries are expected to improve toward the end of the year.

Much of the actions taken at the Federal level has resulted in additional grant dollars awarded to H-GAC. As the economy recovers through the second half of the year and into 2022, these dollars will recede to levels more typical of a non-pandemic economy. H-GAC will be monitoring those funds for opportunities to expand service growth to the region and leverage long-term resiliency to economic events.

Major Initiatives

Workforce Services

H-GAC's largest program is the Workforce Solutions program. The purpose of the program is to help employers meet their human resource needs and individuals build careers, so both can compete in the global economy. This focus became more challenging during 2020, due to the restrictions of person-to-person interaction. To continue to serve the region, the Workforce program began hosting weekly Facebook live sessions, sponsored numerous virtual job fairs, and conducted wide-ranging seminars to help workers find employment. In April 2020, Workforce Solutions, together with Collaborative for Children, launched FindChildCareNow.org, an online resource that aided essential workers in finding quality, affordable childcare for their families. This was just one way H-GAC supported those workers who were going the extra mile to help those who were on the front-line in healthcare, public safety, and education while they tirelessly worked for the community.



Gulf Coast Economic Development District



The primary focus of H-GAC's Gulf Coast Economic Development District is to provide a regional economic development framework through which federal agencies, specifically the Economic Development Administration, can evaluate requests for grant assistance. During 2020, the District developed a Comprehensive Economic Development Strategy which includes key work elements to achieve desired outcomes. Included as a major

initiative for 2021 and beyond is identifying and assisting communities with high-speed data connection gaps, particularly in rural areas. As Covid-19 forced workers to telecommute, the reliance on internet for work and school became critical and, in some cases, an unmet need in the region. The goal is to perform assessments of the region beginning in 2021 and collaborate with communities and federal and state partners for assistance in funding this critical infrastructure element.

Transportation

In the summer of 2020, the Transportation Policy Council approved the 2020-2024 Transportation Improvement Program, which names hundreds of priority improvement projects to the region's roadways, streets, public transit system, and freight network that will ensure the transportation network remains safe, reliable, and sustainable now and in the decades to come. Focusing on safety, the Gulf Coast



Regional Tow and Go Program which helps remove stranded motorists from the highways at no-cost, was expanded to include three additional communities in the region, with more being added as local partnerships are developed. These efforts and studies to improve safety and mobility will continue to provide economic support to the region and safety to its citizens.

Financial Planning and Policies

The Board of Directors approves a government-wide financial plan for revenues and expenditures each year at its December meeting. This plan includes both restricted and unrestricted revenue sources. The restricted revenue sources (contracts and grants) often span more than one fiscal year. Estimates are made by management on the timing of these revenues and are reflected in the appropriate fiscal year financial plan. H-GAC recognizes that the financial plan must be flexible enough to adjust for revenues that do not materialize and capitalize on unforeseen opportunities as they occur. Therefore, throughout the year, the Board of Directors approves amendments to the financial plan when funding changes become known. The financial plan adopted is on a basis consistent with generally accepted accounting principles. Control of the financial plan is maintained at the project level with management

authorized to make transfers of budgeted amounts between object class levels within a project as allowed by grantor agencies.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Houston-Galveston Area Council for its comprehensive annual financial report for the fiscal year ended December 31, 2019. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements.

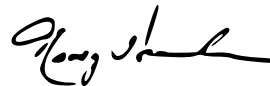
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report could not have been accomplished without the dedication and efficiency of the Council's Financial, Administrative, and Program management staff. Special acknowledgement should also be given to the Council's auditors, BKD LLP whose expertise lent greatly to this report's completion. Finally, we would like to thank the members of the Board of Directors for their interest and support in planning and conducting the financial operations of the Council in a responsible and progressive manner.

Respectfully submitted,



Chuck Wemple
Executive Director



Nancy Haussler
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Houston-Galveston Area Council
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

**HOUSTON-GALVESTON AREA COUNCIL
PRINCIPAL OFFICIALS**

OFFICERS OF THE BOARD OF DIRECTORS 2021

CHAIR
Judge Phillip Spenrath
Wharton County

VICE CHAIR
Commissioner Kenneth Clark
Galveston County

CHAIR ELECT
Councilmember William King III
City of Dickinson

ADMINISTRATIVE STAFF

Executive Director	Chuck Wemple
Chief Financial Officer	Nancy Haussler
Director of Internal Audit	Charles Hill
Director of Intergovernmental Relations	Rick Guerrero

H-GAC MEMBER GOVERNMENTS

Counties

Austin	Fort Bend	Matagorda	Wharton
Brazoria	Galveston	Montgomery	
Chambers	Harris	Walker	
Colorado	Liberty	Waller	

Cities over 25,000 Population*

Baytown	Houston	Missouri City	Texas City
Conroe	Huntsville	Pasadena	
Deer Park	La Porte	Pearland	
Friendswood	Lake Jackson	Rosenberg	
Galveston	League City	Sugar Land	

Home Rule Cities*

Alvin	Fulshear	Manvel	Stafford
Angleton	Galena Park	Mont Belvieu	Sweeny
Bay City	Hempstead	Nassau Bay	Tomball
Bellaire	Hitchcock	Palacios	Webster
Cleveland	Humble	Prairie View	West University Place
Clute	Jacinto City	Richmond	Wharton
Dayton	Jersey Village	Richwood	Willis
Dickinson	Katy	Santa Fe	
El Campo	La Marque	Seabrook	
Freeport	Liberty	Sealy	

General Law Cities*

Anahuac	East Bernard	Needville	Splendor
Arcola	El Lago	New Waverly	Spring Valley Village
Bayou Vista	Hedwig Village	Oak Ridge North	Stagecoach
Beach City	Hillcrest Village	Old River Winfree	Surfside Beach
Bellville	Town of Holiday Lakes	Oyster Creek	Taylor Lake Village
Brazoria	Hunters Creek Village	Panorama Village	Thompsons
Brookshire	Iowa Colony	Pattison	Tiki Island
Brookside Village	Jamaica Beach	Piney Point Village	Waller
Bunker Hill Village	Jones Creek	Riverside	Wallis
Clear Lakes Shores	Kemah	San Felipe	Weimar
Columbus	Kendleton	Shenandoah	West Columbia
Daisetta	Magnolia	Shoreacres	Weston Lakes
Danbury	Meadows Place	South Houston	
Eagle Lake	Morgan's Point	Southside Place	

Independent School Districts*

Alief ISD

Columbia-Brazoria ISD

Deer Park ISD

Fort Bend ISD

Hempstead ISD

Hitchcock ISD

Huntsville

Magnolia ISD

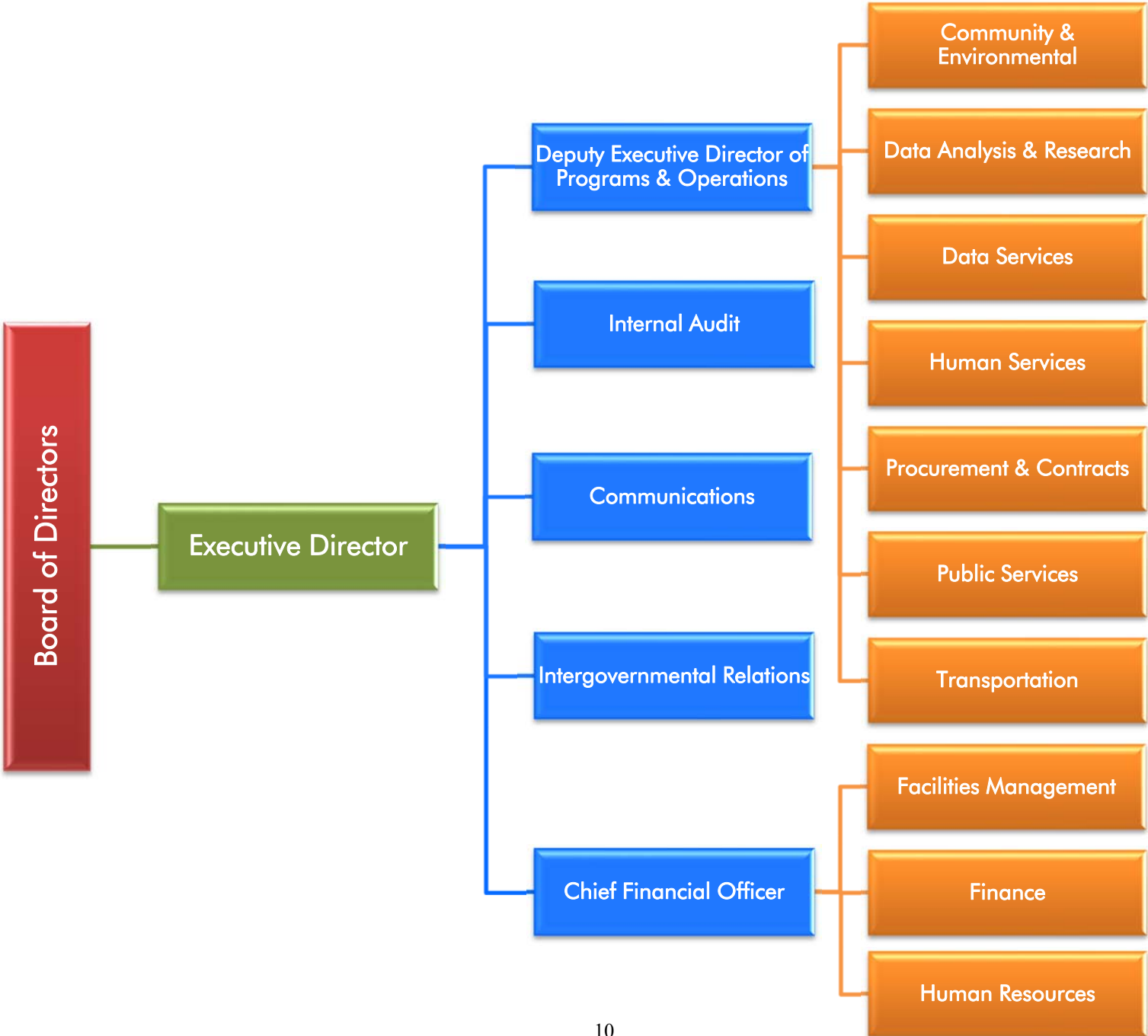
Needville ISD

Pearland ISD

Waller ISD

*based on 2010 Census

Houston-Galveston Area Council





Financial Section



FINANCIAL SECTION

Independent Auditor's Report

Board of Directors
Houston-Galveston Area Council
Houston, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Houston-Galveston Area Council (the Council), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Council, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2020, the Council adopted new accounting guidance Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The introductory section, the Supplemental Information as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Texas Uniform Grant Management Standards and is also not a required part of the basic financial statements.

The Supplemental Information and the Schedule of Expenditures of Federal and State Awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 Supplemental Information and the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 7, 2021, 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.

BKD, LLP

Houston, Texas
June 7, 2021

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HOUSTON-GALVESTON AREA COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the Houston-Galveston Area Council (“H-GAC” or “the Council”) for the year ended December 31, 2020. This analysis is prepared by the Finance department of the H-GAC and is intended to expand the reader’s understanding of the attached financial statements and the effect of certain events on those financial statements.

1. FINANCIAL HIGHLIGHTS

- The assets of H-GAC exceed its liabilities by \$36,062,620 of which \$29,584,974 is available to meet the Council’s ongoing obligations to local governments and creditors.
- H-GAC’s net position increased by \$1,693,535 during the year ended December 31, 2020 due primarily to an increase in revenues which exceeded the increase in expenditures.
- At the end of the year, the nonspendable fund balance and unassigned governmental fund balance are \$757,570 and \$10,653,005, respectively.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

The H-GAC financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information that is not a required part of the financial statements themselves.

Government-wide financial statements. Included in this report are the Statement of Net Position and the Statement of Activities. These statements present the results of operation on a comprehensive basis utilizing the full accrual accounting methodology. This methodology requires that changes in net position be reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in these statements for some

items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the H-GAC that are principally supported by grants (governmental activities) from other functions that are supported by user fees (business-type activities). The governmental activities include the activities of the general government, general government overhead, and all grant related activities. The business-type activities include the Cooperative Purchasing program. The Energy Purchasing Corporation, Gulf Coast Economic Development Corporation and the Local Development Corporation are presented as separate component units to the H-GAC. The H-GAC Energy Purchasing Corporation's purpose is to serve as a licensed aggregator of electricity for local governments in the state of Texas by negotiating and administering electricity service contracts. Local governments pay an administrative fee to participate in the contracts. The Houston-Galveston Area Local Development Corporation ("LDC") was established to further economic development and social welfare by promoting and assisting growth and development of business concerns in the region. The Corporation is a certified development company by the U.S. Government Small Business Administration and assists small businesses in securing loans for the purpose of construction, conversion, or expansion, including the acquisition of land, existing buildings and leasehold improvements. The Corporation receives a residual fee for its services on all funded loans. The H-GAC Gulf Coast Economic Development Corporation ("EDC"), a 501(C)(3) Corporation, was established in 1988 to address the regional needs of distressed economic growth areas. The EDC originally received economic development grants from the Federal Economic Development Administration to promote coordination among local economic development efforts on a region wide basis. All component units of H-GAC's governing bodies consist of members of H-GAC's Board of Directors or are appointed by H-GAC's Board of Directors.

The statement of net position presents information on all H-GAC's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the H-GAC is improving or deteriorating. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year.

Fund financial statements. A fund is a grouping of related accounts that have been segregated to maintain control over resources and achieve specific objectives. H-GAC

uses fund accounting to identify resources that have specific compliance requirements, such as grant programs, and demonstrate adherence to finance-related legal requirements. H-GAC maintains three fund types: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental Funds. Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements, except that they are presented on the modified accrual basis of accounting which requires that revenues be recorded when measurable and available. Expenditures are recorded when the services or goods are received and the liabilities incurred. Thus, the focus of these statements is on the near-term inflows and outflows of spendable resources and the balances of spendable resources available at the end of the year.

Comparison between the governmental activities in the government-wide financial statements and the information presented in the governmental funds statements allows the reader to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

H-GAC maintains four individual 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 balances for the general fund, the grant fund, the Corporation for Regional Excellence, and the Gulf Coast 911 Regional District. Both the Corporation for Regional Excellence and the Gulf Coast 911 Regional District are blended component units presented as governmental funds.

H-GAC adopts an annual budget for its general fund and component units in December of each year. Grant fund budgets are reviewed and approved by the Board of Directors within the context of the annual budget. Throughout the year the budget is amended as grant funds become available or lapse. Although the budgets are reviewed and approved by H-GAC's Board, they are not considered legally adopted budgets or appropriations.

Proprietary Funds. H-GAC had only one type of proprietary fund during fiscal year 2020. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. Unlike governmental funds, enterprise funds are maintained on the full accrual basis of accounting as are the government-wide financial statements, therefore, no reconciliation between the

statements is necessary. H-GAC records the activities of its Cooperative Purchasing program in the enterprise fund.

Fiduciary Funds. The fiduciary funds administered by H-GAC consist of the 401K pension trust fund for H-GAC's employee retirement plan and a custodial fund for the Air Emission Reduction Credit Organization ("AERCO"). AERCO was created to promote the coexistence of air quality improvement and economic development within the region. H-GAC serves as the custodian of funds received due to air emission credits and uses those funds to offset new emission requirements for major industrial modifications, economic development, or to reduce emissions to meet federal reduction requirements. These funds, like the proprietary funds, are presented on the full accrual basis of accounting. Fiduciary funds are not presented in the government-wide financial statements as these funds are restricted and are not available to support the programs of H-GAC. The pension plan is audited separately and a copy of this report is available by request from H-GAC, P.O. Box 22777, Houston, TX 77227-2777.

Notes to the financial statements. The notes to the financial statements are an integral part of understanding both the government-wide financial statements and the fund financial statements.

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

H-GAC's assets exceed liabilities by \$36,062,620 at the close of the most recent year, 2020, which is an increase over 2019. Approximately 1.64% of the Council's net position is invested in capital assets. These capital assets are within the office facilities of H-GAC to provide service and do not represent funds available for future spending. Most of the increases to net position came from decreased expenses over revenues in the government activities from the prior year. There was restricted net position of \$5,886,299 at the end of the year. The balance of unrestricted net position in 2020 of \$29,584,974 may be used to meet H-GAC's ongoing obligations.

**HOUSTON-GALVESTON AREA COUNCIL
CONDENSED STATEMENT OF NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$ 41,678,789	\$ 38,849,295	\$ 19,651,370	\$ 18,153,366	\$ 61,330,159	\$ 57,002,661
Capital Assets, Net	668,213	522,459	-	-	668,213	522,459
Total Assets	<u>42,347,002</u>	<u>39,371,755</u>	<u>19,651,370</u>	<u>18,153,366</u>	<u>61,998,372</u>	<u>57,525,120</u>
Liabilities						
Current and Other Liabilities	25,413,095	22,946,235	143,295	209,801	25,556,390	23,156,036
Long-Term Liabilities	379,362	-	-	-	379,362	-
Total Liabilities	<u>25,792,457</u>	<u>22,946,235</u>	<u>143,295</u>	<u>209,801</u>	<u>25,935,752</u>	<u>23,156,036</u>
Net Position						
Net Investment in Capital Assets	591,347	516,661	-	-	591,347	516,661
Restricted for:						
EPA RLF Program	1,846,304	2,810,842	-	-	1,846,304	2,810,842
Corporation for Regional Excellence	507,478	317,388	-	-	507,478	317,388
Gulf Coast 911 Reg District	3,532,517	2,545,618	-	-	3,532,517	2,545,618
Unrestricted	10,076,899	10,235,012	19,508,075	17,943,565	29,584,974	28,178,576
Total Net Position	<u>\$ 16,554,545</u>	<u>\$ 16,425,520</u>	<u>\$ 19,508,075</u>	<u>\$ 17,943,565</u>	<u>\$ 36,062,620</u>	<u>34,369,085</u>

Statement of Activities

H-GAC's net position increased by \$1,693,535 for the year. This reflects an increase in net position for governmental activities of \$29,025 and an increase in net position in business-type activities of \$1,664,510, before transfers. The change in net position in governmental activities represents a 0.79% increase of net position for governmental activities and the change in net position in the business-type activities represents an 8.72% increase in net position for this activity. Overall, H-GAC increased net position by 4.9%. Key elements of the increase along with percentage analysis are as follows:

HOUSTON-GALVESTON AREA COUNCIL CHANGE IN NET POSITION

	Governmental Activities		Business-Type Activities		Total		Percent	
	2020	2019	2020	2019	2020	2019	2020	2019
Program Revenues								
Charges for Services	\$2,998,601	\$1,451,310	\$5,871,872	\$6,002,409	\$8,870,473	\$7,453,719	2.26%	2.14%
Operating Grants and Contributions	382,754,534	340,689,957	-	-	382,754,534	340,689,957	97.62%	97.77%
General Revenues								
Interest Income	44,289	380,613	-	-	44,289	380,613	0.01%	0.11%
Other Income	297,724	(55,164)	-	-	297,724	(55,164)	0.08%	-0.02%
Total Revenues	386,095,148	342,466,716	5,871,872	6,002,409	391,967,020	348,469,125	100.00%	100.00%
Expenses								
General Government	3,307,439	1,372,638	-	-	3,307,439	1,372,638	0.85%	0.39%
Workforce Programs	343,589,322	290,533,452	-	-	343,589,322	290,533,452	88.04%	83.27%
Transportation	22,158,714	28,754,072	-	-	22,158,714	28,754,072	5.68%	8.24%
Community and Environmental	3,085,645	10,243,469	-	-	3,085,645	10,243,469	0.79%	2.95%
Criminal Justice	1,262,965	1,300,069	-	-	1,262,965	1,300,069	0.32%	0.37%
Aging Services	9,801,337	9,939,800	-	-	9,801,337	9,939,800	2.51%	2.85%
Reg Excellence Corp	56,711	13,311	-	-	56,711	13,311	0.01%	0.00%
Gulf Coast 911 Reg Dist	2,803,990	2,639,589	-	-	2,803,990	2,639,589	0.72%	0.76%
Cooperative Purchasing			4,207,362	4,091,859	4,207,362	4,091,859	1.08%	1.17%
Total Expenses	386,066,123	344,796,400	4,207,362	4,091,859	390,273,485	348,888,239	100.00%	100.00%
Change in Net Position, Before Transfers	29,025	(2,329,684)	1,664,510	1,910,550	1,693,535	(419,134)		
Transfers	100,000	200,000	(100,000)	(200,000)				
Net Position-Beginning of Yr	16,425,520	18,555,024	17,943,565	16,233,015	34,369,085	34,788,219		
Net Position-End of Yr	\$16,554,545	\$16,425,520	\$19,508,075	\$17,943,565	\$36,062,620	\$34,369,085		

The H-GAC operates primarily from grant and contract revenues; therefore, increases in expenses closely parallel increases in grant and contract funding for services.

Business-type activities

The Cooperative Purchasing program was established in 1973 to assist local governments in their purchasing and procurement needs. Through aggregation of individual purchases into a single procurement, volume discounts can be achieved.

The program is influenced by market conditions. The Cooperative Purchasing program deals primarily in the acquisition of capital assets. In 2019 and 2020, revenue in this program was \$6,002,409 and \$5,871,872 respectively. During the year, operating expenses for the program increased 2.82% and revenues decreased 2.17%. The combined result was reflected in an increase to net position of \$1,564,510 or 8.72%. By comparison, the increase in 2019 was \$1,710,550 or 10.5%.

Business-Type Expenses	2020 Amount	2019 Amount	Increase (Decrease) from 2019	Increase (Decrease)
Personnel and Benefits	\$ 3,560,312	\$ 3,057,958	\$ 502,354	16.43%
Consultant and Contract Svcs	159,652	226,368	(66,716)	(29.47%)
Equipment Rental and Leases	9,927	52,790	(42,863)	(81.20%)
Lease of Office Space	206,983	208,807	(1,824)	(0.87%)
Travel	12,126	58,014	(45,888)	(79.10%)
Other	258,362	487,922	(229,560)	(47.05%)
Total Expenses	\$ 4,207,362	\$ 4,091,859	\$ 115,503	2.82%

4. FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

As stated previously, H-GAC uses fund accounting to ensure and demonstrate compliance with legal requirements imposed by grantors. The following is a discussion of the funds used at H-GAC and key elements in each fund.

Governmental Funds

Governmental funds are presented on the modified accrual basis of accounting. This measurement focus emphasizes the inflows, outflows and available resources in the near term. This information is desirable in evaluating H-GAC's financing requirements. Specifically, the unassigned balance represents H-GAC's available resources at the end of the year.

H-GAC's general fund balance for year 2020 is \$11,410,575. Included in this fund balance is \$757,570 which has been identified for prepaid items and is nonspendable. The balance of \$10,653,005 is available for use at H-GAC's discretion.

The general fund balance of H-GAC increased by \$169,975. The general fund is the primary operating fund for H-GAC. The grant fund, used to account for all grant programs and other revenues whose use is restricted for a specific purpose had a fund balance of \$1,846,304 per fund statement at the end of the year.

Also included in the governmental funds is the Regional Excellence Corporation, a blended component unit of the H-GAC established in 2004 to support programs and initiatives of the organization through private sector contributions. All board members of the Corporation serve in a dual capacity as both a board member of H-GAC and a board member of the corporation. In 2020 the corporation had cash and pledged contributions of \$246,801 and expenditures of \$56,711. The corporation's bylaws restrict the use of these funds.

Additionally, in February 2016, the H-GAC Board of Directors established the Gulf Coast 911 Regional District, a blended component unit of H-GAC, to provide administrative support and coordination of emergency communications in Brazoria, Chambers, Colorado, Liberty, Matagorda, Walker, Waller, and Wharton counties including all cities therein. All board members of the District serve in a dual capacity as both a board member of the H-GAC and a board member of the District. In 2020, the District had income of \$3,790,889 and expenditures of \$2,803,990. The District's bylaws restrict the use of these funds.

Proprietary Funds

The proprietary fund of H-GAC is composed of the Cooperative Purchasing enterprise fund. As mentioned previously, the measurement focus for the fund statements is identical to the government-wide statements. It is the policy of H-GAC to associate

net position to the activities generating the net position. The remaining net position is available to meet future needs as directed by the Board of Directors.

5. CAPITAL ASSET ADMINISTRATION

H-GAC’s investment in capital assets for governmental activities amount to \$522,459 and \$668,213 (net of depreciation) for fiscal years ended December 31, 2019 and 2020 respectively. This investment in capital assets includes equipment, furniture, and fixtures. Additional information on H-GAC’s capital assets and capital leases can be found in footnote 6 and 8, respectively, of this report. H-GAC does not own any real property.

During 2020, H-GAC acquired a variety of assets. The Council has a capitalization threshold of \$5,000, in accordance with federal requirements. The following table identifies the additions and retirements of depreciable assets for both the governmental and business-type activities. Beginning balances are net of depreciation. The accumulated depreciation column below reflects the net effect of depreciation expense for the year and the recovery of depreciation upon retirement of assets.

**HOUSTON-GALVESTON AREA COUNCIL
CAPITAL ASSET ANALYSIS**

	Beginning Balance	Additions	Retirements	Depreciation Expenses	Ending Balance
Governmental Activities					
Equipment, furniture and fixtures, net	\$522,459	\$376,665	\$0	\$(230,911)	\$668,213
Totals	\$522,459	\$376,665	\$0	\$(230,911)	\$668,213

6. DEBT ADMINISTRATION

Debt considered a liability of governmental activities consists of capital lease obligations. Debt balances related to capital leases in 2020 were \$76,866. Other long term liabilities, including compensated absences, increased by \$328,088 in 2020. During 2020, the H-GAC Board of Directors allowed an increase of accrued vacation leave for one year in response to the Covid-19 pandemic. The year finished with an

ending balance of \$1,333,676. Further information on the Council's debt can be found in Capital Lease Note 8 to the financial statements.

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- H-GAC membership dues are based on the federal 10-year census and are calculated on population. For FY2021 the per-capita membership revenue is estimated at \$395,538. This is the same as the budget for 2020.
- H-GAC increased estimated revenues and corresponding expenses by \$13,103,652 for 2021. The budget reflects increases mainly in Transportation, Workforce programs, Shared Services and Data Services areas of \$7,714,142, \$872,287, \$5,134,584 and \$881,163 respectively. The decrease in Public Services programs is attributable to the reduction in funding both in Criminal Justice and Homeland Security programs. The decrease in the Community & Environmental program is attributable to the completion of the funding cycle for Hurricane Harvey recovery.

These factors were considered in preparing the budget for the 2021 fiscal year

8. REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the H-GAC's finances for those with an interest in the Council's finances. Questions or comments regarding this report should be directed to Nancy Haussler, Chief Financial Officer, Houston-Galveston Area Council, P.O. Box 22777, Houston, TX 77227-2777.

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Energy Purchasing Corporation	Gulf Coast Economic Development Corporation	Local Development Corporation
ASSETS						
Cash and cash equivalents	\$ 28,317,504		\$ 28,317,504	\$ 185,091	423,349	\$ 2,035,934
Investments	8,495,374		8,495,374			317,939
Receivables	21,256,097	\$ 1,912,508	23,168,605		51,020	16,420
Notes Receivable	347,872		347,872		1,234,770	
Due from Component Units	243,234		243,234			
Internal balances	(17,738,862)	17,738,862				
Prepaid expenses	757,570		757,570			
Capital assets, net	668,213		668,213			
Total Assets	<u>42,347,002</u>	<u>19,651,370</u>	<u>61,998,372</u>	<u>185,091</u>	<u>1,709,139</u>	<u>2,370,293</u>
LIABILITIES						
Accounts payable and accrued expenses	5,009,390	50,828	5,060,218			
Unearned revenues	4,450,336	92,467	4,542,803			
Due to grantee agencies	14,922,189		14,922,189			
Due to primary government				20,690	60,654	161,890
Long Term Liabilities						
Due within one year	1,005,558		1,005,558			
Due more than one year	328,118		328,118			
Obligation of capital leases:						
Due within one year	25,622		25,622			
Due more than one year	51,244		51,244			
Total Liabilities	<u>25,792,457</u>	<u>143,295</u>	<u>25,935,752</u>	<u>20,690</u>	<u>60,654</u>	<u>161,890</u>
NET POSITION						
Net investment in capital assets	591,347		591,347			
Restricted for:						
EPA RLF Program	1,846,304		1,846,304			
Corporation for Regional Excellence	507,478		507,478			
Gulf Coast 911 Regional District	3,532,517		3,532,517			
EDA RLF Program					1,648,485	
Local Development Corporation						2,208,403
Unrestricted	10,076,899	19,508,075	29,584,974	164,401		
Total Net Position	<u>\$ 16,554,545</u>	<u>\$ 19,508,075</u>	<u>\$ 36,062,620</u>	<u>\$ 164,401</u>	<u>\$ 1,648,485</u>	<u>\$ 2,208,403</u>

See accompanying notes to the financial statements

HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	Energy Purchasing Corporation	Economic Development Corporation	Local Development Corporation
Primary government:										
Governmental activities:										
General government	\$ 6,051,938	\$ (2,744,499)	\$ 2,998,601		\$ (308,839)		\$ (308,839)			
Workforce programs	342,862,700	726,622		\$ 343,674,038	84,716		84,716			
Transportation	21,164,973	993,741		21,160,106	(998,608)		(998,608)			
Community and environmental	2,846,728	238,917		3,126,954	41,309		41,309			
Criminal justice	1,168,727	94,238		1,203,791	(59,174)		(59,174)			
Aging services	9,507,605	293,732		9,551,956	(249,381)		(249,381)			
Corporation for Regional Excellence	56,711			246,801	190,090		190,090			
Gulf Coast 911 Regional District	2,803,990			3,790,889	986,899		986,899			
Total governmental activities	<u>386,463,372</u>	<u>(397,249)</u>	<u>2,998,601</u>	<u>382,754,535</u>	<u>(312,988)</u>		<u>(312,988)</u>			
Business-type activities-										
Cooperative purchasing	3,810,113	397,249	5,871,872			\$ 1,664,510	1,664,510			
Total business-type activities	<u>3,810,113</u>	<u>397,249</u>	<u>5,871,872</u>			<u>1,664,510</u>	<u>1,664,510</u>			
Total primary government	<u>\$ 390,273,485</u>	<u>\$ -</u>	<u>\$ 8,870,473</u>	<u>\$ 382,754,535</u>	<u>(312,988)</u>	<u>1,664,510</u>	<u>1,351,522</u>			
Component units:										
Energy Purchasing Corporation	101,608		93,537				\$ (8,071)			
Gulf Coast Economic Development Corporation	231,862			240,825				\$ 8,963		
Local Development Corporation	660,674		331,869						\$ (328,805)	
Total component units	<u>\$ 994,144</u>		<u>\$ 425,406</u>	<u>\$ 240,825</u>			<u>\$ (8,071)</u>	<u>\$ 8,963</u>	<u>\$ (328,805)</u>	
General revenues:										
Interest income					44,289		44,289			
Miscellaneous income					297,724		297,724			
Transfers					100,000	(100,000)				
Total general revenues and transfers					<u>442,013</u>	<u>(100,000)</u>	<u>342,013</u>	-	-	-
Change in net position					129,025	1,564,510	1,693,535	(8,071)	8,963	(328,805)
Net position - beginning					<u>16,425,520</u>	<u>17,943,565</u>	<u>34,369,085</u>	<u>172,472</u>	<u>1,639,522</u>	<u>2,537,208</u>
Net position - ending					<u>\$ 16,554,545</u>	<u>\$ 19,508,075</u>	<u>\$ 36,062,620</u>	<u>\$ 164,401</u>	<u>\$ 1,648,485</u>	<u>\$ 2,208,403</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General</u>	<u>Grant Fund</u>	<u>Corporation for Regional Excellence</u>	<u>Gulf Coast 911 Regional District</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 21,665,509	\$ 2,155,294	\$ 331,745	\$ 4,164,956	\$ 28,317,504
Investments	8,495,374				8,495,374
Receivables	1,866,027	19,194,381	195,689		21,256,097
Due from other funds	1,005,203	2,106,249			3,111,452
Due from component unit	243,234				243,234
Notes receivable		347,872			347,872
Prepaid items	757,570				757,570
Total assets	<u>\$ 34,032,917</u>	<u>\$ 23,803,796</u>	<u>\$ 527,434</u>	<u>\$ 4,164,956</u>	<u>\$ 62,529,103</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	2,172,700	2,816,734	19,956		5,009,390
Unearned revenue	504,531	3,945,805			4,450,336
Due to grantee agencies		14,922,189			14,922,189
Due to other funds	19,945,111	272,764		632,439	20,850,314
Total liabilities	<u>22,622,342</u>	<u>21,957,492</u>	<u>19,956</u>	<u>632,439</u>	<u>45,232,229</u>
Fund balance-					
Nonspendable	757,570				757,570
Unassigned	10,653,005				10,653,005
Restricted for:					
EPA RLF Program		1,846,304			1,846,304
Corporation for Regional Excellence			507,478		507,478
Gulf Coast 911 Regional District				3,532,517	3,532,517
Total fund balance	<u>11,410,575</u>	<u>1,846,304</u>	<u>507,478</u>	<u>3,532,517</u>	<u>17,296,874</u>
Total liabilities and fund balance	<u>\$ 34,032,917</u>	<u>\$ 23,803,796</u>	<u>\$ 527,434</u>	<u>\$ 4,164,956</u>	<u>\$ 62,529,103</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	668,213
Compensated absences of governmental activities are not due and payable in the current period and, therefore, are not reported in the funds	(1,333,676)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds-capital leases	(76,866)
Net position of governmental activities	<u>\$ 16,554,545</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Grant Fund</u>	<u>Corporation for Regional Excellence</u>	<u>Gulf Coast 911 Regional District</u>	<u>Total Governmental Funds</u>
Revenues					
Interest income	\$ 44,289				\$ 44,289
Membership dues	390,791				390,791
Interlocal contracts	1,823,110				1,823,110
Data services and imaging	784,700				784,700
Miscellaneous income	297,724				297,724
Other local revenue				\$ 3,790,889	3,790,889
From grantor agencies		\$ 378,716,844	\$ 246,801		378,963,645
Total revenues	<u>3,340,614</u>	<u>378,716,844</u>	<u>246,801</u>	<u>3,790,889</u>	<u>386,095,148</u>
Expenditures					
Current:					
General government	2,962,868				2,962,868
Workforce programs		343,536,794			343,536,794
Transportation		22,084,110			22,084,110
Community and Environmental		3,063,491			3,063,491
Criminal Justice/Homeland Security		1,195,598			1,195,598
Aging services		9,780,103			9,780,103
Corporation for Regional Excellence			56,711		56,711
Gulf Coast 911 Emergency District				2,803,990	2,803,990
Capital outlay:					
General government	400,125				400,125
Debt service:					
Principal	31,420				31,420
Interest	-				-
Total expenditures	<u>3,394,413</u>	<u>379,660,096</u>	<u>56,711</u>	<u>2,803,990</u>	<u>385,915,210</u>
Excess (deficiency) of revenues over expenditures	<u>(53,799)</u>	<u>(943,252)</u>	<u>190,090</u>	<u>986,899</u>	<u>179,938</u>
Other Financing Sources (Uses)					
Transfers in (out)	121,286	(21,286)			100,000
Proceeds from Capital Lease	102,488				102,488
Total other financing sources & (uses)	<u>223,774</u>	<u>(21,286)</u>	<u>-</u>	<u>-</u>	<u>202,488</u>
Change in fund balance	169,975	(964,538)	190,090	986,899	382,426
Fund balance - beginning	<u>11,240,600</u>	<u>2,810,842</u>	<u>317,388</u>	<u>2,545,618</u>	<u>16,914,448</u>
Fund balance - ending	<u>\$ 11,410,575</u>	<u>\$ 1,846,304</u>	<u>\$ 507,478</u>	<u>\$ 3,532,517</u>	<u>\$ 17,296,874</u>

See accompanying notes to the financial statements

HOUSTON-GALVESTON AREA COUNCIL
Reconciliation of the Statement of Revenues
Expenditures, and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2020

Net change in fund balances-total governmental funds \$ 382,426

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	376,665
Depreciation expense	<u>(230,911)</u>
Excess of depreciation over capital outlay expense	<u>145,754</u>

Some items 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.

This activity consists of -

Increase in compensated absences	(328,087)
----------------------------------	-----------

Long-term debt (i.e. capital leases) proceeds provide current financial resources to government funds, but issuing debt increases long-term liabilities in the Statement of Net Position. The repayment of the principal of long-term debt (i.e. capital leases) requires the use of current financial resources of governmental funds,

Principal payment for capital lease in 2020	31,420
Capital Lease Proceeds	<u>(102,488)</u>

Change in net position of governmental activities \$ 129,025

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020**

	<u>Cooperative Purchasing</u>
ASSETS	
Current assets	
Accounts receivable	\$ 1,912,508
Due from general fund	<u>17,738,862</u>
Total current assets	<u>19,651,370</u>
Noncurrent assets	
Property & equipment	194,196
Less accumulated depreciation	<u>(194,196)</u>
Total noncurrent assets	<u>-</u>
Total assets	<u>19,651,370</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	50,828
Unearned revenues	<u>92,467</u>
Total current liabilities	<u>143,295</u>
Total liabilities	<u>143,295</u>
NET POSITION	
Unrestricted	<u>19,508,075</u>
Total net position	<u>\$ 19,508,075</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Cooperative Purchasing</u>
OPERATING REVENUES	
Charges for services	\$ 5,871,872
Total operating revenues	<u>5,871,872</u>
OPERATING EXPENSES	
Personnel and benefits	3,560,312
Consultant and contract services	159,652
Equipment rental and leases	9,927
Lease of office space	206,983
Travel	12,126
Other	258,362
Total operating expenses	<u>4,207,362</u>
Operating Income	1,664,510
Transfers	<u>(100,000)</u>
Change in net position	1,564,510
Net position - beginning	<u>17,943,565</u>
Net position - ending	<u>\$ 19,508,075</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Cooperative Purchasing</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 4,327,888
Cash payments to employees for services	(3,560,312)
Cash payments to suppliers for goods and services	(180,178)
Cash payments for operating expenses	<u>(487,398)</u>
Cash provided by operating activities	<u>100,000</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer to General Fund	(100,000)
Net cash used in noncapital financing activities	<u>\$ (100,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 1,664,510
Change in assets and liabilities:	
Increase in customer receivable	(492,977)
Increase in interfund receivable	(1,005,027)
Decrease in accounts payable	(20,526)
Decrease in unearned revenues	<u>(45,980)</u>
Net cash provided by operating activities	<u>\$ 100,000</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

	<u>Pension Plan Trust</u>	<u>Custodial Fund Area Emission Reduction Credit Organization</u>
	<u>Retirement Plan</u>	
ASSETS		
Cash		\$ 3,388,413
Investments- at fair value:		
Mutual funds	\$ 41,556,086	
Money market funds	5,035,775	
Total investments, at fair value	<u>46,591,861</u>	<u>-</u>
Receivables:		
Notes receivables from participants	676,019	
Total receivables	<u>676,019</u>	<u>-</u>
Total assets	<u>47,267,880</u>	<u>3,388,413</u>
LIABILITIES		
Accounts payable		1,530,349
Total liabilities	<u>-</u>	<u>1,530,349</u>
NET POSITION		
Restricted for:		
Pension	47,267,880	
Individuals, organizations, and other governments		1,858,064
Total net position	<u>\$ 47,267,880</u>	<u>\$ 1,858,064</u>

See accompanying notes to financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31,2020

	<u>Pension Plan Trust Fund</u>	<u>Custodial Fund Area Emission Reduction Credit Organization</u>
	<u>Retirement Plan</u>	
Additions:		
Investment Income		
Net Appreciation in fair value of investments	\$ 5,821,381	\$ -
Dividends	2,097,816	
Interest		1,991
	<u>7,919,197</u>	<u>1,991</u>
Net Investment Income		
	<u>39,867</u>	
Interest Income on Notes Receivable from Participants		
Contributions		
Employer	\$ 1,082,328	
Participants	1,464,029	
Rollovers	86,742	
State SEP Fund		120,081
Federal SEP Fund		18,366
	<u>2,633,099</u>	<u>138,447</u>
Total contributions		
	<u>10,592,163</u>	<u>140,438</u>
Deductions:		
Benefit paid to participants	3,549,698	
Administrative expenses	1,800	
Recipient payments:		
State SEP Expenses		150,531
Federal SEP Expenses		1,313,076
Bank Fee		1,618
	<u>3,551,498</u>	<u>1,465,225</u>
Total deductions		
Net increase (decrease) in fiduciary net position	7,040,665	(1,324,787)
Net Position, Beginning of Year, as previously reported	40,227,215	
Adjustment for adoption of GASB 84		3,182,851
Net Position, Beginning of Year, as adjusted	<u>40,227,215</u>	<u>3,182,851</u>
Net Position, End of Year	<u>\$ 47,267,880</u>	<u>\$ 1,858,064</u>

See accompanying notes to financial statements.

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HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

1. REPORTING ENTITY

The Houston-Galveston Area Council (“H-GAC”) is a voluntary association of local governments that administers planning and action programs from various federal, state, and local agencies for the benefit of citizens in a 13-county region in southeast Texas. H-GAC is governed by a 35-member Board of Directors (the “Board”) which has governance responsibilities over all activities of the organization. Members of the Board are selected to serve by elected officials from the various governmental entities belonging to H-GAC. The Board has the authority to make decisions and appoint administrators and managers. H-GAC is not included in any other governmental “reporting entity” as defined by the Government of Accounting Standards Board (“GASB”) Statement Nos. 14, 39, 61 and 80, “The Financial Reporting Entity.” H-GAC is a political subdivision of the State of Texas, created pursuant to state enabling legislation.

H-GAC’s financial statements include the accounts of all H-GAC functions and activities, including five component units, the H-GAC Energy Purchasing Corporation, the Houston-Galveston Local Development Corporation, the Gulf Coast Economic Development Corporation, the Corporation for Regional Excellence and the Gulf Coast 9-1-1 Regional District.

The accompanying financial statements present H-GAC and its component units.

Blended Component Unit: The Corporation for Regional Excellence was established by H-GAC in 2004. The purpose of the organization is to receive contributions that support the programs and services of H-GAC from entities that will only contribute to 501 (C) (3) organizations. All board members of the Corporation serve in a dual capacity as both a board member of H-GAC and a board member of the corporation. The Corporation is reported as a Special Revenue Fund.

On February 16, 2016 the Houston-Galveston Area Council Board of Directors established the Gulf Coast 911 Regional District as permitted under Chapter 772, Subchapter H, of the Texas Health and Safety Code. The District is governed by a Board of Managers consisting of at least one member from each county within the district, and each Board member serves conterminously as members of the H-GAC Board of Directors. The District is a political subdivision of the State of Texas and

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

carries out essential governmental functions by providing high quality 9-1-1 emergency communications services to the seven participating jurisdictions within the District. Those participating counties include Brazoria, Chambers, Colorado, Liberty, Matagorda, Walker, Waller, and Wharton counties and all cities therein, except for any city served by another emergency communications district. The District is supported by mandatory fees charged and remitted from communication companies in the jurisdictions such as telephone companies and voice over internet providers, and revenues are used exclusively to provide support for the regional 9-1-1 system in the participating counties. The District is reported as a Special Revenue Fund.

Discretely Presented Component Units: The H-GAC Energy Purchasing Corporation's purpose is to serve as a licensed aggregator of electricity for local governments in the state of Texas by negotiating and administering electricity service contracts. Local governments pay an administrative fee to participate in the contracts. The Board of Directors is comprised of elected officials selected by the H-GAC Board of Directors who annually approve its budgets and obligations.

The Houston-Galveston Area Local Development Corporation ("LDC") was established to further economic development and social welfare by promoting and assisting growth and development of business concerns in the region. The Corporation is a certified development company by the U.S. Government Small Business Administration and assists small businesses in securing loans for the purpose of construction, conversion, or expansion, including the acquisition of land, existing buildings and leasehold improvements. The corporation receives a residual fee for its services on all funded loans. The twenty-seven-member Board of Directors is comprised of representatives from local government, lending institutions and private business organizations selected by the H-GAC Board of Directors. The Corporation's bylaws further state that all assets of the Corporation revert to the Houston-Galveston Area Council upon dissolution.

The H-GAC Gulf Coast Economic Development Corporation ("EDC"), a 501(C)(3) Corporation, was established in 1988 to address the regional needs of distressed economic growth areas. The EDC originally received economic development grants from the Federal Economic Development Administration to promote coordination among local economic development efforts on a region wide basis. The 28-member

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

board is comprised of county government and city government appointees as well as private sector appointees nominated by HGAC. Developing plans that include the key strategies of promoting economic growth, increasing employment opportunities, and developing a regional Comprehensive Economic Development Strategy is the primary mission of the organization. In 2010, the EDC received a revolving loan grant from the EDA to further the economic development of the distressed areas of the region. H-GAC has primary responsibility for the Corporation's assets including its cash assets and the use of those assets benefits the constituency that H-GAC serves. Additionally, the EDC has signed a management agreement with the H-GAC that conveys management of the EDC financial records to H-GAC. Finally, the agreement also stipulates that any financial match requirements imposed by the federal grantor will be provided by H-GAC.

Since H-GAC receives funding from local, state and federal government sources, it must comply with the requirements of these funding sources.

Fiduciary Component Unit: HGAC includes its Retirement Plan for the Employees of Houston-Galveston Area Council defined contribution retirement plan as a fiduciary component unit because management believes it would be misleading to exclude the plan from its financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: Government-wide and Fund Financial Statements - The government-wide financial statements consist of the statement of net position and the statement of activities. These statements exclude inter-fund activity, and report information on all the non-fiduciary activities of the primary government. Inter-fund services provided and used are not eliminated in the process of consolidation. The statements segregate governmental activities from business-type activities. Governmental activities are normally supported by intergovernmental revenues and grants while business-type activities are supported by service fees or sales that are intended to recover all or a significant portion of their costs.

The statement of activities compares the direct expenses of a given function with the corresponding program revenues. Direct expenses are those that are clearly identifiable

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods services, or privileges provided by a function or segment and 2) contracts, grants and contributions that are restricted to meeting the operational requirement of a function or segment. Items not classified as program revenues are reported as general revenues.

Additional financial statements are presented for governmental, proprietary and fiduciary funds, although fiduciary funds are not included in the government-wide financial statements. These statements are organized based on funds that function as a separate entity with their own self-balancing accounts that comprise their assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Resources are accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

The H-GAC reports the following major governmental funds:

The *General Fund* is H-GAC'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 *Grant Fund* is a special revenue fund used to account for grant proceeds provided by various grantor agencies and is restricted in use by the awarding entity.

The *Corporation for Regional Excellence* is a blended component unit established to support programs and initiatives of the H-GAC. The Corporation's bylaws restrict the use of these funds.

The *Gulf Coast Regional 9-1-1 District* is a blended component unit established to support 9-1-1 emergency communications services to the seven participating jurisdictions within the District. The District's bylaws restrict the use of these funds.

The H-GAC reports the following major enterprise fund:

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

The *Cooperative Purchasing* fund is used to account for the administrative fees derived from the assistance provided to other governments in acquiring capital assets and supplies.

Included in this report but not as part of the government-wide financial statements are the fiduciary fund statements for the Retirement Plan for Employees of Houston-Galveston Area Council (discussed above) and the Air Emission Reduction Credit Organization (“AERCO”) custodial fund. The retirement plan trust fund accounts for the 401K pension plan for H-GAC employees. The AERCO promotes the coexistence of air quality improvement and economic development within the H-GAC region.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, H-GAC considers revenues to be available if they are collected within 90 days of the end of the fiscal period. Revenues susceptible to accrual are interest income, membership dues, interlocal contracts, and revenues from grantor agencies. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. However, expenditures related to compensated absences are recorded only when payment is due.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

The cooperative purchasing enterprise fund, retirement plan trust fund and AERCO custodial fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the funds are included on the statement of net position. The accrual basis of accounting is utilized by these funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Net Position Flow Assumptions - Sometimes H-GAC will fund outlays for a particular purpose from both restricted and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is H-GAC's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions - When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, H-GAC considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, H-GAC considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which H-GAC is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

H-GAC's *major sources of revenues* are discussed below:

Federal and State Contracts - Revenues are recognized when program expenditures are incurred in accordance with program guidelines. Local matching may exceed budgeted amounts. Such excess would be used to further fund the applicable program, but does not represent a budget deviation.

Member Government Dues - Member governments are required to pay dues to H-GAC. 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 transferred to the special revenue funds as needed to meet matching requirements of grantor contracts.

Locally Contributed In-kind Services - Local contributions, which include contributed services provided by individuals, private organizations and local

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

governments, are used to match federal funding on various programs. Contributed services are, therefore, reflected as both revenues and expenditures in accordance with legal requirements of the individual contracts. Such services are recorded in the accompanying financial statements at the amount expended by the contributor in providing the matching services, which approximates the fair value of the services at the date of contribution.

Pass-Through and Administrative Fees - The Cooperative Purchasing Program, the Energy Purchasing Corporation, and the Local Development Corporation record revenues in the form of pass-through and administrative fees. H-GAC assists other governments primarily in Texas by providing expertise in acquiring capital assets and supplies and by aggregating the needs of several governments into larger purchases, providing negotiating advantages as well as assisting small businesses with financing and improving economic development.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivery of goods in connection with the fund's principal operations. The principal operating revenues of the Cooperative Purchasing enterprise fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 position that applies to a

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

H-GAC does not have any items that qualify for reporting in either of the above categories in the current fiscal year.

Capital Assets - Capital assets, which include furniture, fixtures, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of \$5,000. Such assets are recorded at historical cost, net of accumulated depreciation.

Depreciation is charged to operations over the estimated useful life (generally five years) using the straight-line method. H-GAC has no public domain assets.

Compensated Absences – It is H-GAC’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Council does not have a policy to pay any amounts when employees separate from service with the government. All vacation pays up to a maximum of 240 hours is accrued when incurred in the government-wide and proprietary fund financial statements. During 2020, the H-GAC Board of Directors allowed a single year expansion to this threshold of 260 hours given the inability of employees to utilize vacation due to the COVID 19 pandemic. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented.

Balance			Balance	Due Within	Due Beyond
<u>12/31/2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2020</u>	<u>One Year</u>	<u>One Year</u>
\$ 1,005,588	\$ 1,122,680	\$ 794,592	\$ 1,333,676	\$ 1,005,558	\$ 328,118

Interfund Transfers - Interfund transfers arise from transactions between funds or the distribution of local (general fund) cash resources to grant projects requiring cash match in accordance with the terms and conditions of the grant contract. Matching

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

funds are derived primarily from H-GAC dues paid by member governments and local in-kind contributions.

Allocation of Employee Benefits and Indirect Costs - H-GAC employee benefits and indirect costs are allocated based upon a plan reviewed and approved by H-GAC's federal cognizant agency. The plan requires H-GAC to charge a fixed rate for indirect and benefit costs to all grants in accordance with the Uniform Guidance (2 CFR 200). An annual reconciliation between allocated costs and fixed costs is completed and the variance is included in the indirect and benefit rates for the following year. Employee benefits are allocated to grant projects as a percentage of H-GAC's labor costs. Indirect costs necessary to sustain overall operations are allocated as a percentage of total direct labor costs and employee benefits charged to grant projects.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include highly liquid investments with an original maturity of ninety days or less.

Investments - H-GAC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments of H-GAC are Level 1 and reflect quoted prices at year end. Additionally, H-GAC follows GASB Statement No. 40 *Deposit and Investment Risk Disclosures--an amendment of GASB Statement No. 3*. This Statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Such disclosures as required are reflected in Note 3 to the financial statements.

Prepaid Items - Prepaid items are accounted for under the consumption method.

The Council adopted new accounting guidance Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* during 2020. As a result, the AERCO fund is reported as a custodial fund within the fiduciary fund financial statements. Beginning fiduciary net position of the custodial fund was restated by \$3,182,851 to

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

record its beginning net position and eliminate the prior year reporting as an agency fund.

3. DEPOSITS (CASH) AND INVESTMENTS

Authorization for Deposits and Investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the Council.

In accordance with applicable statutes, the Council has a depository contract with a local bank (depository) providing interest rates to be earned on deposited funds and fixed fees for banking services received. The Council may place funds with the depository in interest and non-interest-bearing accounts. Statutes and the depository contract require full security for all funds in the depository institution through federal depository insurance or a combination of federal depository insurance and acceptable collateral securities and/or an acceptable surety bond. The depository must deliver the collateral securities to the Council or place them with an independent trustee institution. In accordance with Texas statutes, the safekeeping receipts are in the name of the depository with proper indication of pledge of the collateral securities by the depository to secure funds of the Council. The Council must approve all collateral securities pledged and must approve in writing any changes to the pledged collateral securities.

The Council has adopted a written investment policy regarding the investment of its funds as defined by the PFIA. The PFIA also requires the Council to have independent auditors perform test procedures related to investment practices as provided by the Act. The Council complies with the requirements of the Act and with local policies.

The Council's investment policy permits investment of Council funds in only the following investment types, consistent with the strategies and maturities defined in the policy:

1. Obligations of the United States or its agencies and instrumentalities.
2. Direct obligations of the State of Texas or its agencies.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

3. Other obligations, the principal of which are unconditionally guaranteed or insured by the State of Texas or the United States.
4. General obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.
5. Certificates of Deposit issued by State and National banks domiciled in the State of Texas the payment of which is insured in full by the Federal Deposit Insurance Corporation.
6. Fully collateralized direct Repurchase Agreements with a defined termination date purchased pursuant to a master contractual agreement which specified the rights and obligations of both parties and which requires that securities involved in the transaction be held in a safekeeping account subject to the control and custody of H-GAC.
7. No Load Money Market Mutual Funds and No-Load Mutual Funds. To be an allowable investment, money market funds must adhere to a 90-day weighted average maturity. No-load mutual funds with a weighted average maturity of up to 2 years are allowable if they are registered with the Securities and Exchange Commission, invest exclusively in obligations authorized by the Public Funds Investment Act, adhere to the requirements set forth for investment pools and are continuously rated by at least one nationally recognized investment rating firm at not less than AAA or its equivalent. A government may invest no more than 15% of its operating funds (excluding bond proceeds, reserves and debt service funds) in this type of mutual fund.
8. Time deposits in the Council's depositories.
9. Investment pools created to function as money market funds must mark-to-market daily and maintain a market value ratio between .995 and 1.005. These pools must be continuously rated no lower than AAA, AAA-m or an equivalent rating by at least one nationally recognized rating agency.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

10. Banker's Acceptances 1) 270 days or fewer, 2) Liquidated in full at maturity, 3) Eligible Federal Reserve Bank collateral, 4) U.S. Bank rated not less than A-1 or P-1.

11. Any combination of the foregoing.

Retirement plan funds are invested among a selection of mutual funds at the discretion of each Plan participant.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

Deposit and Investment Amounts

The following schedule presents the Council's cash and investments subject to deposit and investment risk disclosures.

	Cash	FDIC Discount Note / Money Market	Certificate of Deposits	Mutual Funds	Totals
Governmental Funds:					
General	\$21,665,509	\$ 4,344,260	\$ 4,151,114	-	\$ 30,160,883
Grant Fund	2,155,294	-	-	-	2,155,294
Corporation for Regional Excellence	331,745	-	-	-	331,745
Gulf Coast 9-1-1 Regional District	4,164,956	-	-	-	4,164,956
Total Governmental Funds	<u>28,317,504</u>	<u>4,344,260</u>	<u>4,151,114</u>	<u>-</u>	<u>36,812,878</u>
Fiduciary Funds					
Pension Trust	-	5,035,775	-	\$41,556,086	46,591,861
Custodial Fund	3,388,413	-	-	-	3,388,413
Total Fiduciary Funds	<u>3,388,413</u>	<u>5,035,775</u>	<u>-</u>	<u>41,556,086</u>	<u>49,980,274</u>
Discretely Presented Component Units:					
Energy Purchasing Corporation	185,091	-	-	-	185,091
Gulf Coast Economic Dev Corp	423,349	-	-	-	423,349
Local Development Corporation	2,035,934	-	317,939	-	2,353,873
Total Component Units	<u>2,644,374</u>	<u>-</u>	<u>317,939</u>	<u>-</u>	<u>2,962,316</u>
Total Reporting Entity	<u>\$34,350,291</u>	<u>\$ 9,380,035</u>	<u>\$ 4,469,053</u>	<u>\$41,556,086</u>	<u>\$ 89,755,468</u>

Credit and Interest Rate Risk

At year-end, the Council had the following investments subject to credit and interest rate risk disclosure, under U.S. generally accepted accounting principles, by fund:

	Amount	Weighted Average Maturity (Days)	Credit Rating
General Fund	\$8,495,374	70	AAA
Fiduciary Fund – Pension Trust	\$46,591,861	32	AAA
Local Development Corporation	\$317,939	365	AAA

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

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. As of December 31, 2020, the Council's deposit balance of \$34,350,291 was fully collateralized with securities held by the pledging financial institution in the Council's name or by FDIC insurance.

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Many interfund transactions take place within the finance department of H-GAC, resulting in monies flowing back and forth between funds. For example, H-GAC matching shares for contracts or grants are paid from the General Fund to Special Revenue Funds, while Special Revenue Funds pay indirect charges to the General Fund.

The following is a summary of interfund receivables and payables at December 31, 2020:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,005,203	\$ 19,945,111
Grant Fund	2,106,249	272,764
Gulf Coast 911 Regional District		632,439
Cooperative Purchasing Fund	17,738,862	
Total	<u>\$20,850,314</u>	<u>\$ 20,850,314</u>

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 121,286	
Grant Fund		\$ 21,286
Cooperative Purchasing Fund		100,000
	<u>\$ 121,286</u>	<u>\$ 121,286</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

The grant fund transfer reflects the net transfer between the general fund and the special revenue fund for H-GAC match requirements and adjustments due to depreciation of assets which is not reflected on the government wide financial statements.

Each year the H-GAC Board of Directors makes a discretionary transfer from proprietary fund to general fund during our budget process for agency operational needs.

5. RECEIVABLES

Receivables as of the year end for the government's individual major funds and component units, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Corporation for Regional Excellence</u>	<u>Cooperative Purchasing Fund</u>	<u>Gulf Coast Economic Development Corporation</u>	<u>Local Development Corporation</u>
Due from member government	\$ 31,707	\$ -	\$ -	\$ -	\$ -	\$ -
Data imagery	26,750	-	-	-	-	-
Federal grants receivable	-	652,749	-	-	-	-
State grants receivable	-	18,541,632	-	-	-	-
Notes receivable	-	347,872	-	-	-	-
Due from customers	-	-	195,689	1,912,508	1,285,790	16,420
Other receivable	1,807,570	-	-	-	-	-
Gross Accounts Receivable	<u>1,866,027</u>	<u>19,542,253</u>	<u>195,689</u>	<u>1,912,508</u>	<u>1,285,790</u>	<u>16,420</u>
Less: Allowance for uncollected accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounts Receivable, Net	<u>\$ 1,866,027</u>	<u>\$ 19,542,253</u>	<u>\$ 195,689</u>	<u>\$ 1,912,508</u>	<u>\$ 1,285,790</u>	<u>\$ 16,420</u>

All receivables are expected to be collected within one year, therefore no allowance was recorded.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

6. CAPITAL ASSETS

Capital Assets are reported at historical cost, except for donated capital assets, which are recorded at their estimated acquisition value at the time of acquisition.

A summary of changes in capital assets, which consist solely of office furniture and equipment, follows:

	December 31, 2019	Additions	Retirements	December 31, 2020
Governmental activities:				
Furniture, fixtures and equipment	\$ 4,806,613	\$ 274,177	\$ -	\$ 5,080,790
Capital leases	607,895	102,488	-	710,383
Less accumulated depreciation	<u>(4,892,049)</u>	<u>(230,911)</u>	<u>-</u>	<u>(5,122,960)</u>
	<u>\$ 522,459</u>	<u>\$ 145,754</u>	<u>\$ -</u>	<u>\$ 668,213</u>
Business-type activities:				
Furniture, fixtures and equipment	\$ 194,196	\$ -	\$ -	\$ 194,196
Less accumulated depreciation	<u>(194,196)</u>	<u>\$ -</u>	<u>-</u>	<u>(194,196)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Governmental Activities –	
General government	\$ 16,483
Workforce programs.....	52,528
Transportation.....	51,145
Community and Environmental	22,154
Criminal Justice & Homeland Security.....	67,367
Aging Services	<u>21,234</u>
Total Governmental Activities	230,911
Business-type activities –	
Cooperative purchasing.....	<u>0</u>
Total	<u>\$ 230,911</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

7. UNEARNED REVENUE

As of December 31, 2020, unearned revenue was comprised of the following:

General Fund:	<u>\$ 504,531</u>
Grant Fund:	
Solid Waste.....	\$ 1,400,208
C&E/Local Contracts	158,786
Transportation/Local Contracts	689,145
Homeland Security/Criminal Justice Program	36,179
Human Services Local Program	<u>1,661,487</u>
Total Grant Funds	<u>\$ 3,945,805</u>
Enterprise Fund:	
Cooperative Purchasing.....	<u>\$ 92,467</u>

The General Fund had unearned revenue of \$504,531 in 2020. H-GAC administered Harris County CARES Loan Program during 2020 to help small businesses in the region affected by the pandemic. The amount of \$464,724 was received in excess of expenditures and is accounted for as unearned revenues. The rest of the unearned revenue includes \$32,261 of 9-1-1 equipment grant matching funds, and \$7,546 of prepaid membership dues.

During 2020 the cooperative purchasing enterprise fund received remittance from participants in advance of performing services. These remittances, totaling \$92,467, were classified as unearned revenue in the cooperative purchasing enterprise fund.

H-GAC receives an advance of grant funds from the Texas Commission on Environmental Quality to develop and coordinate a solid waste plan for the region. Funds received in excess of expenditures are accounted for as unearned revenue and totaled \$1,400,208 for this program. In addition, H-GAC received local matching funds to provide assistance in Community and Environmental programs. At year end, the matching funds totaled \$158,786.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

H-GAC set aside \$36,179 of homeland security planning and criminal justice planning money to provide assistance in developing the required Homeland Security and criminal justice plan for Harris County and the other surrounding jurisdictions.

H-GAC receives matching participating funds from various local agencies to provide assistance in Transportation planning and Workforce programs. At year end, the matching funds totaled \$689,145 and \$1,661,487 respectively.

8. CAPITAL LEASES

The following details the change in total obligation of capital leases:

	12/31/2019	Increase	Decrease	12/31/2020
Capital Lease	<u>\$ 5,798</u>	<u>\$102,488</u>	<u>\$ 31,420</u>	<u>\$ 76,866</u>

The following schedule presents future minimum lease payments as of December 31, 2020:

Fiscal Year	Amount
Minimum lease payments:	
2021	\$25,622
2022	25,622
2023	<u>25,622</u>
Total minimum lease payments	76,866
Less amount representing interest	<u>(0)</u>
Present value of net minimum	
Lease payments	76,866
Less current portion of capital	
Lease obligation	<u>(25,622)</u>
Long-term portion of capital lease	<u>\$ 51,244</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

The Houston-Galveston Area Council entered into a capital lease agreement for a high-volume copier. The three-year lease began on January 5, 2020 and ends on December 5, 2023 with a cost of \$55,128 at inception. The lease allows H-GAC to retain ownership upon completion.

H-GAC also entered into a three-year capital lease agreement for a new color copier on January 5, 2020. This lease will end on November 5, 2023 with a cost of \$47,360 at inception. The lease allows H-GAC to retain ownership upon completion.

9. RETIREMENT PLAN

The Retirement Plan for the Employees of Houston-Galveston Area Council, (“the Plan”), is a single employer, defined-contribution retirement plan for all employees 21 years of age or older having at least six months of service. Membership in the Plan as of December 31, 2020 was 312 participants. The Plan is administered by Fidelity Management Trust Company. Retirement benefits depend solely on amounts contributed to the plan and any investment earnings thereon. The Plan requires participants to contribute an amount at least equal to 3% of gross salary. H-GAC matches the participant contribution with a 7% contribution. H-GAC has no further liability to the plan after making such contributions. Participants begin partial vesting in the employer’s contributions and earnings thereon after 3 years of service and become fully vested after 6 years. A vesting schedule tied to completed years of service is included in the plan documents. Forfeitures of H-GAC’s unvested contributions occur when an employee terminates his employment prior to reaching six years of employment. These forfeitures are used to offset H-GAC’s required matching contribution during the year. Forfeitures used to offset employer contributions during the plan year ended December 31, 2020 totaled \$217,407. The H-GAC Board of Directors is responsible and has authority to amend the Plan provisions and contributions requirements.

H-GAC’s total payroll in 2020 was \$17,968,631. Retirement plan contributions were calculated using the gross salary amount for covered employees. H-GAC and its employees made contributions in 2020 of \$1,082,328 and \$1,464,029 respectively. Investments in the retirement plan are stated at fair value, based upon quoted market

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

prices of the various mutual funds in which the funds are invested. H-GAC had no liability to the plan at December 31, 2020.

A stand-alone retirement plan report may be obtained by request, by writing the Chief Financial Officer of H-GAC at P. O. Box 22777, Houston, Texas 77227-2777.

10. COMMITMENTS AND CONTINGENCIES

Leases – During December 2017, H-GAC renegotiated its lease space and acquired an additional 5,578 square feet bringing the total leased space to approximately 70,777 square feet at an annual base fee of \$1,645,731. The lease term for the new space began in January 2018 and expires in January 2025. The 65,199 square feet already under lease was extended to January 2025 as well. Included in the lease is a 2% escalation annually over the term of the lease and two months of prorated rent which is amortized over the lease term. H-GAC also negotiated a tenant improvement allowance of \$20.00/square foot or \$1,415,540 for improvements to the leased space. A portion of these funds, \$170,000, was used for renovation of the newly acquired space upon execution of the contract. During 2020, H-GAC used \$261,583.00 of the balance for first floor renovations. H-GAC has the option of using up to half of the allowance available for rent abatement. The schedule below reflects the lease terms. H-GAC has additional office space leased in satellite locations. These leases will terminate in February of 2022 and April of 2023. The base amount for these leases is \$700 and \$1,750 per month.

In addition to the office leases, H-GAC leases various equipment under non-cancellable operating leases with terms ranging from one to five years. Minimum future lease commitments under all leases for office space and equipment are as follows for the years ending December 31:

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

2021.....	1,848,959
2022.....	1,884,347
2023.....	1,897,336
2024.....	1,920,920
2025.....	<u>160,723</u>
Total minimum rental payments due.....	<u>\$ 7,712,284</u>

It is expected that in the normal course of business, leases that expire will be renewed or replaced by leases on other property or equipment. Total lease expense for 2020 was \$1,532,379.

Required Matching Funds – H-GAC’s management is of the opinion that local (general fund) cash on hand and funds to be received in 2021 from membership dues and other locally generated revenues will be adequate to meet commitments for matching funds required by federal and state grants.

Federal and State Grants – Use of federal, state and locally administered federal and other grant funds is subject to review and audit by fund provider agencies. Such audits could lead to requests from the grantor agency for reimbursement of expenditures disallowed under terms of the contract or grant. To the extent that such disallowances involve expenditures under subcontracted arrangements, H-GAC generally has the right of recovery from such third parties. A significant portion of the federal and state grant funds received by H-GAC are passed through to delegate agencies which administer certain parts of the grants on behalf of H-GAC. Management believes that H-GAC will not incur significant losses on possible grant disallowances.

Insurance – H-GAC purchases commercial insurance to minimize potential losses in the areas of general liability and directors’ and officers’ liability, workers’ compensation and automobile liability.

H-GAC did not experience any significant reductions in insurance coverage during fiscal year 2020 and did not have any instances in which settlements exceeded insurance coverage in any of the past three fiscal years.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

Legal Contingencies – H-GAC is involved in lawsuits and other claims in the ordinary course of operations. The outcome of these lawsuits and other claims are not presently determinable, and the resolution of these matters is not expected to have a material effect on the financial condition of H-GAC.

11. SIGNIFICANT ECONOMIC EVENTS

On January 16, 2020 the first U.S. case of coronavirus originating from China was reported in a man in Washington state, according to the Centers for Disease Control and Prevention. The disease spread rapidly, creating a world pandemic.

On March 13, 2020 President Donald Trump declared a national emergency due to the spread of COVID-19. On the same date, the Governor of the State of Texas issued a proclamation certifying that COVID-19 posed an imminent threat of disaster in the state and declaring a state of disaster for all counties in Texas.

As a result of these declarations, local governments took unprecedented actions to protect the public health by requiring citizens to maintain social distances and closing businesses that were deemed non-essential. The effect of these closures on the local and national economy is likely to take several years to be realized. Immediate impacts were felt in national and regional unemployment due to the extended closure. Congress took unprecedented action during 2020 to provide financial assistance through the Family First Act and the CARES Act. Additionally, the rapid development of vaccines to combat the disease and the inoculation of the population is currently underway.

The financial impact of these events to H-GAC are not known at this time. It is assumed that such world-wide events would create financial pressures that may affect future operations.

**HOUSTON-GALVESTON AREA COUNCIL
SUPPLEMENTARY SCHEDULE OF INDIRECT COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Actual</u>	<u>Budget</u>	<u>Percentage</u>
PERSONNEL			
Indirect salaries	\$ 1,425,067	\$ 1,383,091	47.96 %
Employee benefits	677,085	658,904	22.79
	<u>2,102,152</u>	<u>2,041,995</u>	<u>70.74</u>
CONSULTANT AND CONTRACT SERVICES			
Consultant	4,789	17,000	0.16
Accounting and auditing	12,500	12,500	0.42
Other contract services	16,957	30,000	0.57
Legal Services	11,032	7,000	0.37
	<u>45,278</u>	<u>66,500</u>	<u>1.52</u>
EQUIPMENT			
Purchase, lease, rental or maintenance office furniture, fixtures and equipment	4,585	21,000	0.15
Depreciation	186,166	315,000	6.26
	<u>190,751</u>	<u>336,000</u>	<u>6.42</u>
LEASE OF OFFICE SPACE			
	<u>98,476</u>	<u>123,675</u>	<u>3.31</u>
TRAVEL			
	<u>21,048</u>	<u>74,622</u>	<u>0.71</u>
OTHER			
Consumable supplies	4,431	14,253	0.15
Software and Database	91,278	53,500	3.07
Communications	1,343	2,100	0.05
Postage	1,897	7,500	0.06
Subscriptions & memberships	153,038	111,200	5.15
Miscellaneous	48,919	63,899	1.65
	<u>300,906</u>	<u>252,452</u>	<u>10.13</u>
Indirect Carryforward	212,961	50,000	7.17
TOTAL INDIRECT COSTS (A)	<u><u>\$ 2,971,572</u></u>	<u><u>\$ 2,945,244</u></u>	<u>100.0 %</u>
BASIS FOR ALLOCATION OF INDIRECT COSTS			
Chargeable salaries	\$ 17,968,631	\$ 17,774,889	
Employee benefits	8,558,344	8,467,957	
	<u>26,526,975</u>	<u>26,242,846</u>	
Less indirect salaries and Employee benefits	<u>(2,102,152)</u>	<u>(2,041,995)</u>	
TOTAL DIRECT SALARIES AND RELATED EMPLOYEE BENEFITS (B)	<u><u>\$ 24,424,823</u></u>	<u><u>\$ 24,200,852</u></u>	
ACTUAL INDIRECT COST RATE (A/B)	<u>12.17%</u>	<u>12.17%</u>	

**HOUSTON-GALVESTON AREA COUNCIL
SUPPLEMENTARY SCHEDULE OF H-GAC EMPLOYEE BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amount</u>	<u>Percentage</u>
RELEASED TIME TAKEN AND ACCRUED:		
Vacation	\$ 793,983	9.28 %
Holidays	865,902	10.12
Sick leave	453,801	5.30
Other	34,547	0.40
	<u>2,148,233</u>	<u>25.10</u>
BENEFIT PROGRAMS:		
Payroll taxes	1,776,704	20.76
Retirement plan	1,281,588	14.97
Insurance	2,352,825	27.49
Other benefits	49,241	0.58
	<u>5,460,358</u>	<u>63.80</u>
Benefit carryforward	<u>949,753</u>	<u>11.10</u>
TOTAL EMPLOYEE BENEFITS (A)	<u>\$ 8,558,344</u>	<u>100.00 %</u>
BASIS FOR ALLOCATION OF EMPLOYEE BENEFITS:		
Gross Salaries	\$ 20,116,864	
Less released time	<u>(2,148,233)</u>	
CHARGEABLE SALARIES (B)	<u>\$ 17,968,631</u>	
EMPLOYEE BENEFIT RATE (A/B)	<u>47.63 %</u>	



Statistical Section



This part of the Houston-Galveston's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements and note disclosure says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information that help the reader assess HGAC's most significant revenue sources.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which H-GAC's financial activities take place.

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Houston-Galveston Area Council
Net Position by Component,
Last Ten Years *
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities										
Net Investment in Capital Assets	\$ 1,536,514	\$ 1,171,554	\$ 873,153	\$ 1,772,876	\$ 1,876,144	\$ 1,487,231	\$ 1,101,084	\$ 778,299	\$ 516,661	\$ 591,347
Restricted	2,905,476	5,411,485	7,831,657	7,714,688	8,032,742	7,907,727	8,482,762	8,323,514	5,673,848	5,886,299
Unrestricted	6,655,894	7,059,754	7,350,151	8,078,247	8,354,323	8,780,986	9,002,170	9,453,392	10,235,011	10,076,899
Total governmental activities net position	\$ 11,097,883	\$ 13,642,793	\$ 16,054,961	\$ 17,565,811	\$ 18,263,209	18,175,944	18,586,016	18,555,205	16,425,520	16,554,545
Business-type activities										
Net Investment in Capital Assets	\$ 156,216	\$ 117,377	\$ 78,538	\$ 39,699	\$ 860	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,564,522	7,430,101	8,441,204	9,791,095	12,104,373	12,834,141	15,045,379	16,233,015	17,943,565	19,508,075
Total business-type activities net assets	\$ 5,720,738	\$ 7,547,478	\$ 8,519,742	\$ 9,830,794	\$ 12,105,233	\$ 12,834,141	\$ 15,045,379	\$ 16,233,015	\$ 17,943,565	\$ 19,508,075
Primary government										
Net Investment in Capital Assets	\$ 1,692,730	\$ 1,288,931	\$ 951,691	\$ 1,812,575	\$ 1,877,004	\$ 1,487,231	\$ 1,101,084	\$ 778,299	\$ 516,661	\$ 591,347
Restricted	2,905,476	5,411,485	7,831,657	7,714,688	8,032,742	7,907,727	8,482,762	8,323,514	5,673,848	5,886,299
Unrestricted	12,220,416	14,489,855	15,791,355	17,869,342	20,458,696	21,615,127	24,047,549	25,686,407	28,178,577	29,584,974
Total primary government net assets	\$ 16,818,621	\$ 21,190,271	\$ 24,574,703	\$ 27,396,605	\$ 30,368,442	\$ 31,010,085	\$ 33,631,395	\$ 34,788,220	\$ 34,369,085	\$ 36,062,620

Houston-Galveston Area Council
Changes in Net Position, Last Ten Years*
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 3,192,212	\$ 3,695,088	\$ 1,123,501	\$ 3,017,955	\$ 1,121,364	\$ 4,487,704	\$ 5,579,938	\$ 6,024,453	\$ 4,025,538	\$ 6,168,140
Workforce programs	226,221,149	180,735,826	185,089,084	183,974,199	205,095,889	209,009,097	232,028,757	273,118,245	290,533,452	343,589,322
Transportation	24,111,492	23,840,134	33,229,456	28,705,403	31,200,061	40,668,632	28,150,854	22,502,463	28,754,072	22,158,714
Community and environmental	11,156,076	8,016,851	10,310,254	22,778,574	23,021,245	10,732,671	13,305,656	16,158,934	10,243,469	3,085,645
Criminal justice	1,604,765	848,023	1,027,540	947,483	943,741	847,184	1,356,078	1,232,945	1,300,069	1,262,965
Emergency communications	7,290,785	3,898,273	3,242,332	4,881,827	4,632,362	931,365	-	-	-	-
Aging services	9,299,666	9,144,786	8,774,680	8,975,078	9,886,838	11,124,787	10,521,725	11,131,671	9,939,800	9,801,337
Total governmental activities expenses	282,876,145	230,178,981	242,796,847	253,280,519	275,901,500	277,801,440	290,943,008	330,168,711	344,796,400	386,066,123
Business-type activities:										
Cooperative purchasing	2,647,242	2,477,374	2,978,910	3,032,813	3,492,923	3,540,827	3,490,530	3,535,809	4,091,859	4,207,362
Total business-type activities expenses	2,647,242	2,477,374	2,978,910	3,032,813	3,492,923	3,540,827	3,490,530	3,535,809	4,091,859	4,207,362
Total primary government expenses	\$ 285,523,387	\$ 232,656,355	\$ 245,775,757	\$ 256,313,332	\$ 279,394,423	\$ 281,342,267	\$ 294,433,538	\$ 333,704,520	\$ 348,888,259	\$ 390,273,485
Program Revenues										
Governmental activities:										
Charges for services:										
Membership dues	\$ 323,690	\$ 332,635	\$ 395,538	\$ 402,918	\$ 388,039	\$ 394,258	\$ 395,539	\$ 299,061	\$ 392,963	\$ 390,791
Interlocal contracts	2,393,802	1,710,860	734,742	1,616,261	767,454	785,108	1,272,045	729,253	739,106	1,823,110
Data services and imaging	355,006	1,279,097	389,465	670,050	211,625	651,490	411,575	1,528,519	319,242	784,700
Operating grants and contributions	282,374,159	228,699,778	243,745,694	249,980,261	274,844,685	275,703,821	288,363,857	326,678,493	340,689,957	382,754,535
Total governmental activities program revenues	285,446,657	232,022,370	245,265,439	252,669,490	276,211,803	277,534,677	290,443,016	329,235,326	342,141,268	385,753,136
Business-type activities:										
Charges for services:										
Cooperative purchasing	3,256,776	4,304,114	3,951,174	4,843,865	5,767,362	4,269,735	5,801,768	4,898,445	6,002,409	5,871,872
Total business-type activities program revenues	3,256,776	4,304,114	3,951,174	4,843,865	5,767,362	4,269,735	5,801,768	4,898,445	6,002,409	5,871,872
Total primary government program revenues	\$ 288,703,433	\$ 236,326,484	\$ 249,216,613	\$ 257,513,355	\$ 281,979,165	\$ 281,804,412	\$ 296,244,784	\$ 334,133,771	\$ 348,143,677	\$ 391,625,008
Net (Expense)/Revenue										
Governmental activities	\$ 2,570,512	\$ 1,843,389	\$ 2,468,592	\$ (611,030)	\$ 310,302	\$ (266,764)	\$ (499,993)	\$ (933,385)	\$ (2,655,134)	\$ (312,989)
Business-type activities	609,534	1,826,740	972,264	1,811,052	2,274,439	728,908	2,311,238	1,362,636	1,910,550	1,664,510
Total primary government net expense	\$ 3,180,046	\$ 3,670,129	\$ 3,440,856	\$ 1,200,022	\$ 2,584,741	\$ 462,144	\$ 1,811,245	\$ 429,251	\$ (744,582)	\$ 1,351,523
General Revenues and Other Changes in Net Position										
Governmental activities:										
Interest income	\$ 70,482	\$ 14,668	\$ 158,039	\$ 15,741	\$ 22,290	\$ 14,189	\$ 58,491	\$ 331,766	\$ 380,613	\$ 44,289
Miscellaneous	522,311	696,854	(214,461)	1,606,138	364,809	165,314	751,573	395,808	(55,164)	297,724
Transfers in				500,000			100,000	175,000	200,000	100,000
Total governmental activities	\$ 592,793	\$ 711,522	\$ (56,422)	\$ 2,121,879	\$ 387,099	\$ 179,503	\$ 910,064	\$ 902,574	\$ 525,449	\$ 442,013
Business-type activities:										
Transfers out	\$ -	\$ -	\$ -	\$ (500,000)	\$ -	\$ -	\$ (100,000)	\$ (175,000)	\$ (200,000)	\$ (100,000)
Total Business-type activities	\$ -	\$ -	\$ -	\$ (500,000)	\$ -	\$ -	\$ (100,000)	\$ (175,000)	\$ (200,000)	\$ (100,000)
Change in Net Position										
Governmental activities	\$ 3,163,305	\$ 2,554,909	\$ 2,412,168	\$ 1,510,849	\$ 697,398	\$ (87,264)	\$ 410,072	\$ (30,811)	\$ (2,129,685)	\$ 129,024
Business-type activities	609,534	1,826,740	972,264	1,311,052	2,274,439	728,908	2,211,238	1,187,636	1,710,550	1,564,510
Total primary government	\$ 3,772,838	\$ 4,381,649	\$ 3,384,432	\$ 2,821,901	\$ 2,971,837	\$ 641,644	\$ 2,621,310	\$ 1,156,825	\$ (419,135)	\$ 1,693,535

**Houston-Galveston Area Council
Fund Balances, Governmental Funds,
Last Ten Years ***
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 115,315	\$ 83,951	\$ 179,415	\$ 116,304	\$ 48,145	\$ 206,721	\$ 184,145	\$ 210,135	\$ 386,567	\$ 757,570
Unassigned	7,161,978	7,880,052	8,062,639	8,817,921	9,152,946	9,165,337	9,744,138	10,227,449	10,854,033	10,653,005
Total general fund	<u>\$ 7,277,293</u>	<u>\$ 7,964,003</u>	<u>\$ 8,242,054</u>	<u>\$ 8,934,225</u>	<u>\$ 9,201,091</u>	<u>\$ 9,372,058</u>	<u>\$ 9,928,283</u>	<u>\$ 10,437,584</u>	<u>\$ 11,240,600</u>	<u>\$ 11,410,575</u>
All Other Governmental Funds										
Restricted for:										
EPA RLF Program	\$ 2,790,161	\$ 5,210,480	\$ 7,749,761	\$ 7,599,714	\$ 7,833,463	\$ 7,486,709	\$ 7,121,000	\$ 6,393,395	\$ 2,810,842	\$ 1,846,304
Regional Excellence Corporation	266,224	201,005	81,896	114,974	199,279	421,018	354,000	280,011	317,388	507,478
Gulf Coast 911 Regional District						300,418	1,007,662	1,650,108	2,545,618	3,532,517
Total all other governmental funds	<u>\$ 3,056,385</u>	<u>\$ 5,411,485</u>	<u>\$ 7,831,657</u>	<u>\$ 7,714,688</u>	<u>\$ 8,032,742</u>	<u>\$ 8,208,145</u>	<u>\$ 8,482,662</u>	<u>\$ 8,323,514</u>	<u>\$ 5,673,848</u>	<u>\$ 5,886,299</u>

Houston-Galveston Area Council
Changes in Fund Balances, Governmental Funds,
Last Ten Years *
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Interest income	\$ 70,482	\$ 14,668	\$ 11,974	\$ 15,741	\$ 22,290	\$ 14,189	\$ 58,491	\$ 331,766	\$ 380,613	\$ 44,289
Membership dues	323,690	332,635	395,538	402,917	388,039	394,258	395,539	299,061	392,963	390,791
Interlocal contracts	2,393,802	1,710,860	734,742	1,616,261	767,454	785,108	1,272,045	729,253	739,106	1,823,110
Data services and imaging	355,006	1,279,097	389,465	670,050	211,625	651,490	411,575	1,528,519	319,242	784,700
Miscellaneous income	522,311	696,854	(214,461)	1,606,138	364,809	165,314	751,567	395,808	(55,164)	297,724
Operating grants and contributions	282,374,159	228,699,778	243,891,754	249,980,261	274,844,685	275,703,821	288,363,857	326,678,493	340,689,957	382,754,534
Total revenues	286,039,450	232,733,892	245,209,012	\$ 254,291,369	\$ 276,598,902	\$ 277,714,180	\$ 291,253,074	\$ 329,962,900	\$ 342,466,717	\$ 386,095,148
Expenditures										
General government	3,111,232	3,397,292	936,046	2,955,078	1,063,628	1,838,703	2,537,247	2,851,528	1,313,448	2,962,868
Workforce programs	226,130,967	180,661,303	185,067,235	183,838,987	204,963,753	208,854,509	231,869,701	272,976,282	290,426,917	343,536,794
Transportation	23,951,444	23,672,771	33,126,845	28,568,435	31,030,647	40,491,639	28,064,068	22,335,672	28,590,540	22,084,110
Community and environmental	11,075,539	7,926,066	10,227,572	22,704,646	22,958,676	10,680,269	13,253,886	16,173,588	10,196,684	3,063,491
Criminal justice	1,544,171	773,435	958,987	957,655	909,063	815,491	1,319,500	1,187,393	1,391,343	1,195,598
Emergency communications	7,290,076	3,876,498	3,219,814	4,868,627	4,613,624	928,918	-	-	-	-
Aging services	9,330,307	9,106,269	8,750,081	8,937,602	9,839,561	11,069,901	10,477,138	11,088,653	9,896,468	9,780,103
Regional excellence corporation	80,259	152,719	188,720	86,941	49,271	62,842	122,317	145,893	13,311	56,711
Gulf Coast 911 Emergency District						2,503,579	2,841,896	2,932,655	2,639,589	2,803,990
Debt service:										
Principal	26,762	23,732	10,767	13,206	15,880	26,286	34,993	40,119	23,252	31,420
Interest	4,085	1,397	380	1,125	2,727	2,079	1,486	859	213	-
Capital outlay	161,253	134,508	24,341	1,339,506	612,320	93,594	41,746	55,206	21,602	400,125
Total expenditures	282,706,095	229,725,992	242,510,790	254,271,808	276,059,150	277,367,810	290,563,978	329,787,848	344,513,367	385,915,210
Excess of revenues over (under) expenditures	3,333,355	3,007,900	2,698,222	19,561	539,752	346,371	689,097	175,052	(2,046,650)	179,938
Other Financing Sources (Uses)										
Capital leases	-	33,910	-	55,642	45,169	-	41,746	-	-	102,488
Transfers in	-	-	-	500,000	-	-	100,000	175,000	200,000	100,000
Total other financing sources (uses)	-	33,910	-	555,642	45,169	-	141,746	175,000	200,000	202,488
Net change in fund balances	\$ 3,333,355	\$ 3,041,810	\$ 2,698,222	\$ 575,203	\$ 584,921	\$ 346,371	\$ 830,843	\$ 350,052	\$ (1,846,650)	\$ 382,426
Debt service as a percentage of noncapital expenditures	0.01%	0.01%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

Houston-Galveston Area Council
Full-time Equivalent Employees by Function/Program
Last Ten Years
(modified accrual basis of accounting)

Function/Program	Fiscal Year											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Executive												
Executive Director	4	4	4	4.5	4	4	4	4	4	4	5	7
Internal Audit	3	3	2	3.5	4	4	4	4	4	4	4	5
Communication & Outreach											6	6
Operations											5	7
Finance Administration												
Finance	14	15.5	14	15	14	13	13	15	14	14	16	16
Human Resources										2	4	4
Office Services	4	4	5	5	4	7	8	7	8	5	5	5
Program Services												
Chief Operating Officer	2	2	2	1	1	2	3	3	8	6		
Community and Environmental Planning	36.5	37.5	37	42.5	45.5	41	36	38.5	30	33	34	31
Data Services	13	12	12.5	15.5	16.5	20.5	20	23.5	23	22	20	22
Human Services	62	64	60	59	56	49	53.5	68.5	63	63	73	76
Public Services	35	40	38	30	32	31	28	30	29	37	38	42
Transportation	57.5	58	58	61	58	56.5	57	59	51	62	63	60
Total	231	240	232.5	237	235	228	226.5	252.5	234	252	273	281

Source: H-GAC

Ten Largest Non-Governmental Houston Area Employers

Rank	Company	Headquarters	Employee - 2019	Employee - 2018	Employee Change 2018-2019	Rank Change 2018-2019
1	Walmart	Bentonville, Ark.	31,000	34,000	-8.82%	N/A
2	Memorial Hermann Health System	Houston	27,211	26,011	4.61%	+1
3	H-E-B	San Antonio	26,956	26,956	0.00%	-1
4	Houston Methodist The University of Texas MD	Houston	23,669	22,247	6.39%	N/A
5	Anderson Cancer Center	Houston	21,001	20,189	4.02%	N/A
6	McDonald's	Chicago	16,100	16,100	0.00%	+1
7	Kroger	Cincinnati	15,902	17,188	-7.48%	-1
8	ExxonMobil Corp.	Spring	15,000	13,000	15.38%	+2
9	Texas Children's Hospital	Houston	15,000	13,445	11.57%	N/A
10	United Airlines	Chicago	13,904	14,084	-1.28%	-1

Sources: Houston Chronicle, 2019

<https://www.houstonchronicle.com/business/chron-100/>

COUNTY PROFILES

<u>Austin County</u>		<u>Brazoria County</u>	
Land Area (sq. miles)	653	Land Area (sq. miles)	1,386
Persons per Square Mile	45	Persons per Square Mile	255
County Seat	Bellville	County Seat	Angleton
Population (2019)	29,629	Population (2019)	353,155
Race		Race	
<i>White</i>	18,651	<i>White</i>	171,263
<i>Black</i>	2,585	<i>Black</i>	46,388
<i>Asian</i>	180	<i>Asian</i>	22,528
<i>Hispanic</i>	7,810	<i>Hispanic</i>	106,159
<i>Two or More Races and Other</i>	403	<i>Two or More Races and Other</i>	6,817
Households and Families (2019)		Households and Families (2019)	
Total households	11,301	Total households	121,523
Average Household Size	2.61	Average Household Size	2.87
Average family size	3.10	Average family size	3.48
Vital Statistics (2015)		Vital Statistics (2015)	
Marriages	182	Marriages	2,205
Divorces	125	Divorces	1,235
Births	347	Births	4,939
Male	164	Male	2,579
Female	183	Female	2,360
Deaths	272	Deaths	2,155
Unemployment Rate (01/2021)	7	Unemployment Rate (01/2021)	8.9

<u>Chambers County</u>		<u>Colorado County</u>	
Land Area (sq. miles)	599	Land Area (sq. miles)	963
Persons per Square Mile	67	Persons per Square Mile	22
County Seat	Anahuac	County Seat	Columbus
Population (2019)	40,163	Population (2019)	21,081
Race		Race	
<i>White</i>	27,113	<i>White</i>	11,968
<i>Black</i>	3,172	<i>Black</i>	2,545
<i>Asian</i>	444	<i>Asian</i>	112
<i>Hispanic</i>	8,790	<i>Hispanic</i>	6,144
<i>Two or More Races and Other</i>	644	<i>Two or More Races and Other</i>	312
Households and Families (2019)		Households and Families (2019)	
Total households	14,069	Total households	7,450
Average Household Size	2.92	Average Household Size	2.80
Average family size	3.36	Average family size	3.58
Vital Statistics (2015)		Vital Statistics (2015)	
Marriages	216	Marriages	113

Divorces	189	Divorces	47
Births	512	Births	265
Male	259	Male	134
Female	253	Female	131
Deaths	290	Deaths	256
Unemployment Rate (01/2021)	10.7	Unemployment Rate (01/2021)	6.2

<u>Fort Bend County</u>		<u>Galveston County</u>	
Land Area (sq. miles)	875	Land Area (sq. miles)	398
Persons per Square Mile	850	Persons per Square Mile	826
County Seat	Richmond	County Seat	Galveston
Population (2019)	744,160	Population (2019)	328,822
Race		Race	
<i>White</i>	252,892	<i>White</i>	189,951
<i>Black</i>	149,230	<i>Black</i>	42,063
<i>Asian</i>	146,775	<i>Asian</i>	10,527
<i>Hispanic</i>	180,607	<i>Hispanic</i>	79,866
<i>Two or More Races and Other</i>	14,656	<i>Two or More Races and Other</i>	6,413
Households and Families (2019)		Households and Families (2019)	
Total households	237,883	Total households	121,438
Average Household Size	3.19	Average Household Size	2.69
Average family size	3.61	Average family size	3.30
Vital Statistics (2015)		Vital Statistics (2015)	
Marriages	3,321	Marriages	1,770
Divorces	1,871	Divorces	1,185
Births	9,887	Births	4,219
Male	5,053	Male	2,190
Female	4,834	Female	2,029
Deaths	2,984	Deaths	2,675
Unemployment Rate (01/2021)	7.7	Unemployment Rate (01/2021)	8.7

<u>Harris County</u>		<u>Liberty County</u>	
Land Area (sq. miles)	1,729	Land Area (sq. miles)	1,160
Persons per Square Mile	2,674	Persons per Square Mile	70
County Seat	Houston	County Seat	Liberty
Population (2019)	4,623,960	Population (2019)	81,354
Race		Race	
<i>White</i>	1,399,992	<i>White</i>	53,115
<i>Black</i>	859,290	<i>Black</i>	7,995
<i>Asian</i>	325,548	<i>Asian</i>	455
<i>Hispanic</i>	1,966,098	<i>Hispanic</i>	18,416
<i>Two or More Races and Other</i>	73,032	<i>Two or More Races and Other</i>	1,373
Households and Families (2019)		Households and Families (2019)	
Total households	1,605,368	Total households	26,873

Average Household Size	2.87	Average Household Size	2.84
Average family size	3.62	Average family size	3.50
Vital Statistics (2015)		Vital Statistics (2015)	
Marriages	29,882	Marriages	555
Divorces	12,463	Divorces	237
Births	73,427	Births	1,133
Male	37,167	Male	580
Female	36,260	Female	553
Deaths	25,342	Deaths	765
Unemployment Rate (01/2021)	8.3	Unemployment Rate (01/2021)	12.4

<u>Matagorda County</u>		<u>Montgomery County</u>	
Land Area (sq. miles)	1,114	Land Area (sq. miles)	1,044
Persons per Square Mile	33	Persons per Square Mile	532
County Seat	Bay City	County Seat	Conroe
Population (2019)	37,088	Population (2019)	555,216
Race		Race	
White	16,447	White	373,010
Black	3,832	Black	25,673
Asian	639	Asian	15,372
Hispanic	15,668	Hispanic	130,746
Two or More Races and Other	502	Two or More Races and Other	104,415
Households and Families (2019)		Households and Families (2019)	
Total households	13,848	Total households	198,649
Average Household Size	2.63	Average Household Size	2.87
Average family size	3.41	Average family size	3.41
Vital Statistics (2015)		Vital Statistics (2015)	
Marriages	304	Marriages	3,390
Divorces	89	Divorces	1,809
Births	533	Births	7,336
Male	272	Male	3,767
Female	261	Female	3,569
Deaths	407	Deaths	3,623
Unemployment Rate (01/2021)	11.1	Unemployment Rate (01/2021)	7.5

<u>Walker County</u>		<u>Waller County</u>	
Land Area (sq. miles)	787	Land Area (sq. miles)	514
Persons per Square Mile	91	Persons per Square Mile	97
County Seat	Huntsville	County Seat	Hempstead
Population (2019)	71,845	Population (2019)	50,046
Race		Race	
White	40,560	White	21,633
Black	16,524	Black	12,393
Asian	785	Asian	442

<i>Hispanic</i>	12,868	<i>Hispanic</i>	14,853
<i>Two or More Races and Other</i>	1,108	<i>Two or More Races and Other</i>	726
Households and Families (2019)		Households and Families (2019)	
Total households	21,963	Total households	15,171
Average Household Size	2.50	Average Household Size	3.11
Average family size	3.15	Average family size	3.74
Vital Statistics (2015)		Vital Statistics (2015)	
Marriages	430	Marriages	321
Divorces	203	Divorces	103
Births	667	Births	592
Male	336	Male	318
Female	331	Female	274
Deaths	513	Deaths	305
Unemployment Rate (01/2021)	7.7	Unemployment Rate (01/2021)	8.4

<u>Wharton County</u>	
Land Area (sq. miles)	1,090
Persons per Square Mile	38
County Seat	Wharton
Population (2019)	41,609
Race	
<i>White</i>	18,708
<i>Black</i>	5,405
<i>Asian</i>	202
<i>Hispanic</i>	16,930
<i>Two or More Races and Other</i>	364
Households and Families (2019)	
Total households	15,199
Average Household Size	2.70
Average family size	3.40
Vital Statistics (2015)	
Marriages	233
Divorces	97
Births	595
Male	302
Female	293
Deaths	417
Unemployment Rate (01/2021)	7.3

Source: US Census Bureau, 2019
Texas Department of Health, 2015
US Bureau of Labor Statistics, 2021
H-GAC, 2021

Note: Marriage and divorce data are from 2015

Total Population 1990-2019												
Geography	1990	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Austin County	19,832	23,590	28,417	28,604	28,562	28,679	28,968	29,471	29,629	29,722	29,965	30,032
Brazoria County	191,707	241,767	313,166	319,147	324,224	329,890	337,570	345,227	353,155	361,853	368,887	374,264
Chambers County	20,088	26,031	35,096	35,699	36,508	37,367	38,296	39,028	40,163	41,269	42,227	43,837
Colorado County	18,383	20,390	20,874	20,806	20,724	20,717	20,696	20,951	21,081	21,291	21,305	21,493
Fort Bend County	225,421	354,452	585,375	606,064	624,824	651,847	684,048	715,331	744,160	767,712	788,081	811,688
Galveston County	217,396	250,158	291,309	295,605	301,049	306,589	313,367	320,974	328,820	334,633	337,858	342,139
Harris County	2,818,101	3,400,578	4,092,459	4,179,568	4,263,094	4,353,187	4,455,994	4,557,846	4,623,960	4,657,972	4,680,045	4,713,325
Liberty County	52,726	70,154	75,643	75,990	76,370	76,849	78,045	79,537	81,354	83,597	85,802	88,219
Matagorda County	36,928	37,957	36,702	36,681	36,544	36,500	36,478	36,766	37,088	36,805	36,566	36,643
Montgomery County	182,201	293,768	455,746	471,415	484,565	498,392	517,146	535,753	555,216	571,615	589,770	607,391
Walker County	50,917	61,758	67,861	68,409	68,609	69,404	70,076	70,836	71,845	72,816	73,136	72,971
Waller County	23,374	32,663	43,205	44,101	44,335	45,408	46,765	48,641	50,046	51,717	53,512	55,246
Wharton County	39,955	41,188	41,280	41,287	41,136	41,122	41,095	41,383	41,609	41,837	41,499	41,556
H-GAC 13 County Area	3,897,029	4,854,454	6,087,133	6,223,376	6,350,544	6,495,951	6,668,544	6,841,744	6,978,126	7,072,839	7,148,653	7,238,804
Texas	16,986,335	20,851,820	25,145,561	25,645,629	26,084,481	26,480,266	26,964,333	27,470,056	27,914,410	28,295,273	28,628,666	28,995,881

Data source: Census Bureau Population and Housing Units Estimates, 2019
2020 information not available at the time of this publication.

Texas 2020 State Expenditures by County

Rank	County	Total	Inter-governmental Payments	Labor Costs	Public Assistance	Highway Construction	Operating Expenses	Capital Outlays	Miscellaneous
1	TRAVIS	\$ 16,762,053,530	\$ 1,021,123,110	\$ 7,440,505,749	\$ 6,304,774,246	\$ 542,364,862	\$ 376,138,390	\$ 279,580,856	\$ 797,566,318
2	HARRIS	\$ 16,453,460,156	\$ 4,803,828,179	\$ 1,849,322,003	\$ 7,536,729,967	\$ 1,481,043,360	\$ 267,644,864	\$ 182,107,791	\$ 332,783,992
3	DALLAS	\$ 12,496,129,392	\$ 3,125,772,485	\$ 2,416,636,706	\$ 4,397,094,440	\$ 1,199,927,921	\$ 462,111,615	\$ 124,333,498	\$ 770,252,728
4	BEXAR	\$ 8,839,835,949	\$ 2,204,385,296	\$ 905,069,506	\$ 4,434,521,224	\$ 397,809,091	\$ 106,727,059	\$ 96,531,261	\$ 694,792,512
5	TARRANT	\$ 5,064,124,303	\$ 1,921,973,169	\$ 561,105,323	\$ 2,197,074,434	\$ 179,616,683	\$ 70,953,463	\$ 9,952,948	\$ 123,448,283
6	HIDALGO	\$ 4,146,048,814	\$ 2,726,698,586	\$ 392,853,386	\$ 853,283,357	\$ 119,577,226	\$ 30,042,062	\$ 6,896,414	\$ 16,697,782
7	FORT BEND	\$ 3,451,437,618	\$ 934,549,366	\$ 288,397,430	\$ 2,106,899,316	\$ 72,568,296	\$ 13,050,592	\$ 4,271,910	\$ 31,700,709
8	EL PASO	\$ 3,075,321,687	\$ 1,596,604,522	\$ 379,485,230	\$ 912,000,790	\$ 139,362,220	\$ 18,697,180	\$ 7,738,616	\$ 21,433,130
9	NUECES	\$ 2,219,759,683	\$ 429,916,208	\$ 204,080,140	\$ 1,198,312,925	\$ 347,143,806	\$ 19,532,236	\$ 3,536,768	\$ 17,237,599
10	WILLIAMSON	\$ 2,122,362,176	\$ 328,301,103	\$ 1,079,005,368	\$ 276,165,575	\$ 151,540,649	\$ 81,553,684	\$ 7,541,208	\$ 198,254,589
11	MONTGOMERY	\$ 1,702,112,351	\$ 588,365,488	\$ 211,068,723	\$ 122,882,480	\$ 612,320,242	\$ 144,531,957	\$ 493,727	\$ 22,449,734
18	GALVESTON	\$ 1,015,133,551	\$ 407,149,912	\$ 395,613,561	\$ 166,367,728	\$ 10,316,597	\$ 21,157,195	\$ 946,594	\$ 13,581,964
24	BAZORIA	\$ 711,585,202	\$ 427,802,003	\$ 132,799,866	\$ 95,655,348	\$ 31,215,470	\$ 8,217,446	\$ 1,541,444	\$ 14,353,625
32	WALKER	\$ 433,925,244	\$ 83,467,193	\$ 263,119,334	\$ 14,191,203	\$ 9,056,692	\$ 30,196,606	\$ 39,710	\$ 33,854,506
45	LIBERTY	\$ 247,363,180	\$ 150,178,127	\$ 33,251,905	\$ 50,482,736	\$ 9,633,957	\$ 1,885,401		\$ 1,931,054
83	WHARTON	\$ 111,004,006	\$ 69,075,969	\$ 17,171,173	\$ 10,938,517	\$ (44,924)	\$ 10,473,704	\$ 212,998	\$ 3,176,568
86	WALLER	\$ 104,509,424	\$ 26,586,077	\$ 53,728,128	\$ 19,195,575	\$ 47,416	\$ 3,332,555		\$ 1,619,673
98	MATAGORDA	\$ 75,510,406	\$ 43,289,931	\$ 8,094,023	\$ 20,054,482	\$ 1,570,896	\$ 268,996	\$ 46,351	\$ 2,185,728
101	CHAMBERS	\$ 72,090,371	\$ 42,024,053	\$ 7,857,037	\$ 18,133,750		\$ 197,110		\$ 3,878,422
108	AUSTIN	\$ 61,265,194	\$ 30,898,131	\$ 13,262,618	\$ 10,399,691	\$ 778,895	\$ 1,529,813	\$ 1,909,846	\$ 2,486,200
133	COLORADO	\$ 44,480,148	\$ 18,202,522	\$ 8,548,858	\$ 13,449,534	\$ 21,499	\$ 3,319,728	\$ 8,370	\$ 929,637
	Total Texas Counties	\$ 110,040,231,604	\$ 34,485,352,384	\$ 24,253,011,890	\$ 36,366,777,320	\$ 7,747,912,891	\$ 2,344,818,383	\$ 938,056,043	\$ 3,904,302,694
	Total H-GAC Counties	\$ 24,483,876,851	\$ 7,625,416,948	\$ 3,282,234,660	\$ 10,185,380,328	\$ 2,228,528,394	\$ 505,805,968	\$ 191,578,741	\$ 464,931,812
	% of Expenditures in the region	22.2%	22.1%	13.5%	28.0%	28.8%	21.6%	20.4%	11.9%

Data source: Texas Comptroller of Public Accounts, 2020

Texas 2020 State Expenditures by Council of Governments

Rank	Council of Governments	Total	Inter-governmental Payments	Labor Costs	Public Assistance	Highway Construction	Operating Expenses	Capital Outlays	Miscellaneous
1	Houston-Galveston Area	\$ 24,483,876,851	\$ 7,625,416,948	\$ 3,282,234,660	\$ 10,185,380,328	\$ 2,228,528,394	\$ 505,805,968	\$ 191,578,741	\$ 464,931,812
2	North Central Texas	\$ 22,484,433,012	\$ 7,467,249,519	\$ 3,904,767,101	\$ 7,446,964,664	\$ 1,854,181,721	\$ 620,249,224	\$ 150,554,646	\$ 1,040,466,136
3	Capital Area	\$ 20,577,173,230	\$ 1,771,462,989	\$ 9,263,332,790	\$ 6,701,410,477	\$ 1,015,782,813	\$ 487,095,372	\$ 290,628,372	\$ 1,047,460,417
4	Alamo Area	\$ 10,199,216,983	\$ 2,733,354,113	\$ 1,205,625,143	\$ 4,651,419,276	\$ 599,470,452	\$ 164,334,076	\$ 113,118,210	\$ 731,895,712
5	Lower Rio Grande Valley	\$ 5,642,028,659	\$ 3,732,826,251	\$ 586,565,473	\$ 1,132,114,936	\$ 123,524,868	\$ 36,067,568	\$ 7,765,550	\$ 23,164,014
6	Rio Grande	\$ 3,160,194,822	\$ 1,629,013,532	\$ 414,178,145	\$ 921,361,327	\$ 140,891,056	\$ 22,926,776	\$ 8,484,035	\$ 23,339,951
7	Coastal Bend	\$ 2,949,675,276	\$ 794,520,668	\$ 391,133,548	\$ 1,333,630,234	\$ 367,357,837	\$ 28,416,746	\$ 4,441,542	\$ 30,174,701
8	East Texas	\$ 2,466,907,934	\$ 1,124,571,336	\$ 545,585,003	\$ 542,203,783	\$ 151,726,387	\$ 47,226,278	\$ 1,378,794	\$ 54,216,353
9	South Plains	\$ 1,951,096,089	\$ 581,342,638	\$ 691,011,204	\$ 465,206,487	\$ 105,473,081	\$ 45,766,445	\$ 21,632,066	\$ 40,664,169
10	Brazos Valley	\$ 1,939,376,822	\$ 298,865,288	\$ 1,036,143,691	\$ 194,522,590	\$ 156,727,276	\$ 118,082,747	\$ 29,322,372	\$ 105,712,858
11	Central Texas	\$ 1,714,022,135	\$ 805,569,291	\$ 324,881,888	\$ 418,577,418	\$ 13,683,621	\$ 8,990,160	\$ 5,922,352	\$ 136,397,404
12	Deep East Texas	\$ 1,367,847,152	\$ 590,179,485	\$ 353,861,634	\$ 250,421,005	\$ 98,801,332	\$ 33,253,436	\$ 20,885,210	\$ 20,445,052
13	Heart of Texas	\$ 1,334,798,920	\$ 631,232,136	\$ 272,017,908	\$ 181,171,996	\$ 163,843,091	\$ 43,100,283	\$ 8,603,373	\$ 34,830,134
14	Panhandle	\$ 1,287,389,672	\$ 613,479,439	\$ 300,508,609	\$ 209,493,836	\$ 115,476,437	\$ 24,687,042	\$ 1,844,738	\$ 21,899,570
15	West Central Texas	\$ 1,157,794,696	\$ 470,580,141	\$ 343,238,839	\$ 226,448,725	\$ 72,957,423	\$ 13,807,505	\$ 1,810,077	\$ 28,951,986
16	South Texas	\$ 1,156,320,434	\$ 794,336,390	\$ 130,660,676	\$ 202,314,950	\$ 3,533,278	\$ 4,472,889	\$ 1,038,938	\$ 19,963,312
17	Permian Texas	\$ 1,150,978,403	\$ 485,890,775	\$ 184,894,390	\$ 344,100,209	\$ 105,136,063	\$ 14,159,332	\$ 1,113,272	\$ 15,684,362
18	Ark-Tex	\$ 1,112,120,843	\$ 487,882,000	\$ 135,225,986	\$ 182,121,485	\$ 241,237,095	\$ 56,095,628	\$ 334,795	\$ 9,223,854
19	South East Texas	\$ 1,029,668,042	\$ 468,729,456	\$ 291,261,057	\$ 195,135,305	\$ 5,325,902	\$ 25,651,441	\$ 29,619,758	\$ 13,945,123
20	Nortex	\$ 764,577,659	\$ 291,399,314	\$ 237,479,949	\$ 174,839,214	\$ 29,461,009	\$ 16,258,829	\$ 6,711,996	\$ 8,427,348
21	Concho Valley	\$ 554,214,918	\$ 226,990,871	\$ 148,096,264	\$ 97,284,171	\$ 52,167,416	\$ 8,654,351	\$ 6,056,450	\$ 14,965,396
22	Texoma	\$ 525,067,217	\$ 297,276,016	\$ 69,106,925	\$ 100,414,165	\$ 18,962,225	\$ 3,661,864	\$ 29,721,136	\$ 5,924,886
23	Golden Crescent	\$ 523,837,626	\$ 222,966,162	\$ 80,616,283	\$ 115,376,982	\$ 78,681,252	\$ 13,972,051	\$ 3,885,932	\$ 8,338,965
24	Middle Rio Grande	\$ 507,614,211	\$ 340,217,626	\$ 60,584,724	\$ 94,863,759	\$ 4,982,862	\$ 2,082,374	\$ 1,603,688	\$ 3,279,179
	Total for Council of Governments	\$ 110,040,231,604	\$ 34,485,352,384	\$ 24,253,011,890	\$ 36,366,777,320	\$ 7,747,912,891	\$ 2,344,818,383	\$ 938,056,043	\$ 3,904,302,694

Data source: Texas Comptroller of Public Accounts, 2020

**Voter Registration
2000 - 2021 Primary Elections**

	Number of Precincts																			
		2000	2002	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Austin	18	14,905	15,019	16,123	17,034	16,841	17,252	17,145	17,546	17,151	17,534	17,732	18,178	18,058	18,601	18,897	19,112	19,223	19,618	19,949
Brazoria	67	147,811	147,972	150,164	157,705	154,246	159,948	163,934	168,097	163,917	168,795	181,609	178,808	178,804	186,517	200,248	200,830	210,087	212,602	221,732
Chambers	14	17,479	17,808	18,458	20,450	21,164	21,053	21,930	22,707	22,862	23,316	23,729	24,338	24,481	25,479	26,688	27,299	28,589	29,015	30,778
Colorado	12	12,040	11,746	12,339	13,008	13,175	13,116	13,052	13,249	12,865	13,021	12,953	13,233	13,085	13,391	13,552	13,714	13,673	13,900	14,126
Fort Bend	159	202,706	213,061	227,775	256,461	256,537	267,583	290,019	300,777	302,223	315,207	332,199	347,188	359,046	379,254	412,810	413,446	428,679	452,662	481,602
Galveston	175	176,888	172,483	173,848	182,743	176,504	180,288	177,697	179,928	172,603	177,334	179,943	184,818	194,770	195,988	203,348	207,560	210,663	217,501	222,838
Harris	1,012	1,886,581	1,866,381	1,808,048	1,871,929	1,782,013	1,804,641	1,859,043	1,889,378	1,847,952	1,884,489	1,930,759	1,998,264	1,998,988	2,084,462	2,189,228	2,248,921	2,357,199	2,370,968	2,503,936
Liberty	33	42,270	42,790	44,721	44,359	43,354	43,253	42,505	42,863	41,111	41,949	41,025	41,263	40,251	41,130	43,619	43,109	44,285	44,698	45,925
Matagorda	18	23,095	21,512	20,607	20,890	20,284	20,761	20,540	20,893	20,131	20,625	20,201	20,577	20,265	20,826	20,941	21,338	21,745	21,442	21,042
Montgomery	100	183,958	188,100	197,107	215,878	214,406	224,321	235,052	243,027	238,707	246,768	257,799	268,147	273,352	290,259	306,564	318,611	327,629	345,404	367,467
Walker	16	29,556	27,344	26,887	28,190	27,658	28,343	29,119	29,507	28,356	29,169	28,983	29,578	29,044	30,179	31,334	31,835	32,572	33,658	34,134
Waller	21	20,123	21,561	24,404	24,709	25,861	27,045	28,787	29,792	27,037	27,706	27,751	28,288	28,344	29,237	30,351	30,984	31,952	33,201	34,393
Wharton	12	22,612	22,587	23,618	24,583	23,493	23,992	24,082	24,471	23,675	24,090	23,907	24,275	23,743	24,387	24,612	24,795	25,207	25,064	25,117
H-GAC region	1,657	2,780,024	2,768,364	2,744,099	2,877,939	2,775,536	2,831,596	2,922,905	2,982,235	2,918,590	2,990,003	3,078,590	3,176,955	3,202,231	3,339,710	3,522,192	3,601,554	3,751,503	3,819,733	4,023,039

Source: Office of the Texas Secretary of State 2021

2019 General Elections- Governor						
County	Republican	Democratic	Libertarian	Total Votes	Total Voters	TurnOut
AUSTIN	11,447	2,951	123	14,554	20,293	72%
BRAZORIA	90,433	62,228	1,860	154,984	224,256	69%
CHAMBERS	17,353	3,997	250	21,652	30,709	71%
COLORADO	7,472	2,420	50	9,975	14,378	69%
FORT BEND	157,718	195,552	3,028	357,514	482,368	74%
GALVESTON	93,911	58,842	1,913	155,060	228,482	68%
HARRIS	700,630	918,193	16,819	1,640,818	2,480,522	66%
LIBERTY	23,302	5,785	218	29,334	46,155	64%
MATAGORDA	9,845	3,733	115	13,727	22,026	62%
MONTGOMERY	193,382	74,377	3,166	271,543	370,060	73%
WALKER	15,375	7,884	287	23,612	35,038	67%
WALLER	14,260	8,191	201	22,734	35,116	65%
WHARTON	11,926	4,694	105	16,761	25,697	65%
Source: Office of the Secretary of State						

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Single Audit Section

Single Audit Section

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**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***

Independent Auditor's Report

Board of Directors
Houston-Galveston Area Council
Houston, Texas

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Houston-Galveston Area Council (the Council), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated June 7, 2021, which contained an *Emphasis of Matter* paragraph regarding a change in accounting principle.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free 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 the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Houston, Texas
June 7, 2021

Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance

Independent Auditor's Report

Board of Directors
Houston-Galveston Area Council
Houston, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Houston-Galveston Area Council's (the Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and in the State of Texas *Uniform Grant Management Standards* (UGMS) that could have a direct and material effect on each of the Council's major federal and state programs for the year ended December 31, 2020. The Council's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

BKD, LLP

Houston, Texas
June 7, 2021

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2020

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Expenditures and Indirect Costs	Through to Subrecipients
FEDERAL PROGRAMS				
PRIMARY GOVERNMENT:				
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the Texas Workforce Commission				
SNAP Cluster				
2820SNE001	SNAP E&T - 2020 (ABAWD)	10.561	\$1,087,714	\$1,008,736
2821SNE001	SNAP E&T - 2021	10.561	\$197,898	\$197,898
	Subtotal - SNAP Cluster		<u>\$1,285,612</u>	<u>\$1,206,634</u>
	Total - Texas Workforce Commission		<u>\$1,087,714</u>	<u>\$1,008,736</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>\$1,285,612</u>	<u>\$1,206,634</u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through the Texas Workforce Commission				
2818ALA000	Adult Education and Literacy	84.002A	(\$1,198,236)	(\$1,198,236)
2818ALAB00	Adult Education and Literacy	84.002A	\$7,341,331	\$6,946,891
2818ALAC00	Adult Education and Literacy	84.002A	\$6,285,231	\$6,150,668
2820AEL001	Adult Education and Literacy - Workforce Intergration	84.002A	\$151,762	\$133,652
	Subtotal - 84.002A		<u>\$12,580,088</u>	<u>\$12,032,975</u>
	Total - Texas Workforce Commission		<u>\$12,580,088</u>	<u>\$12,032,975</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>\$12,580,088</u>	<u>\$12,032,975</u>
U.S. DEPARTMENT OF ENERGY				
Direct Programs:				
DE-EE0007411	Clean Cities Outreach Education and Performance Tracking -2019	81.086	\$5,844	-
DE-EE0007411	Clean Cities Outreach Education and Performance Tracking -2020	81.086	\$45,628	-
	Subtotal - 81.086		<u>\$51,472</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>\$51,472</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the Texas Health and Human Services Commission				
539-16-0015-00001	Aging Title VII EAP - 2020	93.041	\$21,711	-
539-16-0015-00001	Aging Title VII EAP - 2021	93.041	\$4,238	-
	Subtotal - 93.041		<u>\$25,949</u>	<u>-</u>
539-16-0015-00001	Aging Title VII OM - 2020	93.042	\$81,063	-
539-16-0015-00001	COVID-19 Aging Title VII-OM - 2020 CARES Act OMB	93.042	\$110	-
539-16-0015-00001	Aging Title VII OM - 2021	93.042	\$16,011	-
539-16-0015-00001	COVID-19 Aging Title VII-OM - 2021 CARES Act OMB	93.042	\$3,560	-
	Subtotal - 93.042		<u>\$100,744</u>	<u>-</u>
539-16-0015-00001	Aging Title III, Part D - 2020	93.043	\$159,043	\$62,898
539-16-0015-00001	Aging Title III, Part D - 2021	93.043	\$32,630	\$8,307
	Subtotal - 93.043		<u>\$191,673</u>	<u>\$71,205</u>
Aging Cluster				
539-16-0015-00001	Aging Title III, Part B - 2020	93.044	\$1,426,886	\$652,950
539-16-0015-00001	COVID-19 Aging Title III, Part B - 2020 CARES Act Support Serv	93.044	\$321,522	\$194,972
539-16-0015-00001	Aging Title III, Part B - 2021	93.044	\$241,768	\$29,317
539-16-0015-00001	COVID-19 Aging Title III, Part B - 2021 CARES Act Support Serv	93.044	\$34,372	\$21,703
	Subtotal - 93.044		<u>\$2,024,548</u>	<u>\$898,942</u>

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2020

539-16-0015-00001	Aging Title III, Part C - 2020	93.045	\$1,478,938	\$1,171,637
539-16-0015-00001	Aging Title III, Part C - 2020 Families COVID-19	93.045	\$931,711	\$897,753
539-16-0015-00001	COVID-19 Aging Title III, Part C - 2020 CARES Act Nutrition Serv	93.045	\$319,719	\$64,066
539-16-0015-00001	Aging Title III, Part C - 2021	93.045	\$470,728	\$271,675
539-16-0015-00001	Aging Title III, Part C - 2021 Families COVID-19	93.045	\$185,168	\$185,168
539-16-0015-00001	COVID-19 Aging Title III, Part C - 2021 CARES Act Nutrition Serv	93.045	\$321,694	\$321,694
	Subtotal - 93.045		<u>\$3,707,958</u>	<u>\$2,911,993</u>
539-16-0015-00001	Aging NSIP - 2020	93.053	\$286,672	\$286,672
539-16-0015-00001	Aging NSIP - 2021	93.053	\$78,956	\$78,956
	Subtotal - 93.053		<u>\$365,628</u>	<u>\$365,628</u>
	Total - Aging Cluster		<u>\$6,098,134</u>	<u>\$4,176,563</u>
539-16-0015-00001	Aging Title III, Part E - 2020	93.052	\$283,287	\$237,275
539-16-0015-00001	COVID-19 Aging Title III, Part E - 2020 CARES Caregiver SuppCoor.	93.052	\$131,149	\$59,622
539-16-0015-00001	Aging Title III, Part E - 2021	93.052	\$85,475	\$4,237
539-16-0015-00001	COVID-19 Aging Title III, Part E - 2021 CARES Caregiver SuppCoor.	93.052	\$35,908	\$25,620
	Subtotal 93.052		<u>\$535,819</u>	<u>\$326,754</u>
HHS000270200021	ADRC MIPPA FY20	93.071	\$9,712	-
HHS000270200021	ADRC MIPPA FY21	93.071	\$407	-
			<u>\$10,119</u>	<u>-</u>
539-16-000-15-00001	Aging HICAP (04/01/2018-03/31/2019)	93.324	\$107,750	-
539-16-000-15-00001	Aging HICAP (04/01/2019-03/31/2020)	93.324	\$3,623	-
539-16-000-15-00001	Aging HICAP (04/01/2020-03/31/2021)	93.324	\$1,092	-
	Subtotal - 93.324		<u>\$112,465</u>	<u>-</u>
539-16-0015-00001	Aging - MIPPA Priority -2020	93.791	\$16,335	-
HHS000270200021	ADRC Housing Navigator FY20	93.791	\$11,587	-
HHS000270200021	ADRC Local Contact Agency FY20	93.791	\$22,352	-
HHS000270200021	ADRC Housing Navigator FY21	93.791	\$13,684	-
HHS000270200021	ADRC Local Contact Agency FY21	93.791	\$10,472	-
	Subtotal - 93.791		<u>\$74,430</u>	<u>-</u>
	Total - Texas Health and Human Services Commission		<u>\$7,149,333</u>	<u>\$4,574,522</u>
	Passed Through the Texas Workforce Commission			
	Temporary Assistance for Needy Families (TANF)			
2819TAN008	Special Projects	93.558	\$458,092	\$10,659
2820TAF001	TANF Choices - 2020	93.558	\$10,611,447	\$9,777,430
2821TAF001	TANF Choices - 2021	93.558	\$2,400,250	\$2,221,270
2820NCP001	TANF E&T - Noncustodial Parent Empl - 2020	93.558	\$468,526	\$416,089
2821NCP001	TANF E&T - Noncustodial Parent Empl - 2021	93.558	\$140,119	\$111,231
2820WCI001	Special Projects	93.558	\$33,502	\$33,502
2818ALA000	Adult Education and Literacy	93.558	\$402,289	\$402,289
2818ALAB00	Adult Education and Literacy	93.558	\$1,168,712	\$1,168,712
2818ALAC00	Adult Education and Literacy	93.558	\$616,167	\$462,954
2820WPA001	Employment Services - 2020	93.558	\$995,508	\$935,376
2821WPA001	Employment Services - 2021	93.558	\$26,398	1,258
	Subtotal - TANF		<u>\$17,321,010</u>	<u>15,540,770.00</u>
	CCDF Cluster			
2820CAA001	CC Attendance Auto Services - 2020	93.575	\$637,425	\$637,425
2821CAA001	CC Attendance Auto Services - 2021	93.575	\$158,807	\$158,807
2819CCQ000	Child Care Quality - 2019	93.575	\$94,929	\$94,929
2820CCQ001	Child Care Quality - 2020	93.575	\$4,510,819	\$4,510,819
2821CCQ001	Child Care Quality - 2021	93.575	\$778,068	\$778,068

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2819CCF000	Child Care	93.575	(\$19,291)	(\$19,291)
2820CCF001	Child Care	93.575	\$92,722,658	\$92,722,658
2820CCF001	COVID-19 CCBG Care Act Child Care	93.575	\$58,038,239	\$58,038,239
2821CCF001	Child Care	93.575	\$6,947,193	\$6,947,193
2821CCF001	COVID-19 CCBG Care Act Child Care	93.575	\$14,297,012	\$14,297,012
	Subtotal - 93.575		<u>\$178,165,859</u>	<u>\$178,165,859</u>
2820CCF001	Child Care -2020	93.596	\$27,999,853	\$26,792,485
2821CCF001	Child Care -2021	93.596	\$6,665,653	\$6,314,797
2820CCM001	Child Care Local Initiatives - 2020	93.596	\$20,262,810	\$20,262,810
2821CCM001	Child Care Local Initiatives - 2021	93.596	\$142,841	\$142,841
	Subtotal - 93.596		<u>\$55,071,157</u>	<u>\$53,512,933</u>
	Total - CCDF Cluster		<u>\$233,237,016</u>	<u>\$231,678,792</u>
2820CCF001	Child Care	93.667	\$131,000	\$131,000
2821CCF001	Child Care	93.667	\$90,354	\$90,354
	Subtotal - 93.667		<u>\$221,354</u>	<u>\$221,354</u>
	Total - Texas Workforce Commission		<u>\$250,779,380</u>	<u>\$247,440,916</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$257,928,713</u>	<u>\$252,015,438</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through the Office of the Governor				
2992705	Homeland Security Grant Program - SHSP - 2019	97.067	\$114,688	-
2992706	Homeland Security Grant Program - SHSP - 2020	97.067	\$48,258	-
3660801	Regional Interoperable Communications Plan	97.067	\$79,547	-
	Total - Office of the Governor		<u>\$242,493</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$242,493</u>	<u>-</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through the General Land Office				
C719218	Community Development Block Grant - 2019	14.228	\$17,878	-
	Subtotal - 14.228		<u>\$17,878</u>	<u>-</u>
	Total - General Land Office		<u>\$17,878</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$17,878</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE				
Passed Through the Office of the Governor				
2606708	CJD Juvenile Mental Health Project 2020	16.540	\$130,472	-
2606709	CJD Juvenile Mental Health Project 2021	16.540	\$1,226	-
	Subtotal - 16.540		<u>\$131,698</u>	<u>-</u>
3386603	Elder and Vulnerable Adult Justice Program FY20	16.575	\$284,710	-
	Subtotal - 16.575		<u>\$284,710</u>	<u>-</u>
	Total - Office of the Governor		<u>\$416,408</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$416,408</u>	<u>-</u>
U.S. DEPARTMENT OF LABOR				
Employment Services Cluster				
Passed Through Texas Veterans Commission				
VES 20-28	Disabled Veterans' Outreach Program	17.801	\$157,075	\$157,075
2821TVC001	Disabled Veterans' Outreach Program	17.801	\$81,117	\$70,714

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		Subtotal - 17.801	<u>\$238,192</u>	<u>\$227,789</u>
VES 20-28	Local Veterans Employment Representative Program	17.804	<u>\$67,317</u>	<u>\$44,711</u>
	Subtotal - 17.804		<u>\$67,317</u>	<u>\$44,711</u>
	Total - Texas Veterans Commission		<u>\$305,509</u>	<u>\$272,500</u>
	Passed Through the Texas Workforce Commission			
2820RAG001	Resource Admin Grant - 2020	17.207	\$13,531	-
2821RAG001	Resource Admin Grant - 2021	17.207	\$6,291	-
2820WCI001	Special Projects	17.207	\$71,850	\$71,850
2821WCI001	Special Projects	17.207	\$2,717	\$2,717
2820WPA001	Employment Services - 2020	17.207	<u>\$1,297,681</u>	<u>\$1,219,297</u>
	Subtotal - 17.207		<u>\$1,392,070</u>	<u>1,293,864.00</u>
	Total-Texas Workforce Commission		<u>\$1,392,070</u>	<u>\$1,293,864</u>
	Total - Employment Services Cluster		<u>\$1,697,579</u>	<u>\$1,566,364</u>
	Passed Through the Texas Workforce Commission			
	WIA Cluster			
2818WOA000	WIA Adult Program - PY2018	17.258	(1,737,094)	(1,737,094)
2819WOA001	WIA Adult Program - PY2019	17.258	\$12,606,499	\$11,743,965
2820WOA001	WIA Adult Program - PY2020	17.258	\$4,398,158	\$4,063,000
2819WOS002	Youth Job Skill Initiative	17.258	\$402,887	\$402,887
2819EXT001	Externship for Teachers	17.258	\$92	-
2820COV001	COVID 19 Response	17.258	<u>\$316,024</u>	<u>266,924.00</u>
	Subtotal - 17.258		<u>15,986,566</u>	<u>14,739,682</u>
2818WOY000	WIA Youth - PY2018	17.259	\$1,596,891	\$1,596,891
2819WOY001	WIA Youth - PY2019	17.259	\$13,023,583	\$12,211,051
2820WOY001	WIA Youth - PY2020	17.259	(\$3,871)	(\$3,871)
2819WOS002	Youth Job Skill Initiative	17.259	<u>\$354,151</u>	<u>\$354,151</u>
	Subtotal - 17.259		<u>\$14,970,754</u>	<u>\$14,158,222</u>
2820BSA001	Apprenticeship Expansion Award	17.278	\$100,000	\$100,000
2819WAF001	Alternative Funding	17.278	\$1,139,701	\$851,372
2819WOR001	Rapid Response	17.278	\$53,331	\$33,650
2820WOR001	Rapid Response	17.278	\$49,391	\$27,407
2818WOD000	WIA Dislocated Worker - PY2018	17.278	\$447,349	\$447,349
2819WOD001	WIA Dislocated Worker - PY2019	17.278	\$9,026,047	\$8,105,721
2820WOD001	WIA Dislocated Worker - PY2020	17.278	<u>\$4,272,313</u>	<u>\$3,946,747</u>
	Subtotal - 17.278		<u>\$15,088,132</u>	<u>\$13,512,246</u>
	Total WIOA Cluster		<u>\$46,045,452</u>	<u>\$42,410,150</u>
2820RAG001	Resource Admin Grant - 2020	17.225	\$4,732	-
2821RAG001	Resource Admin Grant - 2021	17.225	\$2,097	-
2820REA001	Re-employment Services FY20	17.225	\$2,268,292	\$2,205,371
2821REA001	Re-employment Services FY21	17.225	<u>\$403,540</u>	<u>\$383,008</u>
	Subtotal - 17.225		<u>\$2,678,661</u>	<u>2,588,379.00</u>
2820TRA001	Trade Act Services for Dislocated Workers - 2020	17.245	\$450,298	\$430,582
2821TRA001	Trade Act Services for Dislocated Workers - 2021	17.245	<u>\$11,797</u>	<u>\$3,972</u>
	Subtotal - 17.245		<u>\$462,095</u>	<u>\$434,554</u>
2820RAG001	Resource Admin Grant - 2020	17.273	\$1,231	-
2821RAG001	Resource Admin Grant - 2021	17.273	<u>\$587</u>	<u>-</u>
	Subtotal - 17.273		<u>\$1,818</u>	<u>-</u>
2820NDW001	NDW COVID-19 Disaster Relief Employment	17.277	<u>\$642,271</u>	<u>\$354,866</u>

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	Subtotal - 17.277		<u>\$642,271</u>	<u>\$354,866</u>
2818WDR000	Working Women Resource Coordination	17.261	\$69,648	\$69,648
2818WDR001	Disability Resource Coordination - 2018	17.261	\$205,456	\$202,359
	Subtotal - 17.261		<u>\$275,104</u>	<u>\$272,007</u>
2821ATG001	Apprenticeship Texas Expansion Grant	17.285	\$51,000	\$51,000
	Subtotal - 17.285		<u>\$51,000</u>	<u>\$51,000</u>
2817NDW001	Hurricane Harvey-NDW	17.286	(\$6,487)	(\$6,487)
	Subtotal - 17.286		<u>(\$6,487)</u>	<u>(\$6,487)</u>
	Total - Texas Workforce Commission		<u>\$50,149,914</u>	<u>\$46,104,469</u>
	TOTAL U.S. DEPARTMENT OF LABOR		<u>\$51,847,493</u>	<u>\$47,670,833</u>
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed Through the Texas Department of Transportation			
	Highway Planning and Construction Cluster			
0912-00-552 Task 1	Clean Cities/Vehicles - 2018	20.205	\$329,259	-
0912-00-552 Task 2	Clean Cities Pass Through	20.205	\$1,649,904	\$1,649,904
0912-00-551 Task 1	Clean Cities/Vehicles Replacement of Alternative Fuels	20.205	\$100,125	\$100,125
0912-00-529 Task 1	Incident Management-Quick Clearance Towing	20.205	\$1,914,678	\$1,914,678
0912-00-529 Task 2	Incident Management-Quick Clearance Towing-Admin	20.205	\$17,526	-
0912-00-529 Task 3	Incident Management- Training	20.205	\$1,845	-
0912-00-529 Task 4	Incident Management-Quick Clearance Pilot Project	20.205	\$9,841	-
0912-00-596	Livable Centers Planning Studies	20.205	\$644,367	-
0912-00-597	Multimodal Network Connectivity Measures Pilot	20.205	\$41,042	-
0912-00-464	Commute Solutions Transit Pilot Project	20.205	\$310,386	\$310,386
0912-00-549	Travel Demand MGMT, Marketing, Outreach & Public ED	20.205	\$538,652	-
0912-00-584 Task 1	Teens in the Drivers Seat	20.205	\$61,185	-
0912-00-584 Task 2	Youth Traffic Safety Education and Outreach	20.205	\$8,329	-
0912-00-584 Task 3	Regional Safety Campaign	20.205	\$132,983	-
0912-00-584 Task 4	Bicycle Safety Education	20.205	(\$7,874)	-
0912-00-495 Task 1	Ports Area Mobility Study	20.205	\$51,647	-
50-20XF0015	Administration - 2020	20.205	\$1,956,914	-
50-20XF0015	Data Development & Maintenance - 2020	20.205	\$2,645,788	-
50-20XF0015	Short Range Planning - 2020	20.205	\$689,591	-
50-20XF0015	Long Range Plan - 2020	20.205	\$1,800,991	-
50-20XF0015	Special Studies - 2020	20.205	\$13,480	-
50-21XF0015	Administration - 2021	20.205	\$576,120	-
50-21XF0015	Data Development & Maintenance - 2021	20.205	\$726,020	-
50-21XF0015	Short Range Planning - 2021	20.205	\$206,350	-
50-21XF0015	Long Range Plan - 2021	20.205	\$519,129	-
50-21XF0015	Special Studies - 2021	20.205	\$5,706	-
0912-00-583	Resiliency and Durability to Weather	20.205	\$185,977	-
0912-00-476	Commuter and Transit Pilot	20.205	\$3,210	-
0912-00-556 Task 1	Regional Freeway Management - Surveillance & Motorist	20.205	\$2,626,432	\$2,626,432
0912-00-556 Task 2	Regional Freeway Management - Quick Clearance Towing	20.205	\$714,133	\$714,133
0912-00-556 Task 3	Regional Freeway Management - Program Admin	20.205	\$484,704	-
0912-00-599 Task 1	Southeast Harris County Sub-Regional Study	20.205	\$145,953	-
0912-00-599 Task 2	Regional Goods Movement Plan Update	20.205	\$19,307	-
0912-00-599 Task 3	Safety Intersection Audits	20.205	\$3,598	-
0912-00-599 Task 4	Regional Travel Surveys	20.205	\$1,538	-
0912-00-614 Task 1	Liberty County Mobility Plans	20.205	\$82,917	-
0912-00-614 Task 2	Montgomery County Precinct 2 Mobility Plan	20.205	\$187,485	-
0912-00-642	North Houston Communities Transportation Priorities Plan	20.205	\$33,948	-
	Subtotal - Highway Planning and Construction Cluster		<u>\$19,433,186</u>	<u>7,315,658.00</u>

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TX-2018-028	Regionally Coordinated Transportation Plan (RCTP)	20.505	\$13,086	-
	Subtotal - 20.505		\$13,086	-
	Total - Texas Department of Transportation		\$19,446,272	7,315,658.00
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$19,446,272	\$7,315,658
U.S. DEPARTMENT OF TREASURY				
	Passed Through Harris County			
21-01748	Coronavirus Aid, Relief, and Economic Security - CARES ACT	21.019	101,127	-
	Subtotal - 21.019		101,127	-
TOTAL U.S. DEPARTMENT OF TREASURY			101,127	-
U.S. ENVIRONMENTAL PROTECTION AGENCY				
	Direct Programs:			
2A-83440901	DERA Revolving Loan Program - AARA	66.039	\$2,503,166	-
2A-83440901-0	Heavy Duty Diesel Replacement	66.039	\$937,189	\$653,172
DE-01F56501	Clean Freights Houston	66.039	\$3,909	-
DE-01F56501-0	Houston Freight Distribution Electrification	66.039	\$324	-
	Subtotal - 66.039		\$3,444,588	\$653,172
	Total - Direct Programs		\$3,444,588	\$653,172
	Passed Through the Texas Commission on Environmental Quality			
582-19-95487 WO#3	TMDL BIG FY20	66.419	\$28,577	-
582-19-95487 WO#5	TMDL Cotton Bayou FY20	66.419	\$56,032	-
582-19-95487 WO#2	TMDL Basin 13 FY20	66.419	\$50,836	-
582-19-95487 WO#1	TMDL Basin 11 FY20	66.419	\$82,572	-
582-19-95488 WO#4	TMDL BIG Creek FY20	66.419	\$54,851	-
582-20-13156 WO#4	TMDL BIG FY21	66.419	\$32,169	-
582-20-13156 WO#3	TMDL Cotton Bayou FY21	66.419	\$9,083	-
582-20-13156 WO#2	TMDL San Jacinto-Brazos Coastal Basin FY21	66.419	\$6,671	-
582-20-13156 WO#1	TMDL BIG Creek FY21	66.419	\$7,212	-
	Subtotal - 66.419		\$328,003	-
582-20-10169	Water Quality Management Planning - 2020	66.454	\$101,930	-
582-21-10118	Water Quality Management Planning - 2021	66.454	\$19,798	-
	Subtotal - 66.454		\$121,728	-
582-19-90216	Trash Bash - GBEP	66.456	\$8,756	-
582-20-10367	Targeted Bacteria Monitoring	66.456	\$36,358	\$9,375
	Subtotal - 66.456		\$45,114	\$9,375
582-18-80213	Coastal Communities Education Outreach	66.460	\$34,927	-
582-19-90201	Cypress Creek WPP FY19	66.460	\$62,042	-
582-20-10159	Spring Creek WPP FY20	66.460	\$121,355	-
	Subtotal - 66.460		\$218,324	-
	Total - Texas Commission on Environmental Quality		\$713,169	\$9,375
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			\$4,157,757	\$662,547
TOTAL EXPENDITURES OF FEDERAL AWARDS - PRIMARY GOVERNMENT			\$348,075,313	\$320,904,085
DISCRETELY PRESENTED COMPONENT UNIT:				
U.S. DEPARTMENT OF COMMERCE				
	Direct Programs:			

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19478987	Economic Development - Support for Planning Organizations	11.302	\$38,568	-
08-79-05237	Economic Development - Economic Recovery Manager	11.302	\$76,188	-
	Subtotal - 11.302		<u>\$114,756</u>	<u>-</u>
	Economic Development Cluster			
08-69-04356	Economic Adjustment Assistance - Revolving Loan Fund	11.307	\$1,555,686	377,813.00
08-79-05418	COVID-19 Economic Development - Cares Act	11.307	\$98,679	-
ED20AUS3070090	COVID-19 Economic Development - Cares Act - Revolving Loan Fund	11.307	\$1,728	-
	Subtotal - Economic Development Cluster		<u>\$1,656,093</u>	<u>377,813.00</u>
TOTAL U.S. DEPARTMENT OF COMMERCE			<u>\$1,770,849</u>	<u>\$377,813</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - DISCRETELY PRESENTED COMPONENT UNIT			<u>\$1,770,849</u>	<u>\$377,813</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			<u>\$349,846,162</u>	<u>\$321,281,898</u>
STATE PROGRAMS				
PRIMARY GOVERNMENT:				
OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION				
Direct Programs:				
1471916	Law Enforcement Training - 2020-2021		\$137,061	\$58,000
	Subtotal - Law Enforcement Training		<u>\$137,061</u>	<u>\$58,000</u>
TOTAL OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION			<u>\$137,061</u>	<u>\$58,000</u>
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY				
Direct Programs:				
582-20-10214	Solid Waste - 2020 - 2021		\$600,519	\$160,003
	Subtotal - Solid Waste		<u>\$600,519</u>	<u>\$160,003</u>
582-18-80290	Texas Clean Rivers - 2018-2019		\$1,222,951	\$128,061
582-18-80290	Texas Clean Rivers - Spring Creek Match -2020		\$73,088	\$10,384
	Subtotal - Clean Rivers		<u>\$1,296,039</u>	<u>\$138,445</u>
	Total - Direct Programs		<u>\$1,896,558</u>	<u>\$298,448</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY			<u>\$1,896,558</u>	<u>\$298,448</u>
TEXAS DEPARTMENT OF AGRICULTURE				
Direct Programs:				
TDA-19-ARED-06	Texas Department Of Agriculture Skimmer Training		\$25,757	-
	Subtotal - Agriculture		<u>\$25,757</u>	<u>-</u>
TOTAL TEXAS DEPARTMENT OF AGRICULTURE			<u>\$25,757</u>	<u>-</u>
TEXAS HEALTH AND HUMAN SERVICES COMMISSION				
Direct Programs:				
539-16-0015-00001	State General Revenue - 2020 IIIIE Match		\$68,500	-
539-16-0015-00001	State General Revenue - 2020		(\$88,768)	-
539-16-0015-00001	State General Revenue - 2020 HDM Rate Increase		\$42,272	-
539-16-0015-00001	OMB ALF Services - 2020		\$118,057	-
539-16-0015-00001	OMB ALF Services - 2021		\$98,446	-
539-16-0015-00001	State General Revenue - 2021		\$87,721	41,052.00
539-16-0015-00001	State General Revenue - 2021 HDM Rate Increase		\$14,112	14,112.00
HHS000270200021	ADRC SGR - 2020		\$144,830	-
HHS000270200021	ADRC SGR Respite - 2020		\$18,325	-
HHS000270200021	ADRC Promoting Independence - 2020		\$13,270	-
HHS000270200021	ADRC SGR - 2021		\$70,005	-

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HHS000270200021	ADRC SGR Respite - 2021	\$5,478	-
HHS000270200021	ADRC Promoting Independence - 2021	\$6,385	-
539-16-0015-00001	Aging - Housing Bond	\$13,150	\$13,150
TOTAL TEXAS HEALTH AND HUMAN SERVICES COMMISSION		<u>\$611,783</u>	<u>68,314.00</u>
TEXAS WORKFORCE COMMISSION			
Direct Programs:			
2820SNE001	SNAP E&T - 2020	\$91,431	\$91,431
2821SNE001	SNAP E&T - 2021	\$57,883	\$57,883
2820SNE002	SNAP E&T - 2020	\$1,668,996	\$1,576,575
2821SNE002	SNAP E&T - 2021	\$681,999	\$577,868
Subtotal - SNAP E&T		<u>\$2,500,309</u>	<u>\$2,303,757</u>
2820RAG001	Resource Admin Grant - 2020	\$3,329	-
2821RAG001	Resource Admin Grant - 2021	\$1,510	-
Subtotal - Resource Administration Grant		<u>\$4,839</u>	<u>-</u>
2820TAF001	TANF Choices - 2020	\$1,906,694	\$1,906,694
2820NCP001	TANF E&T - Noncustodial Parent EmPLY - 2020	\$217,450	\$217,450
2821NCP001	TANF E&T - Noncustodial Parent EmPLY - 2021	\$103,825	\$103,825
Subtotal -TANF Choices		<u>\$2,227,969</u>	<u>\$2,227,969</u>
2820CCP001	Child Care DFPS - 2020	\$7,162,706	\$7,123,568
2821CCP001	Child Care DFPS - 2021	\$1,838,892	\$1,835,337
Subtotal - Child Care DFPS		<u>\$9,001,598</u>	<u>\$8,958,905</u>
2818ALA000	Adult Education and Literacy	\$318,157	\$318,157
2818ALAB00	Adult Education and Literacy	\$1,637,449	\$1,637,449
2818ALAC00	Adult Education and Literacy	\$1,010,149	\$1,010,149
Subtotal - AEL		<u>\$2,965,755</u>	<u>\$2,965,755</u>
2820CCF001	CCDF Child Care - 2020	\$4,667,223	\$4,667,223
2821CCF001	CCDF Child Care - 2021	\$3,139,865	\$3,139,865
2820CCM001	Child Care Local Match - 2020	\$100,000	\$100,000
Subtotal - Child Care		<u>\$7,907,088</u>	<u>\$7,907,088</u>
TOTAL TEXAS WORKFORCE COMMISSION		<u>\$24,607,558</u>	<u>\$24,363,474</u>
TOTAL EXPENDITURES OF STATE AWARDS - PRIMARY GOVERNMENT		<u>\$27,278,717</u>	<u>\$24,788,236</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS - REPORTING ENTITY		<u>\$377,124,879</u>	<u>\$346,070,134</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

1 BASIS OF ACCOUNTING

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87 where still applicable, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance) and the State of Texas Uniform Grant Management Standards (UGMS). Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior year. H-GAC has elected to use the negotiated indirect cost rate and not the 10% de minimum rate as allowed under the Uniform Guidance.

2 REPORTING ENTITY

H-GAC for purposes of the schedule of expenditures of federal and state awards includes all funds of the primary government. Also included is the Gulf Coast Economic Development Corporation, a discretely presented component unit of H-GAC.

3 RECONCILIATION

Adjustments necessary to reconcile expenditures reported on the supplementary schedule of expenditures of federal and state awards to the basic financial statements at year end were as follows:

Total Grant Fund Expenditures	\$ 379,660,096
Add: Depreciation charged to grant programs	169,683
Add: Gulf Coast Economic Development Corporation federal expenditures	1,770,849
Add: EPA RLF reconciling items from notes 5 below	2,503,166
Less: In-Kind Expenditures	(3,219,093)
Less: Program Income	-
Less: Cash Match	(248,536)
Less: Expenditures funded by local grant revenues	(3,511,286)
Total Federal and State Schedule	<u>\$ 377,124,879</u>

4 CALCULATION OF FEDERAL AWARDS EXPENDED FOR EDA REVOLVING LOAN FUND

Expenditure of the EDA Revolving Loan Fund were calculated as follows:

Balance of RLF loans outstanding at 12/31/2020	\$ 1,234,770
Cash and investment balance at 12/31/2020	304,217
Administrative costs during the fiscal year	16,699
Unpaid principal of loans written off during the fiscal year	-
Total EDA Revolving Loan Fund Expenditures	<u>1,555,686</u>
Federal Participation Rate	100%
Total Federal Share of EDA Revolving Loan Fund Expenditures	<u>\$ 1,555,686</u>

5 CALCULATION OF FEDERAL AWARDS EXPENDED FOR EPA REVOLVING LOAN FUND

Expenditure of the EPA Revolving Loan Fund were calculated as follows:

Ending balance of loans made in previous years	\$ 347,872
Cash and investment balance at 12/31/2020	2,155,294
Repayment of written off loan in 2020	-
Total EPA Revolving Loan Fund Expenditures	<u>2,503,166</u>
Federal Participation Rate	100%
Total Federal Share of EPA Revolving Loan Fund Expenditures	<u>\$ 2,503,166</u>

Houston-Galveston Area Council

Schedule of Findings and Questioned Costs

Year Ended December 31, 2020

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) were:

Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? Yes None Reported
 Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes No

Federal and State Awards

4. The independent auditor's report on internal control over compliance for major federal and state awards programs disclosed:

Significant deficiency(ies)? Yes None Reported
 Material weakness(es)? Yes No

5. The opinions expressed in the independent auditor's report on compliance for major federal and state award programs were:

Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes No

7. The audit disclosed findings required to be reported by UGMS?

Yes No

8. The Council's major programs were:

Cluster/Program	CFDA Number
Federal:	
WIOA Cluster	
CCDF Cluster	
SNAP Cluster	
Total Maximum Daily Load (TMDL)	66.419
Water Quality Management Planning	66.454

Houston-Galveston Area Council
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

Name of State Program	Grant/ Contract Number
State:	
Solid Waste – 2020-2021	582-20-10214
Child Care DFPS – 2020	2820CCP001
Child Care DFPS – 2021	2821CCP001
CCDF Child Care – 2020	2820CCF001
CCDF Child Care – 2021	2821CCF001
Child Care Local Match – 2020	2820CCM001
SNAP E&T – 2020	2820SNE001
SNAP E&T – 2021	2821SNE001
SNAP E&T – 2020	2820SNE002
SNAP E&T – 2021	2821SNE003

9. The threshold used to distinguish between Type A and Type B federal programs was \$3,000,000.

10. The threshold used to distinguish between Type A and Type B state programs was \$311,101.

11. The Council qualified as a low-risk auditee? Yes No

Houston-Galveston Area Council
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
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No matters are reportable.

Findings Required to be Reported by the Uniform Guidance or UGMS

Reference Number	Finding
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No matters are reportable.

Houston-Galveston Area Council
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

Reference Number	Summary of Finding	Status
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No matters are reportable.



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