



ANNUAL COMPREHENSIVE

FOR THE YEAR ENDED
DECEMBER 31, 2024
HOUSTON, TX



FINANCIAL REPORT

SERVING TODAY ■ PLANNING FOR TOMORROW

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

For the year ended
December 31, 2024

Christina Ordóñez-Campos, CPA
Chief Financial Officer
Member of the Government Finance Officers Association
of the United States and Canada

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HOUSTON-GALVESTON AREA COUNCIL
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended December 31, 2024

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INTRODUCTORY SECTION



SERVING TODAY ■ PLANNING FOR TOMORROW



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

Dear Liberty County Judge Jay Knight, members of the H-GAC Board of Directors & citizens of H-GAC's 13-county region:

The Annual Comprehensive Financial Report (ACFR) for the Houston-Galveston Area Council (H-GAC) for the fiscal year ended December 31, 2024, is hereby presented. This report reflects H-GAC's continued commitment to advancing sustainable, resilient communities throughout our region through collaborative initiatives and strategic planning.

H-GAC's Finance Division has meticulously prepared this report, assuming full responsibility for its accuracy, completeness, and fairness. We are pleased to report that Whitley Penn, H-GAC's public accountancy firm, has issued an unmodified, or "clean," opinion on the H-GAC financial statements.

Additionally, management's discussion and analysis immediately follow the independent auditor's report, providing an introduction, overview, and analysis of the basic financial statements. This analysis is intended to complement this letter of transmittal and should be read in conjunction with it.

THE HOUSTON-GALVESTON AREA COUNCIL

H-GAC is one of the largest regional councils of government in the country serving Texas's Gulf Coast Region, which consists of 13-counties, 177 cities and 81 independent school districts. As a regional planning commission, H-GAC bridges local, state, and federal governments, ensuring that regional challenges are met with coordinated, data-driven solutions.

H-GAC streamlines problem-solving by housing multiple initiatives under one roof, maximizing funding, reducing costs, and improving efficiency. By consolidating administrative functions, it eliminates duplication and ensures strategic resource allocation. This centralized approach allows residents and businesses to access services – such as workforce assistance, economic development programs, transportation solutions, and others – in one place.

As a model of government efficiency, H-GAC leverages local data and expertise to inform federal and state decision-making, ensuring that funding is distributed based on regional needs. By integrating services and resources, H-GAC enhances service delivery, strengthens community impact, and optimizes the use of taxpayer dollars.



To meet the evolving needs of the region, H-GAC:

- Provides a forum for local governments to collaborate on regional solutions.
- Identifies and prioritizes funding opportunities that align with local and regional priorities.
- Delivers direct services that enhance economic, social, and environmental sustainability.
- Supports regional planning efforts that guide infrastructure investments, economic development, and community resilience.

By addressing critical challenges – including employment, transportation, environmental quality, and public services – H-GAC fosters collective action that leads to meaningful improvements in quality of life across the region. Through efficient governance, strategic partnerships, and data-driven planning, H-GAC remains a trusted resource and a vital link between local communities and higher levels of government.





REGIONAL ECONOMIC PROFILE



H-GAC plays a critical role in supporting and enhancing the economic vitality of the Gulf Coast region, aligning closely with the Texas Comptroller's 2024 Regional Report. As outlined in the Comptroller's report, the region faces rapid population growth, economic diversification, and infrastructure demands. H-GAC's initiatives directly respond to these regional challenges and opportunities, working together with the priorities identified by the Comptroller in several key areas.

Economic Development & Workforce Support

The Comptroller's report emphasizes the growing importance of workforce development and economic diversification in the region. In response, H-GAC's Workforce Solutions program plays a crucial role in equipping the labor force with the skills necessary for emerging industries such as healthcare, technology, and professional services. Similarly, H-GAC's economic development programs, including small business financing and cooperative purchasing, directly address the needs for business expansion and adaptation in a diversifying economy, aligning with the Comptroller's focus on creating a sustainable, adaptable economic environment.

Transportation & Infrastructure Planning

With a projected population increase of approximately 66% by 2040, the Houston-Galveston region is expected to grow from 5.8 million residents in 2010 to about 9.6 million by that year. This significant growth underscores the Comptroller's call for the critical need for enhanced transportation infrastructure to support the expanding population. H-GAC's Metropolitan Planning Organization (MPO) aligns with this imperative by focusing on reducing congestion, improving environmental sustainability, and enhancing regional connectivity. Additionally, the Port of Houston's pivotal role in the region's economy, as highlighted in the Comptroller's report, complements H-GAC's efforts to improve freight movement and logistics planning, ensuring the port maintains its competitive edge in global trade.

Community & Environmental Planning

The Comptroller's report points to the challenges of urban growth, environmental quality, and public safety, particularly as the population increases and industrial development expands. H-GAC's regional planning services support local governments in managing these issues, from environmental sustainability to effective land-use planning. These efforts directly overlap with the Comptroller's priorities for ensuring that growth is managed in a way that balances economic opportunity with environmental stewardship.

Broadband & Digital Equity

Recognizing the increasing reliance on digital infrastructure for both education and employment, the Comptroller's report highlights the need to expand broadband access. H-GAC's Broadband Initiative addresses this need by helping local governments expand internet access in underserved areas, ensuring equitable economic opportunities and access to essential services.



Disaster Preparedness & Resilience

As noted in the Comptroller's report, the region's vulnerability to extreme weather events, such as hurricanes, demands a coordinated approach to disaster preparedness. H-GAC's emergency planning efforts and educational resources, including the Hurricane Preparedness Guide and Senior Supplement, are designed to mitigate risks and enhance resilience, aligning with the Comptroller's emphasis on building disaster preparedness into regional planning and response strategies.



H-GAC's work is deeply interconnected with the Gulf Coast region's economic growth, infrastructure needs, and demographic shifts. By coordinating regional planning, securing funding, and providing critical services, H-GAC ensures the Houston-Galveston region remains competitive, resilient, and prepared for the future.

H-GAC IMPACT & ACTIVITY SUMMARY

As we examine H-GAC's financial landscape, we remain mindful that each tax-payer dollar represents a commitment to progress and empowerment. Our stewardship of public funds reflects our dedication to delivering results that benefit communities across our region.

This report highlights the transformative impact of H-GAC's work, made possible by our dedicated staff, committed board of directors, and passionate volunteers. Through transparency, fiscal responsibility, and strategic planning, we remain committed to building a stronger, more resilient future for generations to come.

The following 2024 key performance measures and accomplishments for each H-GAC service area are detailed below and demonstrate the measurable progress and regional impact of H-GAC and its service to our community.

Administration, Finance, Communications, and Program Operations

With 93 key performance measures, this group of divisions & departments oversee H-GAC's financial management, administrative compliance & oversight, legislative affairs, board activities, communications, facilities management, and program execution.

2024 Accomplishments:

- Maintained fiscal transparency and compliance, earning recognition for excellence in financial reporting.
- Developed an "Enterprise Fund Transfer to General Fund" policy that complies with Government Finance Officers Association's best practices.
- Created and implemented a new "Interest Reinvestment Fund" strategy that will help the board, and the agency fulfill unmet needs of our member governments.
- Facilitated several business continuity workshops that will help increase the agency's resiliency and responsiveness during emergencies & natural disasters.
- Implemented a new budgeting system to enhance financial planning and oversight.
- Strengthened staff recruitment and retention through partnerships with Texas universities.
- Implemented a "Whistleblower Hotline" for improved accountability.



Community & Environmental Planning

With 47 key performance measures, this department supports local governments by providing planning services, technical assistance, and environmental initiatives to promote public safety and orderly growth. It also provides infrastructure for 27 Public Safety Answering Points across the Gulf Coast Regional 9-1-1 Emergency Communications District

2024 Accomplishments:

- Received \$73 million from the Texas General Land Office to fund projects in 11 jurisdiction that strengthen the local community's ability to withstand and recover from challenges related to drainage, sewer systems, and groundwater storage.
- Constructed a public safety radio tower to enhance emergency communications.
- Completed the 2024 Basin Highlights Report, detailing regional water quality trends.
- Secured EPA approval for the Clear Creek Watershed protection plan, along with additional funding for watershed projects.
- Launched a regional emergency management listserv to improve coordination between local jurisdictions.
- Assisted local governments in securing \$62 million in disaster mitigation funding.

Enterprise Solutions

With 21 key performance measures, this department enhances economic development through cooperative purchasing, small business financing, and public service coordination.

2024 Accomplishments:

- Processed more than \$2 billion in cooperative purchasing orders, providing cost savings for local governments.
- Approved \$1.6 million in small business loans, supporting 28 local businesses.
- Hosted a regional broadband summit to advance internet access initiatives.
- Strengthened the Local Development Corporation in preparation for full CDFI (Community Development Financial Institution) certification.

Human Services

With 14 key performance measures, this department focuses on:

- Workforce development and job training
- Economic opportunity expansion
- Services that promote independent living for older adults

Workforce Solutions, H-GAC's largest program, received state and federal funding through the Texas Workforce Commission, with an estimated 9.02% funding increase in FY2024—continuing a post-pandemic trend of stabilized year-over-year growth.

2024 Accomplishments:

- Helped approximately 48,000 individuals secure employment and provided support to 32,500 employers.
- Awarded childcare scholarships to more than 55,000 children, enabling parents to re-enter the workforce.
- Delivered over 1 million meals to nearly 10,000 seniors, improving food security for older adults.
- Provided transportation services for medical and daily needs to more than 1,300 older adults.



Transportation/Metropolitan Planning Organization (MPO)

With 37 key performance measures, the MPO works to support a safe, efficient, and environmentally conscious transportation system by:

- Reducing traffic congestion and vehicle emissions
- Promoting balanced transportation and land use development

2024 Accomplishments:

- Completed the 2024 Regional Transportation Plan update to guide long-term infrastructure investments.
- Allocated \$1.1 billion in funding for regional transportation projects.
- Conducted more than 1,700 traffic counts, providing essential data for transportation planning.
- Advanced air quality initiatives, including grant programs for cleaner vehicles and alternative fuels.

Technology & Data Services

With 28 key performance measures, this department provides:

- Enterprise IT support
- Data management and geospatial services

2024 Accomplishments:

- Launched a redesigned H-GAC website, improving accessibility and information sharing.
- Implemented enhanced cybersecurity measures.
- Hosted a regional GIS Day conference to strengthen data-sharing and geospatial planning.
- Supported transportation planning efforts with updated demographic and land use forecasting.
- Upgraded IT infrastructure, including conference room audiovisual systems for improved virtual and in-person meetings.



FINANCIAL PLANNING AND POLICIES

Each December, the H-GAC Board of Directors approves a comprehensive financial plan that includes both restricted and unrestricted revenue sources. With over 150 grants spanning 13 state and federal revenue streams, H-GAC leadership forecasts expenditures and revenue needs across all service areas.

The 2024 budget was initially approved in December 2023 and revised in June 2024, reflecting \$541,744,411 in total funding, a 9.83 percent increase over the revised 2023 budget.

AWARDS AND ACKNOWLEDGEMENTS

H-GAC received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended December, 31, 2023. This prestigious award recognizes high standards in financial reporting, transparency, and accountability.

We encourage the public to stay engaged by exploring our website, following @HouGalvAreaCOG on social media, and attending public meetings. Together, we are building a sustainable, thriving future for our region.

Sincerely,

Chuck Wemple
Executive Director



Christina Ordóñez-Campos, CPA

Christina Ordóñez-Campos, CPA
Chief Financial Officer





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Houston-Galveston Area Council
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

HOUSTON-GALVESTON AREA COUNCIL

PRINCIPAL OFFICIALS

OFFICERS OF THE BOARD OF DIRECTORS 2024

CHAIR

County Judge Jay Knight
Liberty County

VICE CHAIR

County Judge Ty Prause
Colorado County

CHAIR ELECT

Mayor Pro Tem Joe Garcia
City of Pattison

ADMINISTRATIVE STAFF

Executive Director	Chuck Wemple
Chief Financial Officer	Christina Ordóñez-Campos, CPA
Chief Operations Officer	VACANT
Chief Outreach and Government Affairs Officer	Rick Guerrero
Director of Internal Audit	Charles Hill

H-GAC MEMBER GOVERNMENTS

Counties

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

Cities over 25,000 Population*

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

Home Rule Cities*

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

General Law Cities*

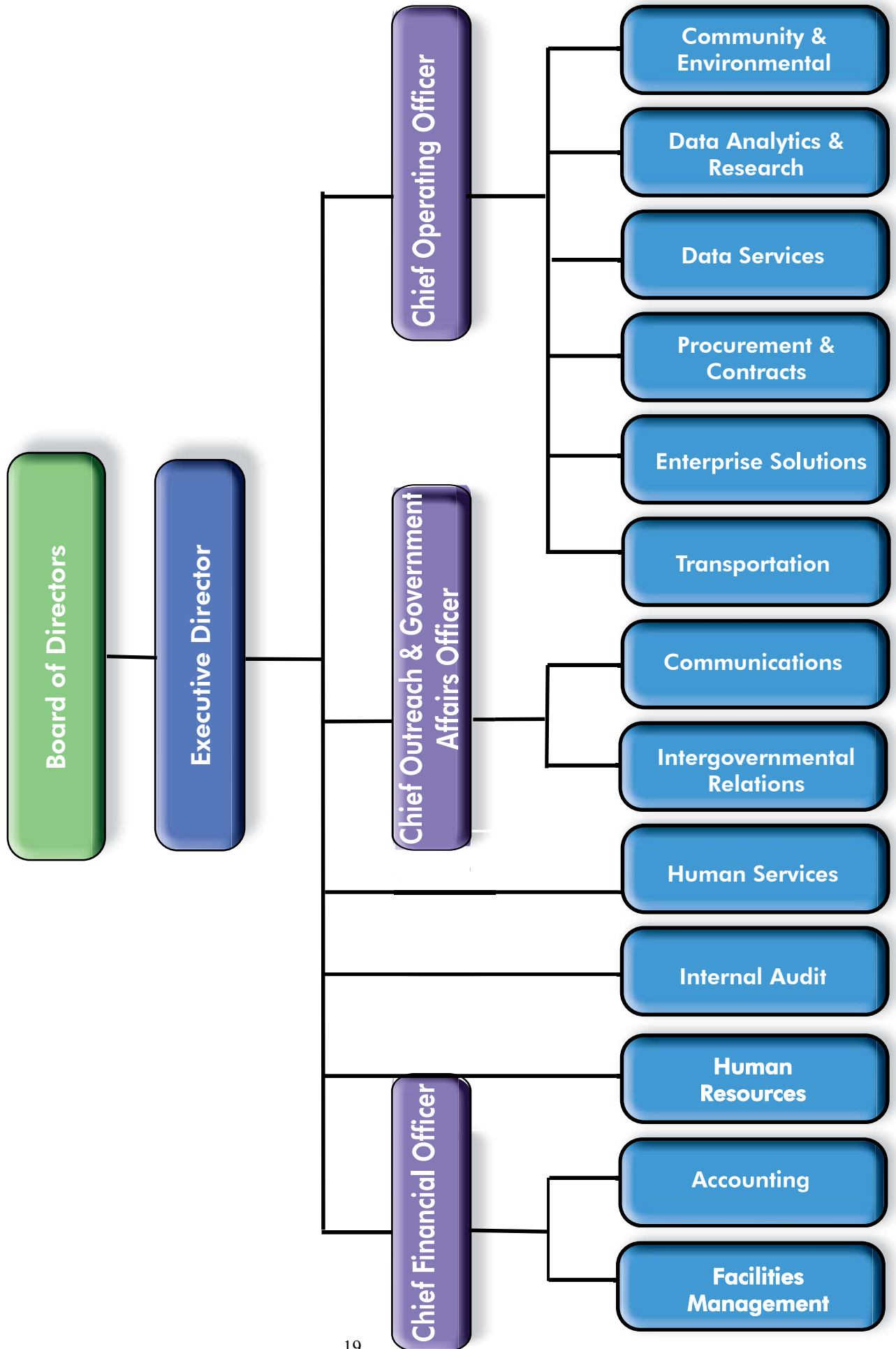
Ames	East Bernard	New Waverly	Splendora
Anahuac	El Lago	Oak Ridge North	Spring Valley Village
Arcola	Hedwig Village	Old River Winfree	Stagecoach
Bayou Vista	Hillcrest Village	Oyster Creek	Surfside Beach
Beach City	Town of Holiday Lakes	Panorama Village	Taylor Lake Village
Bellville	Hunters Creek Village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

Independent School Districts*

Alief ISD	Hempstead ISD	Needville ISD
Columbia-Brazoria ISD	Hitchcock ISD	New Waverly ISD
Deer Park ISD	Huntsville ISD	Pearland ISD
Fort Bend ISD	Magnolia ISD	Waller ISD

*based on 2020 Census

Houston-Galveston Area Council



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FINANCIAL SECTION



SERVING TODAY ■ PLANNING FOR TOMORROW

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Houston-Galveston Area Council
Houston, Texas

Report on the Audit of the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

To the Board of Directors
Houston-Galveston Area Council
Houston, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedule of indirect costs and the schedule of H-GAC employee benefits are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are 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 Texas Grant Management Standards and are also not a required part of the basic financial statements.

The schedule of indirect costs, schedule of H-GAC employee benefits and schedules of expenditures of federal and state awards are the responsibility of management and were 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 schedule of indirect costs, H-GA employee benefit, and schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2025 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.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
May 8, 2025

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, 2024. 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 and deferred inflows of resources by \$45,454,933 of which \$30,915,551 is available to meet the Council's ongoing obligations to local governments and creditors.
- H-GAC's net position increased by \$3,896,992 during the year ended December 31, 2024.
- At the end of the year, the nonspendable fund balance, restricted fund balance and unassigned governmental fund balance are \$858,272, \$12,013,987, and \$31,062,713, 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 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 separately presented component units to 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, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of 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 the year 2024. 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 pension trust 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 and deferred inflows of resources by \$45,454,933 at the close of the most recent year, 2024, which is an increase over 2023. Approximately 5.56% of H-GAC's net position is net investment in capital assets. These capital and lease assets within the office facilities of H-GAC to provide service and do not represent funds available for future spending. Increase to net position came from increased revenues over expenses in the governmental activities from the prior year. There was restricted net position of \$12,013,987 at the end of the year. The balance of unrestricted net position in 2024 of \$30,915,551 may be used to meet H-GAC's ongoing obligations.

HOUSTON-GALVESTON AREA COUNCIL
CONDENSED STATEMENT OF NET POSITION – PRIMARY GOVERNMENT

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$74,456,529	\$56,881,271	\$3,400,015	\$19,873,137	\$77,856,544	\$76,754,408
Capital & Lease Assets, Net	10,674,029	12,291,077	-	-	10,674,029	12,291,077
Total Assets	85,130,558	69,172,348	3,400,015	19,873,137	88,530,573	89,045,485
Liabilities						
Current and Other Liabilities	29,762,208	32,920,849	301,108	228,507	30,063,316	33,149,356
Long-Term Liabilities						
Lease Obligations	8,148,633	9,618,544	-	-	8,148,633	9,618,544
Other Long-Term Liabilities	4,104,341	1,897,832	-	-	4,104,341	1,897,832
Total Liabilities	42,015,182	44,437,225	301,108	228,507	42,316,290	44,665,732
Deferred inflows of Resources						
Lease	759,349	911,117	-	-	759,349	911,117
Net Position						
Net Investment in Capital Assets	2,525,395	2,672,533	-	-	2,525,395	2,672,533
Restricted for:						
EPA RLF Program	731,132	1,159,791	-	-	731,132	1,159,791
Corporation for Regional Excellence	1,010,071	1,006,757	-	-	1,010,071	1,006,757
Gulf Coast 911 Reg District	10,272,784	8,264,821	-	-	10,272,784	8,264,821
Unrestricted	27,816,644	10,720,104	3,098,907	19,644,630	30,915,551	30,364,734
Total Net Position	\$42,356,026	\$23,824,006	\$3,098,907	\$19,644,630	\$45,454,933	\$43,468,636

Statement of Activities

H-GAC's net position increased by \$3,896,992 for the year. This reflects an increase in net position for governmental activities of \$2,789,051 and an increase in net position in business-type activities of \$1,107,941 before transfers. The change in net position in governmental activities represents a 12.7% increase of net position for governmental activities and the change in net position in the business-type activities represents an 5.6% increase in net position for this activity. Overall, H-GAC increased net position by 9.4%. Key elements of the increase along with percentage analysis are as follows:

HOUSTON-GALVESTON AREA COUNCIL STATEMENT OF ACTIVITIES – PRIMARY GOVERNMENT

	Governmental Activities		Business-Type Activities		Total		Percent	
	2024	2023	2024	2023	2024	2023	2024	2023
Program Revenues								
Charges for Services	\$5,473,725	\$4,236,867	\$6,288,216	\$5,570,332	\$11,761,941	\$9,807,199	2.21%	2.15%
Operating Grants and Contributions	518,089,969	442,187,163	-	-	518,089,969	442,187,163	97.21%	97.11%
General Revenues								
Interest Income	1,492,716	811,509	-	-	1,492,716	811,509	0.28%	0.18%
Lease Interest	9,556	11,095	-	-	9,556	11,095	0.00%	0.00%
Other Income	1,623,205	2,543,005	-	-	1,623,205	2,543,005	0.30%	0.56%
Total Revenues	526,689,171	449,789,639	6,288,216	5,570,332	532,977,387	455,359,971	100.00%	100.00%
Expenses								
General Government	6,472,951	8,110,887	-	-	6,472,951	8,110,887	1.22%	1.76%
Workforce Programs	467,193,474	391,927,332	-	-	467,193,474	391,927,332	88.30%	86.76%
Transportation	26,099,294	25,956,230	-	-	26,099,294	25,956,230	4.93%	5.75%
Community and Environ	3,370,035	3,536,884	-	-	3,370,035	3,536,884	0.64%	0.78%
Criminal Justice	2,381,867	1,620,178	-	-	2,381,867	1,620,178	0.45%	0.36%
Aging Services	15,647,213	13,727,943	-	-	15,647,213	13,727,943	2.96%	3.04%
Reg Excellence Corp	21,659	10,703	-	-	21,659	10,703	0.01%	0.00%
Gulf Coast 911 Reg Dist	2,615,272	2,460,830	-	-	2,615,272	2,460,830	0.49%	0.54%
Interest Expense	98,355	-	-	-	98,355	-	0.02%	0.00%
Cooperative Purchasing	-	-	5,180,275	4,553,521	5,180,275	4,553,521	0.98%	1.01%
Total Expenses	523,900,120	447,350,987	5,180,275	4,553,521	529,080,395	451,904,508	100.00%	100.00%
Change in net position before transfers	2,789,051	2,438,652	1,107,941	1,016,811	3,896,992	3,455,460		
Transfers	17,653,664	2,000,000	(17,653,664)	(2,000,000)	-	-		
Change in net position	20,442,715	4,438,652	(16,545,723)	(983,189)	3,896,992	3,455,460		
Net Position-Beginning of Yr restated	21,913,311	19,385,357	19,644,630	20,627,819	41,557,941	40,013,176		
Net Position-End of Yr	\$42,356,026	\$23,824,009	\$3,098,907	\$19,644,630	\$45,454,933	\$43,468,636		

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 for participating governmental and non-profit entities. In 2024 and 2023, revenue in this program was \$6,288,216 and \$5,570,332, respectively. During the year, operating expenses for the program increased 13.76% and revenues increased 12.89%. The combined result was a decrease in net position of \$16,545,723, or 84.23%, after a transfer out of \$17,653,664. By comparison, the net position decrease was \$983,189, or 4.77%, in 2023.

Business-Type Expenses	2024 Amount	2023 Amount	Increase (Decrease) from 2023	Increase (Decrease)
Personnel and Benefits	\$4,199,396	\$3,713,331	\$486,065	13.09%
Consultant and Contract Svcs	221,563	153,207	68,356	44.62%
Equipment Rental and Leases	37,160	35,583	1,577	4.43%
Rent	176,739	208,968	(32,229)	(15.42)%
Travel	88,615	81,694	6,921	8.47%
Other	456,802	360,738	96,064	26.63%
Total Expenses	<u>\$5,180,275</u>	<u>\$4,553,521</u>	<u>\$626,754</u>	<u>13.76%</u>

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 2024 is \$31,920,985. Included in this fund balance is \$858,272 which has been identified for prepaid items and is nonspendable. The balance of \$31,062,713 is available for use at H-GAC's discretion.

The general fund balance of H-GAC increased by \$19,303,049. The increase is due to an increase of fund transfer in 2024 from the enterprise fund. 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 decrease of fund balance from \$1,159,791 in 2023 to \$731,132 in 2024. This decrease was primarily due to the gradual planned use of the fund balance in the Clean Vehicle program.

Also included in the governmental funds is the Regional Excellence Corporation, a blended component unit of 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 2024, the Corporation had cash and pledged contributions of \$24,972 to support activities associated with H-GAC's transportation program. The Corporation had expenses of \$21,659 during the year. The corporation's bylaws restrict the use of these funds.

Additionally, in February 2016, H-GAC's 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 H-GAC and a board member of the District. In 2024, the District had income of \$4,623,235 and expenditures of \$2,615,272. The District intends to use these excess funds to enhance the infrastructure and resiliency of the 9-1-1

services in the region through equipment, technology, and software improvements. 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 capital assets for governmental activities amount to \$10,674,028 (net of depreciation) for year ended December 31, 2024. This investment in capital assets includes equipment, furniture, and fixtures, & Leases. Additional information on H-GAC's capital assets can be found in footnote 6 of this report. H-GAC does not own any real property.

During 2024, H-GAC acquired a variety of assets. H-GAC has a capitalization threshold of \$5,000, in accordance with federal requirements. The following table identifies the additions and retirements of depreciable assets for governmental activities. Beginning balances are net of depreciation/amortization. The accumulated depreciation/amortization column below reflects the net effect of depreciation/amortization expense for the year and the recovery of depreciation/amortization upon retirement of assets.

HOUSTON-GALVESTON AREA COUNCIL CAPITAL ASSET ANALYSIS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Net Accumulated Depreciation / Amortization</u>	<u>Ending Balance</u>
Governmental Activities					
Equipment, furniture and fixtures, net	\$2,672,533	\$496,094	-	\$(643,232)	\$2,525,395
Leases, net	9,618,544	-	-	(1,469,911)	8,148,633
Totals	<u>\$12,291,077</u>	<u>\$496,094</u>	<u>-</u>	<u>\$(2,113,143)</u>	<u>\$10,674,028</u>

6. DEBT ADMINISTRATION

Debt is considered a liability of governmental activities and consists of long-term lease obligations. Additional information on the long-term leases can be found in Note 8 of the footnotes.

Other long-term liabilities, including compensated absences such as vacation and sick leave, increased by \$295,814 in 2024. The beginning balance for compensated absences was restated from \$1,897,824 to \$3,808,529 to reflect the implementation of GASB 101. After a net increase of \$295,812 during the year, the ending balance as of December 31, 2024, is \$4,104,341.

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 2025, the per-capita membership revenue is estimated at \$462,937. This budget is based on the most recent census and is consistent with the budgeted amount in 2024.

H-GAC increased estimated revenues and corresponding expenses by \$53,082,900 for 2025. The budget reflects increases in Workforce programs for \$27,655,263; Transportation for \$10,686,295; Community & Environmental for \$3,481,539; Enterprise Solutions for \$3,422,177; Aging for \$686,494; Shared Services for \$987,893; and Data Services for \$849,646. These increases are attributable to additional funding allocated to each respective program. In preparing the 2025 budget, these factors were taken into account.

8. REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of H-GAC's finances for those with an interest in the Council's finances. Questions or comments regarding this report should be directed to Christina Ordóñez-Campos, CPA, 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, 2024

	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	\$ 36,873,428	\$ -	\$ 36,873,428	\$ 454,930	\$ 736,633	\$ 1,388,932
Investments	9,303,738	-	9,303,738	-	-	-
Receivables	27,512,179	2,211,594	29,723,773	-	16,097	-
Notes receivable	126,980	-	126,980	-	4,263,078	-
Lease receivable	791,480	-	791,480	-	-	-
Due from component units	178,873	-	178,873	-	-	-
Internal balances	(1,188,421)	1,188,421	-	-	-	-
Prepaid items	858,272	-	858,272	-	-	-
Capital assets, net	2,525,395	-	2,525,395	-	-	-
Lease asset, net	8,148,633	-	8,148,633	-	-	-
Total Assets	85,130,557	3,400,015	88,530,572	454,930	5,015,808	1,388,932
LIABILITIES						
Accounts payable and accrued expenses	4,857,437	85,239	4,942,676	-	-	9,677
Unearned revenues	5,960,882	215,869	6,176,751	-	-	-
Due to grantee agencies	18,943,889	-	18,943,889	-	-	-
Due to primary government	-	-	-	128	118,777	59,968
Long term liabilities						
Compensated Absences						
Due within one year	2,463,625	-	2,463,625	-	-	-
Due more than one year	1,640,716	-	1,640,716	-	-	-
Lease Liability						
Due within one year	1,508,761	-	1,508,761	-	-	-
Due more than one year	6,639,872	-	6,639,872	-	-	-
Total Liabilities	42,015,182	301,108	42,316,290	128	118,777	69,645
DEFERRED INFLOWS OF RESOURCES						
Leases	759,349	-	759,349	-	-	-
Total Deferred Inflows of Resources	759,349	-	759,349	-	-	-
NET POSITION						
Net investment in capital assets	2,525,395	-	2,525,395	-	-	-
Restricted for:						
EPA RLF Program	731,132	-	731,132	-	-	-
Corporation for Regional Excellence	1,010,071	-	1,010,071	-	-	-
Gulf Coast 911 Regional District	10,272,784	-	10,272,784	-	-	-
EDA RLF Program	-	-	-	-	4,897,031	-
Local Development Corporation	-	-	-	-	-	1,319,287
Unrestricted	27,816,644	3,098,907	30,915,551	454,802	-	-
Total Net Position	\$ 42,356,026	\$ 3,098,907	\$ 45,454,933	\$ 454,802	\$ 4,897,031	\$ 1,319,287

See accompanying notes to the financial statements

HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

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	Primary Government		Total	Energy Purchasing Corporation	Gulf Coast Economic Development Corporation	Local Development Corporation
					Governmental Activities	Business-type Activities				
Primary government:										
Governmental activities:										
General government	\$ 10,579,427	\$ (4,106,476)	\$ 5,473,725	\$ -	\$ (999,226)	\$ -	\$ (999,226)			
Workforce programs	465,692,261	1,501,214	-	466,928,452	(265,023)	-	(265,023)			
Transportation	24,860,096	1,239,198	-	25,622,203	(477,091)	-	(477,091)			
Community and Environmental	3,104,942	265,093	-	3,279,810	(90,225)	-	(90,225)			
Criminal justice	2,266,029	115,838	-	2,337,519	(44,348)	-	(44,348)			
Aging services	15,161,007	486,206	-	15,273,779	(373,434)	-	(373,434)			
Corporation for Regional Excellence	21,659	-	-	24,972	3,313	-	3,313			
Gulf Coast 911 Regional District	2,615,272	-	-	4,623,235	2,007,963	-	2,007,963			
Interest Expense	98,355			-	(98,355)		(98,355)			
Total governmental activities	524,399,048	(498,927)	5,473,725	518,089,970	(336,426)	-	(336,426)			
Business-type activities:										
Cooperative purchasing	4,681,348	498,927	6,288,216	-	-	1,107,941	1,107,941			
Total business-type activities	4,681,348	498,927	6,288,216	-	-	1,107,941	1,107,941			
Total primary government	<u>\$ 529,080,396</u>	<u>\$ -</u>	<u>\$ 11,761,941</u>	<u>\$ 518,089,970</u>	<u>(336,426)</u>	<u>1,107,941</u>	<u>771,515</u>			
Component units:										
Energy Purchasing Corporation	8,977		130,644	-				\$ 121,667	-	-
Gulf Coast Economic Development Corporation	594,946		-	672,241				-	\$ 77,295	-
Local Development Corporation	557,492		345,277	-				-	-	\$ (212,215)
Total component units	<u>\$ 1,161,415</u>		<u>\$ 475,921</u>	<u>\$ 672,241</u>				<u>\$ 121,667</u>	<u>\$ 77,295</u>	<u>\$ (212,215)</u>
General revenues:										
Interest income					1,502,272	-	1,502,272	-	-	-
Miscellaneous income					1,623,205	-	1,623,205	-	-	-
Transfers					17,653,664	(17,653,664)	-	-	-	-
Total general revenues and transfers					20,779,141	(17,653,664)	3,125,477	-	-	-
Change in net position					20,442,715	(16,545,723)	3,896,992	121,667	77,295	(212,215)
Net position - beginning, restated					21,913,311	19,644,630	43,468,636	333,135	4,819,736	1,531,502
Net position - ending					<u>\$ 42,356,026</u>	<u>\$ 3,098,907</u>	<u>\$ 45,454,933</u>	<u>\$ 454,802</u>	<u>\$ 4,897,031</u>	<u>\$ 1,319,287</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Grant Fund	Corporation for Regional Excellence	Gulf Coast 911 Regional District	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 20,767,138	\$ 1,319,410	\$ 995,856	\$ 13,791,024	\$ 36,873,428
Investments	9,303,738	-	-	-	9,303,738
Receivables	779,950	26,648,301	14,215	69,716	27,512,182
Lease receivable	791,480	-	-	-	791,480
Due from other funds	20,501,191	-	-	-	20,501,191
Due from component unit	178,873	-	-	-	178,873
Notes receivable	-	126,980	-	-	126,980
Prepaid items	858,272	-	-	-	858,272
Total assets	<u>\$ 53,180,642</u>	<u>\$ 28,094,691</u>	<u>\$ 1,010,071</u>	<u>\$ 13,860,740</u>	<u>\$ 96,146,144</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	2,951,052	1,906,385	-	-	4,857,437
Unearned revenue	32,261	2,620,861	-	3,307,760	5,960,882
Due to grantee agencies	-	18,943,889	-	-	18,943,889
Due to other funds	17,516,995	3,892,424	-	280,193	21,689,612
Total liabilities	<u>20,500,308</u>	<u>27,363,559</u>	<u>-</u>	<u>3,587,953</u>	<u>51,451,820</u>
DEFERRED INFLOWS OF RESOURCES					
Lease	759,349	-	-	-	759,349
Total deferred inflow of resources	<u>759,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,349</u>
Fund balances					
Nonspendable	858,272	-	-	-	858,272
Restricted for:					
EPA RLF Program	-	731,132	-	-	731,132
Corporation for Regional Excellence	-	-	1,010,071	-	1,010,071
Gulf Coast 911 Regional District	-	-	-	10,272,787	10,272,784
Unassigned	31,062,713	-	-	-	31,062,713
Total fund balance	<u>31,920,985</u>	<u>731,132</u>	<u>1,010,071</u>	<u>10,272,787</u>	<u>43,934,972</u>
Total liabilities and fund balances	<u>\$ 53,180,642</u>	<u>\$ 28,094,691</u>	<u>\$ 1,010,071</u>	<u>\$ 13,860,740</u>	<u>\$ 96,146,144</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	2,525,395
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	8,148,633
Long-term liabilities excluding compensated absences, are not due and payable in the current period and therefore, are not reported in the funds.	(8,148,633)
Compensated absences of governmental activities are not due and payable in the current period and, therefore, are not reported in the funds	(4,104,341)
Net position of governmental activities	<u>42,356,026</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, 2024

	General	Grant Fund	Corporation for Regional Excellence	Gulf Coast 911 Regional District	Total Governmental Funds
Revenues					
Interest income	\$ 1,502,272	\$ -	\$ -	\$ -	\$ 1,502,272
Membership dues	462,937	-	-	-	462,937
Interlocal contracts	2,702,438	-	-	-	2,702,438
Data services and imaging	2,308,350	-	-	-	2,308,350
Miscellaneous income	1,623,064	-	-	-	1,623,064
Other local revenue	-	-	-	4,358,034	4,358,034
From grantor agencies	-	513,441,903	24,972	265,201	513,732,076
Total revenues	<u>8,599,061</u>	<u>513,441,903</u>	<u>24,972</u>	<u>4,623,235</u>	<u>526,689,171</u>
Expenditures					
Current:					
General government	4,904,149	-	-	-	4,904,149
Workforce programs	-	466,729,692	-	-	466,729,692
Transportation	-	25,905,763	-	-	25,905,763
Community and Environmental	-	3,320,535	-	-	3,320,535
Criminal Justice/Homeland Security	-	2,320,550	-	-	2,320,550
Aging services	-	15,575,189	-	-	15,575,189
Corporation for Regional Excellence	-	-	21,659	-	21,659
Gulf Coast 911 Emergency District	-	-	-	2,615,272	2,615,272
Capital outlay:					
General government	496,094	-	-	-	496,094
Debt service:					
Principal	1,469,911	-	-	-	1,469,911
Interest	98,355	-	-	-	98,355
Total expenditures	<u>6,968,509</u>	<u>513,851,729</u>	<u>21,659</u>	<u>2,615,272</u>	<u>523,457,169</u>
Excess (deficiency) of revenues over expenditures	<u>1,630,552</u>	<u>(409,826)</u>	<u>3,314</u>	<u>2,007,963</u>	<u>3,232,003</u>
Other Financing Sources					
Transfers in	17,672,497	(18,833)	-	-	17,653,664
Total other financing sources	<u>17,672,497</u>	<u>(18,833)</u>	<u>-</u>	<u>-</u>	<u>17,653,664</u>
Change in fund balances	19,303,049	(428,659)	3,314	2,007,963	20,885,667
Fund balances - beginning	<u>12,617,936</u>	<u>1,159,791</u>	<u>1,006,757</u>	<u>8,264,824</u>	<u>23,049,308</u>
Fund balances - ending	<u>\$ 31,920,985</u>	<u>\$ 731,132</u>	<u>\$ 1,010,071</u>	<u>\$ 10,272,787</u>	<u>\$ 43,934,975</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHARGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net change in fund balances-total governmental funds	\$ 20,885,667
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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 and lease assets is allocated over their estimated useful lives as depreciation and amortization expense. In the current period, these amounts are:

Capital outlay	496,094
Amortization expense	(1,469,911)
Depreciation expense	(643,232)
Excess of depreciation/amortization expense over capital outlay	<u>(1,617,049)</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 - Vacation	(61,534)
Increase in compensated absences - Sick	(234,280)

The repayment of the principal of long-term debt (i.e., leases) requires the use of current financial resources of governmental funds, however, are not reported as expenses in governmental activities. In the current period, these amounts include:

Principal paid on leases	<u>1,469,911</u>
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Change in net position of governmental activities	<u>\$ 20,442,715</u>
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See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2024**

	<u>Cooperative Purchasing</u>
ASSETS	
Current assets	
Accounts receivable	\$ 2,211,594
Due from general fund	1,188,421
Total assets - current	<u>3,400,015</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	85,239
Unearned revenues	215,869
Total liabilities - current	<u>301,108</u>
NET POSITION	
Unrestricted	3,098,907
Total net position	<u><u>\$ 3,098,907</u></u>

See accompanying notes to the financial statements

HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024

	<u>Cooperative Purchasing</u>
OPERATING REVENUES	
Charges for services	\$ 6,288,216
Total operating revenues	<u>6,288,216</u>
OPERATING EXPENSES	
Personnel and benefits	4,199,396
Consultant and contract services	221,563
Equipment rental	37,160
Leases	176,739
Travel	88,615
Other	456,802
Total operating expenses	<u>5,180,275</u>
Operating Income	1,107,941
Transfers out	<u>(17,653,664)</u>
Change in net position	(16,545,723)
Net position - beginning	<u>19,644,630</u>
Net position - ending	<u><u>\$ 3,098,907</u></u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>Cooperative Purchasing</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 22,862,491
Cash payments to employees for services	(4,199,396)
Cash payments to suppliers for goods and services	(250,115)
Cash payments for operating expenses	(759,316)
Cash provided by operating activities	<u>17,653,664</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer to General Fund	(17,653,664)
Net cash used by noncapital financing activities	<u>\$ (17,653,664)</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	\$ 1,107,941
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Increase in customer receivable	(158,895)
Decrease in interfund receivable	16,632,017
Decrease in accounts payable and accrued expenses	(28,552)
Increase in unearned revenue	101,153
Net cash provided by operating activities	<u>\$ 17,653,664</u>

See accompanying notes to the financial statements

**RETIREMENT PLAN FOR EMPLOYEES
OF HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024**

	Pension Trust Fund - Retirement Plan	Custodial Fund - Area Emission Reduction Credit Organization
ASSETS		
Cash	\$ -	\$ 955,220
Investments- at fair value:		
Mutual funds	51,369,695	-
Money market funds	3,762,773	-
Total investments, at fair value	<u>55,132,468</u>	<u>-</u>
Receivables:		
Notes receivables from participants	987,022	-
Total receivables	<u>987,022</u>	<u>-</u>
Total assets	<u>56,119,490</u>	<u>955,220</u>
LIABILITIES		
Due to other government	-	7,079
Total liabilities	<u>-</u>	<u>7,079</u>
NET POSITION RESTRICTED FOR:		
Pension	<u>56,119,490</u>	
Individual, organizations and other governments		948,141
Total net position	<u>\$ 56,119,490</u>	<u>\$ 948,141</u>

See accompanying notes to financial statements

**RETIREMENT PLAN FOR EMPLOYEES
OF HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2024**

	<u>Pension Trust Retirement Plan</u>	<u>Custodial Fund Area Emission Reduction Credit Organization</u>
Additions:		
Investment Income		
Net decrease in fair value of investments	\$ 5,651,436	\$ -
Dividends	2,268,479	-
Interest	-	17,006
	<u>7,919,915</u>	<u>17,006</u>
Net Investment Income		
	<u>7,919,915</u>	<u>17,006</u>
Contributions		
Employer	1,851,498	-
Participants	2,175,819	-
State SEP Fund	-	293,467
	<u>4,027,317</u>	<u>293,467</u>
Total contributions		
	<u>4,027,317</u>	<u>293,467</u>
Total Additions		
	<u>11,947,232</u>	<u>310,473</u>
Deductions:		
Benefit paid to participants	5,822,291	-
Investment expenses	2,440	-
Federal SEP Expenses	-	3,710
	<u>5,824,731</u>	<u>3,710</u>
Total deductions		
	<u>5,824,731</u>	<u>3,710</u>
Change in net position	6,122,501	306,763
Net Position, Beginning of Year	<u>49,996,989</u>	<u>648,629</u>
Net Position, End of Year	<u>\$ 56,119,490</u>	<u>\$ 955,392</u>

See accompanying notes to financial statements.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 37-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 Governmental Accounting Standards Board (“GASB”) Statement Nos. 14, 39, 61 and 80. 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 Units:

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, H-GAC’s Board of Directors established the Gulf Coast 9-1-1 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 H-GAC’s Board of Directors. The District is a political subdivision of the State of Texas and carries out essential governmental functions by providing high quality 9-1-1 emergency communications services to the eight 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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

District is reported as a Special Revenue Fund. Neither of these component units issue separate financial statements.

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 H-GAC's 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 H-GAC's 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 board is comprised of county government and city government appointees as well as private sector appointees nominated by H-GAC. 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 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. None of the component units issue separate financial statements.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Fiduciary Component Unit: H-GAC 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. Separate financial statements are not issued for the Plan.

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 interfund activity, and report information on all the non-fiduciary activities of the primary government. Interfund services provided and used are not eliminated in the process of consolidation. In June 2022, the GASB issued Statement No.101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized for leave that is attributable to services rendered, accumulates over time, and is more likely than not to be used or paid. Leave that is attributable to services rendered already happens when an employee has already performed the services required to earn the leave. Accumulation of leave is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid. In estimating leave that is more likely than not to be used for time off or otherwise paid, H-GAC will consider factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits are not included in the liability.

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 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, deferred inflows of resources, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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.

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 H-GAC. The Corporation's bylaws restrict the use of these funds.

The Gulf Coast 9-1-1 Regional 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.

H-GAC reports the following major enterprise fund:

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 retirement plan for H-GAC employees. The AERCO promotes the coexistence of air quality improvement and economic development within H-GAC's 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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 year. 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.

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:

Nonspendable: 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. Nonspendable 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 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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by H-GAC'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 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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 assets that applies to future periods 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 assets that applies to future periods, and so will not be recognized as an inflow of resources (revenue) until that time.

Capital Assets and Long-Term Liabilities - Capital assets, which include furniture, fixtures, equipment, and right-to-use assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by H-GAC 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 using the straight-line method.

H-GAC has also entered into long-term leases for building space and has subleased a portion of that space to a grantor partner. The lease assets, consistent with GASB 87, are amortized over the life of the lease using the effective interest 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. H-GAC implemented GASB 101 in 2024, which adds accumulated sick leave as a liability. The Council determined its estimated leave liability based on the accumulated sick leave that is more likely than not to be used as time off. Sick leave has a maximum accrual of 480 hours at the end of 2024. All vacation pays a maximum of 256 hours is accrued when incurred in the government-wide and proprietary fund financial statements. 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 and accrued sick, annual requirements to amortize such obligations are not determinable and have not been presented. The salary-related payments have also been accrued with the vacation and sick leave liabilities.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Vacation:

Balance			Balance	Due Within	Due Beyond
<u>12/31/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2024</u>	<u>One Year</u>	<u>One Year</u>
\$ 1,897,832	\$ 1,714,558	\$ 1,653,032	\$ 1,959,358	\$ 1,653,032	\$ 306,326

Sick:

Balance			Balance	Due Within	Due Beyond
<u>12/31/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2024</u>	<u>One Year</u>	<u>One Year</u>
\$ 1,910,695	\$ 1,044,872	\$ 810,593	\$ 2,144,974	\$ 810,593	\$ 1,334,380

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 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,

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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. H-GAC participates in investment pools which are not subject to fair value measurements and also invests funds in certificates of deposit.

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

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, H-GAC 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. H-GAC 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 H-GAC 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 H-GAC. H-GAC must approve all collateral securities pledged and must approve in writing any changes to the pledged collateral securities.

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

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

Obligations of the United States or its agencies and instrumentalities.

Direct obligations of the State of Texas or its agencies.

Other obligations, the principal of which are unconditionally guaranteed or insured by the State of Texas or the United States.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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.

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.

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.

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.

Time deposits in H-GAC's depositories.

Investment pools created to function as money market funds must mark-to-market daily and maintain a fair 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.

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.

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, 2024

Deposit and Investment Amounts:

The following schedule presents H-GAC'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	\$20,767,138	\$9,303,738	\$0	\$0	\$30,070,876
Grant Fund	1,319,410	-	-	-	1,319,410
Corporation for Regional Excellence	479,764	-	516,092	-	995,856
Gulf Coast 9-1-1 Regional District	8,573,566	-	5,217,458	-	13,791,024
Total Governmental Funds	31,139,878	9,303,738	5,733,550	-	46,177,166
Fiduciary Funds	-	3,762,773	-	51,369,695	55,132,468
Pension Trust	-	-	-	-	-
Custodial Fund	955,220	-	-	-	955,220
Total Fiduciary Funds	955,220	3,762,773	-	51,369,695	56,087,688
Discretely Presented Component Units:					
Energy Purchasing Corporation	454,930	-	-	-	454,930
Gulf Coast Economic Dev Corp	736,633	-	-	-	736,633
Local Development Corporation	1,052,677	-	336,255	-	1,388,932
Total Component Units	2,244,240	-	336,255	-	2,580,495
Total Reporting Entity	\$34,339,338	\$13,066,511	\$6,069,805	\$51,369,695	\$104,845,349

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:

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

	<u>Amount</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
General Fund	\$9,303,738	10	AAA
Fiduciary Fund - Pension Trust	\$56,119,490	39	AAA
Regional Excellence Corporation	\$516,092	93	AAA
Gulf Coast 911 District	\$5,217,458	93	AAA
Local Development Corporation	\$336,255	93	AAA

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, H-GAC's deposits may not be returned to it. As of December 31, 2024, H-GAC's deposit balance of \$47,405,849 was fully collateralized with securities held by the pledging financial institution in H-GAC'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.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The following is a summary of interfund receivables and payables as of December 31, 2024:

	<u>Due from other fund</u>	<u>Due to other fund</u>
General Fund	\$ 20,501,191	\$ 17,516,995
Grant Fund	-	3,892,424
Gulf Coast 911 Regional District	-	280,193
Cooperative Purchasing Fund	1,188,421	-
Total	<u>\$ 21,689,612</u>	<u>\$ 21,689,612</u>

The following is a summary of interfund transfers in and out during the year ended December 31, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$17,672,495	\$ -
Grant Fund	-	18,831
Cooperative Purchasing Fund	-	17,653,664
	<u>\$17,672,495</u>	<u>\$17,672,495</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 are not reflected on the government wide financial statements.

Each year H-GAC's 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:

	General Fund	Grant Fund	Corporation for Regional Excellence	Gulf Coast Regional 911 District	Cooperative Purchasing Fund	Gulf Coast Economic Development Corporation
Due from member government	\$ 90,260	\$ -	\$ -	\$ -	\$ -	\$ -
Data imagery	25,750	-	-	-	-	-
Federal grants receivable	-	738,619	-	-	-	-
State grants receivable	-	23,094,254	14,215	69,716	-	-
Notes receivable	-	126,980	-	-	-	4,263,078
Lease receivable	791,480	-	-	-	-	-
Due from customers	-	-	-	-	2,211,594	-
Due from component units	178,873	-	-	-	-	-
Other receivable	663,940	2,815,428	-	-	-	16,097
Gross Receivables	1,750,303	26,775,281	14,215	69,716	2,211,594	4,279,175
Less: Allowance for uncollected accounts	-	-	-	-	-	-
Receivables, Net	\$ 1,750,303	\$ 26,775,281	\$ 14,215	\$ 69,716	\$ 2,211,594	\$ 4,279,175

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.

The Houston-Galveston Area Council implemented GASB 87 – *Lease Assets*, effective January 1, 2022. Lease assets are initially recorded at the initial measurement of the lease liability plus lease payments made at or before the commencement of the lease term. Lease assets are amortized on a straight-line basis over the lease term.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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

	<u>Balance</u> <u>1-Jan-24</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>31-Dec-24</u>
Governmental activities:				
Furniture, fixtures, and equipment	\$ 4,704,247	\$ 496,094	\$ -	\$ 5,200,341
Less accumulated depreciation	(2,031,714)	(643,232)	-	(2,674,946)
Lease assets - buildings	12,970,842	-	-	12,970,842
Less accumulated amortization	(3,352,298)	(1,469,911)	-	(4,822,209)
Total Governmental Activities	\$ 12,291,077	\$ (1,617,049)	\$ -	\$ 10,674,028

As of December 31, 2023, the balance of lease assets under business activities had decreased to zero, resulting in a zero-opening balance for 2024. No new lease assets have been recognized during the current reporting period.

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

Governmental Activities –

General government	\$ 37,358
Workforce programs	229,501
Transportation	193,531
Community and environmental	49,500
Criminal justice & homeland security	61,318
Aging services	<u>72,024</u>
Total	<u>\$ 643,232</u>

Governmental Activities –

General government	\$ 311,093
Workforce programs	567,902
Transportation	305,654
Community and environmental	68,212
Criminal justice & homeland security	28,769
Aging services	<u>188,281</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Total	\$ 1,469,911
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7. UNEARNED REVENUE

As of December 31, 2024, unearned revenue was comprised of the following:

General Fund:	\$ 32,261
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Gulf Coast 911 Regional District:	\$ 3,307,760
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Grant Fund:

Solid Waste	\$ 967,664
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C&E/Local Contracts	148,546
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Transportation/Local Contracts	546,614
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Homeland Security/Criminal Justice Program	175,028
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Aging Program	2,603
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Human Services Local Program	780,406
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Total Grant Funds	\$ 2,620,861
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Enterprise Fund:

Cooperative Purchasing	\$ 215,869
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The General Fund had unearned revenue of \$32,261 in 2024. The unearned revenue includes the remaining 9-1-1 equipment grant matching funds of \$32,261 that will be used to match the equipment grant in 2025. The Gulf Coast 911 Regional District includes \$3,307,760 received as a part of Gulf Coast Regional 9-1-1 ECD Proposition 8 funding.

During 2024, the Cooperative Purchasing enterprise fund received remittance from participants in advance of performing services. These remittances, totaling \$215,869, 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 \$967,664 for this program. In addition, H-GAC received local matching funds to aid in Community and Environmental programs. At year end, the matching funds totaled \$148,546.

H-GAC received revenues in excess of expenditures of \$175,028 in both homeland security planning and criminal justice planning. This access fund is to aid in developing the required Homeland Security and criminal justice plan for Harris County and the other surrounding jurisdictions.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

H-GAC receives matching participating funds from various local agencies to aid in Transportation planning, Workforce programs, and Aging programs. At year end, the matching funds totaled \$546,614, \$780,406, and \$2,603 respectively.

8. LEASES

On March 29, 2022, H-GAC, as lessee, amended its long-term lease for approximately 78,000 square feet of office space at its primary office location. The terms of the lease include a square footage cost and an escalation clause of approximately 2% per year beginning on February 1, 2022, and expiring on January 31, 2030. The lease also included an option to terminate leasing approximately 12,000 square feet located on the third floor of the office space by April 1, 2024. H-GAC's intention was to exercise this option once renovation of the office space was underway.

H-GAC also had a provision to sublease, as lessor, approximately 5,500 square feet of office space to the Texas Workforce Commission and the sublease would run coterminous with the H-GAC lease. The sublease terms provide that lease remittance would be paid at the beginning of each month and escalate at 2% per year until January 31, 2030.

H-GAC, as lessee, also had one lease for satellite office space associated with the Aging program. This lease will expire in February 2025.

Lease Liabilities:

Lease liability activity for the year ended December 31, 2024, was:

	Balance		Balance	Due Within
	<u>01/01/2024</u>	<u>Reductions</u>	<u>12/31/2024</u>	<u>One Year</u>
Main Office	\$9,608,812	\$(1,461,575)	\$8,147,237	\$1,507,361
Satellite Office1	\$0	\$0	\$0	\$0
Satellite Office2	<u>\$9,732</u>	<u>\$(8,335)</u>	<u>\$1,397</u>	<u>\$1,397</u>
Total	\$9,618,544	\$(1,469,910)	\$8,148,634	\$1,508,758

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The following is a schedule by year of payments under the lease as of December 31, 2024:

<u>Year Ending</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$1,508,760	\$82,047	\$1,590,807
2026	1,553,655	63,809	1,617,464
2027	1,600,459	47,908	1,648,367
2028	1,647,782	30,065	1,677,847
2029	1,695,627	11,698	1,707,325
2030	142,351	130	142,481
	<u>\$8,148,634</u>	<u>\$235,657</u>	<u>\$8,384,291</u>

Lease Receivable:

H-GAC's lessor agreement expires January 31, 2030. The lease receivable is reduced by the principal payments made over the lease term. The related deferred inflow or resources is amortized on a straight line basis.

Revenue recognized under the lease agreement during the year ended December 31, 2024, was \$151,768, which includes both lease revenue and interest.

Lease receivable activity for the year ended December 31, 2024, was:

	<u>1/01/2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/2024</u>
Lease receivable	\$ 933,693	\$ -	\$ 142,212	\$ 791,481

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The following is a schedule by year of payments under the lease as of December 31, 2024:

<u>Year Ending</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$146,587	\$7,970	\$154,557
2026	151,011	6,335	157,346
2027	155,484	4,652	160,136
2028	160,006	2,918	162,924
2029	164,578	1,135	165,713
2030	13,814	15	13,829
	<u>\$791,480</u>	<u>\$23,025</u>	<u>\$814,505</u>

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, immediately implemented upon hire. Membership in the Plan as of December 31, 2024, was 336 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 1 year of service and become fully vested after 5 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, 2024, totaled \$129,354. H-GAC’s Board of Directors is responsible and has authority to amend the Plan provisions and contributions requirements.

H-GAC’s total payroll in 2024 was \$24,946,868. Retirement plan contributions were calculated using the gross salary amount for covered employees. H-GAC and its employees

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

made contributions in 2024 of \$1,851,498 and \$2,175,819, respectively. Investments in the retirement plan are stated at fair value, based upon quoted market prices of the various mutual funds in which the funds are invested. H-GAC had no liability to the plan as of December 31, 2024.

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

Required Matching Funds – H-GAC’s management is of the opinion that local (general fund) cash on hand and funds to be received in 2024 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 year 2024 and did not have any instances in which settlements exceeded insurance coverage in any of the past three years.

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.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

11. RESTATEMENT OF NET POSITION - IMPLEMENTATION OF GASB NO 101

During 2024, H-GAC implemented GASB No. 101 Compensated Absences. As required, the beginning net position was adjusted for the balance of compensated absences as of December 31, 2023. The following reflects the original beginning net position, the restatement, and the adjusted net position after implementation of GASB No. 101.

Beginning Net Position: \$23,824,006

Adjustment for GASB No 101: \$1,910,695

Beginning Net Position, Restated: \$21,913,311

12. SIGNIFICANT ECONOMIC EVENTS

H-GAC's primary source of revenue is through grant and contractual agreements with federal and state partners. Consequently, economic, political, or environmental factors that would affect the local or national grant funding such as natural disasters, inflation, unemployment, or geo-political unrest could impact the flow of resources to H-GAC.

HOUSTON-GALVESTON AREA COUNCIL
SUPPLEMENTARY SCHEDULE OF INDIRECT COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Percentage</u>
PERSONNEL			
Indirect salaries	\$ 2,521,096	\$ 2,486,629	58.02 %
Employee benefits	1,166,511	1,150,563	26.85
	<u>3,687,607</u>	<u>3,637,192</u>	<u>84.87</u>
CONSULTANT AND CONTRACT SERVICES			
Consultant	15,212	85,000	0.35
Accounting and auditing	110,003	64,000	2.53
Other contract services	88,390	2,000	2.03
Legal Services	1,545	5,000	0.04
	<u>215,150</u>	<u>156,000</u>	<u>4.95</u>
EQUIPMENT			
Purchase, lease, rental or maintenance office furniture, fixtures and equipment	32,289	23,500	0.74
Depreciation	580,265	620,000	13.35
	<u>612,554</u>	<u>643,500</u>	<u>14.09</u>
LEASE OF OFFICE SPACE	<u>130,531</u>	<u>120,347</u>	<u>3.00</u>
TRAVEL	<u>79,531</u>	<u>109,900</u>	<u>1.83</u>
OTHER			
Consumable supplies	3,417	9,207	0.08
Software and Database	221,145	83,500	5.09
Communications	5,550	2,300	0.13
Postage	2,562	5,000	0.06
Subscriptions & memberships	98,835	168,340	2.27
Miscellaneous	157,481	111,400	3.62
	<u>488,990</u>	<u>379,747</u>	<u>11.25</u>
Indirect Carryforward	(869,308)	-	(20.01)
TOTAL INDIRECT COSTS (A)	<u>\$ 4,345,055</u>	<u>\$ 5,046,686</u>	<u>100.0 %</u>
BASIS FOR ALLOCATION OF INDIRECT COSTS			
Chargeable salaries	\$ 24,624,736	\$ 28,371,065	
Employee benefits	12,126,975	13,127,292	
	<u>36,751,711</u>	<u>41,498,357</u>	
Less indirect salaries and Employee benefits	<u>(3,687,607)</u>	<u>(3,623,120)</u>	
TOTAL DIRECT SALARIES AND RELATED EMPLOYEE BENEFITS (B)	<u>\$ 33,064,104</u>	<u>\$ 37,875,237</u>	
ACTUAL INDIRECT COST RATE (A/B)	<u>13.14%</u>	<u>13.32%</u>	

HOUSTON-GALVESTON AREA COUNCIL
SUPPLEMENTARY SCHEDULE OF H-GAC EMPLOYEE BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Amount</u>	<u>Percentage</u>
RELEASED TIME TAKEN AND ACCRUED:		
Vacation	\$ 1,653,032	13.63 %
Holidays	1,879,544	15.50
Sick leave	810,593	6.68
Other	383,185	3.16
	<u>4,726,354</u>	<u>38.97</u>
BENEFIT PROGRAMS:		
Payroll taxes	2,681,886	22.12
Retirement plan	1,950,362	16.08
Insurance	3,348,940	27.62
Other benefits	86,285	0.71
	<u>8,067,473</u>	<u>66.53</u>
Benefit carryforward	<u>(666,852)</u>	<u>(5.50)</u>
TOTAL EMPLOYEE BENEFITS (A)	<u>\$ 12,126,975</u>	<u>100.00 %</u>
BASIS FOR ALLOCATION OF EMPLOYEE BENEFITS:		
Gross Salaries	\$ 29,351,090	
Less released time	<u>(4,726,354)</u>	
CHARGEABLE SALARIES (B)	<u>\$ 24,624,736</u>	
EMPLOYEE BENEFIT RATE (A/B)	<u>49.25 %</u>	

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STATISTICAL SECTION



SERVING TODAY ■ PLANNING FOR TOMORROW

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities										
Net Investment in Capital Assets	\$ 1,876,144	\$ 1,487,231	\$ 1,101,084	\$ 778,299	\$ 516,661	\$ 642,591	\$ 640,176	\$ 576,388	\$ 2,672,533	\$ 2,525,395
Restricted	8,032,742	7,907,727	8,482,762	8,323,514	5,673,848	5,886,299	7,391,721	8,212,600	10,431,369	12,013,987
Unrestricted	8,354,323	8,780,986	9,002,170	9,453,392	10,235,011	10,025,656	10,045,342	10,596,369	10,720,104	27,816,644
Total governmental activities net position	\$ 18,263,209	18,175,944	18,586,016	18,555,205	16,425,520	16,554,546	18,077,239	19,385,357	23,824,006	42,356,026
Business-type activities										
Net Investment in Capital Assets	\$ 860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,104,373	12,834,141	15,045,379	16,233,015	17,943,565	19,508,075	20,617,089	20,627,819	19,644,630	3,098,907
Total business-type activities net position	\$ 12,105,233	\$ 12,834,141	\$ 15,045,379	\$ 16,233,015	\$ 17,943,565	\$ 19,508,075	\$ 20,617,089	\$ 20,627,819	\$ 19,644,630	\$ 3,098,907
Primary government										
Net Investment in Capital Assets	\$ 1,877,004	\$ 1,487,231	\$ 1,101,084	\$ 778,299	\$ 516,661	\$ 642,591	\$ 640,176	\$ 576,388	\$ 2,672,533	\$ 2,525,395
Restricted	8,032,742	7,907,727	8,482,762	8,323,514	5,673,848	5,886,299	7,391,721	8,212,600	10,431,369	12,013,987
Unrestricted	20,458,696	21,615,127	24,047,549	25,686,407	28,178,577	29,533,732	30,662,432	31,224,189	30,364,734	30,915,551
Total primary government net position	\$ 30,368,442	\$ 31,010,085	\$ 33,631,395	\$ 34,788,220	\$ 34,369,086	\$ 36,062,622	\$ 38,694,329	\$ 40,013,177	\$ 43,468,636	\$ 45,454,933

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Expenses										
Governmental activities:										
General government	\$ 1,121,364	\$ 4,487,704	\$ 5,579,938	\$ 6,024,453	\$ 4,025,538	\$ 6,168,140	\$ 4,308,285	\$ 6,374,865	\$ 10,582,420	\$ 9,109,882
Workforce programs	205,095,889	209,009,097	232,028,757	273,118,245	290,533,452	343,589,322	315,983,569	399,963,724	391,927,332	467,193,475
Transportation	31,200,061	40,668,632	28,150,854	22,502,463	28,754,072	22,158,714	26,465,214	25,540,331	25,956,230	26,099,294
Community and environmental	23,021,245	10,732,671	13,305,656	16,158,934	10,243,469	3,085,645	3,601,922	3,250,683	3,536,884	3,370,035
Criminal justice	943,741	847,184	1,356,078	1,232,945	1,300,069	1,262,965	2,262,353	2,547,413	1,620,178	2,381,867
Emergency communications	4,632,362	931,365	-	-	-	-	-	-	-	-
Aging services	9,886,838	11,124,787	10,521,725	11,131,671	9,939,800	9,801,337	9,250,935	11,685,445	13,727,943	15,647,213
Interest Expense	-	-	-	-	-	-	-	-	-	98,355
Total governmental activities expenses	275,901,500	277,801,440	290,943,008	330,168,711	344,796,400	386,066,123	361,872,278	449,362,461	447,350,987	523,900,121
Business-type activities:										
Cooperative purchasing	3,492,923	3,540,827	3,490,530	3,535,809	4,091,859	4,207,362	4,232,106	4,289,871	4,553,521	5,180,275
Total business-type activities expenses	3,492,923	3,540,827	3,490,530	3,535,809	4,091,859	4,207,362	4,232,106	4,289,871	4,553,521	5,180,275
Total primary government expenses	<u>\$ 279,394,423</u>	<u>\$ 281,342,267</u>	<u>\$ 294,433,538</u>	<u>\$ 333,704,520</u>	<u>\$ 348,888,259</u>	<u>\$ 390,273,485</u>	<u>\$ 366,104,384</u>	<u>\$ 453,652,332</u>	<u>\$ 451,904,508</u>	<u>\$ 529,080,396</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Membership dues	388,039	394,258	395,539	299,061	392,963	390,791	395,539	469,619	462,337	462,937
Interlocal contracts	767,454	785,108	1,272,045	729,253	739,106	1,823,110	976,397	1,433,158	3,600,430	2,702,438
Data services and imaging	211,625	651,490	411,575	1,528,519	319,242	784,700	219,886	1,143,201	174,100	2,308,350
Operating grants and contributions	274,844,685	275,703,821	288,363,857	326,678,493	340,689,957	382,754,536	361,409,325	446,336,145	442,187,163	518,089,970
Total governmental activities program revenues	276,211,803	277,534,677	290,443,016	329,235,326	342,141,268	385,753,137	363,001,147	449,382,123	446,424,030	523,563,695
Business-type activities:										
Charges for services:										
Cooperative purchasing	5,767,362	4,269,735	5,801,768	4,898,445	6,002,409	5,871,872	5,541,120	4,675,601	5,570,332	6,288,216
Total business-type activities program revenues	5,767,362	4,269,735	5,801,768	4,898,445	6,002,409	5,871,872	5,541,120	4,675,601	5,570,332	6,288,216
Total primary government program revenues	<u>\$ 281,979,165</u>	<u>\$ 281,804,412</u>	<u>\$ 296,244,784</u>	<u>\$ 334,133,771</u>	<u>\$ 348,143,677</u>	<u>\$ 391,625,009</u>	<u>\$ 368,542,267</u>	<u>\$ 454,057,724</u>	<u>\$ 451,994,362</u>	<u>\$ 529,851,911</u>
Net (Expense)/Revenue										
Governmental activities	310,302	(266,764)	(499,993)	(933,385)	(2,655,134)	(312,988)	1,128,867	19,660	(926,959)	(336,426)
Business-type activities	2,274,439	728,908	2,311,238	1,362,636	1,910,550	1,664,510	1,309,014	385,730	1,016,811	1,107,941
Total primary government net expense	<u>\$ 2,584,741</u>	<u>\$ 462,144</u>	<u>\$ 1,811,245</u>	<u>\$ 429,251</u>	<u>\$ (744,582)</u>	<u>\$ 1,351,524</u>	<u>\$ 2,437,883</u>	<u>\$ 405,392</u>	<u>\$ 89,852</u>	<u>\$ 771,515</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Interest income	22,290	14,189	58,491	331,766	380,613	44,289	3,803	140,208	822,603	1,502,272
Miscellaneous	364,809	165,314	751,573	395,808	(55,164)	297,724	190,021	773,249	2,543,005	1,623,205
Transfers in	-	-	100,000	175,000	200,000	100,000	200,000	375,000	2,000,000	17,653,664
Total governmental activities	\$ 387,099	\$ 179,503	\$ 910,064	\$ 902,574	\$ 525,449	\$ 442,013	\$ 393,824	\$ 1,288,457	\$ 5,365,608	\$ 20,779,141
Business-type activities:										
Transfers out	-	-	(100,000)	(175,000)	(200,000)	(100,000)	(200,000)	(375,000)	(2,000,000)	(17,653,664)
Total Business-type activities	\$ -	\$ -	\$ (100,000)	\$ (175,000)	\$ (200,000)	\$ (100,000)	\$ (200,000)	\$ (375,000)	\$ (2,000,000)	\$ (17,653,664)
Change in Net Position										
Governmental activities	\$ 697,398	\$ (87,264)	\$ 410,072	\$ (30,811)	\$ (2,129,685)	\$ 129,025	\$ 1,522,691	\$ 1,308,118	\$ 4,438,649	\$ 20,442,715
Business-type activities	2,274,439	728,908	2,211,238	1,187,636	1,710,550	1,564,510	1,109,014	10,730	(983,189)	(16,545,723)
Total primary government	<u>\$ 2,971,837</u>	<u>\$ 641,644</u>	<u>\$ 2,621,310</u>	<u>\$ 1,156,825</u>	<u>\$ (419,135)</u>	<u>\$ 1,693,535</u>	<u>\$ 2,631,705</u>	<u>\$ 1,318,848</u>	<u>\$ 3,455,460</u>	<u>\$ 3,896,992</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Nonspendable	\$ 48,145	\$ 206,721	\$ 184,145	\$ 210,135	\$ 386,567	\$ 757,570	\$ 1,212,034	\$ 906,649	\$ 1,043,825	\$ 858,272
Unassigned	9,152,946	9,165,337	9,744,138	10,227,449	10,854,033	10,653,005	10,291,741	11,248,943	11,574,111	31,062,713
Total general fund	<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>	<u>\$ 11,503,775</u>	<u>\$ 12,155,592</u>	<u>\$ 12,617,936</u>	<u>\$ 31,920,985</u>
All Other Governmental Funds										
Restricted for:										
EPA RLF Program	\$ 7,833,463	\$ 7,486,709	\$ 7,121,000	\$ 6,393,395	\$ 2,810,842	\$ 1,846,304	\$ 1,656,629	\$ 1,406,844	\$ 1,159,791	\$ 731,132
Regional Excellence Corporation	199,279	421,018	354,000	280,011	317,388	507,478	698,439	791,606	1,006,757	1,010,071
Gulf Coast 911 Regional District	-	300,418	1,007,662	1,650,108	2,545,618	3,532,517	5,036,653	6,014,150	8,264,821	10,272,784
Total all other governmental funds	<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>	<u>\$ 7,391,721</u>	<u>\$ 8,212,600</u>	<u>\$ 10,431,369</u>	<u>\$ 12,013,987</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues										
Interest income	\$ 22,290	\$ 14,189	\$ 58,491	\$ 331,766	\$ 380,613	\$ 44,289	\$ 3,803	\$ 140,208	\$ 822,604	\$ 1,502,272
Membership dues	388,039	394,258	395,539	299,061	392,963	390,791	395,539	469,619	462,337	462,937
Interlocal contracts	767,454	785,108	1,272,045	729,253	739,106	1,823,110	976,397	1,433,158	3,600,430	2,702,438
Data services and imaging	211,625	651,490	411,575	1,528,519	319,242	784,700	219,886	1,143,201	174,100	2,308,350
Miscellaneous income	364,809	165,314	751,567	395,808	(55,164)	297,724	190,021	773,249	2,543,005	1,623,205
Operating grants and contributions	274,844,685	275,703,821	288,363,857	326,678,493	340,689,957	382,754,536	361,409,325	446,336,145	442,187,163	518,089,969
Total revenues	<u>\$ 276,598,902</u>	<u>\$ 277,714,180</u>	<u>\$ 291,253,074</u>	<u>\$ 329,962,900</u>	<u>\$ 342,466,717</u>	<u>\$ 386,095,150</u>	<u>\$ 363,194,971</u>	<u>\$ 450,295,580</u>	<u>\$ 449,789,639</u>	<u>\$ 526,689,171</u>
Expenditures										
General government	1,063,628	1,838,703	2,537,247	2,851,528	1,313,448	2,962,868	1,513,063	3,300,092	7,758,917	4,904,149
Workforce programs	204,963,753	208,854,509	231,869,701	272,976,282	290,426,917	343,536,794	315,951,055	399,916,748	391,864,225	466,729,692
Transportation	31,030,647	40,491,639	28,064,068	22,335,672	28,590,540	22,084,110	26,419,759	25,477,201	25,892,610	25,905,763
Community and environmental	22,958,676	10,680,269	13,253,886	16,173,588	10,196,684	3,063,491	3,586,298	3,234,724	3,515,286	3,320,535
Criminal justice	909,063	815,491	1,319,500	1,187,393	1,391,343	1,195,598	2,202,056	2,490,964	1,566,591	2,320,550
Emergency communications	4,613,624	928,918	-	-	-	-	-	-	-	-
Aging services	9,839,561	11,069,901	10,477,138	11,088,653	9,896,468	9,780,103	9,237,891	11,666,486	13,708,485	15,575,189
Regional excellence corporation	49,271	62,842	122,317	145,893	13,311	56,711	1,552	660	10,703	21,659
Gulf Coast 911 Emergency District	-	2,503,579	2,841,896	2,932,655	2,639,589	2,803,990	2,659,637	2,961,955	2,460,830	2,615,272
Debt service:										
Principal	15,880	26,286	34,993	40,119	23,252	31,420	31,447	31,447	-	1,469,911
Interest	2,727	2,079	1,486	859	213	-	-	-	-	98,355
Capital outlay	612,320	93,594	41,746	55,206	21,602	400,125	216,889	117,619	2,330,884	496,094
Total expenditures	<u>276,059,150</u>	<u>277,367,810</u>	<u>290,563,978</u>	<u>329,787,848</u>	<u>344,513,367</u>	<u>385,915,210</u>	<u>361,819,647</u>	<u>449,197,896</u>	<u>449,108,531</u>	<u>523,457,169</u>
Excess of revenues over (under) expenditures	539,752	346,371	689,097	175,052	(2,046,650)	179,940	1,375,324	1,097,684	681,109	3,232,003
Other Financing Sources (Uses)										
Leases	45,169	-	41,746	-	-	-	23,298	-	-	-
Transfers in	-	-	100,000	175,000	200,000	100,000	200,000	375,013	2,000,000	17,653,664
Total other financing sources (uses)	<u>45,169</u>	<u>-</u>	<u>141,746</u>	<u>175,000</u>	<u>200,000</u>	<u>100,000</u>	<u>223,298</u>	<u>375,013</u>	<u>2,000,000</u>	<u>17,653,664</u>
Net change in fund balances	\$ 584,921	\$ 346,371	\$ 830,843	\$ 350,052	\$ (1,846,650)	\$ 279,940	\$ 1,598,622	\$ 1,472,697	\$ 2,681,109	\$ 20,885,667
Debt service as a percentage of noncapital expenditures	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.30%

Houston-Galveston Area Council
Schedule of Outstanding Debt
Last Ten Years
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Compensated absences	\$ 846,768	\$ 891,488	\$ 926,113	\$ 984,192	\$ 1,005,588	\$ 1,333,676	\$ 1,458,434	\$ 1,559,223	\$ 1,897,832	\$ 4,104,341
Lease obligation	88,706	62,420	69,169	29,050	5,798	76,866	68,717	-	-	-
Lease Asset Liability	-	-	-	-	-	-	-	11,253,893	9,618,544	8,148,633
Total Debt	\$ 935,474	\$ 953,908	\$ 995,282	\$ 1,013,242	\$ 1,011,386	\$ 1,410,542	\$ 1,527,151	\$ 12,813,116	\$ 11,516,376	\$ 12,252,974

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

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Executive										
Executive Director	4	4	4	4	5	7	7	9	5	4
Internal Audit	4	4	4	4	4	5	5	5	6	6
Outreach & Government Affairs									17	17
Finance Administration										
Finance & Accounting	13	15	14	14	16	16	17	18	19	19
Facilities Management	8	7	8	5	5	5	5	5	4	4
Human Resources				2	4	4	4	5	8	8
Program Services										
Chief Operating Officer*	3	3	8	6			0	1	0	
Community and Environmental Planning	36	38.5	30	33	34	31	31	26	27	26
Data Services	20	23.5	23	22	20	22	23	22	22	21
Data Analytics & Research								25	26	26
Human Services	53.5	68.5	63	63	73	76	81	98	110	108
Public Services	28	30	29	37	38	42	42	41	34	34
Transportation	57	59	51	62	63	60	59	47	39	39
Procurement & Contracts									9	9
Total										
	226.5	252.5	234	252	262	268	274	302	326	321

Source: H-GAC

*COO should not be considered a program service. All COO reports are included in the departments they operate

Ten Largest Non-Governmental Houston Area Employers

Rank	2015		2016		2017		2018		2019	
	Company	Employees - 2015	Company	Employees - 2016	Company	Employees - 2017	Company	Employees - 2018	Company	Employees - 2019
1	Walmart	32,000	Walmart	37,000	Walmart	33,500	Walmart	34,000	Walmart	31,000
2	H-E-B	21,471	Memorial Hermann Health System	24,108	Memorial Hermann Health System	26,062	H-E-B	26,956	Memorial Hermann Health System	27,211
3	The University of Texas MD Anderson Cancer Center	20,357	H-E-B	23,732	H-E-B	24,437	Memorial Hermann Health System	26,011	H-E-B	26,956
4	Memorial Hermann	20,055	The University of Texas MD Anderson Cancer Center	21,086	Houston Methodist	21,195	Houston Methodist	22,247	Houston Methodist	23,669
5	The Methodist Hospital System	16,961	McDonald's Corp	20,918	The University of Texas MD Anderson Cancer Center	20,778	The University of Texas MD Anderson Cancer Center	20,189	The University of Texas MD Anderson Cancer Center	21,001
6	Kroger Co.	15,216	Houston Methodist	20,000	Kroger	16,643	Kroger	17,188	McDonald's	16,100
7	United Airlines	15,108	Kroger	16,000	McDonald's	16,545	McDonald's	16,100	Kroger	15,902
8	Exxon Mobil Corp.	12,814	United Airlines	14,941	United Airlines	14,200	United Airlines	14,084	ExxonMobil Corp.	15,000
9	Schlumberger	12,207	Schlumberger	12,069	ExxonMobil Corp.	14,000	Texas Children's Hospital	13,445	Texas Children's Hospital	15,000
10	National Oilwell Varco	11,563	Shell Oil Co.	11,507	Texas Children's Hospital	12,545	ExxonMobil Corp.	13,000	United Airlines	13,904

Sources: Houston Chronicle, 2022
<https://www.houstonchronicle.com/projects/2022/chronicle-100-top-employers/>

Note: Latest data is from 2022

Ten Largest Non-Governmental Houston Area Employers (continued)

2020		2021		2022	
Company	Employees - 2020	Company	Employees - 2021	Company	Employees - 2022
H-E-B	31,780	H-E-B	38,554	Walmart	34,000
Walmart	31,000	Walmart	32,000	H-E-B	32,653
Memorial Hermann Health System	28,770	Memorial Hermann Health System	27,717	Memorial Hermann Health System	29,130
Houston Methodist	25,844	Houston Methodist	26,540	Houston Methodist	28,304
The University of Texas MD Anderson Cancer Center	22,499	The University of Texas MD Anderson Cancer Center	21,946	The University of Texas MD Anderson Cancer Center	22,088
HCA Houston Healthcare	16,427	Amazon	16,000	Amazon	20,000
Kroger Co.	16,000	Kroger Co.	15,750	Kroger	15,000
ExxonMobil	15,818	HCA Houston Healthcare	15,065	Texas Children's Hospital	14,378
McDonald's	14,940	ExxonMobil	14,834	HCA Houston Healthcare	12,614
Texas Children's Hospital	13,415	Texas Children's Hospital	13,081	United Airlines	11,834

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	49	Persons per Square Mile	288
County Seat	Bellville	County Seat	Angleton
Population (2023)	31,677	Population (2023)	398,938
Race		Race	
<i>White</i>	19,218	<i>White</i>	165,460
<i>Black</i>	2,716	<i>Black</i>	67,190
<i>Asian</i>	243	<i>Asian</i>	30,728
<i>Hispanic</i>	8,947	<i>Hispanic</i>	127,014
<i>Two or More Races and Other</i>	553	<i>Two or More Races and Other</i>	8,546
Households and Families (2023)		Households and Families (2023)	
Total households	11,841	Total households	124,284
Average Household Size	2.52	Average Household Size	2.87
Average family size	3.00	Average family size	3.47
Vital Statistics		Vital Statistics	
Marriages (2021)	208	Marriages (2021)	1,588
Divorces (2017)	99	Divorces (2017)	1,211
Births (2021)	365	Births (2021)	4,669
Male	176	Male	2,447
Female	189	Female	2,222
Deaths (2022)	378	Deaths (2022)	2,873
Unemployment Rate (02/2025)	3.9	Unemployment Rate (02/2025)	4.5

<u>Chambers County</u>		<u>Colorado County</u>	
Land Area (sq. miles)	599	Land Area (sq. miles)	963
Persons per Square Mile	90	Persons per Square Mile	22
County Seat	Anahuac	County Seat	Columbus
Population (2023)	53,876	Population (2023)	21,117
Race		Race	
<i>White</i>	32,781	<i>White</i>	11,664
<i>Black</i>	4,644	<i>Black</i>	2,368
<i>Asian</i>	757	<i>Asian</i>	134
<i>Hispanic</i>	14,727	<i>Hispanic</i>	6,549
<i>Two or More Races and Other</i>	967	<i>Two or More Races and Other</i>	402
Households and Families (2023)		Households and Families (2023)	
Total households	14,905	Total households	6,999
Average Household Size	3.02	Average Household Size	2.90
Average family size	3.45	Average family size	3.64
Vital Statistics		Vital Statistics	
Marriages (2021)	281	Marriages (2021)	125
Divorces (2017)	135	Divorces (2017)	53
Births (2021)	588	Births (2021)	269
Male	317	Male	138
Female	271	Female	131

COUNTY PROFILES

Deaths (2022)	290	Deaths (2022)	287
Unemployment Rate (02/2025)	4.7	Unemployment Rate (02/2025)	3.9

<u>Fort Bend County</u>		<u>Galveston County</u>	
Land Area (sq. miles)	875	Land Area (sq. miles)	398
Persons per Square Mile	1,048	Persons per Square Mile	909
County Seat	Richmond	County Seat	Galveston
Population (2023)	916,778	Population (2023)	361,744
Race		Race	
<i>White</i>	264,675	<i>White</i>	198,228
<i>Black</i>	199,190	<i>Black</i>	46,014
<i>Asian</i>	205,114	<i>Asian</i>	12,954
<i>Hispanic</i>	226,892	<i>Hispanic</i>	96,707
<i>Two or More Races and Other</i>	20,907	<i>Two or More Races and Other</i>	7,841
Households and Families (2023)		Households and Families (2023)	
Total households	259,106	Total households	131,877
Average Household Size	3.09	Average Household Size	2.59
Average family size	3.50	Average family size	3.21
Vital Statistics		Vital Statistics	
Marriages (2021)	2,509	Marriages (2021)	2,144
Divorces (2017)	1,883	Divorces (2017)	1,180
Births (2021)	9,128	Births (2021)	3,869
Male	4,643	Male	1,991
Female	4,485	Female	1,878
Deaths (2022)	4,561	Deaths (2022)	3,300
Unemployment Rate (02/2025)	4.4	Unemployment Rate (02/2025)	4.4

<u>Harris County</u>		<u>Liberty County</u>	
Land Area (sq. miles)	1,729	Land Area (sq. miles)	1,160
Persons per Square Mile	2,796	Persons per Square Mile	93
County Seat	Houston	County Seat	Liberty
Population (2023)	4,835,125	Population (2023)	108,272
Race		Race	
<i>White</i>	1,305,184	<i>White</i>	51,991
<i>Black</i>	954,859	<i>Black</i>	8,609
<i>Asian</i>	358,948	<i>Asian</i>	692
<i>Hispanic</i>	2,130,515	<i>Hispanic</i>	45,251
<i>Two or More Races and Other</i>	85,619	<i>Two or More Races and Other</i>	1,729
Households and Families (2023)		Households and Families (2023)	
Total households	1,658,503	Total households	27,688
Average Household Size	2.81	Average Household Size	3.02
Average family size	3.55	Average family size	3.74

COUNTY PROFILES

Vital Statistics		Vital Statistics	
Marriages (2021)	17,581	Marriages (2021)	505
Divorces (2017)	10,247	Divorces (2017)	300
Births (2021)	63,132	Births (2021)	1,356
Male	32,228	Male	678
Female	30,904	Female	678
Deaths (2022)	31,359	Deaths (2022)	959
Unemployment Rate (02/2025)	4.5	Unemployment Rate (02/2025)	5.3

<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	681
County Seat	Bay City	County Seat	Conroe
Population (2023)	36,359	Population (2023)	711,354
Race		Race	
<i>White</i>	15,433	<i>White</i>	418,387
<i>Black</i>	3,685	<i>Black</i>	50,371
<i>Asian</i>	629	<i>Asian</i>	25,882
<i>Hispanic</i>	16,024	<i>Hispanic</i>	201,014
<i>Two or More Races and Other</i>	588	<i>Two or More Races and Other</i>	15,700
Households and Families (2023)		Households and Families (2023)	
Total households	13,686	Total households	214,328
Average Household Size	2.63	Average Household Size	2.83
Average family size	3.43	Average family size	3.35
Vital Statistics		Vital Statistics	
Marriages (2021)	150	Marriages (2021)	3,600
Divorces (2017)	66	Divorces (2017)	2,041
Births (2021)	522	Births (2021)	8,063
Male	265	Male	4,112
Female	257	Female	3,951
Deaths (2022)	443	Deaths (2022)	4,875
Unemployment Rate (02/2025)	5.9	Unemployment Rate (02/2025)	4.2

<u>Walker County</u>		<u>Waller County</u>	
Land Area (sq. miles)	787	Land Area (sq. miles)	514
Persons per Square Mile	103	Persons per Square Mile	124
County Seat	Huntsville	County Seat	Hempstead
Population (2023)	81,268	Population (2023)	63,553
Race		Race	
<i>White</i>	43,725	<i>White</i>	24,279
<i>Black</i>	17,610	<i>Black</i>	15,053
<i>Asian</i>	880	<i>Asian</i>	1,443
<i>Hispanic</i>	17,660	<i>Hispanic</i>	21,587
<i>Two or More Races and Other</i>	1,393	<i>Two or More Races and Other</i>	1,191

COUNTY PROFILES

Households and Families (2023)		Households and Families (2023)	
Total households	23,780	Total households	17,286
Average Household Size	2.54	Average Household Size	2.98
Average family size	3.36	Average family size	3.48
Vital Statistics		Vital Statistics	
Marriages (2021)	300	Marriages (2021)	417
Divorces (2017)	210	Divorces (2017)	68
Births (2021)	639	Births (2021)	736
Male	336	Male	374
Female	300	Female	362
Deaths (2022)	682	Deaths (2022)	466
Unemployment Rate (02/2025)	4.4	Unemployment Rate (02/2025)	5.3

<u>Wharton County</u>	
Land Area (sq. miles)	1,090
Persons per Square Mile	38
County Seat	Wharton
Population (2023)	41,739
Race	
<i>White</i>	18,207
<i>Black</i>	5,215
<i>Asian</i>	265
<i>Hispanic</i>	17,674
<i>Two or More Races and Other</i>	378
Households and Families (2023)	
Total households	14,991
Average Household Size	2.74
Average family size	3.45
Vital Statistics	
Marriages (2021)	186
Divorces (2017)	86
Births (2021)	531
Male	287
Female	244
Deaths (2022)	513
Unemployment Rate (02/2025)	4.5

Source: US Census Bureau, 2023
Texas Department of Health, 2021
US Bureau of Labor Statistics, 2025
H-GAC, 2023

Note: Latest marriage data is from 2021
Latest divorce data is from 2017

**HOUSTON-GALVESTON AREA COUNCIL
FOR THE YEAR ENDED DECEMBER 31, 2024**

Total Population 1990-2024																	
Geography	1990	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Austin County	19,832	23,590	28,417	28,612	28,572	28,690	28,975	29,477	29,650	29,729	30,000	30,107	30,167	30,380	31,097	31,677	32,546
Brazoria County	191,707	241,767	313,166	319,214	324,295	329,961	337,632	345,295	353,361	362,261	369,470	374,699	372,031	379,689	388,181	398,938	413,224
Chambers County	20,088	26,031	35,096	35,693	36,497	37,359	38,287	39,025	40,160	41,249	42,128	43,726	46,571	48,865	51,288	53,876	56,179
Colorado County	18,383	20,390	20,874	20,803	20,724	20,717	20,695	20,946	21,091	21,301	21,317	21,467	20,557	20,630	20,754	21,117	21,475
Fort Bend County	225,421	354,452	585,375	605,979	624,737	651,770	683,977	715,260	744,489	768,258	789,269	812,737	822,779	858,527	889,146	916,778	958,434
Galveston County	217,396	250,158	291,309	295,632	301,099	306,652	313,451	321,074	329,038	334,691	337,639	341,541	350,682	355,062	357,117	361,744	367,407
Harris County	2,818,101	3,400,578	4,092,459	4,179,279	4,262,549	4,352,419	4,454,951	4,556,559	4,622,836	4,655,798	4,676,913	4,709,243	4,731,145	4,728,030	4,780,913	4,835,125	5,009,302
Liberty County	52,726	70,154	75,643	76,005	76,378	76,847	78,047	79,537	81,381	83,648	85,834	88,453	91,628	97,621	101,992	108,272	115,042
Matagorda County	36,928	37,957	36,702	36,675	36,534	36,483	36,463	36,747	37,143	36,848	36,583	36,655	36,255	36,344	36,125	36,359	36,391
Montgomery County	182,201	293,768	455,746	471,456	484,627	498,488	517,262	535,913	555,338	571,542	590,127	607,583	620,443	648,886	678,490	711,354	749,613
Walker County	50,917	61,758	67,861	68,405	68,602	69,402	70,064	70,825	71,811	72,764	73,037	71,700	76,400	77,977	78,870	81,268	83,722
Waller County	23,374	32,663	43,205	44,138	44,365	45,436	46,793	48,663	50,062	51,736	53,568	55,311	56,794	59,781	61,894	63,553	65,109
Wharton County	39,955	41,188	41,280	41,286	41,130	41,115	41,082	41,369	41,619	41,869	41,515	41,671	41,570	41,721	41,824	41,739	42,035
H-GAC 13 County Area	3,897,029	4,854,454	6,087,133	6,223,177	6,350,109	6,495,339	6,667,679	6,840,690	6,977,979	7,071,694	7,147,400	7,234,893	7,297,022	7,383,513	7,517,691	7,661,800	7,950,479
Texas	16,986,335	20,851,820	25,145,561	25,645,504	26,084,120	26,479,646	26,963,092	27,468,531	27,914,064	28,291,024	28,624,564	28,986,794	29,145,505	29,527,941	30,503,301	30,727,890	31,290,831

Data source: Census Bureau Population and Housing Units Estimates, 2024

**HOUSTON-GALVESTON AREA COUNCIL
FOR THE YEAR ENDED DECEMBER 31, 2024**

Texas 2021 State Expenditures by County

Rank	County	Total	Inter- Governmental Payments	Labor Costs	Public Assistance	Highway Construction	Operating Expenses	Capital Outlays	Miscellaneous
1	TRAVIS	\$ 17,774,769,989	\$ 1,090,348,700	\$ 7,275,906,893	\$ 7,056,544,812	\$ 602,746,993	\$ 403,136,271	\$ 171,854,029	\$ 1,174,232,291
2	HARRIS	\$ 17,626,244,283	\$ 4,918,617,183	\$ 1,893,370,419	\$ 8,369,855,667	\$ 1,401,752,027	\$ 288,796,085	\$ 339,910,977	\$ 413,941,925
3	BEXAR	\$ 13,712,517,441	\$ 2,203,489,682	\$ 928,950,643	\$ 4,634,464,258	\$ 491,430,170	\$ 96,129,437	\$ 104,956,197	\$ 5,253,097,054
4	DALLAS	\$ 12,311,777,134	\$ 3,180,822,841	\$ 2,475,602,630	\$ 3,905,250,075	\$ 1,040,360,142	\$ 478,316,610	\$ 131,046,497	\$ 1,100,378,339
5	TARRANT	\$ 5,237,885,664	\$ 2,043,530,573	\$ 559,544,470	\$ 2,159,444,410	\$ 209,034,878	\$ 108,693,141	\$ 19,753,858	\$ 137,884,334
6	HIDALGO	\$ 4,347,939,691	\$ 2,966,762,478	\$ 424,318,591	\$ 763,064,717	\$ 134,248,161	\$ 25,636,663	\$ 4,338,618	\$ 29,570,463
7	FORT BEND	\$ 3,822,063,458	\$ 981,089,925	\$ 305,688,602	\$ 2,396,343,609	\$ 78,573,473	\$ 10,867,863	\$ 10,086,920	\$ 39,413,066
8	EL PASO	\$ 3,042,339,726	\$ 1,573,151,198	\$ 388,322,670	\$ 824,253,888	\$ 142,528,067	\$ 24,579,637	\$ 2,341,548	\$ 87,162,718
9	NUECES	\$ 2,234,531,254	\$ 426,895,829	\$ 206,235,858	\$ 1,392,994,515	\$ 164,140,733	\$ 22,171,113	\$ 1,148,665	\$ 20,944,541
10	WILLIAMSON	\$ 2,014,466,792	\$ 361,343,843	\$ 1,133,707,367	\$ 266,085,684	\$ 75,332,525	\$ 80,303,904	\$ 16,058,473	\$ 81,634,996
11	MONTGOMERY	\$ 1,714,361,549	\$ 601,305,168	\$ 231,214,432	\$ 125,876,315	\$ 705,171,459	\$ 24,557,767	\$ 262,252	\$ 25,974,156
15	GALVESTON	\$ 1,450,050,774	\$ 452,702,366	\$ 467,140,424	\$ 181,761,176	\$ 22,530,369	\$ 28,357,669	\$ (283,360)	\$ 297,842,130
22	BRAZORIA	\$ 811,755,741	\$ 518,740,610	\$ 136,179,293	\$ 116,663,616	\$ 14,877,452	\$ 9,886,379	\$ (172,774)	\$ 15,581,165
30	WALKER	\$ 446,976,292	\$ 90,147,843	\$ 256,484,592	\$ 17,634,222	\$ 18,123,077	\$ 25,406,408	\$ 133,753	\$ 39,046,397
48	LIBERTY	\$ 215,446,102	\$ 156,968,827	\$ 32,129,143	\$ 14,673,942	\$ 9,197,837	\$ 1,253,691		\$ 1,222,662
82	WALLER	\$ 109,379,844	\$ 32,587,563	\$ 52,568,142	\$ 21,274,166	\$ 314,420	\$ 935,565		\$ 1,699,988
84	WHARTON	\$ 104,210,546	\$ 68,158,054	\$ 16,286,497	\$ 8,222,334	\$ (752,500)	\$ 8,385,386	\$ 149,000	\$ 3,761,775
95	CHAMBERS	\$ 87,582,587	\$ 63,477,041	\$ 8,389,945	\$ 9,480,951	\$ 203,884	\$ 79,364		\$ 5,951,402
99	MATAGORDA	\$ 76,442,610	\$ 51,072,353	\$ 7,901,574	\$ 12,942,134	\$ 542,636	\$ 620,399	\$ 645,764	\$ 2,717,750
114	AUSTIN	\$ 54,898,231	\$ 37,168,273	\$ 12,804,826	\$ 3,031,345	\$ 9,458	\$ 236,493	\$ 37,950	\$ 1,609,886
132	COLORADO	\$ 43,949,895	\$ 20,701,540	\$ 8,656,087	\$ 11,559,324	\$ 77,938	\$ 974,891		\$ 1,980,115
Total Texas Counties		\$ 118,435,237,190	\$ 36,388,616,377	\$ 24,409,767,291	\$ 37,157,865,977	\$ 7,456,124,240	\$ 2,280,510,965	\$ 997,858,211	\$ 9,744,494,129
Total H-GAC Counties		\$ 26,563,361,909	\$ 7,992,736,746	\$ 3,428,813,975	\$ 11,289,318,800	\$ 2,250,621,530	\$ 400,357,959	\$ 350,770,482	\$ 850,742,417
% of Expenditures in the region		22.4%	22.0%	14.0%	30.4%	30.2%	17.6%	35.2%	8.7%

Data source: Texas Comptroller of Public Accounts, 2021

Note: Latest data is from 2021

**HOUSTON-GALVESTON AREA COUNCIL
FOR THE YEAR ENDED DECEMBER 31, 2024**

Texas 2021 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	\$ 26,563,361,909	\$ 7,992,736,746	\$ 3,428,813,975	\$ 11,289,318,800	\$ 2,250,621,530	\$ 400,357,959	\$ 350,770,482	\$ 850,742,417
2	North Central Texas	\$ 22,849,577,777	\$ 7,937,108,561	\$ 3,961,375,205	\$ 6,855,379,000	\$ 1,781,213,130	\$ 677,890,615	\$ 169,549,886	\$ 1,467,061,380
3	Capital Area	\$ 21,547,968,471	\$ 1,921,289,600	\$ 9,179,478,641	\$ 7,427,728,379	\$ 965,082,926	\$ 515,285,882	\$ 200,549,631	\$ 1,338,553,412
4	Alamo Area	\$ 15,241,226,577	\$ 2,828,934,015	\$ 1,243,855,553	\$ 4,840,257,670	\$ 676,440,535	\$ 161,211,621	\$ 156,794,022	\$ 5,333,733,161
5	Lower Rio Grande Valley	\$ 5,905,470,579	\$ 4,001,776,873	\$ 628,851,077	\$ 1,040,647,210	\$ 154,319,080	\$ 35,086,559	\$ 6,076,466	\$ 38,713,314
6	Rio Grande	\$ 3,124,566,269	\$ 1,610,694,663	\$ 421,523,860	\$ 829,439,600	\$ 142,784,431	\$ 28,657,597	\$ 2,341,548	\$ 89,124,570
7	Coastal Bend	\$ 2,958,516,334	\$ 826,329,831	\$ 387,383,945	\$ 1,505,358,958	\$ 173,733,460	\$ 29,882,444	\$ 1,528,757	\$ 34,298,939
8	East Texas	\$ 2,429,800,559	\$ 1,217,586,875	\$ 542,311,381	\$ 417,267,196	\$ 142,906,989	\$ 51,610,516	\$ 1,890,535	\$ 56,227,067
9	Brazos Valley	\$ 1,946,113,983	\$ 318,460,073	\$ 1,007,771,236	\$ 187,976,023	\$ 172,335,790	\$ 77,133,625	\$ 28,409,299	\$ 154,027,937
10	South Plains	\$ 1,891,599,361	\$ 629,056,494	\$ 680,142,006	\$ 385,277,352	\$ 96,895,654	\$ 41,781,128	\$ 12,312,417	\$ 46,134,310
11	Central Texas	\$ 1,725,944,271	\$ 831,617,166	\$ 331,775,431	\$ 422,732,450	\$ 12,115,474	\$ 7,322,799	\$ 6,103,465	\$ 114,277,486
12	Heart of Texas	\$ 1,291,205,407	\$ 657,554,630	\$ 265,458,134	\$ 153,938,182	\$ 120,180,058	\$ 53,116,430	\$ 5,536,603	\$ 35,421,370
13	Panhandle	\$ 1,284,477,012	\$ 668,776,001	\$ 288,948,266	\$ 170,470,762	\$ 100,726,913	\$ 27,195,013	\$ 3,445,835	\$ 24,914,222
14	Deep East Texas	\$ 1,263,216,657	\$ 613,242,798	\$ 339,050,337	\$ 193,188,615	\$ 56,487,761	\$ 29,327,901	\$ 10,955,073	\$ 20,964,172
15	Permian Texas	\$ 1,213,482,959	\$ 558,066,466	\$ 195,255,349	\$ 296,635,830	\$ 127,575,851	\$ 13,240,106	\$ 3,787,200	\$ 18,922,157
16	South Texas	\$ 1,190,554,662	\$ 815,314,701	\$ 132,071,802	\$ 213,091,636	\$ 7,404,777	\$ 3,898,598	\$ 409,818	\$ 18,363,330
17	West Central Texas	\$ 1,129,988,881	\$ 500,399,870	\$ 333,822,357	\$ 177,263,192	\$ 55,163,025	\$ 18,838,801	\$ 14,166,102	\$ 30,335,534
18	Ark-Tex	\$ 1,086,816,835	\$ 527,251,325	\$ 131,433,236	\$ 132,759,820	\$ 233,734,910	\$ 50,172,676	\$ 482,283	\$ 10,982,585
19	South East Texas	\$ 1,023,137,652	\$ 502,548,043	\$ 307,532,634	\$ 164,031,408	\$ 8,401,480	\$ 19,322,090	\$ 5,242,126	\$ 16,059,871
20	Nortex	\$ 713,862,068	\$ 309,932,121	\$ 233,241,544	\$ 114,846,896	\$ 22,791,608	\$ 13,608,552	\$ 6,151,040	\$ 13,290,307
21	Concho Valley	\$ 564,760,972	\$ 232,568,959	\$ 151,215,542	\$ 89,245,779	\$ 65,148,849	\$ 9,455,648	\$ 3,826,461	\$ 13,299,734
22	Golden Crescent	\$ 518,222,239	\$ 243,273,325	\$ 87,629,090	\$ 93,856,428	\$ 73,440,663	\$ 9,604,501	\$ 504,165	\$ 9,914,067
23	Middle Rio Grande	\$ 495,758,920	\$ 340,210,123	\$ 62,775,323	\$ 79,326,439	\$ 6,615,953	\$ 3,030,779	\$ 201,112	\$ 3,599,191
24	Texoma	\$ 475,606,835	\$ 303,887,116	\$ 68,051,367	\$ 77,828,355	\$ 10,003,393	\$ 3,479,125	\$ 6,823,885	\$ 5,533,594
Total for Council of Governments		\$ 118,435,237,190	\$ 36,388,616,377	\$ 24,409,767,291	\$ 37,157,865,977	\$ 7,456,124,240	\$ 2,280,510,965	\$ 997,858,211	\$ 9,744,494,129

Data source: Texas Comptroller of Public Accounts, 2021

Note: Latest data is from 2021

**HOUSTON-GALVESTON AREA COUNCIL
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Voter Registration
2010 - 2025 Primary Elections**

	Number of Precincts	Total Registered Voters															
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Austin	15	17,546	17,151	17,534	17,732	18,178	18,058	18,601	18,897	19,112	19,223	19,618	19,949	20,478	20,508	21,377	21,673
Brazoria	80	168,097	163,917	168,795	181,609	178,808	178,804	186,517	200,248	200,830	210,087	212,602	221,732	228,253	232,082	240,631	247,663
Chambers	18	22,707	22,862	23,316	23,729	24,338	24,481	25,479	26,688	27,299	28,589	29,015	30,778	31,957	33,684	35,387	36,905
Colorado	11	13,249	12,865	13,021	12,953	13,233	13,085	13,391	13,552	13,714	13,673	13,900	14,126	14,127	14,166	14,424	14,332
Fort Bend	177	300,777	302,223	315,207	332,199	347,188	359,046	379,254	412,810	413,446	428,679	452,662	481,602	503,748	514,163	527,397	545,402
Galveston	96	179,928	172,603	177,334	179,943	184,818	194,770	195,988	203,348	207,560	210,663	217,501	222,838	229,469	229,869	237,517	239,948
Harris	1,173	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	2,507,991	2,586,475	2,604,124	2,707,922
Liberty	22	42,863	41,111	41,949	41,025	41,263	40,251	41,130	43,619	43,109	44,285	44,698	45,925	48,277	49,187	51,889	54,914
Matagorda	19	20,893	20,131	20,625	20,201	20,577	20,265	20,826	20,941	21,338	21,745	21,442	21,042	21,453	21,049	21,804	21,442
Montgomery	114	243,027	238,707	246,768	257,799	268,147	273,352	290,259	306,564	318,611	327,629	345,404	367,467	391,078	415,397	428,859	448,058
Walker	17	29,507	28,356	29,169	28,983	29,578	29,044	30,179	31,334	31,835	32,572	33,658	34,134	34,934	35,379	36,857	37,845
Waller	21	29,792	27,037	27,706	27,751	28,288	28,344	29,237	30,351	30,984	31,952	33,201	34,393	35,774	37,295	40,205	43,311
Wharton	13	24,471	23,675	24,090	23,907	24,275	23,743	24,387	24,612	24,795	25,207	25,064	25,117	25,696	25,972	25,913	26,182
H-GAC Region	1,776	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	4,093,235	4,215,226	4,286,384	4,445,597

Source: Office of the Texas Secretary of State 2025

2024 Presidential Elections							
County	Republican	Democratic	Libertarian	Other	Total Votes	Total Voters	Turn Out
AUSTIN	12,457	2,816	60	50	15,383	22,116	70%
BRAZORIA	95,867	63,976	932	1,271	162,046	249,840	65%
CHAMBERS	20,567	4,192	144	70	24,973	37,026	67%
COLORADO	7,824	2,108	45	17	9,994	14,775	68%
FORT BEND	173,592	179,310	1,929	7,693	362,524	555,569	65%
GALVESTON	100,295	56,732	997	972	158,996	245,695	65%
HARRIS	722,695	808,771	9,727	16,291	1,557,484	2,693,055	58%
LIBERTY	25,241	5,952	88	42	31,323	54,530	57%
MATAGORDA	9,957	3,231	67	57	13,312	22,394	59%
MONTGOMERY	221,964	82,277	1,672	1,345	307,258	453,832	68%
WALKER	17,515	7,461	117	82	25,175	38,958	65%
WALLER	17,077	10,183	133	168	27,561	44,330	62%
WHARTON	12,439	3,910	63	41	16,453	26,422	62%
Source: Office of the Secretary of State 2024							



SINGLE AUDIT SECTION



SERVING TODAY ■ PLANNING FOR TOMORROW

FEDERAL AND STATE AWARDS SECTION

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

To the Board of Directors
Houston-Galveston Area Council
Houston, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2024, and the related notes to the financial statements, which collectively comprise the Council’s basic financial statements, and have issued our report thereon dated May 8, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not been identified.

Report on Compliance and Other Matters

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

To the Board of Directors
Houston-Galveston Area Council

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.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
May 8, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
THE TEXAS GRANT MANAGEMENT STANDARDS**

To the Board of Directors
Houston-Galveston Area Council
Houston, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Houston-Galveston Area Council's (the "Council") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Council's major federal and state programs for the year ended December 31, 2024. The Council's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Texas Grant Management Standards. Our responsibilities under those standards, the Uniform Guidance, and the Texas Grant Management Standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Texas Grant Management Standards, we

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

To the Board of Directors
Houston-Galveston Area Council

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

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

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
May 8, 2025

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
FEDERAL PROGRAMS				
PRIMARY GOVERNMENT:				
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the Texas Workforce Commission				
SNAP Cluster				
2824SNE001	SNAP E&T - 2024	10.561	\$ 1,104,925	\$ 976,686
	Subtotal - SNAP Cluster		\$ 1,104,925	\$ 976,686
	Total - Texas Workforce Commission		\$ 1,104,925	\$ 976,686
TOTAL U. S. DEPARTMENT OF AGRICULTURE			\$ 1,104,925	\$ 976,686
U.S. DEPARTMENT OF EDUCATION				
Passed Through the Texas Workforce Commission				
2818ALAE00	Adult Education and Literacy 2023	84.002A	\$ 444,941	\$ 444,941
2818ALAF00	Adult Education and Literacy 2023	84.002A	\$ 5,198,516	\$ 5,198,568
2924ALA017	Adult Education and Literacy 2024	84.002A	\$ 3,762,986	\$ 3,442,786
	Subtotal - 84.002A		\$ 9,406,443	\$ 9,086,295
	Total - Texas Workforce Commission		\$ 9,406,443	\$ 9,086,295
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 9,406,443	\$ 9,086,295
U.S. DEPARTMENT OF ENERGY				
Direct Programs:				
DE-EE0009568	Clean Cities Outreach Education and Performance Tracking -2024	81.086	\$ 78,480	\$ -
	Subtotal - 81.086		\$ 78,480	\$ -
TOTAL U.S. DEPARTMENT OF ENERGY			\$ 78,480	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the Texas Health and Human Services Commission				
HHS000874100015	Aging Title VII EAP - 2024	93.041	\$ 19,622	\$ -
HHS000874100015	Aging Title VII EAP - 2025	93.041	\$ 23,380	\$ -
	Subtotal - 93.041		\$ 43,002	\$ -
HHS000874100015	Aging Title VII OM - 2024	93.042	\$ 87,045	\$ -
HHS000874100015	Aging Title American Rescue Plan Title VII-OM Staff (Elder Justice Act OMB)	93.042	\$ 12,097	\$ -
HHS000874100015	Aging Title VII OM - 2025	93.042	\$ 101,033	\$ -
	Subtotal - 93.042		\$ 200,175	\$ -
HHS000874100015	Aging Title III, Part D - 2024	93.043	\$ 225,939	\$ 74,597
HHS000874100015	Aging Title III Part-D -2024 American Rescue Plan COVID-19	93.043	\$ 60,515	\$ -
HHS000874100015	Aging Title III, Part D - 2025	93.043	\$ 70,161	\$ -
	Subtotal - 93.043		\$ 356,615	\$ 74,597
Aging Cluster				
HHS000874100015	Aging Title III, Part B - 2024	93.044	\$ 1,834,415	\$ 1,385,336
HHS000874100015	Aging Title III-B - 2024 - American Rescue Plan COVID-19	93.044	\$ 542,615	\$ 542,615
HHS000874100015	Aging Title III, Part B - 2024 Expanding the Public Health Workforce	93.044	\$ 26,438	\$ -
HHS000874100015	Aging Title III, Part B - 2025	93.044	\$ 968,841	\$ 940,495
	Subtotal - 93.044		\$ 3,372,309	\$ 2,868,446
HHS000874100015	Aging Title III, Part C - 2024	93.045	\$ 2,980,525	\$ 2,161,974
HHS000874100015	Aging Title III-C 2024 American Rescue Plan COVID-19	93.045	\$ 703,894	\$ 530,621
HHS000874100015	Aging Title III, Part C - 2025	93.045	\$ 1,298,746	\$ 859,842

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
	Subtotal - 93.045		\$ 4,983,165	\$ 3,552,437
HHS000874100015	Aging NSIP - 2024	93.053	\$ 287,460	\$ 145,912
HHS000874100015	Aging NSIP - 2025	93.053	\$ 68,343	\$ 45,247
	Subtotal - 93.053		\$ 355,803	\$ 191,159
	Total - Aging Cluster		\$ 8,711,277	\$ 6,612,042
HHS000270200021	ADRC COVID-19 NWD - 2024	93.048	\$ 18,252	\$ -
	Subtotal - 93.048		\$ 18,252	\$ -
HHS000874100015	Aging Title III, Part E - 2024	93.052	\$ 966,822	\$ 658,507
HHS000874100015	Aging Title III-E 2024 American Rescue Plan COVID-19	93.052	\$ 24,610	\$ -
HHS000874100015	Aging Title III, Part E - 2025	93.052	\$ 323,260	\$ 193,665
	Subtotal 93.052		\$ 1,314,692	\$ 852,172
HHS001341600006	ADRC MIPPA FY24	93.071	\$ 26,151	\$ -
HHS000874100015	Aging MIPPA FY23	93.071	\$ -	\$ -
HHS000874100015	Aging MIPPA FY24	93.071	\$ 31,739	\$ -
	Subtotal 93.071		\$ 57,890	\$ -
HHS000874100015	Aging HICAP (04/01/2023-03/31/2024)	93.324	\$ 14,910	\$ -
HHS000874100015	Aging HICAP (04/01/2024-03/31/2025)	93.324	\$ 105,820	\$ -
	Subtotal - 93.324		\$ 120,730	\$ -
HHS000874100015	Ombudsman Staff Retention FY24	93.747	\$ 26,200	\$ -
	Subtotal - 93.747		\$ 26,200	\$ -
HHS000270200021	ADRC Housing Navigator FY24	93.791	\$ 21,862	\$ -
HHS001341600006	ADRC Housing Navigator FY24	93.791	\$ 7,594	\$ -
HHS000270200021	ADRC Local Contact Agency FY23	93.791	\$ 36	\$ -
HHS000270200021	ADRC Local Contact Agency FY24	93.791	\$ 21,396	\$ -
HHS001341600006	ADRC Local Contact Agency FY24	93.791	\$ 4,175	\$ -
	Subtotal - 93.791		\$ 55,063	\$ -
	Total - Texas Health and Human Services Commission		\$ 10,903,896	\$ 7,538,811
	Passed Through the Texas Workforce Commission			
2824TAF002	TANF Choices - 2024	93.558	\$ 9,627,019	\$ 8,456,375
2825TAF001	TANF Choices - 2025	93.558	\$ 2,145,010	\$ 2,035,640
2824NCP001	TANF E&T - Noncustodial Parent Employment - 2024	93.558	\$ 421,489	\$ 359,423
2818ALAE00	Adult Education and Literacy	93.558	\$ 610,986	\$ 489,293
2818ALAF00	Adult Education and Literacy	93.558	\$ 1,235,168	\$ 539,299
2924ALA017	Adult Education and Literacy	93.558	\$ 61,443	\$ 61,443
2824WCI001	Workforce Commission Initiative	93.558	\$ (7,330)	\$ -
2824WPA001	Employment Services - 2024	93.558	\$ 127,652	\$ 96,569
	Subtotal - 93.558		\$ 14,221,437	\$ 12,038,042
	CCDF Cluster			
2824CCQ001	Child Care Quality - 2024	93.575	\$ 16,525,672	\$ 14,843,447
2824CCQ001	COVID-19 Child Care Quality - 2024	93.575	\$ (860,912)	\$ -
2825CCQ001	Child Care Quality - 2025	93.575	\$ 470,084	\$ (8,506)
2824CCF001	Child Care - 2024	93.575	\$ 40,045,963	\$ 33,842,155
2824CCF001	COVID-19 Child Care 2024	93.575	\$ 123,755,560	\$ 123,755,560
2825CCF001	Child Care - 2025	93.575	\$ 49,554,829	\$ 47,720,828

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
	Subtotal - 93.575		<u>\$ 229,491,196</u>	<u>\$ 220,153,484</u>
2824CCF001	Child Care - 2024	93.596	\$ 47,504,347	\$ 47,504,347
2825CCF001	Child Care - 2025	93.596	\$ 12,040,437	\$ 12,040,437
2824CCM001	Child Care Local Initiatives - 2024	93.596	\$ 20,419,606	\$ 20,419,606
	Subtotal - 93.596		<u>\$ 79,964,390</u>	<u>\$ 79,964,390</u>
	Total - CCDF Cluster		<u>\$ 309,455,586</u>	<u>\$ 300,117,874</u>
2824CCF001	Child Care - 2024	93.667	\$ 452,904	\$ 452,904
2825CCF001	Child Care - 2025	93.667	\$ 220,133	\$ 220,133
	Subtotal - 93.667		<u>\$ 673,037</u>	<u>\$ 673,037</u>
	Total - Texas Workforce Commission		<u>\$ 324,350,060</u>	<u>\$ 312,828,953</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 335,253,956</u>	<u>\$ 320,367,764</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
	Passed Through the Office of the Governor			
2992709	Homeland Security Grant Program - SHSP - 2024	97.067	\$ 172,592	\$ -
2992710	Homeland Security Grant Program - SHSP - 2025	97.067	\$ 58,633	\$ -
	Subtotal - 97.067		<u>\$ 231,225</u>	<u>\$ -</u>
	Total - Office of the Governor		<u>\$ 231,225</u>	<u>\$ -</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$ 231,225</u>	<u>\$ -</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	Passed Through the General Land Office			
CEDAF23-18	ORCA FY24 Technical Assistance	14.228	\$ 13,706	\$ -
22-130-017-D819	Hazard Mitigation - Austin County	14.228	\$ 21,557	\$ -
22-130-016-D811	Hazard Mitigation - City of Angleton	14.228	\$ 20,651	\$ -
22-130-013-D786	Hazard Mitigation - Liberty County	14.228	\$ 20,432	\$ -
22-130-015-D808	Hazard Mitigation - Walker County	14.228	\$ 21,888	\$ -
	Subtotal - 14.228		<u>\$ 98,234</u>	<u>\$ -</u>
	Total - General Land Office		<u>\$ 98,234</u>	<u>\$ -</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 98,234</u>	<u>\$ -</u>
U.S DEPARTMENT OF JUSTICE				
	Passed Through the Office of the Governor			
2606711	CJD Juvenile Mental Health Project 2023	16.540	\$ (1,700)	\$ -
2606712	CJD Juvenile Mental Health Project 2024	16.540	\$ 97,449	\$ -
2606713	CJD Juvenile Mental Health Project 2025	16.540	\$ 8,943	\$ -
	Subtotal - 16.540		<u>\$ 104,692</u>	<u>\$ -</u>
3386606	Elder and Vulnerable Adult Justice Program FY24	16.575	\$ 276,914	\$ -
3386607	Elder and Vulnerable Adult Justice Program FY25	16.575	\$ 87,779	\$ -
	Subtotal - 16.575		<u>\$ 364,693</u>	<u>\$ -</u>
4082003	Violence Against Women Act FY24	16.588	\$ 75,608	\$ -
	Subtotal - 16.588		<u>\$ 75,608</u>	<u>\$ -</u>
	Total - Office of the Governor		<u>\$ 544,993</u>	<u>\$ -</u>

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
TOTAL U.S DEPARTMENT OF JUSTICE			\$ 544,993	\$ -
U.S. DEPARTMENT OF LABOR				
Employment Services Cluster				
Passed Through the Texas Workforce Commission				
2824TVC001	Disabled Veterans' Outreach Program	17.801	\$ 489,241	\$ 469,583
2825TVC001	Disabled Veterans' Outreach Program	17.801	\$ 101,090	\$ 95,836
Subtotal - 17.801			\$ 590,331	\$ 565,419
2824RAG001	Resource Admin Grant - 2024	17.207	\$ 7,842	\$ -
2825RAG001	Resource Admin Grant - 2025	17.207	\$ 4,712	\$ -
2824WCI001	Workforce Commission Initiative	17.207	\$ 23,497	\$ 12,112
2825WCI001	Workforce Commission Initiative	17.207	\$ 22,410	\$ 20,956
2824WPA001	Employment Services - 2024	17.207	\$ 1,999,883	\$ 1,512,918
2822WPB006	Training and Employment Navigator -2024	17.207	\$ 5,908	\$ 5,908
2824WPB007	Training and Employment Navigator -2024	17.207	\$ 85,186	\$ 85,186
Subtotal - 17.207			\$ 2,149,438	\$ 1,637,080
Total-Texas Workforce Commission			\$ 2,149,438	\$ 1,637,080
Total - Employment Services Cluster			\$ 2,739,769	\$ 2,202,499
Passed Through the Texas Workforce Commission				
WIOA Cluster				
2823WOA001	WIA Adult Program - 2023	17.258	\$ 15,210,455	\$ 14,434,220
2824WOA001	WIA Adult Program - 2024	17.258	\$ 5,009,910	\$ 4,724,946
2824WOZ001	WIOA Upskilling and Training	17.258	\$ 223,343	\$ 223,343
2823WOS001	Middle Skills Initiative 2024	17.258	\$ 111,318	\$ 111,318
Subtotal - 17.258			\$ 20,555,026	\$ 19,493,827
2823WOY001	WIA Youth - 2023	17.259	\$ 13,705,996	\$ 12,934,388
2824WOY001	WIA Youth - 2024	17.259	\$ 6,583,777	\$ 6,220,570
Subtotal - 17.259			\$ 20,289,773	\$ 19,154,958
2823WOR001	Rapid Response	17.278	\$ 8,732	\$ 6,633
2824WOR001	Rapid Response	17.278	\$ 17,622	\$ 13,643
2823WOD001	WIA Dislocated Worker - 2023	17.278	\$ 9,706,808	\$ 9,166,717
2824WOD001	WIA Dislocated Worker - 2024	17.278	\$ 3,111,405	\$ 2,928,221
2824HJT001	High Demand Job Training - 2024	17.278	\$ 10,000	\$ 10,000
Subtotal - 17.278			\$ 12,854,567	\$ 12,125,214
Total WIOA Cluster			\$ 53,699,366	\$ 50,773,999
2824REA001	Re-employment Services - 2024	17.225	\$ 3,220,870	\$ 2,930,925
2825REA001	Re-employment Services - 2024	17.225	\$ 55,096	\$ 54,861
Subtotal - 17.225			\$ 3,275,966	\$ 2,985,786
2824TRA001	Trade Act Services for Dislocated Workers - 2024	17.245	\$ 24,951	\$ 24,951
Subtotal - 17.245			\$ 24,951	\$ 24,951
2825RAG001	Resource Admin Grant - 2025	17.273	\$ 1,198	\$ -
2824RAG001	Resource Admin Grant - 2024	17.273	\$ 1,994	\$ -
Subtotal - 17.273			\$ 3,192	\$ -
2824NDW001	NDW Disaster Recovery -TX Storms	17.277	\$ 31,095	\$ 31,095
2824NDW002	NDW Disaster Recovery -Hurricane Beryl	17.277	\$ 167,806	\$ 167,806
Subtotal - 17.277			\$ 198,901	\$ 198,901

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
2823ATG002	Apprenticeship Expansion Grant - Medical Waste Manufacturing	17.285	\$ 185,999	\$ 185,999
	Subtotal - 17.285		<u>\$ 185,999</u>	<u>\$ 185,999</u>
	Total - Texas Workforce Commission		<u>\$ 57,388,375</u>	<u>\$ 54,169,636</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>\$ 60,128,144</u>	<u>\$ 56,372,135</u>
U.S. DEPARTMENT OF TRANSPORTATION				
	Passed Through the Texas Department of Transportation			
0912-00-549	Travel Demand MGMT, Marketing, Outreach & Public ED	20.205	\$ 675,805	\$ -
0912-00-476 Task 1	Commuter and Transit Pilot	20.205	\$ 1,130,108	\$ 1,130,108
0912-00-476 Task2	Commuter and Transit Pilot Implementation & Oversight	20.205	\$ 7,649	\$ -
0912-00-556 Task 2	Regional Freeway Management - Quick Clearance Towing	20.205	\$ (70)	\$ (70)
0912-00-556 Task 3	Regional Freeway Management - Program Admin	20.205	\$ 5,774	\$ -
0912-00-558 Task 1	Regional Freeway Management - Quick Clearance Towing	20.205	\$ 102,001	\$ 102,001
0912-00-558 Task 3	Regional Freeway Management - Program Implementation & Oversight	20.205	\$ 16,240	\$ -
0912-00-559 Task 1	Regional Freeway Management - Quick Clearance Towing	20.205	\$ 2,574,518	\$ 2,574,518
0912-00-559 Task 2	Regional Freeway Management - Program Outreach and Education	20.205	\$ 322,389	\$ -
0912-00-559 Task 3	Regional Freeway Management - Program Implementation & Oversight	20.205	\$ 93,638	\$ -
0912-00-539 Task 1	Regional Freeway Management - Quick Clearance Towing	20.205	\$ 5,664,576	\$ 5,664,576
0912-00-539 Task 2	Regional Freeway Management - Program Outreach & Training	20.205	\$ 7,627	\$ -
0912-00-539 Task 3	Regional Freeway Management - Program Management	20.205	\$ 50,142	\$ -
0912-00-599 Task 3	Safety Intersection Audits	20.205	\$ 23,423	\$ -
0912-00-599 Task 4	Regional Travel Surveys	20.205	\$ 257,963	\$ -
0912-00-632	South Regional Plng Studies - Admin	20.205	\$ 5,812	\$ -
0912-00-632 Task 1	South Regional Plng Studies - FM518 Corridor Study	20.205	\$ 473,746	\$ -
0912-00-632 Task 2	South Regional Plng Studies - Pearland Mobility Study	20.205	\$ 314,570	\$ -
0912-00-668 Task 1	South Regional Plng Studies - Cemetery Road Corridor Study	20.205	\$ 159,100	\$ -
0912-00-668 Task 2	South Regional Plng Studies - Friendswood Lake Blvd	20.205	\$ 45,542	\$ -
0912-00-668 Task 3	South Regional Plng Studies - Chambers County	20.205	\$ 220,592	\$ -
0912-00-667 Task 1	Central Regional Plng Studies - Washington Avenue	20.205	\$ 329,546	\$ -
0912-00-667 Task 2	Central Regional Plng Studies - Old Sixth Ward/TIRZ 13 Phase II Mobility Study	20.205	\$ 100,000	\$ -
0912-00-662 Task 2	Bicycle/Pedestrian Plng Studies The Buffalo Bayou East Design Concept Study	20.205	\$ 86,201	\$ -
0912-00-662 Task 3	Bicycle/Pedestrian Plng Studies The Memorial Drive Bicycle and Pedestrian Study	20.205	\$ 62,249	\$ -
0912-00-633 Task 2	High-Capacity Transit Study - Regional Bus Network Study	20.205	\$ 3,851	\$ -
0912-00-634 Task 4	Public Outreach Projects - Regional Transportation Safety Outreach	20.205	\$ 17,879	\$ -
0912-00-624	Livable Centers Planning Studies	20.205	\$ 353,869	\$ -
0912-00-667	Central Regional Plng Studies - Washington Avenue	20.205	\$ 5,601	\$ -
50-24XF0015	Administration - 2024	20.205	\$ 2,424,553	\$ -
50-24XF0015	Data Development & Maintenance - 2024	20.205	\$ 2,787,370	\$ -
50-24XF0015	Short Range Planning - 2024	20.205	\$ 913,380	\$ -
50-24XF0015	Long Range Plan - 2024	20.205	\$ 1,838,159	\$ -
50-24XF0015	Special Studies - 2024	20.205	\$ 1,076,069	\$ -
50-25XF0015	Administration - 2025	20.205	\$ 772,843	\$ -
50-25XF0015	Data Development & Maintenance - 2025	20.205	\$ 806,290	\$ -
50-25XF0015	Short Range Planning - 2025	20.205	\$ 307,038	\$ -
50-25XF0015	Long Range Plan - 2025	20.205	\$ 486,696	\$ -
50-25XF0015	Special Studies - 2025	20.205	\$ 472,790	\$ -
	Subtotal - 20.205		<u>\$ 24,995,529</u>	<u>\$ 9,471,133</u>

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
TX-2021-039	Regional Public Transportation Coordination Plan - Support Grant	20.505	\$ 584	\$ -
TX-2021-039	Short Range Transit Planning	20.505	\$ 21,383	\$ -
	Subtotal - 20.505		\$ 21,967	\$ -
	Total - Texas Department of Transportation		\$ 25,017,496	\$ 9,471,133
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ 25,017,496	\$ 9,471,133
U.S. DEPARTMENT OF TREASURY				
221TA060510	Passed Through the Community Development Financial Institutions Program CDFI - Technical Assistance Grant	21.020	\$ 93,159	\$ -
	Subtotal - 21.020		\$ 93,159	\$ -
020-1892	Passed Through Commission on State Emergency Communications CS- Coronavirus State Fiscal Recover Fund 911 Migration Grant COVID-19	21.027	\$ 67,827	\$ -
	Subtotal - 21.027		\$ 67,827	\$ -
TOTAL U.S. DEPARTMENT OF TREASURY			\$ 160,986	\$ -
U.S. ENVIRONMENTAL PROTECTION AGENCY				
	Direct Programs:			
DE-01F56501	Clean Freight's Houston	66.039	\$ 103	\$ -
5D-02F39301	Climate Pollution Reduction Grant	66.039	\$ 219,473	\$ 117,865
	Subtotal - 66.039		\$ 219,576	\$ 117,865
	Total - Direct Programs		\$ 219,576	\$ 117,865
582-24-50311	Passed Through the Texas Commission on Environmental Quality Water Quality Management Planning - 2024/2025	66.424	\$ 212,202	\$ -
	Subtotal - 66.424		\$ 212,202	\$ -
582-24-50116 WO# 3	TMDL BIG FY24	66.454	\$ 137,325	\$ -
582-24-50116 WO#2	TMDL Tarkington and Luce Bayou FY24	66.454	\$ 65,689	\$ 9,573
582-24-50116 WO#1	TMDL I-Plans FY24	66.454	\$ 116,693	\$ -
582-24-50116 WO#4	TMDL San Jacinto-Brazos Coastal Basin FY24	66.454	\$ 70,674	\$ -
582-24-50116 WO#8	TMDL Delineation FY24	66.454	\$ 8,323	\$ -
582-24-50116 WO#6	TMDL Cotton Bayou FY24	66.454	\$ 12,452	\$ -
582-24-50116 WO#5	TMDL Bessie's Creek FY24	66.454	\$ 11,274	\$ -
582-23-40182	Water Quality Management Planning - 2023/2024	66.454	\$ 20,667	\$ -
580-25-00048	Water Quality Management Planning - 2025/2026	66.454	\$ 10,224	\$ -
	Subtotal - 66.424		\$ 453,321	\$ 9,573
582-20-10367	Targeted Bacteria Monitoring	66.456	\$ 7,806	\$ -
582-22-30136	Lower Galveston Bay Watershed	66.456	\$ 20,921	\$ -
582-23-40239	Water Quality - Rural Population	66.456	\$ 9,826	\$ -
582-24-50153	GBEP - OSSF For Disadvantaged Communities	66.456	\$ 7,240	\$ -
	Subtotal - 66.456		\$ 45,793	\$ -
582-21-10101	Clear Creek WPP FY24	66.460	\$ 3,074	\$ -
582-22-30143	East Fork WPP FY24	66.460	\$ 35,855	\$ -
582-24-50226	Green Bayou WPP FY24	66.460	\$ 77,844	\$ -
582-23-40223	West Lake Houston WPP FY24	66.460	\$ 93,479	\$ -
582-25-00071	Brays And Sims Bayou WPP FY24	66.460	\$ 4,022	\$ -
	Subtotal - 66.460		\$ 214,274	\$ -

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
582-25-00035	Sold Waste Infrastructure For Recycling Grant	66.920	\$ 33,662	\$ -
	Subtotal - 66.920		\$ 33,662	\$ -
	Total - Texas Commission on Environmental Quality		\$ 959,252	\$ 9,573
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			\$ 1,178,828	\$ 127,438
TOTAL EXPENDITURES OF FEDERAL AWARDS - PRIMARY GOVERNMENT			\$ 433,203,710	\$ 396,401,451
DISCRETELY PRESENTED COMPONENT UNIT:				
U.S. DEPARTMENT OF COMMERCE				
Direct Programs:				
ED24AUS0G0251	Economic Development - Support for Planning Organizations	11.302	\$ 68,597	\$ -
	Subtotal - 11.302		\$ 68,597	\$ -
	Economic Development Cluster			
08-79-05418	COVID-19 Economic Development - Cares Act Revolving Loan Fund	11.307	\$ 1,671,998	\$ 1,000,000
08-79-05571	COVID-19 Economic Development - Cares Act Revolving Loan Fund - 2	11.307	\$ 1,055,117	\$ 375,000
08-69-05592	Regional Broadband Market Study And Action Plan	11.307	\$ 202,698	\$ -
	Subtotal - Economic Development Cluster		\$ 2,929,813	\$ 1,375,000
TOTAL U.S. DEPARTMENT OF COMMERCE			\$ 2,998,410	\$ 1,375,000
TOTAL EXPENDITURES OF FEDERAL AWARDS - DISCRETELY PRESENTED COMPONENT UNIT			\$ 2,998,410	\$ 1,375,000
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			\$ 436,202,120	\$ 397,776,451
STATE PROGRAMS				
PRIMARY GOVERNMENT:				
OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION				
Direct Programs:				
1471918	Law Enforcement Training - 2024-2025		\$ 511,210	\$ 416,065
	Subtotal - Law Enforcement Training		\$ 511,210	\$ 416,065
TOTAL OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION			\$ 511,210	\$ 416,065
OFFICE OF THE GOVERNOR- HOMELAND SECURITY GRANTS DIVISION				
4558001	Brazoria County - Four Corners Tower Project		\$ 735,381	\$ 712,719
	Subtotal - Four Corners Tower Project		\$ 735,381	\$ 712,719
TOTAL OFFICE OF THE GOVERNOR-HOMELAND SECURITY GRANTS DIVISION			\$ 735,381	\$ 712,719
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY				
Direct Programs:				
582-24-50089	Solid Waste - 2024 - 2025		\$ 864,681	\$ 393,979
	Subtotal - Solid Waste		\$ 864,681	\$ 393,979
582-22-30102	Texas Clean Rivers - 2022-2023		\$ (2,564)	\$ -
582-24-50280	Texas Clean Rivers - 2024-2025		\$ 1,016,659	\$ 147,850
	Subtotal - Clean Rivers		\$ 1,014,095	\$ 147,850
582-23-40240	Trash Bash-GBEP FY24		\$ 12,515	\$ -

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
582-23-40241	GBEP - Clear Creek Match		\$ 459	\$ -
582-25-00062	GBEP - Green Bayou Match		\$ 88	\$ -
	Subtotal - GBEP		\$ 13,062	\$ -
	Total - Direct Programs		\$ 1,891,838	\$ 541,829
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY			\$ 1,891,838	\$ 541,829
TEXAS EDUCATION AGENCY				
230386047110014	Tri-Agency Grant For Regional Conveners		\$ 430,547	\$ 176,504
	Subtotal - TEA Regional Conveners		\$ 430,547	\$ 176,504
TOTAL TEXAS EDUCATION AGENCY			\$ 430,547	\$ 176,504
TEXAS HEALTH AND HUMAN SERVICES COMMISSION				
	Direct Programs:			
HHS000874100015	State General Revenue - 2024 IIIE Match		\$ 93,430	\$ -
HHS000874100015	State General Revenue - 2024		\$ 200,240	\$ -
HHS000874100015	State General Revenue - 2025		\$ 200,396	\$ -
HHS000874100015	State General Revenue - 2024 ARP		\$ 54,000	\$ -
HHS000874100015	State General Revenue - 2024 HDM Rate Increase		\$ 37,260	\$ -
HHS000874100015	Aging Housing Bond		\$ 7,894	\$ 7,894
HHS000874100015	OMB ALF Services - 2024		\$ 185,305	\$ -
HHS000874100015	OMB ALF Services - 2025		\$ 149,179	\$ -
HHS000270200021	ADRC Promoting Independence - 2024		\$ 11,294	\$ -
HHS000270200021	ADRC SGR Respite - 2024		\$ 17,661	\$ 8,075
HHS000270200021	ADRC SGR - 2024		\$ 144,853	\$ -
HHS001341600006	ADRC SGR - 2024		\$ 81,214	\$ -
HHS001341600006	ADRC SGR Respite - 2024		\$ 8,551	\$ 7,675
TOTAL TEXAS HEALTH AND HUMAN SERVICES COMMISSION			\$ 1,191,277	\$ 23,644
TEXAS WORKFORCE COMMISSION				
	Direct Programs:			
2824SNE001	SNAP E&T - 2024		\$ 26,741	\$ 26,741
2824SNE002	SNAP E&T - 2024		\$ 1,123,716	\$ 1,069,768
2825SNE002	SNAP E&T - 2025		\$ 846,029	\$ 846,029
	Subtotal - SNAP E&T		\$ 1,996,486	\$ 1,942,538
2824RAG001	Resource Admin Grant - 2024		\$ 3,456	\$ -
2825RAG001	Resource Admin Grant - 2025		\$ 2,077	\$ -
	Subtotal - Resource Administration Grant		\$ 5,533	\$ -
2824TAF002	TANF Choices - 2024		\$ 1,687,955	\$ 1,687,955
2824NCP001	TANF E&T – Noncustodial Parent Employment - 2024		\$ 120,404	\$ 120,404
2825NCP001	TANF E&T – Noncustodial Parent Employment - 2025		\$ 243,184	\$ 199,363
	Subtotal -TANF Choices		\$ 2,051,543	\$ 2,007,722
2824CCP001	Child Care DFPS - 2024		\$ 9,665,231	\$ 9,665,231
2825CCP001	Child Care DFPS - 2025		\$ 3,197,002	\$ 3,197,002
	Subtotal - Child Care DFPS		\$ 12,862,233	\$ 12,862,233
2818ALAE00	Adult Education and Literacy		\$ 880,710	\$ 880,710
2818ALAF00	Adult Education and Literacy		\$ 2,120,068	\$ 2,120,068
2924ALA017	Adult Education and Literacy		\$ 58,999	\$ 58,999
	Subtotal - AEL		\$ 3,059,777	\$ 3,059,777

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2024

Grantor's ID Number	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
2824CCM001	Child Care Local Match - 2024		\$ 200,000	\$ 200,000
2824CCF001	CCDF Child Care - 2024		\$ 35,572,285	\$ 35,527,285
2825CCF001	CCDF Child Care - 2025		\$ 11,639,277	\$ 11,639,278
	Subtotal - Child Care		\$ 47,411,562	\$ 47,366,563
	TOTAL TEXAS WORKFORCE COMMISSION		\$ 67,387,134	\$ 67,238,833
	TOTAL EXPENDITURES OF STATE AWARDS - PRIMARY GOVERNMENT		\$ 72,147,387	\$ 69,109,594
	TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS - REPORTING ENTITY		\$ 508,349,507	\$ 466,886,045

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2024

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 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 Grant Management Standards (TxGMS). 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 minimis 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	\$ 513,851,729
Add: Depreciation charged to grant programs	534,406
Add: Gulf Coast Economic Development Corporation federal expenditures	3,091,569
Add: Gulf Coast 911 Emergency District CSEC grant	67,827
Less: In-Kind Expenditures	(3,811,712)
Less: Cash Match	(372,761)
Less: Expenditures funded by local grant revenues	(5,011,551)
Total Federal and State Schedule	<u>\$ 508,349,507</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 12/31/2024	\$ 2,449,409
Cash and investment balance at 12/31/2024	194,515
Administrative costs during the fiscal year	83,191
Unpaid principal of loans written off during the fiscal year	-
Total EDA Revolving Loan Fund Expenditures	<u>2,727,115</u>
Federal Participation Rate	100%
Total Federal Share of EDA Revolving Loan Fund Expenditures	<u>\$ 2,727,115</u>

HOUSTON-GALVESTON AREA COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
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U.S. Department of Education

Adult Education and Literacy	84.002A
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U.S. Department of Health and Human Services

Temporary Assistance for Needy Families (TANF)	93.558
CCDF Cluster	93.575/93.596
Aging Cluster	93.044/93.045/93.053

- | | |
|---|-------------|
| 1. Dollar Threshold Considered Between Type A and Type B Federal Programs | \$3,000,000 |
| 2. Federal Single Audit - Auditee qualified as low-risk auditee? | Yes |

HOUSTON-GALVESTON AREA COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended December 31, 2024

I. Summary of Auditors' Results (continued)

State Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Texas Grant Management Standards? None

Identification of major programs:

<u>Name of State Programs</u>	<u>Grant / Contract Number</u>
TANF Choices – 2024 and TANF E&T	2824TAF002/2824NCP001/ 2825NCP001
Adult Education and Literacy	2818ALAE00/2924ALA017/ 2818ALAF00
CCDF Child Care - 2024	2824CCF001/2825CCF001
Child Care Local Match – 2024	2824CCM001
1. Dollar Threshold Considered Between Type A and Type B Programs	\$2,164,422
2. State Single Audit - Auditee qualified as low-risk auditee?	Yes

II. Financial Statement Findings

There were no current year findings.

III. Federal and State Award Findings and Questioned Costs

There were no current year findings or questioned costs.

HOUSTON-GALVESTON AREA COUNCIL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None noted

HOUSTON-GALVESTON AREA COUNCIL

CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

None noted



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