

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Houston-Galveston
Area Council

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
HOUSTON, TEXAS

Service
Collaborative
Accountable
Leadership
Innovative
Integrity
Community



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

For the year ended
December 31, 2022

Nancy Haussler, 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, 2022**

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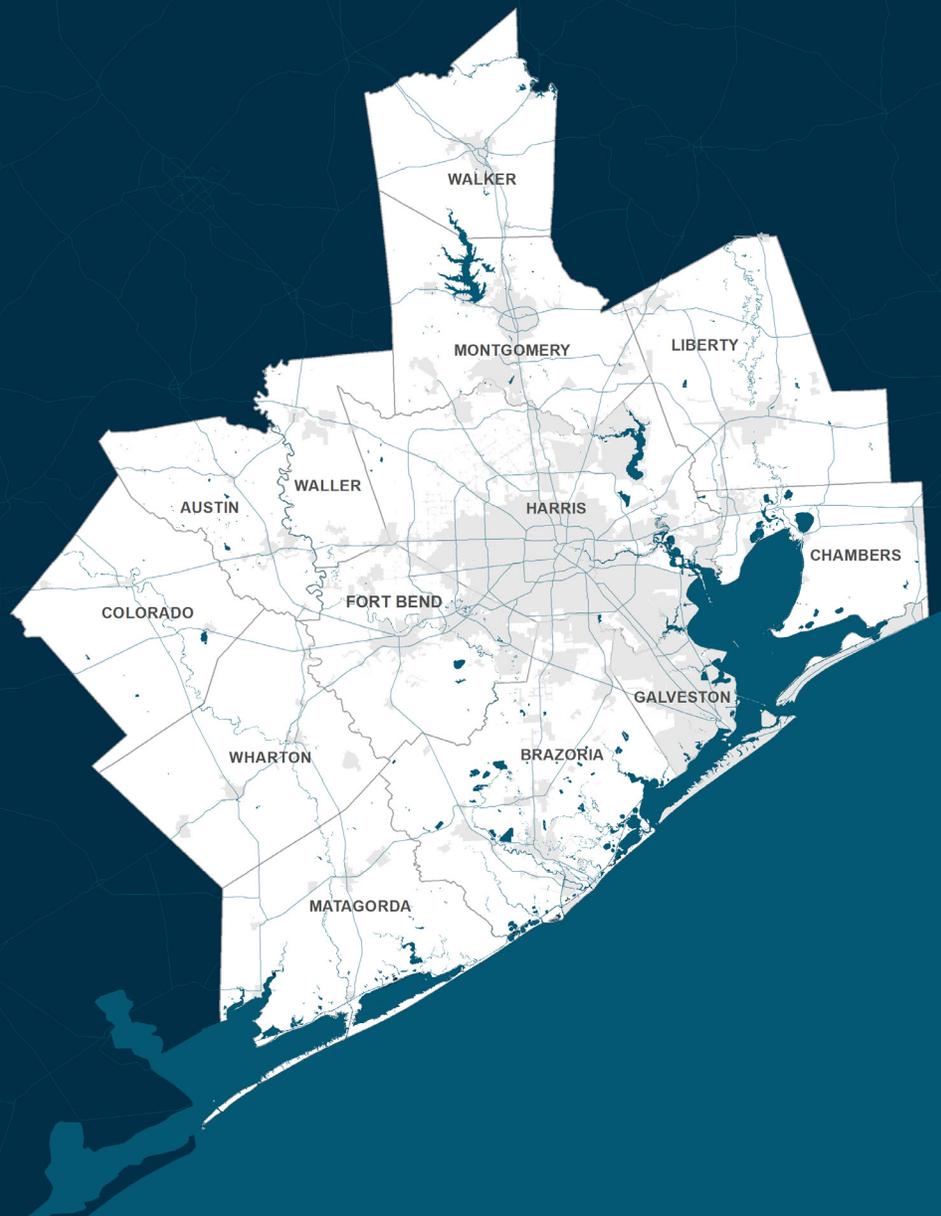
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Houston-Galveston
Area Council

INTRODUCTORY SECTION



SERVING TODAY ■ PLANNING FOR TOMORROW

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Houston-Galveston Area Council

May 4, 2023

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

Dear Judge Duhon and Members of the Board of Directors:

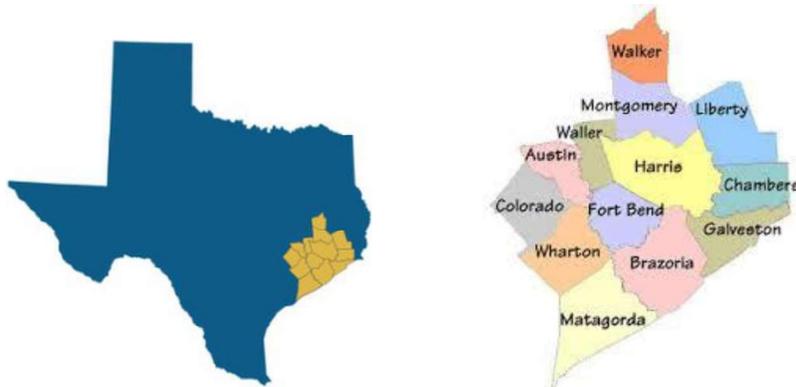
The Annual Comprehensive Financial Report of the Houston-Galveston Area Council, (the “Council” or “H-GAC”) for the fiscal year ended December 31, 2022, is hereby submitted. This report was prepared by the Department of Finance, which accepts responsibility for the accuracy, completeness, and fairness of the data presented. To provide a reasonable basis for making these representations, management of the Houston-Galveston Area Council has established a comprehensive framework of internal controls that is designed to protect H-GAC from loss and allow the compilation of reliable information to prepare the attached financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”). It should be noted that reasonable internal control measures weigh the cost of those procedures against their benefits and H-GAC’s internal control measures provide reasonable but not absolute assurance that the financial statements are free of material misstatement. We believe the data, as presented, is accurate in all material respects, that it accurately reflects the financial position and the results of operation of the Council, and that all disclosures have been made to enable the reader to acquire the maximum understanding of financial affairs concerning the Council. These financial statements are presented annually in compliance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Uniform Grant Management Standards* as well as Section 2 of the Council’s Bylaws. Forvis, Certified Public Accountants have issued an unmodified opinion, sometimes referred to as a “clean” opinion on the H-GAC financial statements included herein. This report is located on page 13 at the front of the financial section of the report.

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

Profile of the Houston-Galveston Area Council

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

H-GAC is governed by a General Assembly of 131 delegates from member local governments. A Board of Directors composed of thirty-seven locally elected officials, members representing county governments, cities, school districts and soil and water conservation districts provide more specific guidance and policymaking through its regular monthly meetings. During 2020, H-GAC's membership was comprised of the thirteen county governments, 108 cities, and eleven school districts, including all major general-purpose local governments in the region. According to 2020 estimates from the U.S. Bureau of Census, these member governments represented 7.3 million citizens and covered an area of 13,900 square miles. Below is a graphic representation of the H-GAC region and its location in the state of Texas.



Economic Condition and Outlook



Texas! The land of opportunity. According to the Federal Reserve bank of Dallas, Texas has the highest retention rate of any state, with 82% of people born in Texas still living in the state. That means about 3,800 more people move into Texas than leave – every single week.

So, what makes Texas so special? Most Texans will say it is the Texas culture of independence, self-reliance, and neighbors helping neighbors. The state's business friendly economics does not hurt either, with companies like Oracle, Hewlett Packard, Toyota, Charles Schwab, Jacobs Engineering, and Kubota Tractors

moving their headquarters and manufacturing plants to Texas. But even in a state where economic optimism is high, the effect of national monetary policy can slow down the momentum of growth.

2022 was the first full year of post-Covid recovery and the impact of supply shortages and unprecedented demand caused inflation on everything from eggs to housing. According to the State Comptroller, inflation shot up to 8.5% in March 2022 and it was 8.3% in April. These levels have not been seen since 1982. In response, the Federal Reserve took measures through increasing interest rates to curtail the rapidity of price increases. The delicate balance between inflation and recession was the constant byline of the fiscal news cycle for the year.

The good news is that recent economic data released by the Dallas Federal Reserve indicates that Texas might have a soft landing from these inflationary pressures. The primary reasons given for this forecast is the diversity of the Texas economy.

Growth and prosperity come at a price. The state's infrastructure is being tested. Energy and water are the lifeblood of the economy, and both are in short supply.

Major Initiatives



Water more precious than gold?

Texas, like most southern states, has its share of hot days. The farther north or west you travel, the drier it gets. Most people living in the state do not wonder if there will be a drought, they just wonder when. An unnamed meteorologist in the 1920's once described Texas as "a land of perennial drought broken by the occasional devastating flood".

Unfortunately, Texans are aware of the destruction and financial burden sustained periods of drought can bring. According to the National Oceanic and Atmospheric Administration (NOAA), there have been eighteen drought events with an economic impact of \$1 billion or more in Texas since 1980. The current drought, ongoing since 2021, is included in this count; however, its fiscal impact is unknown. What is certain is that 2022 was the 11th driest year in the past 128 years and the worst since 2011.

Fortunately, the Texas Water Development Board develops a voluminous water plan, with input from water planning entities like the Houston-Galveston Area Council, every five years which includes current and future supply and demand in each region and strategies for dealing with shortfalls. Such plans, without enforcement, could result in catastrophic water shortages in critical urban areas impacting millions of residents. Citizens and state leaders will be required to work cooperatively and share resources across jurisdictional boundaries for the overall economic health of the state. The Houston-Galveston Area Council will continue to serve as a coordinating and collaborating resource to help the state plan its conservation and distribution of the precious commodity of water in the years ahead.

Focus on Listening

Transportation



H-GAC has always hosted a variety of meetings where residents could come and participate and learn about the local and regional planning that would impact their hometown. To improve this dialogue, H-GAC decided to take the conversation to the communities where people live instead of asking citizens to come to a central office location. The

Transportation Department at H-GAC was the pioneer in this endeavor. Representatives from H-GAC held public meetings in all the counties in the region starting in the summer and fall of 2022. Specially designed workshops were held with specific content unique to each jurisdiction so that residents could give feedback on their concerns. A survey was also performed seeking input on the vision of transportation for the future. The end-product of this effort is to develop a more inclusive and comprehensive long-range transportation plan that will serve the citizens until 2045.

Workforce Development



The youth of today are the workforce of tomorrow. With that in mind, the Gulf Coast Workforce Board, administered by H-GAC launched several innovative ways to get young people looking at and planning their career path. The WorkSource, along with several partners teamed up with RoadTrip Nation to produce a film entitled “Wide Open Range” which told the

story of four young adults who traveled across the State and met with and interacted with a variety of professionals ranging from astronauts to artists to see first-hand what the future might hold for them. The film is available for viewing at RoadtripNation.com. To further aid young people, Workforce Solutions partnered with BridgeYear, an organization that connects underserved youth to careers and educational pathways, to introduce virtual reality technology into their educational programs. Students can use virtual reality headsets to simulate working in twenty-eight different career options in six industries. Listening to the needs of the future workers in the region in ways that are comfortable to them was a focus in 2022.

Financial Planning and Policies

The Board of Directors approves a government-wide financial plan for revenues and expenditures each year at its December meeting. This plan includes both restricted and unrestricted revenue sources. The restricted revenue sources (contracts and grants) often span more than one fiscal year. Estimates are made by management on the timing of these revenues and are reflected in the appropriate fiscal year financial plan. H-GAC recognizes that the financial plan must be flexible enough to adjust for revenues that do not materialize and capitalize on unforeseen opportunities as they occur. Therefore, throughout the year, the Board

of Directors approves amendments to the financial plan when funding changes become known. The financial plan adopted is on a basis consistent with accepted accounting principles. Control of the financial plan is maintained at the project level with management authorized to make transfers of budgeted amounts between object class levels within a project as allowed by grantor agencies.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Houston-Galveston Area Council for its comprehensive annual financial report for the fiscal year ended December 31, 2021. To be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized comprehensive annual report that satisfied both accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Chuck Wemple (May 5, 2023 09:56 CDT)

Chuck Wemple
Executive Director



Nancy Haussler
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Houston-Galveston Area Council
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

**HOUSTON-GALVESTON AREA COUNCIL
PRINCIPAL OFFICIALS**

OFFICERS OF THE BOARD OF DIRECTORS 2022

CHAIR
Councilmember Sally Branson
City of Friendswood

VICE CHAIR
Trustee Rissie Owens
Huntsville Independent School District

CHAIR ELECT
County Judge Trey Duhon
Waller County

ADMINISTRATIVE STAFF

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

H-GAC MEMBER GOVERNMENTS

Counties

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

Cities over 25,000 Population*

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*

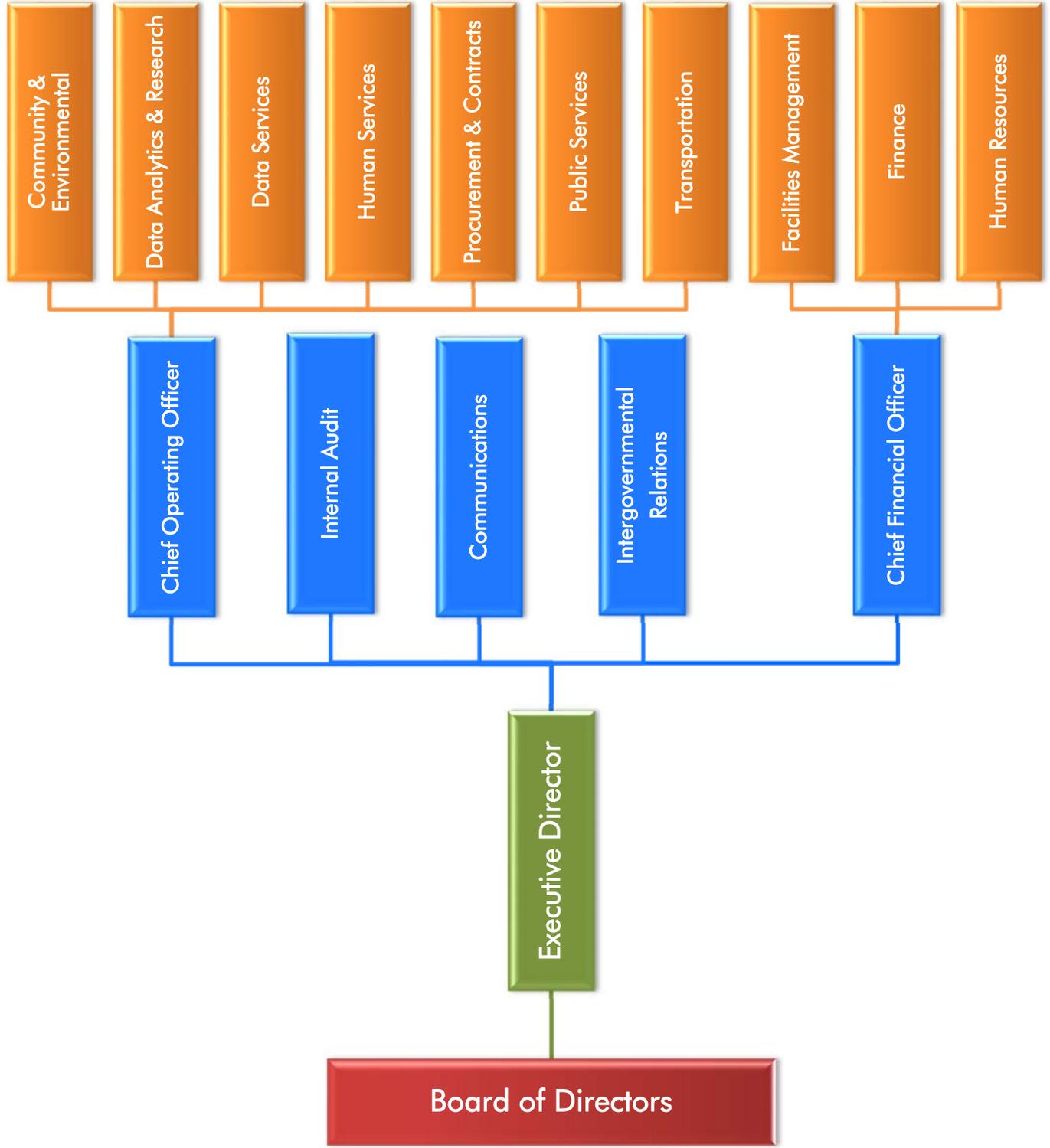
Anahuac	East Bernard	New Waverly	Spring Valley Village
Arcola	El Lago	Oak Ridge North	Stagecoach
Bayou Vista	Hedwig Village	Old River Winfree	Surfside Beach
Beach City	Hillcrest Village	Oyster Creek	Taylor Lake Village
Bellville	Town of Holiday Lakes	Panorama Village	Thompsons
Brazoria	Hunters Creek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

Independent School Districts*

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

*based on 2020 Census

Houston-Galveston Area Council





Houston-Galveston
Area Council

FINANCIAL SECTION



SERVING TODAY ■ PLANNING FOR TOMORROW

Independent Auditor's Report

Board of Directors
Houston-Galveston Area Council
Houston, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, 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, 2022, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Note 2* to the financial statements, in 2022, the Council adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for 12 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 the management's discussion and analysis 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The supplementary schedule of indirect costs, supplementary schedule of H-GAC employee benefits and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *Texas Comptroller of Public Accounts, State of Texas Grant Management Standards* (supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual 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 June 6, 2023, 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.

FORVIS, LLP

Houston, Texas
June 6, 2023

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, 2022. 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 \$40,013,176 of which \$31,224,188 is available to meet the Council’s ongoing obligations to local governments and creditors.
- H-GAC’s net position increased by \$1,772,401 during the year ended December 31, 2022, due primarily to the excess of revenues over expenditures on both of the business type and the 911 Regional District program areas.
- At the end of the year, the nonspendable fund balance and unassigned governmental fund balance are \$906,649 and \$11,248,943, respectively.
- H-GAC implemented GASB 87, *Leases*, (Statement) in 2022 as required by the Governmental Accounting Standards Board (GASB). This Statement increases the usefulness of government and government-related entity financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and a lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government leasing activities. This Statement significantly impacted the Council’s financial statements, adding \$11,253,893 in assets and an increase to short-term liabilities of \$1,636,040 and long-term liabilities of \$9,617,853, respectively as well as lease receivables of \$1,071,577 and deferred inflow of resources of \$1,060,096 at December 31, 2022. There was no effect on beginning net position or fund balance as a

result of adopting the statement. Prior year comparative information for 2021 has not been restated for adoption of the standard.

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 separate 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 fiscal year 2022. 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 plan fund for H-GAC's employee retirement plan and a custodial fund for the Air Emission Reduction Credit Organization ("AERCO"). AERCO was created to promote the coexistence of air quality improvement and economic development within the region. H-GAC serves as the custodian of funds received due to air emission credits and uses those funds to offset new emission requirements for major industrial modifications, economic development, or to reduce emissions to meet federal reduction requirements. These funds, like the proprietary funds, are presented on the full accrual basis of accounting. Fiduciary funds are not presented in the government-wide financial statements as these funds are restricted and are not available to support the programs of H-GAC. The pension plan is audited separately, and a copy of this report is available by request from H-GAC, P.O. Box 22777, Houston, TX 77227-2777.

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

3. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

H-GAC's assets exceed liabilities and deferred inflows of resources by \$40,013,176 at the close of the most recent year, 2022, which is an increase over 2021. Approximately 1.44% 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. Most of the increases to net position were due to increased revenues in the Gulf Coast 911 Regional District because of a grant received from the Commission on State Emergency Communications and increased participation by member governments in the Regional Excellence Corporation. There was restricted net position of \$8,676,883 at the end of the year. The balance of unrestricted net position in 2022 of \$31,224,188 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	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 53,041,774	\$ 62,371,564	\$ 20,823,196	\$ 20,836,815	\$ 73,864,970	\$ 83,208,377
Lease Assets, Net	11,253,893	-	-	-	11,253,893	-
Capital Assets, Net	576,388	708,893	-	-	576,388	708,893
Total Assets	<u>64,872,055</u>	<u>63,080,457</u>	<u>20,823,196</u>	<u>20,836,815</u>	<u>85,695,251</u>	<u>83,917,270</u>
Liabilities						
Current and Other Liabilities	34,623,190	44,841,180	195,375	219,726	34,818,565	45,060,906
Long-Term Liabilities						
Lease Obligations	9,617,853	-	-	-	9,617,853	-
Other Long-Term Liabilities	185,559	162,028	-	-	185,559	162,028
Total Liabilities	<u>44,426,602</u>	<u>45,003,208</u>	<u>195,375</u>	<u>219,726</u>	<u>44,621,977</u>	<u>45,222,934</u>
Deferred inflows of Resources						
Lease	1,060,096	-	-	-	1,060,096	-
Net Position						
Net Investment in Capital Assets	576,388	640,176	-	-	576,388	640,176
Restricted for:						
EPA RLF Program	1,406,844	1,656,629	-	-	1,406,844	1,656,629
Corporation for Regional Excellence	791,606	698,439	-	-	791,606	698,439
Gulf Coast 911 Reg District	6,014,150	5,036,653	-	-	6,014,150	5,036,653
Unrestricted	10,596,369	10,045,342	20,627,819	20,617,089	31,224,188	30,662,431
Total Net Position	<u>\$ 19,385,357</u>	<u>\$ 18,077,239</u>	<u>\$ 20,627,819</u>	<u>\$ 20,617,089</u>	<u>\$ 40,013,176</u>	<u>38,694,328</u>

Statement of Activities

H-GAC's net position increased by \$1,783,131 for the year. This reflects an increase in net position for governmental activities of \$1,397,401 and an increase in net position in business-type activities of \$385,730, before transfers. The change in net position in governmental activities represents a 9.80% increase of net position for governmental activities and the change in net position in the business-type activities represents an increase of less than 1% in net position for this activity. Overall, H-GAC increased net position by 4.61%. 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	
	2022	2021	2022	2021	2022	2021	2021	2021
Program Revenues								
Charges for Services	\$3,045,977	\$1,591,821	\$4,675,601	\$5,541,120	\$7,721,578	\$7,132,941	1.70%	1.93%
Operating Grants and Contributions	446,336,145	361,409,325	-	-	446,336,145	361,409,325	98.10%	98.01%
General Revenues								
Interest Income	128,727	3,803	-	-	128,727	3,803	0.03%	0.00%
Lease Interest	11,481	-	-	-	11,481	-	0.00%	0.00%
Other Income	773,249	190,021	-	-	773,249	190,021	0.17%	0.05%
Total Revenues	450,295,579	363,194,970	4,675,601	5,541,120	454,971,180	368,736,090	100.00%	100.00%
Expenses								
General Government	3,412,250	1,647,096	-	-	3,412,250	1,647,096	0.75%	0.45%
Workforce Programs	399,963,724	315,983,569	-	-	399,963,724	315,983,569	88.16%	86.31%
Transportation	25,540,331	26,465,214	-	-	25,540,331	26,465,214	5.63%	7.23%
Community and Environmental	3,250,683	3,601,922	-	-	3,250,683	3,601,922	0.72%	0.98%
Criminal Justice	2,547,413	2,262,353	-	-	2,547,413	2,262,353	0.56%	0.62%
Aging Services	11,685,445	9,250,935	-	-	11,685,445	9,250,935	2.58%	2.53%
Reg Excellence Corp	660	1,552	-	-	660	1,552	0.00%	0.00%
Gulf Coast 911 Reg Dist	2,961,955	2,659,637	-	-	2,961,955	2,659,637	0.65%	0.73%
Cooperative Purchasing			4,289,871	4,232,106	4,289,871	4,232,106	0.95%	1.16%
Total Expenses	449,362,461	361,872,278	4,289,871	4,232,106	453,652,332	366,104,384	100.00%	100.00%
Change in net position before transfers	933,118	1,322,692	385,730	1,309,014	1,318,848	2,631,706		
Transfers	375,000	200,000	(375,000)	(200,000)				
Change in net position	1,308,118	1,522,692	10,730	1,109,014	1,318,848	2,631,706		
Net Position-Beginning of Yr	18,077,239	16,554,547	20,617,089	19,508,075	38,694,328	36,062,622		
Net Position-End of Yr	\$19,385,357	\$18,077,239	\$20,627,819	\$20,617,089	\$40,013,176	\$38,694,329		

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 2022 and 2021, revenue in this program was \$4,675,601 and \$5,541,120, respectively. During the year, operating expenses for the program increased 1.36% and revenues decreased 15.62% due to inflationary pressure. The combined result was reflected as an increase to net position of \$10,730 or 0.97%. By comparison, the increase in 2021 was \$1,109,014 or 5.68%.

Business-Type Expenses	2022 Amount	2021 Amount	Increase (Decrease) from 2021	Increase (Decrease)
Personnel and Benefits	\$ 3,597,356	\$ 3,524,115	\$ 73,241	126.79%
Consultant and Contract Svcs	124,823	278,518	(153,695)	(266.07%)
Equipment Rental and Leases	35,453	35,170	283	0.49%
Amortization - Lease	219,943	240,100	(20,157)	(34.89%)
Travel	55,857	19,574	36,283	62.81%
Other	256,439	134,629	121,810	210.87%
Total Expenses	\$ 4,289,871	\$ 4,207,362	\$ 57,765	1.36%

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 2022 is \$12,155,592. Included in this fund balance is \$906,649 which has been identified for prepaid items and is nonspendable. The balance of \$11,248,943 is available for use at H-GAC's discretion.

The general fund balance of H-GAC increased by \$651,817. The increase is due to an increase of fund transfer in 2022 from the enterprise fund as well as proceeds from data sales. 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 \$1,656,631 in 2021 to \$1,406,846 in 2022. 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 2022, the Corporation had cash and pledged contributions of \$93,827 received late in the year to support activities associated with H-GAC's transportation program. The Corporation only had expenses of \$660 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 2022, the District had income of \$4,403,736 and expenditures of \$2,961,955. 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 beginning in 2023. 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 AND LEASE ASSET ADMINISTRATION

H-GAC’s capital assets for governmental activities amount to \$708,893 and \$576,388 (net of depreciation) for fiscal years ended December 31, 2021, and 2022, respectively. This investment in capital assets includes equipment, furniture, and fixtures. 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 2022, 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 both the governmental and business-type activities. Beginning balances are net of depreciation. The accumulated depreciation column below reflects the net effect of depreciation expense for the year and the recovery of depreciation upon retirement of assets.

HOUSTON-GALVESTON AREA COUNCIL CAPITAL ASSET ANALYSIS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Net Accumulated Depreciation</u>	<u>Ending Balance</u>
Governmental Activities					
Equipment, furniture and fixtures, net	\$708,893	\$117,619	\$(37,270)	\$(212,854)	\$576,388
Totals	<u>\$708,893</u>	<u>\$117,619</u>	<u>\$(37,270)</u>	<u>\$(212,854)</u>	<u>\$576,388</u>

Lease asset activity for 2022, was as follows:

	<u>01/01/2022</u>	<u>Amortization</u>	<u>12/31/2022</u>	<u>One Year</u>
Main Office	\$ 12,916,879	\$(1,687,946)	\$ 11,228,933	\$1,620,121
Satellite Office1	\$27,809	\$(20,825)	\$6,984	\$6,984
Satellite Office2	<u>\$26,154</u>	<u>\$(8,178)</u>	<u>\$17,976</u>	<u>\$8,935</u>
Total	<u>\$12,970,842</u>	<u>\$(1,716,949)</u>	<u>\$11,253,893</u>	<u>\$1,636,040</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, increased by \$100,789 in 2022. The compensated absence balance at year end was \$1,559,223.

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 FY2023, the per-capita membership revenue is estimated at \$462,137. This budget is based on the most recent census and is consistent with the budgeted amount in FY2022.

H-GAC increased estimated revenues and corresponding expenses by \$18,587,995 for 2023. The budget reflects increases in Workforce programs for \$8,669,914; Transportation for \$3,177,989; Public Services for \$1,183,827; Aging for \$2,193,720; Capital Expenditures for \$1,821,000; and Data Services for \$1,175,776. The increases are attributable to additional funding in different programs and a major office renovation project to update the workspace and improve technology. These factors were considered in preparing the budget for the 2023 fiscal year.

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 Nancy Haussler, Chief Financial Officer, Houston-Galveston Area Council, P.O. Box 22777, Houston, TX 77227-2777.

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	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	\$ 34,210,663		\$ 34,210,663	\$ 257,247	\$ 1,259,402	\$ 1,527,026
Investments	9,519,764		9,519,764			318,262
Receivables, net	24,880,971	\$ 2,726,751	27,607,722		87,130	
Notes receivable	187,051		187,051		2,250,789	
Lease receivable	1,071,577		1,071,577			
Due from component units	361,542		361,542			
Internal balances	(18,096,443)	18,096,443	-			
Prepaid expenses	906,649		906,649			
Capital assets, net	576,388		576,388			
Lease asset, net	11,253,893		11,253,893			
Total Assets	<u>64,872,055</u>	<u>20,823,194</u>	<u>85,695,249</u>	<u>257,247</u>	<u>3,597,321</u>	<u>1,845,288</u>
LIABILITIES						
Accounts payable and accrued expenses	4,599,820	73,509	4,673,329			34,586
Unearned revenues	4,035,341	121,866	4,157,207			
Due to grantee agencies	22,978,325		22,978,325			
Due to primary government				8,066	305,825	47,653
Long term liabilities						
Due within one year	1,373,664		1,373,664			
Due more than one year	185,559		185,559			
Lease Liability						
Due within one year	1,636,040		1,636,040			
Due more than one year	9,617,853		9,617,853			
Total Liabilities	<u>44,426,602</u>	<u>195,375</u>	<u>44,621,977</u>	<u>8,066</u>	<u>305,825</u>	<u>47,653</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	1,060,096		1,060,096			
Total Deferred Inflows of Resources	<u>1,060,096</u>	<u>-</u>	<u>1,060,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	576,388		576,388			
Restricted for:						
EPA RLF Program	1,406,844		1,406,844			
Corporation for Regional Excellence	791,606		791,606			
Gulf Coast 911 Regional District	6,014,150		6,014,150			
EDA RLF Program					3,291,496	
Local Development Corporation						1,797,635
Unrestricted	10,596,369	20,627,819	31,224,188	249,181		
Total Net Position	<u>\$ 19,385,357</u>	<u>\$ 20,627,819</u>	<u>\$ 40,013,176</u>	<u>\$ 249,181</u>	<u>\$ 3,291,496</u>	<u>\$ 1,797,635</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	Energy Purchasing Corporation	Economic Development Corporation	Local Development Corporation
Primary government:										
Governmental activities:										
General government	\$ 5,897,834	\$ (2,485,584)	\$ 3,045,977		\$ (366,274)		\$ (366,274)			
Workforce programs	399,228,855	734,869		\$ 399,905,870	(57,854)		(57,854)			
Transportation	24,682,629	857,702		25,274,541	(265,790)		(265,790)			
Community and environmental	3,058,315	192,368		3,246,883	(3,800)		(3,800)			
Criminal justice	2,472,547	74,866		2,495,818	(51,595)		(51,595)			
Aging services	11,388,866	296,579		11,379,753	(305,692)		(305,692)			
Corporation for Regional Excellence	660			93,827	93,167		93,167			
Gulf Coast 911 Regional District	2,961,955			3,939,453	977,498		977,498			
Total governmental activities	<u>449,691,661</u>	<u>(329,200)</u>	<u>3,045,977</u>	<u>446,336,145</u>	<u>19,660</u>		<u>19,660</u>			
Business-type activities:										
Cooperative purchasing	3,960,671	329,200	4,675,601			\$ 385,730	385,730			
Total business-type activities	<u>3,960,671</u>	<u>329,200</u>	<u>4,675,601</u>			<u>385,730</u>	<u>385,730</u>			
Total primary government	<u>\$ 453,652,332</u>	<u>\$ -</u>	<u>\$ 7,721,578</u>	<u>\$ 446,336,145</u>	<u>19,660</u>	<u>385,730</u>	<u>405,390</u>			
Component units:										
Energy Purchasing Corporation	84,456		176,041				\$ 91,585			
Gulf Coast Economic Development Corporation	865,045			988,672				\$ 123,627		
Local Development Corporation	495,071		265,690						\$ (229,381)	
Total component units	<u>\$ 1,444,572</u>		<u>\$ 441,731</u>	<u>\$ 988,672</u>			<u>\$ 91,585</u>	<u>\$ 123,627</u>	<u>\$ (229,381)</u>	
General revenues:										
Interest income					140,208		140,208			
Miscellaneous income					773,249		773,249			
Transfers					375,000	(375,000)				
Total general revenues and transfers					<u>1,288,457</u>	<u>(375,000)</u>	<u>913,457</u>	-	-	-
Change in net position					1,308,118	10,730	1,318,848	91,585	123,627	(229,381)
Net position - beginning					18,077,239	20,617,089	38,694,328	157,596	3,167,869	1,992,431
Net position - ending					<u>\$ 19,385,357</u>	<u>\$ 20,627,819</u>	<u>\$ 40,013,176</u>	<u>\$ 249,181</u>	<u>\$ 3,291,496</u>	<u>\$ 1,763,050</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>General</u>	<u>Grant Fund</u>	<u>Corporation for Regional Excellence</u>	<u>Gulf Coast 911 Regional District</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 24,635,329	\$ 1,339,552	\$ 595,926	\$ 7,639,856	\$ 34,210,663
Investments	9,519,764				9,519,764
Receivables	276,790	24,377,557	195,689	30,935	24,880,971
Long-term lease receivable	1,071,577				1,071,577
Due from other funds	2,787,209	6,281,568			9,068,777
Due from component unit	361,544				361,544
Notes receivable		187,051			187,051
Prepaid items	906,649				906,649
Total assets	<u>\$ 39,558,862</u>	<u>\$ 32,185,728</u>	<u>\$ 791,615</u>	<u>\$ 7,670,791</u>	<u>\$ 80,206,996</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,353,847	3,245,964	9		4,599,820
Unearned revenue	236,316	3,799,025			4,035,341
Due to grantee agencies		22,978,325			22,978,325
Due to other funds	24,753,011	755,570		1,656,641	27,165,222
Total liabilities	<u>26,343,174</u>	<u>30,778,884</u>	<u>9</u>	<u>1,656,641</u>	<u>58,778,708</u>
DEFERRED INFLOWS OF RESOURCES					
Lease	1,060,096	-	-		1,060,096
Total deferred inflow of resources	<u>1,060,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,060,096</u>
Fund balances					
Nonspendable	906,649				906,649
Unassigned	11,248,943				11,248,943
Restricted for:					
EPA RLF Program		1,406,844			1,406,844
Corporation for Regional Excellence			791,606		791,606
Gulf Coast 911 Regional District				6,014,150	6,014,150
Total fund balance	12,155,592	1,406,844	791,606	6,014,150	20,368,192
Total liabilities and fund balances	<u>\$ 39,558,862</u>	<u>\$ 32,185,728</u>	<u>\$ 791,615</u>	<u>\$ 7,670,791</u>	<u>\$ 80,206,996</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					576,388
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds					11,253,893
Long-term liabilities excluding compensated absences, are not due and payable in the current period and therefore, are not reported in the funds.					(11,253,893)
Compensated absences of governmental activities are not due and payable in the current period and, therefore, are not reported in the funds					<u>(1,559,223)</u>
Net position of governmental activities					<u>\$ 19,385,357</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, 2022**

	<u>General</u>	<u>Grant Fund</u>	<u>Corporation for Regional Excellence</u>	<u>Gulf Coast 911 Regional District</u>	<u>Total Governmental Funds</u>
Revenues					
Interest income	\$ 140,208				\$ 140,208
Membership dues	469,619				469,619
Interlocal contracts	1,433,158				1,433,158
Data services and imaging	1,143,201				1,143,201
Miscellaneous income	773,249				773,249
Other local revenue				\$ 3,939,453	3,939,453
From grantor agencies		\$ 442,302,865	\$ 93,827		442,396,692
Total revenues	<u>3,959,435</u>	<u>442,302,865</u>	<u>93,827</u>	<u>3,939,453</u>	<u>450,295,580</u>
Expenditures					
Current:					
General government	3,300,092				3,300,092
Workforce programs		399,916,748			399,916,748
Transportation		25,477,201			25,477,201
Community and Environmental		3,234,724			3,234,724
Criminal Justice/Homeland Security		2,490,964			2,490,964
Aging services		11,666,486			11,666,486
Corporation for Regional Excellence			660		660
Gulf Coast 911 Emergency District				2,961,955	2,961,955
Capital outlay:					
General government	117,619				117,619
Debt service:					
Principal	31,447				31,447
Total expenditures	<u>3,449,158</u>	<u>442,786,123</u>	<u>660</u>	<u>2,961,955</u>	<u>449,197,896</u>
Excess (deficiency) of revenues over expenditures	<u>510,277</u>	<u>(483,258)</u>	<u>93,167</u>	<u>977,498</u>	<u>1,097,684</u>
Other Financing Sources					
Transfers in	141,540	233,473			375,013
Total other financing sources	<u>141,540</u>	<u>233,473</u>	<u>-</u>	<u>-</u>	<u>375,013</u>
Change in fund balances	651,817	(249,785)	93,167	977,498	1,472,697
Fund balances - beginning	<u>11,503,775</u>	<u>1,656,631</u>	<u>698,439</u>	<u>5,036,654</u>	<u>18,895,499</u>
Fund balances - ending	<u>\$ 12,155,592</u>	<u>\$ 1,406,846</u>	<u>\$ 791,606</u>	<u>\$ 6,014,152</u>	<u>\$ 20,368,197</u>

See accompanying notes to the financial statements

HOUSTON-GALVESTON AREA COUNCIL
Reconciliation of the Statement of Revenues
Expenditures, and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2022

Net change in fund balances-total governmental funds \$ 1,472,697

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	117,619
Amortization expense	(1,716,949)
Depreciation expense	<u>(212,856)</u>
Excess of depreciation expense over capital outlay	<u>(1,812,186)</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	(100,789)
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The repayment of the principal of long-term debt (i.e., capital 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 payment for capital assets in 2023	31,447
Principal paid on leases	<u>1,716,949</u>

Change in net position of governmental activities \$ 1,308,118

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2022**

	<u>Cooperative Purchasing</u>
ASSETS	
Current assets	
Accounts receivable	\$ 2,726,751
Due from general fund	18,096,443
Total assets - current	<u>20,823,194</u>
 LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	73,509
Unearned revenues	121,866
Total liabilities - current	<u>195,375</u>
 NET POSITION	
Unrestricted	<u>20,627,819</u>
Total net position	<u>\$ 20,627,819</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, 2022**

	<u>Cooperative Purchasing</u>
OPERATING REVENUES	
Charges for services	\$ 4,675,601
Total operating revenues	<u>4,675,601</u>
OPERATING EXPENSES	
Personnel and benefits	3,597,356
Consultant and contract services	124,823
Equipment rental and leases	35,453
Lease amortization	219,943
Travel	55,857
Other	256,439
Total operating expenses	<u>4,289,871</u>
Operating Income	385,730
Transfers out	<u>(375,000)</u>
Change in net position	10,730
Net position - beginning	<u>20,617,089</u>
Net position - ending	<u>\$ 20,627,819</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2022**

	<u>Cooperative Purchasing</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 4,646,702
Cash payments to employees for services	(3,597,356)
Cash payments to suppliers for goods and services	(106,654)
Cash payments for operating expenses	(567,692)
Cash provided by operating activities	<u>375,000</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer to General Fund	(375,000)
Net cash used by noncapital financing activities	<u>\$ (375,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 385,730
Change in assets and liabilities:	
Increase in customer receivable	(217,031)
Decrease in interfund receivable	230,652
Increase in accounts payable and accrued expenses	18,169
Decrease in unearned revenue	(42,520)
Net cash provided by operating activities	<u>\$ 375,000</u>

See accompanying notes to the financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022**

	<u>Pension Trust Fund - Retirement Plan</u>	<u>Custodial Fund - Area Emission Reduction Credit Organization</u>
ASSETS		
Cash	\$ -	\$ 630,629
Investments- at fair value:		
Mutual funds	37,381,846	-
Money market funds	5,261,383	-
Total investments, at fair value	<u>42,643,229</u>	<u>-</u>
Receivables:		
Notes receivables from participants	<u>826,725</u>	-
Total receivables	<u>826,725</u>	-
Total assets	<u>43,469,954</u>	<u>630,629</u>
LIABILITIES		
Due to other government	<u>-</u>	<u>3,286</u>
Total liabilities	<u>-</u>	<u>3,286</u>
NET POSITION RESTRICTED FOR:		
Individual, organizations and other governments	<u>\$ 43,469,954</u>	<u>\$ 627,343</u>

See accompanying notes to financial statements

**HOUSTON-GALVESTON AREA COUNCIL
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
DECEMBER 31,2022**

	Pension Trust Retirement Plan	Custodial Fund Area Emission Reduction Credit Organization
Additions:		
Investment Income (Loss)		
Net decrease in fair value of investments	\$ (12,026,384)	\$ -
Dividends	2,465,335	-
Interest	-	1,853
	<hr/>	<hr/>
Net Investment Income (Loss)	(9,561,049)	1,853
	<hr/>	<hr/>
Interest Income on Notes Receivable from Participants	32,656	-
	<hr/>	<hr/>
Contributions		
Employer	1,185,812	-
Participants	1,683,449	-
State SEP Fund	-	128,105
	<hr/>	<hr/>
Total contributions	2,869,261	128,105
	<hr/>	<hr/>
Total Additions (Reductions)	(6,659,132)	128,105
	<hr/>	<hr/>
Deductions:		
Benefit paid to participants	4,152,475	-
Administrative expenses	2,211	-
State SEP Expenses	-	11,443
Federal SEP Expenses	-	4,379
Bank Fee	-	264
	<hr/>	<hr/>
Total deductions	4,154,686	16,086
	<hr/>	<hr/>
Change in net position	(10,813,818)	113,872
	<hr/>	<hr/>
Net Position, Beginning of Year	54,283,772	513,471
	<hr/>	<hr/>
Net Position, End of Year	<u>\$ 43,469,954</u>	<u>\$ 627,343</u>

See accompanying notes to financial statements.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

1. REPORTING ENTITY

The Houston-Galveston Area Council (“HGAC”) 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 HGAC. The Board has the authority to make decisions and appoint administrators and managers. -HGAC 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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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 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.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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 HGAC. Developing plans that include the key strategies of promoting economic growth, increasing employment opportunities, and developing a regional Comprehensive Economic Development Strategy is the primary mission of the organization. In 2010, the EDC received a revolving loan grant from the EDA to further the economic development of the distressed areas of the region. H-GAC has primary responsibility for the Corporation’s assets including its cash assets and the use of those assets benefits the constituency that H-GAC serves. Additionally, the EDC has signed a management agreement with 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 HGAC 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.

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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

implemented GASB 87, *Leases*, in the financial presentation for the year ended December 31, 2022. According to the Governmental Accounting Standards Board, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of a government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Additionally, for the lessor, the statement requires recognition of a lease receivables and deferred inflows of resources at the inception of the lease. Adoption of GASB 87 had no effect on the beginning net position or fund balance as of January 1, 2022.

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. 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:

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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

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

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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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 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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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 depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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

Capital and Lease Assets and Long-Term Liabilities - Capital assets, which include furniture, fixtures, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by 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. These liabilities, consistent with GASB 87, are amortized over their lease lives 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. There is no liability for unpaid accumulated sick leave since H-GAC does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay up to a maximum of 240 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, annual requirements to amortize such obligations are not determinable and have not been presented.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

Balance			Balance	Due Within	Due Beyond
<u>12/31/2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2022</u>	<u>One Year</u>	<u>One Year</u>
\$ 1,458,434	\$ 1,441,453	\$ 1,373,664	\$ 1,559,223	\$ 1,373,664	\$ 185,559

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, *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.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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:

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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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

11. Any combination of the foregoing.

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

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	\$24,635,329	\$ 7,455,563	\$ 2,064,201	-	\$ 34,155,093
Grant Fund	1,339,552	-	-	-	1,339,552
Corporation for Regional Excellence	595,926	-	-	-	595,926
Gulf Coast 9-1-1 Regional District	7,639,856	-	-	-	7,639,856
Total Governmental Funds	<u>34,210,663</u>	<u>7,455,563</u>	<u>2,064,201</u>	<u>-</u>	<u>43,730,427</u>
Fiduciary Funds					
Pension Trust	-	5,261,383	-	\$37,381,846	43,643,229
Custodial Fund	630,629	-	-	-	630,629
Total Fiduciary Funds	<u>630,629</u>	<u>5,261,383</u>	<u>-</u>	<u>37,381,846</u>	<u>54,143,165</u>
Discretely Presented Component Units:					
Energy Purchasing Corporation	257,247	-	-	-	257,247
Gulf Coast Economic Dev Corp	1,259,402	-	-	-	1,259,402
Local Development Corporation	1,527,026	-	318,262	-	1,845,288
Total Component Units	<u>3,043,675</u>	<u>-</u>	<u>318,262</u>	<u>-</u>	<u>2,716,443</u>
Total Reporting Entity	<u>\$37,884,967</u>	<u>\$ 12,716,946</u>	<u>\$ 2,382,463</u>	<u>\$37,381,846</u>	<u>\$ 90,366,222</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

Credit and Interest Rate Risk

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

	Amount	Weighted Average Maturity (Days)	Credit Rating
General Fund	\$9,519,764	10	AAA
Fiduciary Fund – Pension Trust	\$43,643,229	39	AAA
Local Development Corporation	\$318,262	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, 2022, H-GAC's deposit balance of \$37,884,967 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, 2022

The following is a summary of interfund receivables and payables as of December 31, 2022:

	Due from other fund	Due to other fund
General Fund	\$ 2,787,209	\$ 24,753,011
Grant Fund	6,281,568	755,570
Gulf Coast 911 Regional District		1,656,641
Cooperative Purchasing Fund	18,096,443	
Total	<u>\$ 27,165,222</u>	<u>\$ 27,165,222</u>

The following is a summary of interfund transfers in and out during the year ended December 31, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 375,000	\$ 233,473
Grant Fund	233,473	
Cooperative Purchasing Fund		375,000
	<u>\$ 608,473</u>	<u>\$ 608,473</u>

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

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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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	\$ 86,173	\$ -	\$ -	\$ -	\$ -	\$ -
Data imagery	98,750	-	-	-	-	-
Federal grants receivable	-	31,609	-	-	-	-
State grants receivable	-	24,114,751	-	30,935	-	-
Notes receivable	-	187,051	-	-	-	2,250,789
Lease receivable	1,071,577	-	-	-	-	-
Due from customers	-	-	195,689	-	2,726,751	-
Other receivable	91,867	231,197	-	-	-	87,130
Gross Receivables	<u>1,348,367</u>	<u>24,564,608</u>	<u>195,689</u>	<u>30,935</u>	<u>2,726,751</u>	<u>2,337,919</u>
Less: Allowance for uncollected accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receivables, Net	<u>\$ 1,348,367</u>	<u>\$ 24,564,608</u>	<u>\$ 195,689</u>	<u>\$ 30,935</u>	<u>\$ 2,726,751</u>	<u>\$ 2,337,919</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

6. CAPITAL AND LEASE 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 – *Leases*, 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.

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

	Balance			Balance
	January 1, 2022	Increases	Decreases	December 31, 2022
	(as restated)			
Governmental activities:				
Furniture, fixtures, and equipment	\$ 5,846,159	\$ 117,619	\$(37,270)	\$ 5,926,508
Less accumulated depreciation	<u>(5,137,266)</u>	<u>(212,854)</u>	<u>-</u>	<u>(5,350,120)</u>
	<u>\$ 708,893</u>	<u>\$ (95,235)</u>	<u>\$ (37,270)</u>	<u>\$ 576,388</u>
Governmental activities:				
Lease assets - buildings	\$12,970,842	\$ -	\$ -	12,970,842
Less accumulated amortization	<u>-</u>	<u>(1,716,949)</u>	<u>-</u>	<u>(1,716,949)</u>
	<u>\$12,970,842</u>	<u>\$(1,716,949)</u>	<u>\$ -</u>	<u>\$11,253,893</u>
Business-type activities:				
Furniture, fixtures, and equipment	\$ 194,196	\$ -	\$ -	\$ 194,196
Less accumulated depreciation	<u>(194,196)</u>	<u>-</u>	<u>-</u>	<u>(194,196)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Governmental Activities –	
General government	\$ 11,380
Workforce programs.....	46,976
Transportation	63,130
Community and environmental	15,960
Criminal justice & homeland security	56,449
Aging services	<u>18,959</u>
Total Governmental Activities	212,854
Business-type activities –	
Cooperative purchasing.....	<u>0</u>
Total.....	<u>\$ 212,854</u>

Governmental Activities –	
General government	\$ 331,889
Workforce programs.....	462,127
Transportation	539,372
Community and environmental	120,972
Criminal justice & homeland security	47,080
Aging services	<u>215,509</u>
Total.....	<u>\$1,716,949</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

7. UNEARNED REVENUE

As of December 31, 2022, unearned revenue was comprised of the following:

General Fund:	<u>\$ 1,296,412</u>
Grant Fund:	
Solid Waste.....	\$ 900,328
C&E/Local Contracts	361,356
Transportation/Local Contracts	815,273
Homeland Security/Criminal Justice Program	161,019
Human Services Local Program.....	<u>1,561,049</u>
Total Grant Funds.....	<u>\$ 3,799,025</u>
Enterprise Fund:	
Cooperative Purchasing.....	<u>\$ 121,866</u>

The General Fund had unearned revenue of \$1,296,412 in 2022. 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 2023, the prepayment of 2023 membership dues of \$204,055 and \$1,060,096 of deferred inflow as a result of the GASB 87 lease implementation in 2022.

During 2022, the Cooperative Purchasing enterprise fund received remittance from participants in advance of performing services. These remittances, totaling \$121,866, 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 \$900,328 for this program. In addition, H-GAC received local matching funds to provide assistance in Community and Environmental programs. At year end, the matching funds totaled \$361,356.

H-GAC received revenues in excess of expenditures of \$161,019 in both homeland security planning and criminal justice planning. This access fund is to provide

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

assistance in developing the required Homeland Security and criminal justice plan for Harris County and the other surrounding jurisdictions.

H-GAC receives matching participating funds from various local agencies to provide assistance in Transportation planning and Workforce programs. At year end, the matching funds totaled \$815,273 and \$1,561,049, 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 August 31, 2023. 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 two leases for satellite office space associated with the Aging program. One of the leases will expire in April 2023 and the other lease will expire in February 2025.

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

Lease Liabilities:

Lease liability activity for the year ended December 31, 2022, was:

	Balance		Balance	Due Within
	01/01/2022	Reductions	12/31/2022	One Year
	(As Restated)			
Main Office	\$ 12,916,879	\$(1,687,946)	\$ 11,228,933	\$1,620,121
Satellite Office1	\$27,809	\$(20,825)	\$6,984	\$6,984
Satellite Office2	<u>\$26,154</u>	<u>\$(8,178)</u>	<u>\$17,976</u>	<u>\$8,935</u>
Total	<u>\$12,970,842</u>	<u>\$(1,716,949)</u>	<u>\$11,253,893</u>	<u>\$1,636,040</u>

The following is a schedule by year of payments under the lease as of December 31,2022:

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	1,635,349	115,005	1,750,354
2024	1,469,910	98,355	1,568,265
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 and Beyond	3,485,760	41,894	3,527,654
	<u>\$11,253,893</u>	<u>\$449,018</u>	<u>\$11,702,911</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

Lease Receivable:

H-GAC's lessor agreement expires January 31, 2030. H-GAC uses the effective interest rate to amortize the lease receivable over the lease term.

Revenue recognized under the lease agreement during the year ended December 31, 2022, was \$146,190, which includes both lease revenue and interest.

Lease receivable activity for the year ended December 31, 2022, was:

	1/01/2022 (As Restated)	Increase	Decrease	12/31/2022
Lease receivable	<u>\$ 1,206,286</u>	<u>\$ -</u>	<u>\$ 134,709</u>	<u>\$ 1,071,577</u>

The following is a schedule by year of payments under the lease as of December 31, 2022:

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	137,884	11,095	148,979
2024	142,212	9,556	151,768
2025	146,587	7,970	154,557
2026	151,011	6,335	157,346
2027	155,484	4,652	160,136
2028 and Beyond	338,399	4,067	342,466
	<u>\$1,071,577</u>	<u>\$43,674</u>	<u>\$1,115,251</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

9. RETIREMENT PLAN

The Retirement Plan for the Employees of Houston-Galveston Area Council, (“the Plan”), is a single employer, defined-contribution retirement plan for all employees 21 years of age or older having at least six months of service. Membership in the Plan as of December 31, 2022, was 340 participants. The Plan is administered by Fidelity Management Trust Company. Retirement benefits depend solely on amounts contributed to the plan and any investment earnings thereon. The Plan requires participants to contribute an amount at least equal to 3% of gross salary. H-GAC matches the participant contribution with a 7% contribution. H-GAC has no further liability to the plan after making such contributions. Participants begin partial vesting in the employer’s contributions and earnings thereon after 3 years of service and become fully vested after 6 years. A vesting schedule tied to completed years of service is included in the plan documents. Forfeitures of H-GAC’s unvested contributions occur when an employee terminates his employment prior to reaching six years of employment. These forfeitures are used to offset H-GAC’s required matching contribution during the year. Forfeitures used to offset employer contributions during the plan year ended December 31, 2022, totaled \$188,670. 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 2022 was \$19,794,667. Retirement plan contributions were calculated using the gross salary amount for covered employees. H-GAC and its employees made contributions in 2022 of \$1,185,812 and \$1,683,449, 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, 2022.

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 2022 from membership dues

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

and other locally generated revenues will be adequate to meet commitments for matching funds required by federal and state grants.

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

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

H-GAC did not experience any significant reductions in insurance coverage during fiscal year 2022 and did not have any instances in which settlements exceeded insurance coverage in any of the past three fiscal 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.

11. 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, 2022**

	<u>Actual</u>	<u>Budget</u>	<u>Percentage</u>
PERSONNEL			
Indirect salaries	\$ 1,742,091	\$ 1,529,862	65.44 %
Employee benefits	796,521	708,326	29.92
	<u>2,538,612</u>	<u>2,238,188</u>	<u>95.37</u>
CONSULTANT AND CONTRACT SERVICES			
Consultant	-	23,000	0.00
Accounting and auditing	67,920	15,000	2.55
Other contract services	49,832	2,000	1.87
Legal Services	15,568	10,000	0.58
	<u>133,320</u>	<u>50,000</u>	<u>5.01</u>
EQUIPMENT			
Purchase, lease, rental or maintenance office furniture, fixtures and equipment	48,301	24,000	1.81
Depreciation	149,226	161,820	5.61
	<u>197,527</u>	<u>185,820</u>	<u>7.42</u>
LEASE OF OFFICE SPACE	<u>121,393</u>	<u>104,416</u>	<u>4.56</u>
TRAVEL	<u>51,587</u>	<u>53,000</u>	<u>1.94</u>
OTHER			
Consumable supplies	4,136	9,679	0.16
Software and Database	18,303	63,475	0.69
Communications	2,226	2,050	0.08
Postage	2,351	5,100	0.09
Subscriptions & memberships	129,086	114,700	4.85
Miscellaneous	17,189	62,316	0.65
	<u>173,291</u>	<u>257,320</u>	<u>6.51</u>
Indirect Carryforward	(553,810)	-	-20.80
TOTAL INDIRECT COSTS (A)	<u>\$ 2,661,920</u>	<u>\$ 2,888,744</u>	<u>100.0 %</u>
BASIS FOR ALLOCATION OF INDIRECT COSTS			
Chargeable salaries	\$ 19,794,667	\$ 21,099,085	
Employee benefits	9,164,931	9,768,876	
	<u>28,959,598</u>	<u>30,867,961</u>	
Less indirect salaries and Employee benefits	<u>(2,538,612)</u>	<u>(2,238,188)</u>	
TOTAL DIRECT SALARIES AND RELATED EMPLOYEE BENEFITS (B)	<u>\$ 26,420,986</u>	<u>\$ 28,629,774</u>	
ACTUAL INDIRECT COST RATE (A/B)	<u>10.08%</u>	<u>10.09%</u>	

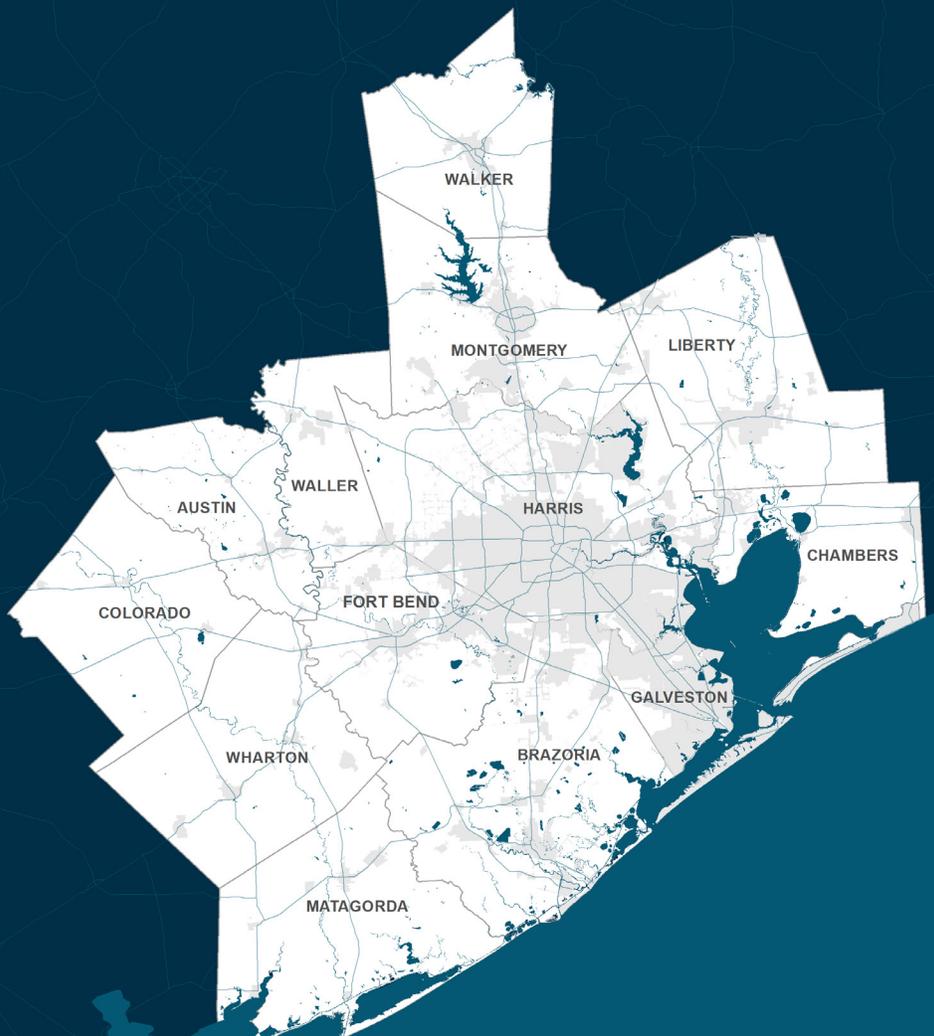
**HOUSTON-GALVESTON AREA COUNCIL
 SUPPLEMENTARY SCHEDULE OF H-GAC EMPLOYEE BENEFITS
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Amount</u>	<u>Percentage</u>
RELEASED TIME TAKEN AND ACCRUED:		
Vacation	\$ 1,338,822	14.61 %
Holidays	1,141,417	12.45
Sick leave	597,619	6.52
Other	39,379	0.43
	<u>3,117,237</u>	<u>34.01</u>
BENEFIT PROGRAMS:		
Payroll taxes	1,896,857	20.70
Retirement plan	1,465,776	15.99
Insurance	2,727,875	29.76
Other benefits	73,355	0.80
	<u>6,163,863</u>	<u>67.25</u>
Benefit carryforward	<u>(116,169)</u>	<u>-1.27</u>
TOTAL EMPLOYEE BENEFITS (A)	<u>\$ 9,164,931</u>	<u>100.00 %</u>
BASIS FOR ALLOCATION OF EMPLOYEE BENEFITS:		
Gross Salaries	\$ 22,911,904	
Less released time	<u>(3,117,237)</u>	
CHARGEABLE SALARIES (B)	<u>\$ 19,794,667</u>	
EMPLOYEE BENEFIT RATE (A/B)	<u>46.30 %</u>	



Houston-Galveston
Area Council

STATISTICAL SECTION



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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net Investment in Capital Assets	\$ 873,153	\$ 1,772,876	\$ 1,876,144	\$ 1,487,231	\$ 1,101,084	\$ 778,299	\$ 516,661	\$ 642,591	\$ 640,176	\$ 576,388
Restricted	7,831,657	7,714,688	8,032,742	7,907,727	8,482,762	8,323,514	5,673,848	5,886,299	7,391,721	8,212,600
Unrestricted	7,350,151	8,078,247	8,354,323	8,780,986	9,002,170	9,453,392	10,235,011	10,025,656	10,045,342	10,596,369
Total governmental activities net position	\$ 16,054,961	\$ 17,565,811	\$ 18,263,209	18,175,944	18,586,016	18,555,205	16,425,520	16,554,546	18,077,239	19,385,357
Business-type activities										
Net Investment in Capital Assets	\$ 78,538	\$ 39,699	\$ 860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,441,204	9,791,095	12,104,373	12,834,141	15,045,379	16,233,015	17,943,565	19,508,075	20,617,089	20,627,819
Total business-type activities net assets	\$ 8,519,742	\$ 9,830,794	\$ 12,105,233	\$ 12,834,141	\$ 15,045,379	\$ 16,233,015	\$ 17,943,565	\$ 19,508,075	\$ 20,617,089	\$ 20,627,819
Primary government										
Net Investment in Capital Assets	\$ 951,691	\$ 1,812,575	\$ 1,877,004	\$ 1,487,231	\$ 1,101,084	\$ 778,299	\$ 516,661	\$ 642,591	\$ 640,176	\$ 576,388
Restricted	7,831,657	7,714,688	8,032,742	7,907,727	8,482,762	8,323,514	5,673,848	5,886,299	7,391,721	8,212,600
Unrestricted	15,791,355	17,869,342	20,458,696	21,615,127	24,047,549	25,686,407	28,178,577	29,533,732	30,662,432	31,224,189
Total primary government net assets	\$ 24,574,703	\$ 27,396,605	\$ 30,368,442	\$ 31,010,085	\$ 33,631,395	\$ 34,788,220	\$ 34,369,085	\$ 36,062,621	\$ 38,694,328	\$ 40,013,176

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses										
Governmental activities:										
General government	\$ 1,123,501	\$ 3,017,955	\$ 1,121,364	\$ 4,487,704	\$ 5,579,938	\$ 6,024,453	\$ 4,025,538	\$ 6,168,140	\$ 4,308,285	\$ 6,442,036
Workforce programs	185,089,084	183,974,199	205,095,889	209,009,097	232,028,757	273,118,245	290,533,452	343,589,322	315,983,569	399,963,724
Transportation	33,229,456	28,705,403	31,200,061	40,668,632	28,150,854	22,502,463	28,754,072	22,158,714	26,465,214	25,540,331
Community and environmental	10,310,254	22,778,574	23,021,245	10,732,671	13,305,656	16,158,934	10,243,469	3,085,645	3,601,922	3,250,683
Criminal justice	1,027,540	947,483	943,741	847,184	1,356,078	1,232,945	1,300,069	1,262,965	2,262,353	2,547,413
Emergency communications	3,242,332	4,881,827	4,632,362	931,365	-	-	-	-	-	-
Aging services	8,774,680	8,975,078	9,886,838	11,124,787	10,521,725	11,131,671	9,939,800	9,801,337	9,250,935	11,685,445
Total governmental activities expenses	<u>242,796,847</u>	<u>253,280,519</u>	<u>275,901,500</u>	<u>277,801,440</u>	<u>290,943,008</u>	<u>330,168,711</u>	<u>344,796,400</u>	<u>386,066,123</u>	<u>361,872,278</u>	<u>449,429,632</u>
Business-type activities:										
Cooperative purchasing	2,978,910	3,032,813	3,492,923	3,540,827	3,490,530	3,535,809	4,091,859	4,207,362	4,232,106	4,289,871
Total business-type activities expenses	<u>2,978,910</u>	<u>3,032,813</u>	<u>3,492,923</u>	<u>3,540,827</u>	<u>3,490,530</u>	<u>3,535,809</u>	<u>4,091,859</u>	<u>4,207,362</u>	<u>4,232,106</u>	<u>4,289,871</u>
Total primary government expenses	<u>\$245,775,757</u>	<u>\$256,313,332</u>	<u>\$279,394,423</u>	<u>\$281,342,267</u>	<u>\$294,433,538</u>	<u>\$333,704,520</u>	#####	#####	#####	#####
Program Revenues										
Governmental activities:										
Charges for services:										
Membership dues	395,538	402,918	388,039	394,258	395,539	299,061	392,963	390,791	395,539	469,619
Interlocal contracts	734,742	1,616,261	767,454	785,108	1,272,045	729,253	739,106	1,823,110	976,397	1,433,158
Data services and imaging	389,465	670,050	211,625	651,490	411,575	1,528,519	319,242	784,700	219,886	1,143,201
Operating grants and contributions	243,745,694	249,980,261	274,844,685	275,703,821	288,363,857	326,678,493	340,689,957	382,754,536	361,409,325	446,336,145
Total governmental activities program revenues	<u>245,265,439</u>	<u>252,669,490</u>	<u>276,211,803</u>	<u>277,534,677</u>	<u>290,443,016</u>	<u>329,235,326</u>	<u>342,141,268</u>	<u>385,753,137</u>	<u>363,001,147</u>	<u>449,382,123</u>
Business-type activities:										
Charges for services:										
Cooperative purchasing	3,951,174	4,843,865	5,767,362	4,269,735	5,801,768	4,898,445	6,002,409	5,871,872	5,541,120	4,675,601
Total business-type activities program revenues	<u>3,951,174</u>	<u>4,843,865</u>	<u>5,767,362</u>	<u>4,269,735</u>	<u>5,801,768</u>	<u>4,898,445</u>	<u>6,002,409</u>	<u>5,871,872</u>	<u>5,541,120</u>	<u>4,675,601</u>
Total primary government program revenues	<u>\$249,216,613</u>	<u>\$257,513,355</u>	<u>\$281,979,165</u>	<u>\$281,804,412</u>	<u>\$296,244,784</u>	<u>\$334,133,771</u>	#####	#####	#####	#####
Net (Expense)/Revenue										
Governmental activities	2,468,592	(611,030)	310,302	(266,764)	(499,993)	(933,385)	(2,655,134)	(312,988)	1,128,867	(47,511)
Business-type activities	972,264	1,811,052	2,274,439	728,908	2,311,238	1,362,636	1,910,550	1,664,510	1,309,014	385,730
Total primary government net expense	<u>\$ 3,440,856</u>	<u>\$ 1,200,022</u>	<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>\$ 338,221</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Interest income	158,039	15,741	22,290	14,189	58,491	331,766	380,613	44,289	3,803	140,208
Miscellaneous	(214,461)	1,606,138	364,809	165,314	751,573	395,808	(55,164)	297,724	190,021	840,420
Transfers in	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total governmental activities	<u>\$ (56,422)</u>	<u>\$ 2,121,879</u>	<u>\$ 387,099</u>	<u>\$ 179,503</u>	<u>\$ 910,064</u>	<u>\$ 902,574</u>	<u>\$ 525,449</u>	<u>\$ 442,013</u>	<u>\$ 393,824</u>	<u>\$ 1,355,641</u>
Business-type activities:										
Transfers out	\$ -	\$ (500,000)	\$ -	\$ -	\$ (100,000)	\$ (175,000)	\$ (200,000)	\$ (100,000)	\$ (200,000)	\$ (375,013)
Total Business-type activities	<u>\$ -</u>	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ (175,000)</u>	<u>\$ (200,000)</u>	<u>\$ (100,000)</u>	<u>\$ (200,000)</u>	<u>\$ (375,013)</u>
Change in Net Position										
Governmental activities	\$ 2,412,168	\$ 1,510,849	\$ 697,398	\$ (87,264)	\$ 410,072	\$ (30,811)	\$ (2,129,685)	\$ 129,025	\$ 1,522,691	\$ 1,308,130
Business-type activities	972,264	1,311,052	2,274,439	728,908	2,211,238	1,187,636	1,710,550	1,564,510	1,109,014	10,717
Total primary government	<u>\$ 3,384,432</u>	<u>\$ 2,821,901</u>	<u>\$ 2,971,837</u>	<u>\$ 641,644</u>	<u>\$ 2,621,310</u>	<u>\$ 1,156,825</u>	<u>\$ (419,135)</u>	<u>\$ 1,693,536</u>	<u>\$ 2,631,706</u>	<u>\$ 1,318,848</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ 179,415	\$ 116,304	\$ 48,145	\$ 206,721	\$ 184,145	\$ 210,135	\$ 386,567	\$ 757,570	\$ 1,212,034	\$ 906,649
Unassigned	8,062,639	8,817,921	9,152,946	9,165,337	9,744,138	10,227,449	10,854,033	10,653,005	10,291,741	11,248,943
Total general fund	<u>\$ 8,242,054</u>	<u>\$ 8,934,225</u>	<u>\$ 9,201,091</u>	<u>\$ 9,372,058</u>	<u>\$ 9,928,283</u>	<u>\$ 10,437,584</u>	<u>\$ 11,240,600</u>	<u>\$ 11,410,575</u>	<u>\$ 11,503,775</u>	<u>\$ 12,155,592</u>
All Other Governmental Funds										
Restricted for:										
EPA RLF Program	\$ 7,749,761	\$ 7,599,714	\$ 7,833,463	\$ 7,486,709	\$ 7,121,000	\$ 6,393,395	\$ 2,810,842	\$ 1,846,304	\$ 1,656,629	\$ 1,406,844
Regional Excellence Corporation	\$ 81,896	\$ 114,974	\$ 199,279	\$ 421,018	\$ 354,000	\$ 280,011	\$ 317,388	\$ 507,478	\$ 698,439	\$ 791,606
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
Total all other governmental funds	<u>\$ 7,831,657</u>	<u>\$ 7,714,688</u>	<u>\$ 8,032,742</u>	<u>\$ 8,208,145</u>	<u>\$ 8,482,662</u>	<u>\$ 8,323,514</u>	<u>\$ 5,673,848</u>	<u>\$ 5,886,299</u>	<u>\$ 7,391,721</u>	<u>\$ 8,212,600</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Interest income	\$ 11,974	\$ 15,741	\$ 22,290	\$ 14,189	\$ 58,491	\$ 331,766	\$ 380,613	\$ 44,289	\$ 3,803	\$ 140,208
Membership dues	395,538	402,917	388,039	394,258	395,539	299,061	392,963	390,791	395,539	469,619
Interlocal contracts	734,742	1,616,261	767,454	785,108	1,272,045	729,253	739,106	1,823,110	976,397	1,433,158
Data services and imaging	389,465	670,050	211,625	651,490	411,575	1,528,519	319,242	784,700	219,886	1,143,201
Miscellaneous income	(214,461)	1,606,138	364,809	165,314	751,567	395,808	(55,164)	297,724	190,021	840,420
Operating grants and contributions	243,891,754	249,980,261	274,844,685	275,703,821	288,363,857	326,678,493	340,689,957	382,754,536	361,409,325	446,336,145
Total revenues	245,209,012	\$ 254,291,369	\$ 276,598,902	\$ 277,714,180	\$ 291,253,074	\$ 329,962,900	\$ 342,466,717	\$ 386,095,150	\$ 363,194,971	\$ 450,362,751
Expenditures										
General government	936,046	2,955,078	1,063,628	1,838,703	2,537,247	2,851,528	1,313,448	2,962,868	1,513,063	3,367,263
Workforce programs	185,067,235	183,838,987	204,963,753	208,854,509	231,869,701	272,976,282	290,426,917	343,536,794	315,951,055	399,916,748
Transportation	33,126,845	28,568,435	31,030,647	40,491,639	28,064,068	22,335,672	28,590,540	22,084,110	26,419,759	25,477,201
Community and environmental	10,227,572	22,704,646	22,958,676	10,680,269	13,253,886	16,173,588	10,196,684	3,063,491	3,586,298	3,234,724
Criminal justice	958,987	957,655	909,063	815,491	1,319,500	1,187,393	1,391,343	1,195,598	2,202,056	2,490,964
Emergency communications	3,219,814	4,868,627	4,613,624	928,918	-	-	-	-	-	-
Aging services	8,750,081	8,937,602	9,839,561	11,069,901	10,477,138	11,088,653	9,896,468	9,780,103	9,237,891	11,666,486
Regional excellence corporation	188,720	86,941	49,271	62,842	122,317	145,893	13,311	56,711	1,552	660
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
Debt service:										
Principal	10,767	13,206	15,880	26,286	34,993	40,119	23,252	31,420	31,447	31,447
Interest	380	1,125	2,727	2,079	1,486	859	213	-	-	-
Capital outlay	24,341	1,339,506	612,320	93,594	41,746	55,206	21,602	400,125	216,889	117,619
Total expenditures	242,510,790	254,271,808	276,059,150	277,367,810	290,563,978	329,787,848	344,513,367	385,915,210	361,819,647	449,265,067
Excess of revenues over (under) expenditures	2,698,222	19,561	539,752	346,371	689,097	175,052	(2,046,650)	179,940	1,375,324	1,097,684
Other Financing Sources (Uses)										
Capital leases	-	55,642	45,169	-	41,746	-	-	-	23,298	-
Transfers in	-	500,000	-	-	100,000	175,000	200,000	100,000	200,000	375,013
Total other financing sources (uses)	-	555,642	45,169	-	141,746	175,000	200,000	100,000	223,298	375,013
Net change in fund balances	\$ 2,698,222	\$ 575,203	\$ 584,921	\$ 346,371	\$ 830,843	\$ 350,052	\$ (1,846,650)	\$ 279,940	\$ 1,598,622	\$ 1,472,697
Debt service as a percentage of noncapital expenditures	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Compensated absences	\$ 891,906	\$ 855,978	\$ 846,768	\$ 891,488	\$ 926,113	\$ 984,192	\$ 1,005,588	\$ 1,333,676	\$ 1,458,434	\$ 1,559,223
Capital lease obligation	16,986	59,415	88,706	62,420	69,169	29,050	5,798	76,866	68,717	-
Lease Asset Liability	-	-	-	-	-	-	-	-	-	11,253,893
Total Debt	\$ 908,892	\$ 915,393	\$ 935,474	\$ 953,908	\$ 995,282	\$ 1,013,242	\$ 1,011,386	\$ 1,410,542	\$ 1,527,151	\$ 12,813,116

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

Function/Program	Fiscal Year													
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Executive														
Executive Director	4	4	4	4.5	4	4	4	4	4	4	5	7	7	9
Internal Audit	3	3	2	3.5	4	4	4	4	4	4	4	5	5	5
Communication & Outreach											6	6	8	10
Operations											5	7	7	10
Finance Administration														
Finance	14	15.5	14	15	14	13	13	15	14	14	16	16	17	18
Human Resources										2	4	4	4	5
Office Services	4	4	5	5	4	7	8	7	8	5	5	5	5	5
Program Services														
Chief Operating Officer	2	2	2	1	1	2	3	3	8	6			0	1
Community and Environmental Planning	36.5	37.5	37	42.5	45.5	41	36	38.5	30	33	34	31	31	26
Data Services	13	12	12.5	15.5	16.5	20.5	20	23.5	23	22	20	22	23	22
Data Analytics & Research														25
Human Services	62	64	60	59	56	49	53.5	68.5	63	63	73	76	81	98
Public Services	35	40	38	30	32	31	28	30	29	37	38	42	42	41
Transportation	57.5	58	58	61	58	56.5	57	59	51	62	63	60	59	47
Total	231	240	232.5	237	235	228	226.5	252.5	234	252	273	281	289	322

Source: H-GAC

Ten Largest Non-Governmental Houston Area Employers, Last Ten Years

Rank	2013		2014		2015		2016		2017	
	Company	Employee - 2013	Company	Employee - 2014	Company	Employee - 2015	Company	Employee - 2016	Company	Employee - 2017
1	Memorial Herman	21,000	Walmart	30,000	Walmart	32,000	Walmart	37,000	Walmart	33,500
2	The University of Texas MD Anderson Cancer Center	19,486	Memorial Hermann	20,000	H-E-B	21,471	Memorial Hermann Health System	24,108	Memorial Hermann Health System	26,062
3	H-E-B	18,887	The University of Texas MD Anderson Cancer Center	18,700	The University of Texas MD Anderson Cancer Center	20,357	H-E-B	23,732	H-E-B	24,437
4	United Airlines	16,315	H-E-B	17,600	Memorial Hermann	20,055	The University of Texas MD Anderson Cancer Center	21,086	Houston Methodist	21,195
5	McDonald's Corp.	16,300	United Airlines	16,700	The Methodist Hospital System	16,961	McDonald's Corp	20,918	The University of Texas MD Anderson Cancer Center	20,778
6	Kroger Co.	14,866	McDonald's Corp.	14,900	Kroger Co.	15,216	Houston Methodist	20,000	Kroger	16,643
7	The Methodist Hospital System	14,826	Kroger Co.	14,800	United Airlines	15,108	Kroger	16,000	McDonald's	16,545
8	Exxon Mobil Corp.	13,700	Exxon Mobil Corp.	14,400	Exxon Mobil Corp.	12,814	United Airlines	14,941	United Airlines	14,200
9	National Oilwell Varco	12,036	The Methodist Hospital System	14,300	Schlumberger	12,207	Schlumberger	12,069	ExxonMobil Corp.	14,000
10	Shell Oil Co.	11,389	Schlumberger	10,800	National Oilwell Varco	11,563	Shell Oil Co.	11,507	Texas Children's Hospital	12,545

Sources: Houston Chronicle, 2019

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

Houston Newcomer Guide, 2022

<https://houstonnewcomerguides.com/top-10-houston-area-employers/>

Note: Latest data is from 2022

Ten Largest Non-Governmental Houston Area Employers, Last Ten Years

2018		2019		2020		2021		2022	
Company	Employee - 2018	Company	Employee - 2019	Company	Employee - 2020	Company	Employee - 2021	Company	Employee - 2022
Walmart	34,000	Walmart	31,000	H-E-B	31,780	H-E-B	38,554	Walmart	37,000
H-E-B	26,956	Memorial Hermann Health System	27,211	Walmart	31,000	Walmart	32,000	Memorial Hermann Health System	24,108
Memorial Hermann Health System	26,011	H-E-B	26,956	Memorial Hermann Health System	28,770	Memorial Hermann Health System	27,717	H-E-B	23,732
Houston Methodist	22,247	Houston Methodist	23,669	Houston Methodist	25,844	Houston Methodist	26,540	The University of Texas MD Anderson Cancer Center	21,086
The University of Texas MD Anderson Cancer Center	20,189	The University of Texas MD Anderson Cancer Center	21,001	The University of Texas MD Anderson Cancer Center	22,499	The University of Texas MD Anderson Cancer Center	21,946	McDonald's	20,918
Kroger	17,188	McDonald's	16,100	HCA Houston Healthcare	16,427	Amazon	16,000	Houston Methodist	20,000
McDonald's	16,100	Kroger	15,902	Kroger Co.	16,000	Kroger Co.	15,750	Kroger	16,000
United Airlines	14,084	ExxonMobil Corp.	15,000	ExxonMobil	15,818	HCA Houston Healthcare	15,065	United Airlines	14,941
Texas Children's Hospital	13,445	Texas Children's Hospital	15,000	McDonald's	14,940	ExxonMobil	14,834	Schlumberger	12,069
ExxonMobil Corp.	13,000	United Airlines	13,904	Texas Children's Hospital	13,415	Texas Children's Hospital	13,081	Shell Oil Co.	11,507

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	47	Persons per Square Mile	274
County Seat	Bellville	County Seat	Angleton
Population (2021)	30,380	Population (2021)	379,689
Race		Race	
<i>White</i>	18,333	<i>White</i>	163,875
<i>Black</i>	2,603	<i>Black</i>	58,472
<i>Asian</i>	247	<i>Asian</i>	26,750
<i>Hispanic</i>	8,715	<i>Hispanic</i>	122,736
<i>Two or More Races and Other</i>	482	<i>Two or More Races and Other</i>	7,856
Households and Families (2021)		Households and Families (2021)	
Total households	11,841	Total households	124,284
Average Household Size	2.52	Average Household Size	3
Average family size	3.00	Average family size	3.47
Vital Statistics		Vital Statistics	
Marriages (2019)	113	Marriages (2019)	1,786
Divorces (2017)	99	Divorces (2017)	1,211
Births (2020)	338	Births (2020)	4,495
Male	181	Male	2,292
Female	157	Female	2,203
Deaths (2020)	323	Deaths (2020)	2,868
Unemployment Rate (01/2023)	4	Unemployment Rate (01/2023)	4.8

<u>Chambers County</u>		<u>Colorado County</u>	
Land Area (sq. miles)	599	Land Area (sq. miles)	963
Persons per Square Mile	82	Persons per Square Mile	21
County Seat	Anahuac	County Seat	Columbus
Population (2021)	48,865	Population (2021)	20,630
Race		Race	
<i>White</i>	30,791	<i>White</i>	11,174
<i>Black</i>	3,799	<i>Black</i>	2,294
<i>Asian</i>	656	<i>Asian</i>	121
<i>Hispanic</i>	12,843	<i>Hispanic</i>	6,644
<i>Two or More Races and Other</i>	776	<i>Two or More Races and Other</i>	397
Households and Families (2021)		Households and Families (2021)	
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 (2019)	220	Marriages (2019)	86
Divorces (2017)	135	Divorces (2017)	53

Births (2020)	552	Births (2020)	221
Male	298	Male	109
Female	254	Female	112
Deaths (2020)	385	Deaths (2020)	305
Unemployment Rate (01/2023)	5.8	Unemployment Rate (01/2023)	3.7

<u>Fort Bend County</u>		<u>Galveston County</u>	
Land Area (sq. miles)	875	Land Area (sq. miles)	398
Persons per Square Mile	981	Persons per Square Mile	892
County Seat	Richmond	County Seat	Galveston
Population (2021)	858,527	Population (2021)	355,062
Race		Race	
<i>White</i>	258,908	<i>White</i>	197,559
<i>Black</i>	179,510	<i>Black</i>	44,311
<i>Asian</i>	182,922	<i>Asian</i>	12,243
<i>Hispanic</i>	218,861	<i>Hispanic</i>	93,721
<i>Two or More Races and Other</i>	18,326	<i>Two or More Races and Other</i>	7,228
Households and Families (2021)		Households and Families (2021)	
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 (2019)	2,880	Marriages (2019)	1,128
Divorces (2017)	1,883	Divorces (2017)	1,180
Births (2020)	8,816	Births (2020)	3,888
Male	4,574	Male	1,895
Female	4,242	Female	1,993
Deaths (2020)	4,545	Deaths (2020)	3,338
Unemployment Rate (01/2023)	4.2	Unemployment Rate (01/2023)	4.6

<u>Harris County</u>		<u>Liberty County</u>	
Land Area (sq. miles)	1,729	Land Area (sq. miles)	1,160
Persons per Square Mile	2,735	Persons per Square Mile	84
County Seat	Houston	County Seat	Liberty
Population (2021)	4,728,030	Population (2021)	97,621
Race		Race	
<i>White</i>	1,308,339	<i>White</i>	53,639
<i>Black</i>	903,508	<i>Black</i>	8,324
<i>Asian</i>	339,530	<i>Asian</i>	603
<i>Hispanic</i>	2,097,602	<i>Hispanic</i>	33,436
<i>Two or More Races and Other</i>	79,051	<i>Two or More Races and Other</i>	1,619
Households and Families (2021)		Households and Families (2021)	
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
Vital Statistics		Vital Statistics	
Marriages (2019)	19,587	Marriages (2019)	437
Divorces (2017)	10,247	Divorces (2017)	300
Births (2020)	63,815	Births (2020)	1,259
Male	32,680	Male	592
Female	31,135	Female	667
Deaths (2020)	32,812	Deaths (2020)	885
Unemployment Rate (01/2023)	4.5	Unemployment Rate (01/2023)	5.9

<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	622
County Seat	Bay City	County Seat	Conroe
Population (2021)	36,344	Population (2021)	648,886
Race		Race	
White	15,206	White	403,350
Black	3,631	Black	39,186
Asian	594	Asian	21,918
Hispanic	16,373	Hispanic	171,096
Two or More Races and Other	540	Two or More Races and Other	13,336
Households and Families (2021)		Households and Families (2021)	
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 (2019)	178	Marriages (2019)	2,825
Divorces (2017)	66	Divorces (2017)	2,041
Births (2020)	495	Births (2020)	7,433
Male	255	Male	3,807
Female	240	Female	3,626
Deaths (2020)	467	Deaths (2020)	4,672
Unemployment Rate (01/2023)	6.3	Unemployment Rate (01/2023)	4.2

<u>Walker County</u>		<u>Waller County</u>	
Land Area (sq. miles)	787	Land Area (sq. miles)	514
Persons per Square Mile	99	Persons per Square Mile	116
County Seat	Huntsville	County Seat	Hempstead
Population (2021)	77,977	Population (2021)	59,781
Race		Race	
White	43,482	White	25,030
Black	17,827	Black	13,342
Asian	825	Asian	1,047
Hispanic	14,574	Hispanic	19,378

<i>Two or More Races and Other</i>	1,269	<i>Two or More Races and Other</i>	984
Households and Families (2021)		Households and Families (2021)	
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 (2019)	455	Marriages (2019)	288
Divorces (2017)	210	Divorces (2017)	68
Births (2020)	640	Births (2020)	689
Male	339	Male	353
Female	301	Female	336
Deaths (2020)	672	Deaths (2020)	457
Unemployment Rate (01/2023)	5.1	Unemployment Rate (01/2023)	4.9

<u>Wharton County</u>	
Land Area (sq. miles)	1,090
Persons per Square Mile	38
County Seat	Wharton
Population (2021)	41,721
Race	
<i>White</i>	17,792
<i>Black</i>	5,111
<i>Asian</i>	223
<i>Hispanic</i>	18,213
<i>Two or More Races and Other</i>	382
Households and Families (2021)	
Total households	14,991
Average Household Size	2.74
Average family size	3.45
Vital Statistics	
Marriages (2019)	198
Divorces (2017)	86
Births (2020)	543
Male	274
Female	269
Deaths (2020)	537
Unemployment Rate (01/2023)	4.2

Source: US Census Bureau, 2021
Texas Department of Health, 2020
US Bureau of Labor Statistics, 2023
H-GAC, 2022

Note: Marriage data is from 2019
Divorce data is from 2017

Total Population 1980-2021															
Geography	1980	1990	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Austin County	17,726	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
Brazoria County	169,587	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
Chambers County	18,538	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
Colorado County	18,823	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
Fort Bend County	130,962	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
Galveston County	195,738	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
Harris County	2,409,547	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
Liberty County	47,088	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
Matagorda County	37,828	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
Montgomery County	127,222	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
Walker County	41,789	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
Waller County	19,798	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
Wharton County	40,242	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
H-GAC 13 County Area	3,274,888	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
Texas	14,225,513	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

Data source: Census Bureau Population and Housing Units Estimates, 2021

Texas 2020 State Expenditures by County

Rank	County	Total	Inter-Governmental Payments	Labor Costs	Public Assistance	Highway Construction	Operating Expenses	Capital Outlays	Miscellaneous
1	TRAVIS	\$ 17,774,769,987	\$ 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	\$ 17,626,244,284	\$ 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	\$ 12,311,777,135	\$ 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	\$ 4,347,939,690	\$ 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	\$ 3,822,063,457	\$ 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	\$ 3,042,339,725	\$ 1,573,151,198	\$ 388,322,670	\$ 824,253,888	\$ 142,528,067	\$ 24,579,637	\$ 2,341,548	\$ 87,162,718
9	NUECES	\$ 2,234,531,253	\$ 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	\$ 1,714,361,548	\$ 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	\$ 811,755,740	\$ 518,740,610	\$ 136,179,293	\$ 116,663,616	\$ 14,877,452	\$ 9,886,379	\$ (172,774)	\$ 15,581,165
30	WALKER	\$ 446,976,293	\$ 90,147,843	\$ 256,484,592	\$ 17,634,222	\$ 18,123,077	\$ 25,406,408	\$ 133,753	\$ 39,046,397
48	LIBERTY	\$ 215,446,103	\$ 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	\$ 104,210,544	\$ 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	\$ 76,442,609	\$ 51,072,353	\$ 7,901,574	\$ 12,942,134	\$ 542,636	\$ 620,399	\$ 645,764	\$ 2,717,750
114	AUSTIN	\$ 54,898,230	\$ 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	\$ 26,563,361,908	\$ 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

Texas 2020 State Expenditures by Council of Governments

Rank	Council of Governments	Total	Inter-Governmental Payments	Labor Costs	Public Assistance	Highway Construction	Operating Expenses	Capital Outlays	Miscellaneous
1	Houston-Galveston Area	\$ 26,563,361,908	\$ 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	\$ 21,547,968,472	\$ 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	\$ 3,124,566,268	\$ 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	\$ 2,958,516,335	\$ 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	\$ 1,891,599,360	\$ 629,056,494	\$ 680,142,006	\$ 385,277,352	\$ 96,895,654	\$ 41,781,128	\$ 12,312,417	\$ 46,134,310
11	Central Texas	\$ 1,725,944,272	\$ 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	\$ 1,291,205,406	\$ 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	\$ 1,190,554,661	\$ 815,314,701	\$ 132,071,802	\$ 213,091,636	\$ 7,404,777	\$ 3,898,598	\$ 409,818	\$ 18,363,330
17	West Central Texas	\$ 1,129,988,880	\$ 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	\$ 564,760,971	\$ 232,568,959	\$ 151,215,542	\$ 89,245,779	\$ 65,148,849	\$ 9,455,648	\$ 3,826,461	\$ 13,299,734
22	Golden Crescent	\$ 518,222,240	\$ 243,273,325	\$ 87,629,090	\$ 93,856,428	\$ 73,440,663	\$ 9,604,501	\$ 504,165	\$ 9,914,067
23	Middle Rio Grande	\$ 495,758,922	\$ 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

Voter Registration
2006 - 2023 Primary Elections

	Number of Precincts	Total Registered Voters																	
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Austin	18	17,034	16,841	17,252	17,145	17,546	17,151	17,534	17,732	18,178	18,058	18,601	18,897	19,112	19,223	19,618	19,949	20,478	20,508
Brazoria	67	157,705	154,246	159,948	163,934	168,097	163,917	168,795	181,609	178,808	178,804	186,517	200,248	200,830	210,087	212,602	221,732	228,253	232,082
Chambers	14	20,450	21,164	21,053	21,930	22,707	22,862	23,316	23,729	24,338	24,481	25,479	26,688	27,299	28,589	29,015	30,778	31,957	33,684
Colorado	12	13,008	13,175	13,116	13,052	13,249	12,865	13,021	12,953	13,233	13,085	13,391	13,552	13,714	13,673	13,900	14,126	14,127	14,166
Fort Bend	159	256,461	256,537	267,583	290,019	300,777	302,223	315,207	332,199	347,188	359,046	379,254	412,810	413,446	428,679	452,662	481,602	503,748	514,163
Galveston	175	182,743	176,504	180,288	177,697	179,928	172,603	177,334	179,943	184,818	194,770	195,988	203,348	207,560	210,663	217,501	222,838	229,469	229,869
Harris	1,012	1,871,929	1,782,013	1,804,641	1,859,043	1,889,378	1,847,952	1,884,489	1,930,759	1,998,264	1,998,988	2,084,462	2,189,228	2,248,921	2,357,199	2,370,968	2,503,936	2,507,991	2,586,475
Liberty	33	44,359	43,354	43,253	42,505	42,863	41,111	41,949	41,025	41,263	40,251	41,130	43,619	43,109	44,285	44,698	45,925	48,277	49,187
Matagorda	18	20,890	20,284	20,761	20,540	20,893	20,131	20,625	20,201	20,577	20,265	20,826	20,941	21,338	21,745	21,442	21,042	21,453	21,049
Montgomery	100	215,878	214,406	224,321	235,052	243,027	238,707	246,768	257,799	268,147	273,352	290,259	306,564	318,611	327,629	345,404	367,467	391,078	415,397
Walker	16	28,190	27,658	28,343	29,119	29,507	28,356	29,169	28,983	29,578	29,044	30,179	31,334	31,835	32,572	33,658	34,134	34,934	35,379
Waller	21	24,709	25,861	27,045	28,787	29,792	27,037	27,706	27,751	28,288	28,344	29,237	30,351	30,984	31,952	33,201	34,393	35,774	37,295
Wharton	12	24,583	23,493	23,992	24,082	24,471	23,675	24,090	23,907	24,275	23,743	24,387	24,612	24,795	25,207	25,064	25,117	25,696	25,972
H-GAC Region	1,657	2,877,939	2,775,536	2,831,596	2,922,905	2,982,235	2,918,590	2,990,003	3,078,590	3,176,955	3,202,231	3,339,710	3,522,192	3,601,554	3,751,503	3,819,733	4,023,039	4,093,235	4,215,226

Source: Office of the Texas Secretary of State 2023

2022 General Elections - Governor

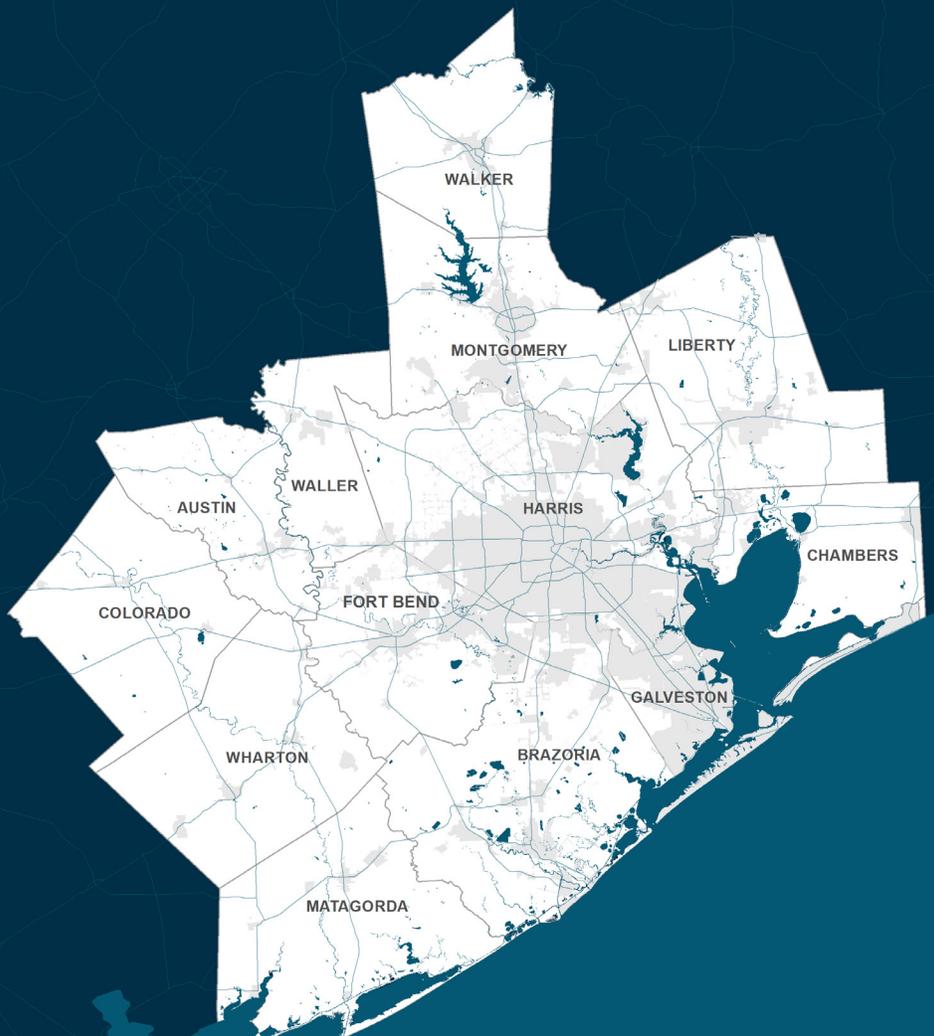
County	Republican	Democratic	Libertarian	Other	Total Votes	Total Voters	TurnOut
AUSTIN	9,209	1,873	100	11,182	11,205	20,848	54%
BRAZORIA	64,938	43,364	1,236	109,538	109,936	234,988	47%
CHAMBERS	12,964	2,559	183	15,706	15,736	33,155	47%
COLORADO	6,084	1,395	50	7,529	7,546	14,378	52%
FORT BEND	117,249	129,116	2,518	248,883	250,066	521,611	48%
GALVESTON	68,822	40,229	1,315	110,366	110,734	235,262	47%
HARRIS	490,261	595,653	11,812	1,097,726	1,102,418	2,568,463	43%
LIBERTY	16,080	3,488	167	19,735	19,791	49,826	40%
MATAGORDA	7,350	2,273	69	9,692	9,721	21,681	45%
MONTGOMERY	152,694	52,654	2,206	207,554	208,055	409,759	51%
WALKER	12,309	4,861	166	17,336	17,390	36,058	48%
WALLER	11,381	5,100	170	16,651	16,704	37,595	44%
WHARTON	9,354	2,697	72	12,123	12,154	25,890	47%

Source: Office of the Secretary of State



Houston-Galveston
Area Council

SINGLE AUDIT SECTION



Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

Board of Directors
Houston-Galveston Area Council
Houston, Texas

We have audited, in accordance with 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 (*Government Auditing Standards*), 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 Houston-Galveston Area Council (the Council), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated June 6, 2023 which includes an emphasis of matter paragraph regarding a change in accounting principle.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

FORVIS,LLP

Houston, Texas
June 6, 2023

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

Independent Auditor's Report

Board of Directors
Houston-Galveston Area Council
Houston, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Houston-Galveston Area Council's (the Council) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the State of Texas Grant Management Standards (TxGMS) 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, 2022. The Council's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the 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, 2022.

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 TxGMS, issued by the Texas Comptroller of Public Accounts. Our responsibilities under those standards, the Uniform Guidance, and TxGMS are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to 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 TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about 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 TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 TxGMS, 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

FORVIS,LLP

Houston, Texas
June 6, 2023

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assitance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the Texas Workforce Commission				
SNAP Cluster				
2822SNE001	SNAP E&T - 2022	10.561	\$ 4,232,051	\$ 3,832,875
2823SNE001	SNAP E&T - 2023	10.561	\$ 45,604	\$ 12,129
Subtotal - SNAP Cluster			<u>\$ 4,277,655</u>	<u>\$ 3,845,004</u>
Total - Texas Workforce Commission			<u>\$ 4,277,655</u>	<u>\$ 3,845,004</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u><u>\$ 4,277,655</u></u>	<u><u>\$ 3,845,004</u></u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through the Texas Workforce Commission				
2818ALAC00	Adult Education and Literacy	84.002A	\$ 1,243,153	\$ 937,566
2818ALAD00	Adult Education and Literacy	84.002A	\$ 5,199,713	\$ 4,936,379
2818ALAE00	Adult Education and Literacy	84.002A	\$ 8,310,513	\$ 8,301,196
Subtotal - 84.002A			<u>\$ 14,753,379</u>	<u>\$ 14,175,141</u>
Total - Texas Workforce Commission			<u>\$ 14,753,379</u>	<u>\$ 14,175,141</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>\$ 14,753,379</u></u>	<u><u>\$ 14,175,141</u></u>
U.S. DEPARTMENT OF ENERGY				
Direct Programs:				
DE-EE0007411	Clean Cities Outreach Education and Performance Tracking -2022	81.086	\$ 3,832	\$ -
DE-EE0009568	Clean Cities Outreach Education and Performance Tracking -2021	81.086	\$ 19,717	\$ -
DE-EE0009568	Clean Cities Outreach Education and Performance Tracking -2022	81.086	\$ 39,394	\$ -
Subtotal - 81.086			<u>\$ 62,943</u>	<u>\$ -</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u><u>\$ 62,943</u></u>	<u><u>\$ -</u></u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the Texas Health and Human Services Commission				
HHS000874100015	Aging Title VII EAP - 2022	93.041	\$ 22,547	\$ -
Subtotal - 93.041			<u>\$ 22,547</u>	<u>\$ -</u>
HHS000874100015	Aging Title VII OM - 2022	93.042	\$ 84,170	\$ -
Subtotal - 93.042			<u>\$ 84,170</u>	<u>\$ -</u>
HHS000874100015	Aging Title III, Part D - 2022	93.043	\$ 107,293	\$ 49,079
HHS000874100015	Aging Title III Part-D -2022 American Rescue Plan (COVID-19)	93.043	\$ 32,391	\$ 16,661
HHS000874100015	Aging Title III Part-D -2023 American Rescue Plan (COVID-19)	93.043	\$ 30,882	\$ -
Subtotal - 93.043			<u>\$ 170,566</u>	<u>\$ 65,740</u>
Aging Cluster				
HHS000874100015	Aging Title III, Part B - 2021	93.044	\$ 1,528	\$ -
HHS000874100015	Aging Title III, Part B - 2022	93.044	\$ 1,557,741	\$ 1,557,741
HHS000874100015	Aging Title III, Part B - 2023	93.044	\$ 74,669	\$ 74,669
HHS000874100015	Aging Title III-B - 2022 - American Rescue Plan (COVID-19)	93.044	\$ (76,014)	\$ -
HHS000874100015	Aging Title III-B - 2023 - American Rescue Plan (COVID-19)	93.044	\$ 596,982	\$ 484,344
HHS000874100015	Aging Title III, Part B - 2022 CARES Act Support Serv COVID-19	93.044	\$ 459,510	\$ 459,510
HHS000874100015	Aging Title III, Part B - 2023 CDC Vaccination	93.044	\$ 19,236	\$ 19,236
HHS000874100015	Aging Title III, Part B - 2023 Expanding the Public Health Workforce	93.044	\$ 14,673	\$ 14,673
Subtotal - 93.044			<u>\$ 2,648,325</u>	<u>\$ 2,610,173</u>
HHS000874100015	Aging Title III, Part C - 2022	93.045	\$ 1,503,083	\$ 610,284
HHS000874100015	Aging Title III, Part C - 2023	93.045	\$ 2,260	\$ 2,260
HHS000874100015	Aging Title III-C 2022 American Rescue Plan (COVID-19)	93.045	\$ (581,267)	\$ -
HHS000874100015	Aging Title III-C 2023 American Rescue Plan (COVID-19)	93.045	\$ 1,051,494	\$ 764,501

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
HHS000874100015	Aging Title III-C 2022 Consolidated Appropriations	93.045	\$ 123,675	\$ 123,675
HHS000874100015	Aging Title III, Part C - 2022 Families COVID-19	93.045	\$ 94,966	\$ 94,966
HHS000874100015	Aging Title III, Part C - 2022 CARES Act Nutrition Serv COVID-19	93.045	\$ 1,942,443	\$ 610,285
	Subtotal - 93.045		\$ 4,136,654	\$ 2,205,971
HHS000874100015	Aging NSIP - 2022	93.053	\$ 21,050	\$ 21,050
	Subtotal - 93.053		\$ 21,050	\$ 21,050
	Total - Aging Cluster		\$ 6,806,029	\$ 4,837,194
HHS000270200021	ADRC COVID-19 NWD - 2021	93.048	\$ 20,904	\$ -
HHS000270200021	ADRC COVID-19 NWD - 2022	93.048	\$ 85,872	\$ -
	Subtotal - 93.048		\$ 106,776	\$ -
HHS000874100015	Aging Title III, Part E - 2022	93.052	\$ 212,805	\$ 73,507
HHS000874100015	Aging Title III, Part E - 2023	93.052	\$ 14,500	\$ 14,500
HHS000874100015	Aging Title III, Part E - 2022 CARES Caregiver SuppCoor. COVID-19	93.052	\$ 329,660	\$ 239,549
HHS000874100015	Aging Title III-E 2022 American Rescue Plan (COVID-19)	93.052	\$ (38,170)	\$ -
HHS000874100015	Aging Title III-E 2023 American Rescue Plan (COVID-19)	93.052	\$ 237,706	\$ 205,131
	Subtotal 93.052		\$ 756,501	\$ 532,687
HHS000270200021	ADRC MIPPA FY22	93.071	\$ 8,455	\$ -
HHS000270200021	ADRC MIPPA FY23	93.071	\$ 5,480	\$ -
HHS000874100015	Aging MIPPA FY22	93.071	\$ 34,354	\$ -
HHS000874100015	Aging MIPPA FY22	93.071	\$ 6,104	\$ -
	Subtotal 93.071		\$ 54,393	\$ -
HHS000874100015	Aging HICAP (04/01/2020-03/31/2021)	93.324	\$ (1,528)	\$ -
HHS000874100015	Aging HICAP (04/01/2021-03/31/2022)	93.324	\$ (107,687)	\$ -
HHS000874100015	Aging HICAP (04/01/2022-03/31/2023)	93.324	\$ 249,320	\$ -
	Subtotal - 93.324		\$ 140,105	\$ -
HHS000744800001	Aging Opioid Grant	93.788	\$ 15,578	\$ -
	Subtotal - 93.788		\$ 15,578	\$ -
HHS000270200021	ADRC Housing Navigator FY22	93.791	\$ 13,514	\$ -
HHS000270200021	ADRC Housing Navigator FY23	93.791	\$ 23,145	\$ -
HHS000270200021	ADRC Local Contact Agency FY22	93.791	\$ 19,577	\$ -
HHS000270200021	ADRC Local Contact Agency FY23	93.791	\$ 10,960	\$ -
	Subtotal - 93.791		\$ 67,196	\$ -
	Total - Texas Health and Human Services Commission		\$ 8,223,861	\$ 5,435,621
	Passed Through the Texas Workforce Commission TANF Cluster			
2822TAF001	TANF Choices - 2022	93.558	\$ 11,164,476	\$ 9,741,021
2823TAF001	TANF Choices - 2023	93.558	\$ 2,380,938	\$ 2,131,208
2822NCP001	TANF E&T - Noncustodial Parent Empl - 2022	93.558	\$ 547,397	\$ 500,998
2822BSA001	Board Service Award -2022	93.558	\$ 12,000	\$ -
2818ALAC00	Adult Education and Literacy	93.558	\$ 39,638	\$ 39,638
2818ALAD00	Adult Education and Literacy	93.558	\$ 1,329,460	\$ 1,329,460
2818ALAE00	Adult Education and Literacy	93.558	\$ 166,729	\$ 166,729
2822WCI003	Workforce Commission Initiative	93.558	\$ 130,084	\$ 130,084
2823WCI001	Workforce Commission Initiative	93.558	\$ 6,860	\$ 5,174
2822WPA001	Employment Services - 2022	93.558	\$ 55,187	\$ 55,187
2823WPA001	Employment Services - 2023	93.558	\$ 4,439	\$ 4,439
	Subtotal - TANF Cluster		\$ 15,837,208	\$ 14,103,938

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
CCDF Cluster				
2821CCF001	COVID-19 Child Care 2021	93.575	\$ (330)	\$ (330)
2822CCQ001	Child Care Quality - 2022	93.575	\$ 5,989,079	\$ 5,989,079
2822CCQ001	COVID-19 Child Care Quality - 2022	93.575	\$ 3,259,447	\$ 3,259,447
2823CCQ001	COVID-19 Child Care Quality - 2023	93.575	\$ 8,210	\$ -
2822CCX001	Child Care Service Industry Recovery -2022	93.575	\$ 24,615,995	\$ 24,615,995
2822CCF001	Child Care - 2022	93.575	\$ 96,134,827	\$ 96,134,827
2822CCF001	COVID-19 Child Care 2022	93.575	\$ 59,907,462	\$ 59,907,462
2823CCF001	Child Care - 2023	93.575	\$ 372,726	\$ 372,726
2823CCF001	COVID-19 Child Care 2023	93.575	\$ 1,808,628	\$ 1,808,628
	Subtotal - 93.575		\$ 192,096,044	\$ 192,087,834
2822CCF001	Child Care -2022	93.596	\$ 37,840,567	\$ 36,205,650
2823CCF001	Child Care - 2023	93.596	\$ 1,621,553	\$ 1,413,510
2822CCM001	Child Care Local Initiatives - 2022	93.596	\$ 18,850,168	\$ 18,850,168
	Subtotal - 93.596		\$ 58,312,288	\$ 56,469,328
	Total - CCDF Cluster		\$ 250,408,332	\$ 248,557,162
2822CCF001	Child Care -2022	93.667	\$ 364,528	\$ 364,528
2823CCF001	Child Care - 2023	93.667	\$ 18,539	\$ 18,539
	Subtotal - 93.667		\$ 383,067	\$ 383,067
	Total - Texas Workforce Commission		\$ 266,628,607	\$ 263,044,167
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 274,852,468	\$ 268,479,788
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through the Office of the Governor				
2992707	Homeland Security Grant Program - SHSP - 2021	97.067	\$ 136,686	\$ -
2992708	Homeland Security Grant Program - SHSP - 2022	97.067	\$ 50,605	\$ -
	Subtotal - 97.067		\$ 187,291	\$ -
4351101	Coronavirus Reimbursement Program (COVID-19)	16.034	\$ 178,726	\$ -
	Subtotal - 16.034		\$ 178,726	\$ -
	Total - Office of the Governor		\$ 366,017	\$ -
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			\$ 366,017	\$ -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through the General Land Office				
CEDAF21-18	Community Development Block Grant - Technical Assistance 2022	14.228	\$ 13,324	\$ -
CEDAF21-18	Community Development Block Grant - Technical Assistance 2023	14.228	\$ 222	\$ -
22-061-008-D164	Community Development Block Grant - Mitigation 2022	14.228	\$ 103,034	\$ -
18-497-009-B238	Community Development Block Grant - Disaster Recovery 2022	14.228	\$ 36,095	\$ -
	Subtotal - 14.228		\$ 152,675	\$ -
	Total - General Land Office		\$ 152,675	\$ -
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 152,675	\$ -
U.S DEPARTMENT OF JUSTICE				
Passed Through the Office of the Governor				
2606710	CJD Juvenile Mental Health Project 2022	16.540	\$ 96,068	\$ -
2606711	CJD Juvenile Mental Health Project 2023	16.540	\$ 21,272	\$ -

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
	Subtotal - 16.540		\$ 117,340	\$ -
3386604	Elder and Vulnerable Adult Justice Program FY22	16.575	\$ 236,430	\$ -
3386605	Elder and Vulnerable Adult Justice Program FY23	16.575	\$ 99,565	\$ -
	Subtotal - 16.575		\$ 335,995	\$ -
4082002	Violence Against Women Act FY22	16.588	\$ 46,698	\$ -
4082003	Violence Against Women Act FY23	16.588	\$ 10,802	\$ -
	Subtotal - 16.588		\$ 57,500	\$ -
	Total - Office of the Governor		\$ 510,835	\$ -
	TOTAL U.S DEPARTMENT OF JUSTICE		\$ 510,835	\$ -
	U.S. DEPARTMENT OF LABOR			
	Employment Services Cluster			
	Passed Through the Texas Workforce Commission			
2822TVC001	Disabled Veterans' Outreach Program	17.801	\$ 393,047	\$ 365,937
2823TVC001	Disabled Veterans' Outreach Program	17.801	\$ 111,540	\$ 98,551
	Subtotal - 17.801		\$ 504,587	\$ 464,488
2822BSA001	Board Service Award -2022	17.207	\$ 12,000	\$ -
2822RAG001	Resource Admin Grant - 2022	17.207	\$ 14,264	\$ -
2823RAG001	Resource Admin Grant - 2023	17.207	\$ 392	\$ -
2822WCI003	Workforce Commission Initiative	17.207	\$ 4,762	\$ 1,370.00
2822WPA001	Employment Services - 2022	17.207	\$ 1,973,622	\$ 1,398,341
2823WPA001	Employment Services - 2023	17.207	\$ 167,593	\$ 145,786
2822WPB006	Training and Employment Navigator -2022	17.207	\$ 60,220	\$ 49,239
	Subtotal - 17.207		\$ 2,232,853	\$ 1,594,736
	Total-Texas Workforce Commission		\$ 2,232,853	\$ 1,594,736
	Total - Employment Services Cluster		\$ 2,737,440	\$ 2,059,224
	Passed Through the Texas Workforce Commission			
	WIA Cluster			
2822BSA001	Board Service Award -2022	17.258	\$ 88,000	\$ -
2820WOA001	WIA Adult Program - 2022	17.258	\$ 9,550	\$ 9,550
2821WOA001	WIA Adult Program - 2022	17.258	\$ 8,423,632	\$ 7,747,548
2822WOA001	WIA Adult Program - 2022	17.258	\$ 4,110,665	\$ 3,729,509
2821TIP001	Texas Industry Partnership	17.258	\$ 50,000	\$ 50,000
2822WCI003	Workforce Commission Initiative	17.258	\$ 380,132	\$ 380,132.00
	Subtotal - 17.258		\$ 13,061,979	\$ 11,916,739
2820WOY001	WIA Youth - 2022	17.259	\$ 943,216	\$ 943,216
2821WOY001	WIA Youth - 2022	17.259	\$ 13,163,090	\$ 12,163,297
2822WOY001	WIA Youth - 2022	17.259	\$ 4,905,913	\$ 4,247,329
	Subtotal - 17.259		\$ 19,012,219	\$ 17,353,842
2822BSA001	Board Service Award -2022	17.278	\$ 88,000	\$ -
2821WOR001	Rapid Response	17.278	\$ 28,899	\$ 6,164
2822WOR001	Rapid Response	17.278	\$ 21,104	\$ 11,722
2822ATG002	IT Registered Apprenticeship Expansion	17.278	\$ 54,202	\$ 23,725
2821WOD001	WIA Dislocated Worker - 2022	17.278	\$ 7,883,933	\$ 7,240,970
2822WOD001	WIA Dislocated Worker - 2022	17.278	\$ 1,686,740	\$ 1,469,809
	Subtotal - 17.278		\$ 9,762,878	\$ 8,752,390
	Total WIOA Cluster		\$ 41,837,076	\$ 38,022,971
2822RAG001	Resource Admin Grant - 2022	17.225	\$ 4,755	\$ -

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
2823RAG001	Resource Admin Grant - 2023	17.225	\$ 1,400	\$ -
2822REA001	Re-employment Services - 2022	17.225	\$ 1,683,888	\$ 1,583,046
2823REA001	Re-employment Services - 2023	17.225	\$ 573,073	\$ 536,195
	Subtotal - 17.225		\$ 2,263,116	\$ 2,119,241
2822TRA001	Trade Act Services for Dislocated Workers - 2022	17.245	\$ 234,158	\$ 224,331
2823TRA001	Trade Act Services for Dislocated Workers - 2023	17.245	\$ 9,496	\$ 3,690
	Subtotal - 17.245		\$ 243,654	\$ 228,021
2822RAG001	Resource Admin Grant - 2022	17.273	\$ 1,332	\$ -
2823RAG001	Resource Admin Grant - 2023	17.273	\$ 4,201	\$ -
	Subtotal - 17.273		\$ 5,533	\$ -
2820NDW001	NDW COVID-19 Disaster Relief Employment	17.277	\$ 733,673	\$ 733,673
2821NDW001	NDW Winter Storm - 2022	17.277	\$ 261,941	\$ 225,781
	Subtotal - 17.277		\$ 995,614	\$ 959,454
2821ATG001	Apprenticeship Texas Expansion Grant	17.285	\$ 86,412	\$ 86,412
2821ATG002	Apprenticeship Texas Construction Partnerships	17.285	\$ 1,184,468	\$ 1,003,461
2822ATG002	IT Registered Apprenticeship Expansion	17.285	\$ 54,202	\$ 23,725
2822ATG003	All Sector Partnership Grant	17.285	\$ 336,182	\$ 265,985
	Subtotal - 17.285		\$ 1,661,264	\$ 1,379,583
	Total - Texas Workforce Commission		\$ 47,006,257	\$ 42,709,270
	TOTAL U.S. DEPARTMENT OF LABOR		\$ 49,743,697	\$ 44,768,494
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed Through the Texas Department of Transportation			
	Highway Planning and Construction Cluster			
0912-00-552 Task 1	Clean Vehicles - Implementation & Oversight	20.205	\$ 242,347	\$ -
0912-00-552 Task 2	Clean Vehicles - Vehicle Replacement /Deployment	20.205	\$ 519,286	\$ 519,286
0912-00-529 Task 1	Incident Management-Quick Clearance Towing	20.205	\$ 40,222	\$ 40,222
0912-00-529 Task 2	Incident Management-Quick Clearance Towing-Admin	20.205	\$ 20,441	\$ -
0912-00-529 Task 3	Incident Management- Training	20.205	\$ 825	\$ -
0912-00-529 Task 4	Incident Management-Quick Clearance Pilot Project	20.205	\$ 21,074	\$ 21,074
0912-00-596	Livable Centers Planning Studies	20.205	\$ 160,320	\$ -
0912-00-464	Commute Solutions Transit Pilot Project	20.205	\$ 330,522	\$ 330,522
0912-00-549	Travel Demand MGMT, Marketing, Outreach & Public ED	20.205	\$ 567,204	\$ -
0912-00-584 Task 1	Teens in the Drivers Seat	20.205	\$ 58,727	\$ -
0912-00-584 Task 2	Youth Traffic Safety Education and Outreach	20.205	\$ 35,271	\$ -
0912-00-584 Task 3	Regional Safety Campaign	20.205	\$ 62,106	\$ -
0912-00-584 Task 4	Bicycle Safety Education	20.205	\$ 28,746	\$ -
50-22XF0015	Administration - 2022	20.205	\$ 2,474,774	\$ -
50-22XF0015	Data Development & Maintenance - 2022	20.205	\$ 2,731,331	\$ -
50-22XF0015	Short Range Planning - 2022	20.205	\$ 600,011	\$ -
50-22XF0015	Long Range Plan - 2022	20.205	\$ 2,082,311	\$ -
50-22XF0015	Special Studies - 2022	20.205	\$ 77,038	\$ -
0912-00-476 Task 1	Commuter and Transit Pilot	20.205	\$ 630,902	\$ 630,902
0912-00-476 Task2	Commuter and Transit Pilot Implementation & Oversight	20.205	\$ 6,016	\$ -
0912-00-556 Task 2	Regional Freeway Management - Quick Clearance Towing	20.205	\$ 761,338	\$ 761,338
0912-00-556 Task 3	Regional Freeway Management - Program Admin	20.205	\$ 70,676	\$ -
0912-00-558 Task 1	Regional Freeway Management - Program Outreach & Education	20.205	\$ 363,717	\$ -
0912-00-558 Task 2	Regional Freeway Management - Quick Clearance Towing	20.205	\$ 2,673,544	\$ 2,673,544
0912-00-558 Task 3	Regional Freeway Management - Program Implementation & Oversight	20.205	\$ 23,371	\$ -
0912-00-559 Task 1	Regional Freeway Management - Program Outreach & Education	20.205	\$ 2,178	\$ -

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
0912-00-559 Task 2	Regional Freeway Management - Quick Clearanace Towing	20.205	\$ 3,966,524	\$ 3,966,524
0912-00-559 Task 3	Regional Freeway Management - Program Implementation & Oversight	20.205	\$ 12,681	\$ -
0912-00-599 Task 1	Southeast Harris County Sub-Regional Study	20.205	\$ 430,142	\$ -
0912-00-599 Task 2	Regional Goods Movement Plan Update	20.205	\$ 619,502	\$ -
0912-00-599 Task 3	Safety Intersection Audits	20.205	\$ 504,504	\$ -
0912-00-599 Task 4	Regional Travel Surveys	20.205	\$ 12,959	\$ -
0912-00-614 Task 1	Liberty County Mobility Plans	20.205	\$ 154,016	\$ -
0912-00-614 Task 2	Montgomery County Precinct 2 Mobility Plan	20.205	\$ 120,988	\$ -
0912-00-643	Clean Vehicles Implementation and Oversight	20.205	\$ 42,911	\$ -
0912-00-624	Livable Centers Planning Studies	20.205	\$ 598,780	\$ -
50-23XF0015	Administration - 2022	20.205	\$ 657,104	\$ -
50-23XF0015	Data Development & Maintenance - 2022	20.205	\$ 899,111	\$ -
50-23XF0015	Short Range Planning - 2022	20.205	\$ 143,812	\$ -
50-23XF0015	Long Range Plan - 2022	20.205	\$ 683,329	\$ -
50-23XF0015	Special Studies - 2022	20.205	\$ 19,788	\$ -
	Subtotal - Highway Planning and Construction Cluster		<u>\$ 23,450,449</u>	<u>\$ 8,943,412</u>
TX-2019-112	Regionally Coordinated Transportation Plan (RCTP)	20.505	\$ 8,431	\$ -
TX-2020-041	Regional Public Transportation Coordination Plan	20.505	\$ 11,625	\$ -
	Subtotal - 20.505		<u>\$ 20,056</u>	<u>\$ -</u>
	Total - Texas Department of Transportation		<u>\$ 23,470,505</u>	<u>\$ 8,943,412</u>
	Passed Through Commission on State Emergency Communications			
69N37619300000911 TX0	911 Grant -2022	20.615	\$ 438,600	\$ -
	Subtotal - 20.615		<u>\$ 438,600</u>	<u>\$ -</u>
020-1892	911 Migration Grant -2022	21.027	\$ 19,540	\$ -
	Subtotal - 21.027		<u>\$ 19,540</u>	<u>\$ -</u>
	Total - Commission on State Emergency Communications		<u>\$ 458,140</u>	<u>\$ -</u>
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>\$ 23,928,645</u>	<u>\$ 8,943,412</u>
	U.S. DEPARTMENT OF TREASURY			
	Passed Through the Community Development Financial Institutions Program			
211TA058156	CDFI - Technical Assistance Grant	21.020	\$ 67,468	\$ -
	Subtotal - 21.020		<u>\$ 67,468</u>	<u>\$ -</u>
	TOTAL U.S. DEPARTMENT OF TREASURY		<u>\$ 67,468</u>	<u>\$ -</u>

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Programs:				
DE-01F56501	Clean Freights Houston	66.039	\$ 1,481	\$ -
DE-01F68501	Houston Freight Distribution Electrification	66.039	\$ 2,597	\$ -
	Subtotal - 66.039		<u>\$ 4,078</u>	<u>\$ -</u>
	Total - Direct Programs		<u>\$ 4,078</u>	<u>\$ -</u>
Passed Through the Texas Commission on Environmental Quality				
582-20-13156 WO#8	TMDL BIG FY22	66.419	\$ 128,049	\$ -
582-20-13156 WO#9	TMDL Cotton Bayou FY22	66.419	\$ 22,712	\$ -
582-20-13156 WO#6	TMDL San Jacinto-Brazos Coastal Basin FY22	66.419	\$ 34,919	\$ -
582-20-13156 WO#7	TMDL BIG Creek FY22	66.419	\$ 39,314	\$ -
582-20-13156 WO#5	TMDL Caney Creek FY22	66.419	\$ 39,726	\$ -
582-20-13156 WO#10	TMDL Cotton Bayou/Big Creek/San Jacinto FY23	66.419	\$ 15,750	\$ -
582-20-13156 WO#11	TMDL San Jacinto-Brazos Costal Basin FY23	66.419	\$ 15,092	\$ -
	Subtotal - 66.419		<u>\$ 295,562</u>	<u>\$ -</u>
582-22-30193	Water Quality Management Planning - 2022	66.454	\$ 96,200	\$ -
582-23-40182	Water Quality Management Planning - 2023	66.454	\$ 34,588	\$ -
	Subtotal - 66.454		<u>\$ 130,788</u>	<u>\$ -</u>
582-19-90216	Trash Bash - GBEP	66.456	\$ 7,942	\$ -
582-20-10367	Targeted Bacteria Monitoring	66.456	\$ 15,530	\$ -
582-21-10087	Costal Communities - GBEP	66.456	\$ 26,289	\$ -
582-22-30136	Lower Galveston Bay Watershed	66.456	\$ 12,985	\$ -
582-23-40239	Water Quality - Rural Population	66.456	\$ 8,563	\$ -
	Subtotal - 66.456		<u>\$ 71,309</u>	<u>\$ -</u>
582-21-10101	Clear Creek WPP FY22	66.460	\$ 62,661	\$ -
582-22-30143	East Fork WPP FY22	66.460	\$ 67,438	\$ -
	Subtotal - 66.460		<u>\$ 130,099</u>	<u>\$ -</u>
	Total - Texas Commission on Environmental Quality		<u>\$ 627,758</u>	<u>\$ -</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>\$ 631,836</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - PRIMARY GOVERNMENT			<u>\$ 369,347,618</u>	<u>\$ 340,211,839</u>
DISCRETELY PRESENTED COMPONENT UNIT:				
U.S. DEPARTMENT OF COMMERCE				
Direct Programs:				
ED21AUS3020016	Economic Development - Support for Planning Organizations	11.302	\$ 86,475	\$ -
	Subtotal - 11.302		<u>\$ 86,475</u>	<u>\$ -</u>
Economic Development Cluster				
08-79-05418	COVID-19 Economic Development - Cares Act Revolving Loan Fund	11.307	\$ 1,712,990	\$ 50,000.00
08-79-05571	COVID-19 Economic Development - Cares Act Revolving Loan Fund - 2	11.307	\$ 7,213	\$ -
ED20AUS3070090	COVID-19 Economic Development - Cares Act	11.307	\$ 54,804	\$ -
08-69-05592	Regional Broadband Market Study And Action Plan	11.307	\$ 10,017	\$ -
	Subtotal - Economic Development Cluster		<u>\$ 1,785,024</u>	<u>\$ 50,000.00</u>
TOTAL U.S. DEPARTMENT OF COMMERCE			<u>\$ 1,871,499</u>	<u>\$ 50,000.00</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - DISCRETELY PRESENTED COMPONENT UNIT			<u>\$ 1,871,499</u>	<u>\$ 50,000.00</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			<u>\$ 371,219,117</u>	<u>\$ 340,261,839</u>

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
STATE PROGRAMS				
PRIMARY GOVERNMENT:				
OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION				
Direct Programs:				
1471917	Law Enforcement Training - 2022-2023		\$ 334,551	\$ -
	Subtotal - Law Enforcement Training		\$ 334,551	\$ -
	TOTAL OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION		\$ 334,551	\$ -
OFFICE OF THE GOVERNOR- PUBLIC SAFETY DIVISION				
21-04282	Tri-County Tower Project		\$ 1,097,522	\$ -
	Subtotal - Tri-County Tower Project		\$ 1,097,522	\$ -
	TOTAL OFFICE OF THE GOVERNOR-CRIMINAL JUSTICE DIVISION		\$ 1,097,522	\$ -
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY				
Direct Programs:				
582-22-30118	Solid Waste - 2022 - 2023		\$ 983,191	\$ 593,144
	Subtotal - Solid Waste		\$ 983,191	\$ 593,144
582-22-30102	Texas Clean Rivers - 2022-2023		\$ 1,034,119	\$ 156,020
	Subtotal - Texas Clean Rivers		\$ 1,034,119	\$ 156,020
582-20-13156 WO# 12	TMDL Big FY23		\$ 53,809	\$ -
582-20-13156 WO# 13	TMDL I-Plans FY23		\$ 19,879	\$ -
	Subtotal - TMDL		\$ 73,688	\$ -
582-23-40240	Trash Bash-GBEP FY23		\$ 3,959	\$ -
582-23-40241	GBEP - Clear Creek Match		\$ 3,078	\$ -
	Subtotal - GBEP		\$ 7,037	\$ -
	Total - Direct Programs		\$ 2,098,035	\$ 749,164
	TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		\$ 2,098,035	\$ 749,164
TEXAS HEALTH AND HUMAN SERVICES COMMISSION				
Direct Programs:				
HHS000874100015	State General Revenue - 2022 IIIE Match		\$ 68,500	\$ -
HHS000874100015	State General Revenue - 2022		\$ 205,629	\$ -
HHS000874100015	State General Revenue - 2023		\$ 138,825	\$ -
HHS000874100015	State General Revenue - 2022 ARP		\$ 54,117	\$ -
HHS000874100015	State General Revenue - 2023 ARP		\$ 42,359	\$ -
HHS000874100015	State General Revenue - 2022 HDM Rate Increase		\$ 22,279	\$ -
HHS000874100015	OMB ALF Services - 2022		\$ 111,328	\$ -
HHS000874100015	OMB ALF Services - 2023		\$ 81,096	\$ -
HHS000874100015	Aging - Housing Bond		\$ 16,662	\$ -
HHS000270200021	ADRC SGR - 2022		\$ 151,043	\$ -
HHS000270200021	ADRC Promoting Independence - 2022		\$ 9,157	\$ -
HHS000270200021	ADRC SGR Respite - 2022		\$ 16,728	\$ 15,912
HHS000270200021	ADRC SGR - 2023		\$ 78,397	\$ -
HHS000270200021	ADRC Promoting Independence - 2023		\$ 1,491	\$ -
HHS000270200021	ADRC SGR Respite - 2023		\$ 7,837	\$ 7,308
	TOTAL TEXAS HEALTH AND HUMAN SERVICES COMMISSION		\$ 1,005,448	\$ 23,220
TEXAS WORKFORCE COMMISSION				

Houston-Galveston Area Council
Schedule of Expenditures of Federal and State Awards
For the Period Ending December 31, 2022

Grantor's ID Number	Federal or State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Total Expenditures and Indirect Costs	Pass Through to Subrecipients
Direct Programs:				
2822SNE001	SNAP E&T - 2022		\$ 34,883	\$ 34,883
2823SNE001	SNAP E&T - 2023		\$ 153	\$ 153
2822SNE002	SNAP E&T - 2022		\$ 677,043	\$ 608,764
2823SNE002	SNAP E&T - 2023		\$ 903,260	\$ 751,655
	Subtotal - SNAP E&T		<u>\$ 1,615,339</u>	<u>\$ 1,395,455</u>
2822DON001	Pre-Apprenticeship Pilot- 2022		\$ 46,141	\$ 40,150
	Subtotal - Pre-Apprenticeship Pilot		<u>\$ 46,141</u>	<u>\$ 40,150</u>
2822RAG001	Resource Admin Grant - 2022		\$ 3,422	\$ -
2823RAG001	Resource Admin Grant - 2023		\$ 1,008	\$ -
	Subtotal - Resource Administration Grant		<u>\$ 4,430</u>	<u>\$ -</u>
2822TAF001	TANF Choices - 2022		\$ 1,830,322	\$ 1,830,322
2822NCP001	TANF E&T - Noncustodial Parent Empl - 2022		\$ 42,458	\$ 42,458
2823NCP001	TANF E&T - Noncustodial Parent Empl - 2023		\$ 170,944	\$ 165,160
	Subtotal -TANF Choices		<u>\$ 2,043,724</u>	<u>\$ 2,037,940</u>
2822CCP001	Child Care DFPS - 2022		\$ 6,493,236	\$ 6,493,236
2823CCP001	Child Care DFPS - 2023		\$ 1,463,157	\$ 1,463,157
	Subtotal - Child Care DFPS		<u>\$ 7,956,393</u>	<u>\$ 7,956,393</u>
2818ALAC00	Adult Education and Literacy		\$ 64,956	\$ 64,956
2818ALAD00	Adult Education and Literacy		\$ 2,003,383	\$ 2,003,383
2818ALAE00	Adult Education and Literacy		\$ 394,282	\$ 394,282
	Subtotal - AEL		<u>\$ 2,462,621</u>	<u>\$ 2,462,621</u>
2822CCF001	CCDF Child Care - 2022		\$ 26,192,667	\$ 26,192,667
2823CCF001	CCDF Child Care - 2023		\$ 18,002,296	\$ 18,002,296
2822CCM001	Child Care Local Match - 2022		\$ 100,000	\$ 100,000
	Subtotal - Child Care		<u>\$ 44,294,963</u>	<u>\$ 44,294,963</u>
TOTAL TEXAS WORKFORCE COMMISSION			<u>\$ 58,423,611</u>	<u>\$ 58,187,522</u>
TOTAL EXPENDITURES OF STATE AWARDS - PRIMARY GOVERNMENT			<u>\$ 62,959,167</u>	<u>\$ 58,959,906</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS - REPORTING ENTITY			<u>\$ 434,178,284</u>	<u>\$ 399,221,745</u>

HOUSTON-GALVESTON AREA COUNCIL

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2022

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 minimus 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	\$	442,786,123
Add: Depreciation charged to grant programs		137,846
Add: Gulf Coast Economic Development Corporation federal expenditures		2,552,157
Add: Gulf Coast 911 Emergency District CSEC grant		458,173
Less: In-Kind Expenditures		(3,536,119)
Less: Cash Match		(303,424)
Less: Expenditures funded by local grant revenues		(7,916,472)
Total Federal and State Schedule	\$	<u>434,178,284</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 12/31/2022	\$	1,149,646
Cash and investment balance at 12/31/2022		521,804
Administrative costs during the fiscal year		78,339
Unpaid principal of loans written off during the fiscal year		<u>(29,586)</u>
Total EDA Revolving Loan Fund Expenditures		1,720,203
Federal Participation Rate		100%
Total Federal Share of EDA Revolving Loan Fund Expenditures	\$	<u>1,720,203</u>

Houston-Galveston Area Council
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

7. Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Cluster
93.575, 93.596	CCDF Cluster
84.002A	Adult Education and Literacy

8. Identification of major state programs:

Grantor Number(s)	Name of State Program or Cluster
582-22-30102	Texas Clean Rivers 22/23
2822CCP001	Child Care/DFPS
2818ALAC00	Adult Education and Literacy

9. Dollar threshold used to distinguish between Type A and Type B programs:

Federal: \$3,000,000

State of Texas: \$ 750,000

10. Auditee qualified as a low-risk auditee? Yes No

Houston-Galveston Area Council
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.

Section IV – State Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.



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