Coastal Bend
Council of Governments

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

Offices Located in Corpus Christi, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

COASTAL BEND COUNCIL OF GOVERNMENTS

Corpus Christi, Texas

For the Fiscal Year Ended
December 31, 2025

Prepared by
The Finance and Administrative Department

Christopher Paul, Director of Finance
Justin Pierce, Accountant
Julia Delgado, Accountant
Janet Neely, Executive Assistant

CBCOG

Established in 1966

COASTAL BEND COUNCIL OF GOVERNMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

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COASTAL BEND
COUNCIL OF GOVERNMENTS

June 25, 2026

To the Chairman, Board of Directors, and Citizens of the Coastal Bend Council of Governments,

The annual comprehensive financial report of the Coastal Bend Council of Governments (the Council) for the year ended December 31, 2025, is hereby submitted. The financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by an independent firm of certified public accountants, Pattillo, Brown & Hill, LLP.

This report consists of management's representations concerning the finances of the Council. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Council has established a comprehensive internal control framework that is designed both to protect the Council's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Council's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Council's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent audit of the financial statements of the Council was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are presented in the Single Audit Section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Council's MD&A can be found immediately following the report of the independent auditors.

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www.coastalbendcog.org

Profile of the Coastal Bend Council of Governments

The Coastal Bend Council of Governments was officially established on March 23, 1966, making it one of the earliest regional councils formed in the state. The organization was brought into being under an inter-county agreement approved by the Commissioners' Courts of the original six-member counties – Brooks, Duval, Jim Wells, Kleberg, Nueces and San Patricio. The original agreement was amended, and a revised version became effective on November 14, 1966. By March of 1967 six more counties – Aransas, Bee, Live Oak, Kenedy, McMullen and Refugio and nine cities – Rockport, Beeville, Alice, Kingsville, Corpus Christi, Robstown, Portland, and Mathis had also ratified the agreement. On September 13, 2013, Governor Rick Perry signed an executive order allowing McMullen County to move from the Coastal Bend to the Alamo Area Council of Governments. Today, 11 counties and 32 cities comprise the Coastal Bend/State Planning Region 20 an area of 10,273 square miles with a population of nearly 587,711.

The Council is a voluntary association of cities and counties in an 11-county region centered around the Corpus Christi metropolitan area. It is one of 24 COGs in Texas, all legally defined as political subdivisions of the state. They are governmental agencies with legal responsibility for multi-jurisdictional planning in program areas such as emergency communication systems, criminal justice, solid waste management, environmental protection, and homeland security planning in addition to being the Area Agency on Aging, which has the responsibility for providing nutrition and social services for the elderly. They have no taxing authority and no police powers.

The Council is the designated economic development district responsible for economic development planning.

Authorized by the Texas Regional Planning Act of 1965, as amended and codified, the Council is designated as the regional clearinghouse to review and comment upon grant applications submitted by entities throughout the region seeking state or federal funding. In addition, the Council provides technical assistance, service, and training to member governments in administration of area-wide programs. For FY2025, the Council received a grant from Texas Department of Agriculture for technical assistance related to community and economic development. Financial support for these program activities is provided through local dues, state and federal grants that are matched by local monies, and other public and private funds.

Effective December 2025, the Board of Directors transitioned from its historical 11-meeting calendar to a streamlined schedule of six meetings per year. Under this new structure, the 83-member governing body convenes on the fourth Thursday of even-numbered months, shifting only in December to the second Thursday. All sessions, alongside advisory committee meetings, remain fully open to the public.

Membership in the Council is open to all governmental units in the 11-county Coastal Bend planning region, including counties, cities, and special districts. For county and city governments, dues were $0.14 per capita in 2025, based on census data; a fee of $125 annually exists for special districts. Each county is allowed one representative for each 20,000 persons or fraction thereof. Each city is allowed one representative for the first 15,000 persons and up to one additional representative for each additional 35,000 persons or fraction thereof. The county population determines the possible votes for that county. Special districts do not have a vote on the governing board.

The Council's annual budget serves as a guide for financial planning and control. All departments of the Council are required to submit their federal and state program budgets to the finance department on or before the last day in September each year. The finance department uses these program budgets as the starting point for developing the Council's proposed budget.

The finance department presents the proposed budget to the budget committee for review prior to November 30th. The budget committee is required to make a recommendation to the Board of Directors by December. The Board of Directors is required to adopt the original budget by December 31st. The Board made supplemental budgetary appropriations throughout the year; amounts were moved between categories but did not change the net. The appropriated budget is prepared by fund, function, and department. Department heads may make transfers of appropriations within a function but cannot transfer budgeted amounts between departments within a function.

Local Economy

The Coastal Bend Region includes 11 counties - Aransas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, Nueces, San Patricio and Refugio counties. The region encompasses a landmass of approximately 10,273 square miles. According to the 2025 Census data, the total Coastal Bend Region population is 587,711, a slight increase from 2024. The Coastal Bend is home to the Port of Corpus Christi which has been in operation since 1926 and has since become the largest port in the United States, based on total revenue tonnage, and the largest exporter of crude oil.

In 2025, the Coastal Bend continued to see robust business activity, though the momentum shifted toward long-term industrial stability and infrastructure completion. The energy and petrochemical sectors remained the region's primary anchors; major players like Valero and Cheniere Energy leveraged expanded capacities at the Port of Corpus Christi to meet sustained global demand for crude oil and LNG exports.

The construction and industrial services sectors maintained high levels of activity, transitioning from initial groundbreaking phases to the complex buildouts of large-scale infrastructure projects. In manufacturing, sales growth was bolstered by optimized output in chemical processing and metal fabrication, with Steel Dynamics continuing to serve as a cornerstone of regional production.

The retail trade sector showed resilience through 2025, with consumer spending remaining steady across Corpus Christi and its neighboring municipalities. Healthcare continued its role as a stable economic pillar, with revenues driven by the further expansion of outpatient facilities and specialized medical services to meet the needs of a growing population. Additionally, logistics and transportation firms benefited from record-breaking tonnage moving through the port and an increasingly integrated regional supply chain. By the end of 2025, the Coastal Bend's business environment proved durable, characterized by a balanced contribution from massive industrial investments and a maturing small-business ecosystem.

According to data from Workforce Solutions of the Coastal Bend, the regional labor market demonstrated baseline stability, ending 2025 with 271,176 total jobs compared to 271,264 the previous year.

Despite this minor net shift of just 88 jobs, the regional unemployment rate climbed from 4.0% to 4.4% year-over-year. This matches the national average but slightly trails the Texas state average of 4.3%.

While the Coastal Bend historically lags behind the state in job growth, a late-year hiring surge—aligned with broader Texas trends—reflected an ongoing diversification of the local economy. This momentum was primarily driven by job gains in Construction, Professional and Business Services, and Leisure and Hospitality, with Nueces County remaining the anchor for the region's overall labor force statistics.

The region includes the major urban center of Corpus Christi, significant agricultural and ranching operations in counties like Kleberg and Kenedy, and energy production in Duval and Jim Wells. Coastal access supports shipping, tourism, and ecological conservation, particularly in Aransas and San Patricio counties. The area also features educational institutions, industrial development, and recreational resources that contribute to its economic profile. The Coastal Bend region, home to 587,711 residents and 271,176 jobs in 2025, remains one of Texas' most petroleum-manufacturing intensive regional economies. The South Texas Economic Development Center at TAMUCC notes total regional economic output reached $98.08 billion, while Gross Domestic Product (GDP) was approximately $44.30 billion. The output is defined as the value of all the economic activities in the region, including all the intermediate inputs. The Gross Domestic Product (GDP) contribution, or Value Added, measures only the new value created in the production process. Thus, GDP represents the difference between the total output related to the industries and the cost of the intermediate inputs used.

Production in the Coastal Bend region is highly concentrated. The top five subsectors alone account for more than 66% of all regional output, underscoring the region's specialization in energy-intensive, industrial, and logistics-oriented activities:

1. Manufacturing (NAICS 31–33) is the region's largest contributor, generating $39.53 billion in economic output, or 40.30% of total regional output. Production is led by petroleum refining, chemical manufacturing, and fabricated metals, which are the industries central to the Coastal Bend's role in global energy and materials supply chains.

2. Real Estate and Rental and Leasing (NAICS 53) total output is at $7.17 billion (7.31%), reflecting strong commercial and industrial property demand from energy, logistics, and port-related activity.

3. Construction (NAICS 23) total output is $6.43 billion (6.56%), driven by commercial and residential construction, large-scale industrial expansions, infrastructure investments, and port-related development.

4. Mining, Quarrying, and Oil & Gas Extraction (NAICS 21) total output is $6.34 billion (6.46%), reflecting upstream production tied to Eagle Ford, Gulf energy activity, and refinery inputs.

5. Health Care and Social Assistance (NAICS 62) total output is $5.61 billion (5.72%), continues to expand alongside population growth and medical specialization in the region. These industries collectively anchor Coastal Bend's competitive identity and account for most of the economic output.

Long term financial planning

The Council continues to prepare their next year's budgets based on eight months of current year's actual expenditures and estimates four months of expenditures to come up with twelve months of expenditures which allows the Council to project their annual budget close to actual expenditures. The Council also accounts for any new grants awarded for the next fiscal year, inflation, and new services to be provided to enhance the quality of life for the citizens of the Coastal Bend Region.

The Council's 2025 dues structure is based on $.14 per capita and increases by $.02 every other year for six years beginning in 2026. The increase of dues from 2021 was based on $.10 per capita and is $25,691. From 2025 to the end of 2031, the Council will have collected $1,325,134 in dues from their county/city governments and special districts. The increases are necessary to pay for support staff in the Economic Development program. They were recommended by the Council's budget committee members at the presentation of the Council's 2022 annual budget meeting and approved at the Council's December 2021 Board of Director's Meeting.

The Council's finance and administrative department continues to foster transparency and accountability in the financial management of federal and state funds. In addition, the Council's finance and administrative department continues to coordinate, communicate and collaborate with department heads to improve the overall award and administration of financial assistance and to minimize the risk of waste, fraud and abuse.

Relevant financial policies

The Council's General Fund minimum fund balance policy states that it shall maintain a minimum fund balance equivalent to 25% of its operating expenditures budgeted for the current budget year. This amount is equal to three months of the current year's General Fund operating expenditures. The intent of this policy is to ensure cash availability when revenue is unavailable.

The Council's indirect cost allocation plan policy states that the Council shall prepare an indirect cost proposal in compliance with OMB Uniform Guidance, 2 CFR Part 200 Subpart E Cost Principles. The Council's indirect cost allocation plan is used to allocate the administrative and financial management costs of administering grant programs. The administrative indirect costs benefit all grant programs and are pooled in an indirect cost plan for cost-sharing purposes. The indirect costs are allocated to the grant programs via an indirect cost rate to recover the indirect costs incurred.

The Council adopts an annual fixed indirect cost rate with carry-forward. Variances between actual and allocated indirect costs are deferred and incorporated into future rate calculations using a two-year lag. Accordingly, under- or over-recovery of indirect costs is carried forward and applied in the rate-setting process for subsequent years (e.g., variances from FY2023 are reflected in the FY2027 rate, and variances from FY2024 are reflected in the FY2028 rate).

The Council utilizes a central service cost allocation pool for allocating accounting and payroll service fees and management advisory services to the grant programs using number of employees, number of accounts payable invoices processed and direct hours as allocation bases.

The Council's indirect costs allocation plan which includes the central service costs allocation plan is submitted to the Texas Department of Health and Human Service Commission (HHSC) for review and approval as the Council's designated oversight agency.

Major Initiatives

Area Agency on Aging Program

The Council's Area Agency on Aging operates a coordinated Older Americans Act service delivery system across the 11-county Coastal Bend region, supported by counties, cities, community action agencies, nonprofit partners, and other local providers. In 2025, the program continued to focus on older adults with the greatest social and economic need, including individuals who are frail, low-income, rural, and historically underserved. Through strategically located senior centers and community-based partnerships, the Council maintained a network designed to reduce isolation, support independence, and connect older adults and caregivers to the services most needed in their own communities. Nutrition services remained a key part of that network, promoting not only food security but also social connection, wellness, and opportunities for continued community engagement.

The Council directly provides core access and assistance services through its AAA and ADRC functions, including information, referral and assistance, care coordination, caregiver support, caregiver information and training, evidence-based interventions, benefits counseling, legal assistance and legal awareness, ombudsman services, transportation, health maintenance, residential repair, congregate meals, and home-delivered meals. The ADRC serves as a trusted entry point for older adults, people with disabilities, veterans, family caregivers, and professionals seeking unbiased information, options counseling, referrals, and help with applications for long-term services and supports and public benefit programs. In 2025, the Council also continued to support community partner programming such as housing navigation and respite-related assistance while overseeing the Coastal Bend Aging and Disability Resource Center as an important front door to long-term services and community supports. To strengthen service access across the region, the Council continued contracting with local providers for short-term, gap-filling personal assistance services delivered on a client-by-client basis.

The Council also continued building on its Dementia Friendly Corpus Christi efforts in 2025 through collaboration with community stakeholders, service providers, and caregiver networks. These efforts emphasized education, awareness, training, inclusion, and practical support for families caring for individuals with Alzheimer's disease and related dementias. The Area Agency on Aging's Family Caregiver Support Program remained an important part of this work by helping caregivers better understand available services, strengthen caregiving skills, and connect with local resources.

Homeland Security Program

The Council's Homeland Security Advisory Committee (HSAC) originated in October 2001.

The Council's Homeland Security Advisory Committee (HSAC) meets to consider a variety of matters including: first responder needs, credentialing of emergency responders, interoperable communication, a review of Threat and Hazard Identification and Risk Assessment (THIRA) for the State Homeland Security Strategies, regional response training, the process of continued emergency management planning in the region and grant cooperation and opportunities. Council participated in several disaster drills/responses in 2025 including a complete reevaluation and update of our Threat and Hazard Identification and Risk Assessment (THIRA) for our region. Finally, The Council played a key role in planning the region's Hurricane Conference and Hurricane Exercise, a regional conference and exercise focused on arming first responders and policy makers with knowledge needed to prepare and respond to a disaster.

The Council's staff and HSAC maintain the Coastal Bend Regional Response Plan. Regional efforts in emergency management planning were made possible through a grant from the Department of Homeland Security and passed through to the Office of the Governor Public Safety Office Division.

The Council manages a Region Wide Mutual Aid Agreement that has been approved by the Council's Board of Directors. Eleven counties and 32 cities are in the process of adopting the updated plan.

In December, the Council's staff submitted the updated THIRA, State Preparedness Report and Coastal Bend Implementation Plan at the request of the Office of the Governor Texas Homeland Security.

The Council provided training for nearly 1,200 government representatives. This includes sponsoring three high-level National Incident Management System (NIMS) trainings, supporting seven others and sponsoring the All-Hazards Coastal Bend Hurricane Conference. The Council scheduled activities for regional homeland security exercises and coordinated with local governments and emergency management personnel. The Coastal Bend Hurricane Conference Tabletop Exercise helped train nearly 300 responders. Additionally, the Council's staff helped facilitate two full-scale exercises and two tabletop exercises to train an additional 500 responders.

9-1-1 Program

The Coastal Bend Council of Government serves 17 Public Safety Answering Points (PSAP's) out of the 11 Counties in the Coastal Bend Region. The 911 Department provides Call Handling Equipment to all 17 PSAP's, education notices to the public by radio with public presentations to start Fiscal Year 2027 (After September 2026), minor tech assistance and GIS work.

Within the 9-1-1 framework, GIS provides high-quality regional data, managed locally and hosted on our Enterprise Geospatial Data Management System (GEOCOMM). This data is then transmitted to AT&T's ESINET for additional verification. Accurate GIS Data is needed not only for the correct routing of calls on the ESINET, but also for accuracy in the Master Street

Addressing Guide (MSAG). This GIS data is also shared to the dispatch maps via Intrado's product Spatial Command and Control which offers the ability to answer calls from the map, accurate location based on data from several databases as well as the device and up to date weather maps with information provided by NOAA.

Errors are part of an everyday occurrence with GIS data due to new buildings and development around the region. Critical Errors are issues that require immediate correction, such as mismatched unique ID names, overlapping street ranges, or gaps in boundary areas affecting response points. Regular Errors are less urgent and typically involve display or placement inaccuracies, such as address points on the incorrect side of the street, mislabeling of locations within address points or street centerlines, or discrepancies between community names in the address data and the street centerline data.

The Council's 9-1-1 region depends on updated training, services, and materials. The education department provides training to learn new rules and policies for Next Generation 9-1-1 Routing and how it is set up. The education specialist has set up yearly radio spots during April's Telecommunication Month for what to do during a 9-1-1 call and the proper information to give to the telecommunicator. The 9-1-1 department has also implemented several new services such as text 9-1-1 translation of a majority of foreign languages through the use of Artificial Intelligence. The 9-1-1 department will continue to implement new technologies for a better quality of life for the telecommunicator and citizens as seconds matter.

Criminal Justice Program

The Council has revised and improved the Criminal Justice programs funded by the Office of the Governor. This is the first funding cycle since 2020 where CBCOG expended all the allowable funding.

Because of the partnerships with additional training providers, including Coastal Bend College and the Texas A&M Engineering Extension Service (TEEX), CBCOG increased the number of trainees by more than 20% and trained law enforcement in every county.

Economic Development Program

The Council has continued to develop and strengthen our partnerships to support Regional Economic Development. We currently hold a planning grant from the U.S. Economic Development Administration (EDA) and have secured technical assistance grants from the Texas Department of Transportation (TxDOT) and the Texas Department of Agriculture (TDA).

Regional Resilience Partnership (RRP)

The Regional Resilience Partnership was formed via a formal Memorandum of Understanding (MOU) with Texas A&M University Corpus Christi, Harte Research Institute, and CBCOG in December 2019. Since then, the RRP has produced numerous training programs, grants, and projects aimed at enhancing regional strength and building capacity among our regional partners.

The Workforce & Education Accelerator grant awarded in 2023 to support capacity-building in Brooks and Refugio Counties, wrapped up in 2025, resulting in identifying additional projects in wastewater treatment assessment and transportation planning.

The Clean Coast Texas initiative, begun by the RRP to assess wastewater treatment facilities in the Coastal Zone, expanded to include additional funding from Coastal Bend Bays & Estuaries Programs for additional assessments. The assessment work identified a need for Comprehensive Resilience Plans for the towns of Refugio and Woodsboro. The General Land Office awarded funding for RRP to conduct these plans.

Education

The Council remains committed to supporting educational initiatives that benefit the region, particularly in rural areas. In 2025, the Council completed the activities under the Workforce and Education Accelerator grant funded by EDA. The Council facilitated several community meetings with rural ISD superintendents to identify the areas for strategic planning.

Infrastructure

The City of Gregory water main was completed with the funding awarded by EDA. This grant was authored by the Coastal Bend Council of Governments and awarded in 2023. The council managed the grant coordination and administration for the project. The project was completed on time and on budget.

CBCOG assisted four communities in Refugio County with wastewater treatment plant assessments. The project was such as success, that the council secured additional funding to complete additional assessments in 2026 & 2027.

Environmental Planning Program

The Council's Environmental Planning Department administered the Texas Commission on Environmental Quality (TCEQ) Solid Waste Grant Program funds for three Council of Governments (COG)-Managed Projects (CMP). The first project was to continue providing liner refills for the 19 MedSafe units in the region. The MedSafe units are used for the collection of unwanted, expired, or unused pharmaceutical waste.

The second project was a partnership with the Coastal Bend Bays Estuaries Program (CBBEP) and the Nueces River Authority (NRA) for a 3-year EPA Trash-Free Waters grant project. This project provided tire and community cleanup events for rural and underserved areas of the Coastal Bend region as a means of keeping bulk waste and tires from being dumped into our waterways or illegally dumped items on our rural roads.

The third project provided continuing education credits for law enforcement, city and county government officials, and code enforcement officials. These classes focused on illegal dumping enforcement, environmental regulations, solid waste regulations for Texas, and taught attendees how to build cases.

The Council also received a 604(b) Water Quality planning grant from TCEQ. This grant focused on stormwater education and outreach campaigns that informed the public about storm water runoff and pollution to our waterways via storm drains. It also developed and maintained an education and outreach program to address the most significant water quality problems in the region.

In addition, the Environmental Planning Department administered the TCEQ Total Maximum Daily Load (TMDL) Umbrella Contract to provide technical support for the implementation of the Corpus Christi Regional Water Quality Implementation Plan. The goal of the implementation plan is to improve water quality in the region.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Coastal Bend Council of Governments for its annual comprehensive financial report for the fiscal year ended December 31, 2024. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance and administrative department, the Council's executive staff and our independent auditors, Pattillo, Brown & Hill, LLP. We would like to express our appreciation to all members of the finance and administrative department and other staff members who assisted and contributed to the preparation of this report. Due credit also should be given to the Council's chairman and board members for their interest and support in planning and conducting the operations of the Council in a responsible and progressive manner.

Respectfully submitted,

Emily Martinez, MPA
Executive Director

CBCOG

Established in 1966

ORGANIZATIONAL CHART

General Membership
11 Counties
32 Cities
7 Special Districts

EXECUTIVE DIRECTOR

Director of Planning & Economic Development	**Director of Finance**
Environmental Planning Program Manager	**Director of Homeland Security and Emergency Management**
9-1-1 Program Director	**Director of Area Agency on Aging / Aging and Disability Resource Center**

COASTAL BEND
COUNCIL OF GOVERNMENTS

Board of Directors
2025

Aransas County (2)

Ray A. Garza	County Judge
Leslie Casterline	Commissioner

Citv of Fulton (1)

Mary Ann Pahmiyer	Aiderwoman

City of Rockport (1)

Tim Jayroe	Mayor

Bee County (2)

George "Trace" Morrill, III	County Judge
Dennis DeWitt	Commissioner

Citv of Beeville (1)

Cyndi Carrasco	Councilwoman

Brooks County (1)

Eric Ramos	County Judge

City of Falfurrias (1)

Martin Saenz	City Administrator

Duval County (1)

Arnoldo Cantu	County Judge

City of Benavides (1)

Ramiro Saenz	Mayor

City of Freer (1)

Rolando M. Flores, III	Chief of Police

Citv of San Diego (1)

Sally Lichtenberger	Mayor

Jim Wells County (3)

Pedro "Pete" Trevino, Jr.	County Judge
Wicho Gonzalez	Commissioner PCT 4
Isabel M. Trevino	Executive Administrative Assistant

Citv of Alice (1)

Cynthia Carrasco	Mayor

City of Orange Grove (1)

Todd Wright	City Administrator

Citv of Premont (1)

Priscilla Vargas	Mayor

Kenedy County (1)

Charles Bums	County Judge

Kleberg County (2)

Rudy Madrid	County Judge
Chuck Schultz	Commissioner PCT 2

City of Kingsville (2)

Charlie Sosa	Interim City Manager
Norma Alvarez	City Commissioner

Live Oak County (1)

James Liska	County Judge

City of George West (1)

Shirley Holm	Interim City Manager

City of Three Rivers (1)

Felipe Martinez	Mayor

Nueces County (17)

Kathy Ard-Blattner	Deputy Emergency Management Coordinator
Brent Chesney	Commissioner
Scott Cross	Coastal Parks Director
Lisa Davis	Interim County Auditor
Juan De La Cerda	Veterans Services Officer
Darrell Earwood	Chief Information Officer
Timothy Everest	Risk Manager
Joe A. Gonzalez	Commissioner
Deanna "Dee" Hawkins	Emergency Management Coordinator
Edward Herrera	Inland Parks Director
John Marez	Commissioner
Juan Pimentel	Director of Public Works
Mike Pusley	Commissioner
Michael Robinson	Director of Purchasing
Constance P. Sanchez	Budget Officer Liaison
Connie Scott	County Judge
Anna Velazquez	Grants Administrator

City of Agua Dulce (1)

John Howard	Mayor

City of Bishop (1)

Noel Barrera Lopez	Mayor

City of Corpus Christi (9)

Roland Barrera	City Council Member-At-Large
Sylvia Campos	City Council Member District 2
Peter Collins	Director of Information Technology
Gil Hernandez	City Council Member District 5
Arturo Marquez	Director of Economic Development
Kaylynn Paxson	City Council Member District 4
Esteban Ramos	Water Resource Manager
Michael Rodgriguez	Deputy City Manager
Ryan Skrobarczyk	Director of Intergovernmental Relations

City of Driscoll (1)

Mark Gonzalez	Mayor

City of Port Aransas (1)

Wendy Moore	Mayor

City of Robstown (1)

David Martinez	Mayor

Refugio County (1)

Jhiela "Gigi" Poynter	County Judge

Town of Bayside (1)

Sharon Scott	Mayor

Town of Refugio (1)

Wanda Dukes	Mayor

Town of Woodsboro (1)

Kay Roach	Mayor

San Patricio County (4)

Melanie Cooper	Grant Writer
Ruben Gonzalez	Commissioner PCT 3
David Krebs	County Judge
William "Ski" Zagorski	Commissioner PCT 1

City of Aransas Pass (1)

Mary Juarez	City Manager

City of Gregory (1)

Estella Boyes	Mayor

City of Ingleside (1)

David Pruitt	Councilmember

City of Ingleside on the Bay (1)

JoAnn Ehmann	Mayor

City of Lake City (1)

Shannon Smith	Mayor

City of Mathis (1)

Cedric W. Davis, Sr.	City Manager

City of Odem (1)

Sal Hernandez	City Administrator

City of Portland (1)

Cathy Skurow	Mayor

City of Sinton (1)

Mary Speidel	Mayor

City of Taft (1)

Alonzo Molina, Jr.	Councilmember

Associate Members

Kent Britton	Port of Corpus Christi Authority
Joe Morales	South Texas Water Authority
Rebecca Klaevermann	San Patricio Municipal Water District
Sam Arciniega	Nueces County Drainage District No. 2
Marcos Alaniz	Nueces County WCID No. 3
Robert MacDonald	Corpus Christi MPO
Travis Pniski	Nueces River Authority

COASTAL BEND
COUNCIL OF GOVERNMENTS

2025 Executive Board

Arnoldo Cantu	Judge, Duval County	
Charles Burns	Judge, Kenedy County	
Chuck Schultz	Commissioner PCT 2, Kleberg County	
Connie Scott	Judge, Nueces County	
Cynthia Carrasco	Mayor, City of Alice, TX	
David Krebs	Judge, San Patricio County	Past Chair
Dennis DeWitt	Commissioner, Bee County	
Eric Ramos	Judge, Brooks County	
George "Trace" Morrill, III	Judge, Bee County	Chairman
James Liska	Judge, Live Oak County	
Jhiela "Gigi" Poynter	Judge, Refugio County	
JoAnn Ehmann	Mayor, Ingleside on the Bay, TX	
Leslie "Bubba" Casterline	Commissioner PCT 2, Aransas County	
Pedro "Pete" Trevino	Judge, Jim Wells County	2nd Vice Chairman
Peter Collins	Chief Information Officer, City of Corpus Christi, TX	Secretary
Ray A. Garza	Judge, Aransas County	
Robert MacDonald, MPA, PE	Transportation Planning Director, Corpus Christi Metropolitan Planning Organization	

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Coastal Bend Council of Governments
Texas

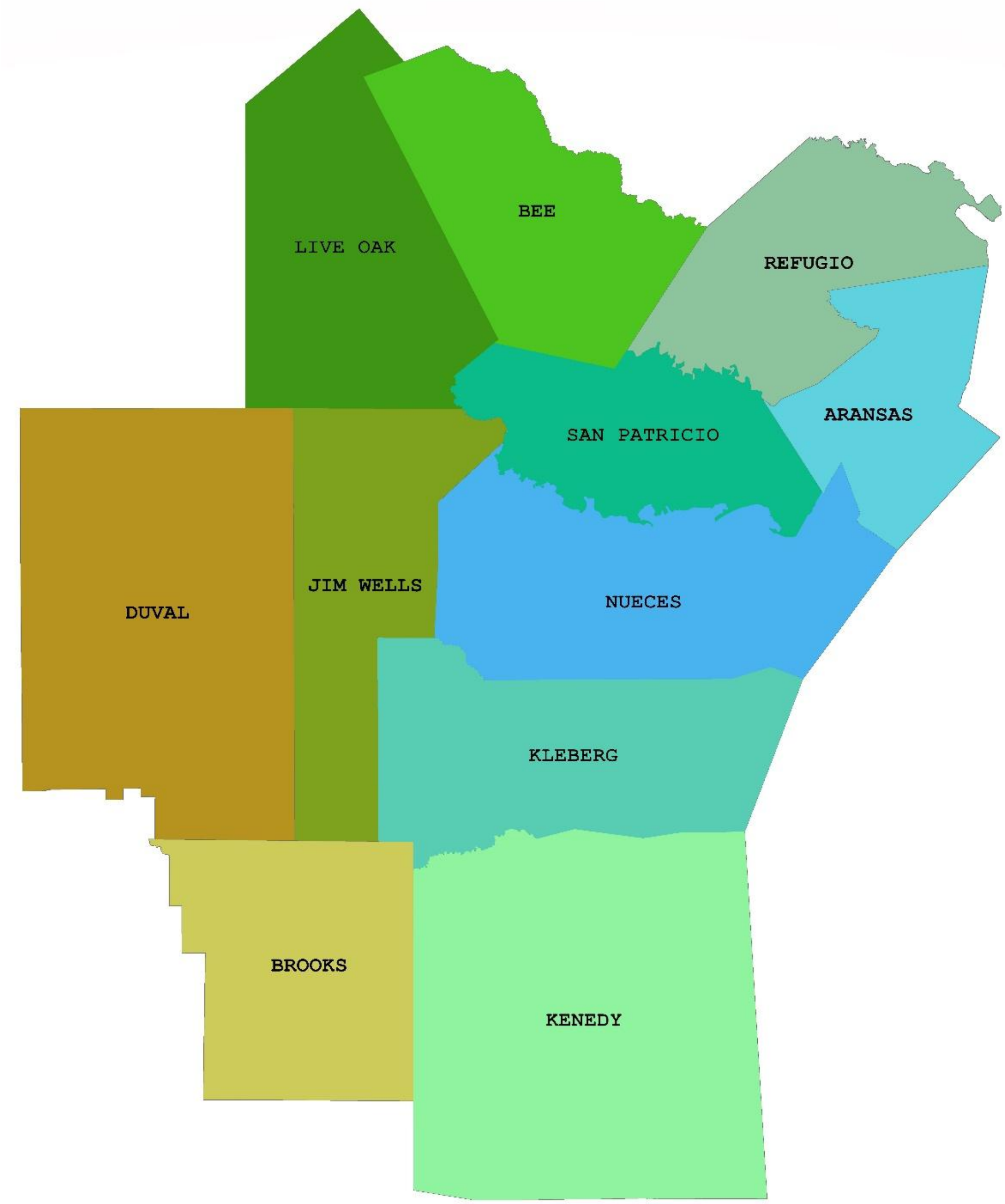
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

The Coastal Bend Council of Governments
11-County Region



Coastal Bend/State Planning Region 20
Area: 10,273 square miles
Population: 587,711

CBCOG

Established in 1966

FINANCIAL SECTION

CBCOG

Established in 1966

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Coastal Bend Council of Governments
Corpus Christi, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently know 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, which 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 supplemental schedules as listed in the table of contents and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *Texas Grant Management Standards (TxGMS),* 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 18, 2026, on our consideration of the Council’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 18, 2026

CBCOG

Established in 1966

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Coastal Bend Council of Governments (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the year ended December 31, 2025. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Council exceeded its liabilities and deferred inflows as of December 31, 2025, by $1,931,160 (net position). Of this amount, $883,114 (unrestricted net position) may be used to meet the Council's ongoing obligations.

- The Council's total net position decreased overall by a total of $237,951 primarily due to the decrease in total capital assets. The Council's primary revenue stream, federal and state grants, generally equals the related program expenses. Program revenues decreased $1,069,640 and general revenues decreased by $7,552.

- As of the close of the current year, the Council's governmental funds reported combined ending fund balances of $1,044,845, a decrease of $86,199 in comparison with the prior year. Of the total fund balance, approximately 9% is assigned to specific purposes, and 87% is available for spending at the Council's discretion (unassigned).

- As of December 31, 2025, the fund balance for the General Fund was $1,044,845, a decrease of $86,199 from prior year. The decrease primarily relates to reduced federal and state grant funding that outstripped a corresponding decrease in program costs.

- The Council's outstanding long-term debt increased by $18,224 during the current year mainly due to the addition of a new lease.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information to furnish in additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

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

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

The *Statement of Activities* presents information showing how the Council's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related *cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused compensated absences). The government-wide financial statements can be found on pages 10 through 12 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance are accompanied by reconciliation to the government-wide financial statements in order to facilitate comparison between governmental funds and governmental activities.

The Council maintains two governmental funds: the General Fund and one special revenue fund, the 911 Program Fund. 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 and 911 Program funds.

The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 26 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Council, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,931,160 for the period ending December 31, 2025.

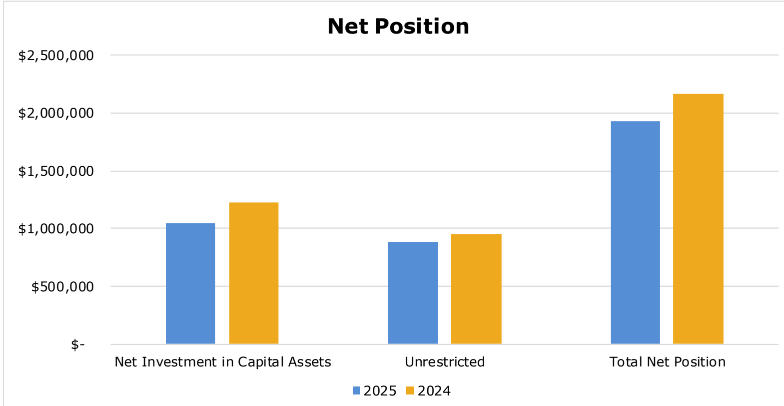
At the end of 2025, net position for the Council was $1,931,160 as compared to $2,169,111 in 2024. $1,048,046 (54%) reflects its investments in capital assets (e.g., vehicles, equipment, software, and right to use leased building and equipment), net of any related debt. The Council uses these assets to dispatch 9-1-1 calls to the appropriate emergency response units and to make informed decisions by visualizing critical information on a map through the ArcGIS mapping software. Accordingly, these assets are not available for future spending.

Coastal Bend Council of Government's Net Position

	Governmental Activities	
	2025	2024
Current and other assets	$ 1,865,250	$ 2,324,360
Capital assets	1,143,395	1,276,923
Total assets	3,008,645	3,601,283
Current liabilities	951,587	1,361,756
Noncurrent liabilities	125,898	70,416
Total liabilities	1,077,485	1,432,172
Net position:		
Net investment in capital assets	1,048,046	1,221,928
Unrestricted	883,114	947,183
Total net position	$ 1,931,160	$ 2,169,111

At the end of the current year, the Council is able to report positive balances in the two categories of net position, for the government as a whole. The same situation held true for the prior year.

The Council's net position decreased by $237,951 during the current year. The decrease, from the prior year, was primarily attributable to a decrease in current and other assets such as cash and cash equivalents and grants receivable.



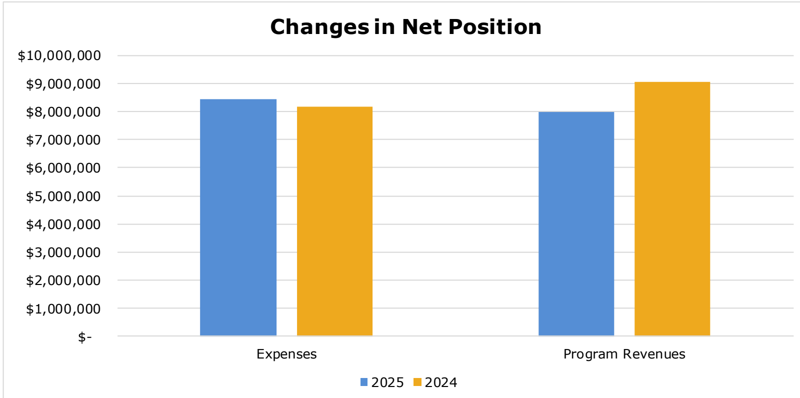
Coastal Bend Council of Governments' Changes in Net Position

The following table provides a summary of the Council's operations for the year ended December 31, 2025, compared to 2024. The Council's revenue decreased by $1,077,421 and the overall expenses increased by $241,284, ending the year with an overall decrease in net position of $237,951. This decrease in net position was primarily due to unusually high 9-1-1 state grant funding during 2024 related to capital equipment purchases for Next Generation 9-1-1 that did not recur in 2025. Because a significant portion of the Council's grant funds are received on a direct reimbursement basis, a majority of revenues and expenses will offset with no change to net position. Net position is expected to decrease in the coming years as these assets are depreciated over their useful lives.

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 18,813	$ 17,070
Operating grants and contributions	7,967,667	9,039,050
General revenues:		
Membership dues	151,947	152,176
Unrestricted investment earnings	52,285	53,558
Other revenue	4,824	11,103
Total revenues	8,195,536	9,272,957
Expenses:		
General government	304,013	80,097
Health and welfare	4,213,105	4,917,166
Community and economic development	289,394	409,447
Environmental protection	381,698	179,027
Public safety	474,602	526,275
9-1-1 emergency communications	2,768,870	2,077,442
Interest	1,805	2,749
Total expenses	8,433,487	8,192,203
Change in net position	(237,951)	1,080,754
Net position, beginning	2,169,111	1,088,357
Net position, ending	$ 1,931,160	$ 2,169,111

Revenues decreased $1,077,421 from the prior year due to several factors. Primarily, the Council experienced a decrease of $1,071,383 in federal and state funding, mostly in the 9-1-1 state grant as described previously. That decrease in grant funding mainly relates to the implementation of Next Generation 9-1-1 technology during 2024, which decreases as expected after the completion of implementation.

Expenses of governmental activities remained consistent in the current year, increasing slightly from $8,192,203 in the prior year to $8,433,487 in the current year. Since the Council operates primarily from federal and state grants, grant funding closely parallel increases and decreases in grant expenditures for services.



FINANCIAL ANALYSIS OF THE COUNCIL'S FUNDS

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. As noted previously, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements imposed by grantors. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose. As previously noted, the Council operates primarily from federal and state grants and therefore increases in expenses closely parallel increases in grant funding.

As of December 31, 2025, the Council's governmental funds reported combined fund balances of $1,044,845, an decrease of $86,199 in comparison with the prior year. Of this amount, $912,599 or 87% constitutes unassigned fund balance, which is available for spending at the Council's discretion. The remainder of the fund balance is either nonspendable or assigned.

General Fund. The General Fund is the primary operating fund for the Council and is available for use at the Council's discretion. The fund balance at the end of the year was $1,044,845, a decrease of $86,199 or 8.25% from prior year fund balance. The decrease in the General Fund's fund balance was due to the Council's decrease in grant revenue, both direct and pass-through state and federal grants.

9-1-1 Program Fund. As previously noted, the Council operates primarily from federal and state grants and therefore, grant funding closely parallels increases and decreases in grant expenditures for services. The Council's primary areas of grant funding include the following:

- *Emergency Communications* – Funding decreased by $963,220 or 51.11%, primarily due to major capital improvements needs for the 911 infrastructure under the Next Generation 9-1-1 program in the prior year. Fluctuations in funding for this program will occur on a three-to-five-year rotation based on the need for capital improvements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The Council's investment in capital and right-to-use assets for its governmental activities as of December 31, 2025, amounts to $1,143,395 (net of accumulated depreciation). This investment in capital assets includes vehicles, equipment, and software, for the 9-1-1 system and emergency management's first responders and right-to-use leased equipment and building.

Coastal Bend Council of Governments' Capital Assets at Year-end

	Governmental Activities	
	2025	2024
Construction in progress	$ 28,002	$ -
Equipment and software	1,909,815	1,815,429
Right to use building and equipment	140,225	181,753
Less: accumulated depreciation	(934,647)	(720,259)
Total capital assets	$ 1,143,395	$ 1,276,923

Significant transactions related to capital assets for the year include the following:

- New construction in progress totaling $28,002
- The purchase of network infrastructure and equipment, totaling $104,804.

Additional information on the Council's capital assets can be found in Note 3. E to the financial statements.

Long-term Liabilities - At the end of the current year, the Council had total long-term liabilities outstanding of $257,080.

	Governmental Activities	
	2025	2024
Leases	$ 95,349	$ 54,995
Compensated absences	161,731	183,861
Total	$ 257,080	$ 238,856

The long-term liabilities are related to the following factors:

- Two leases for capital equipment and building.
- Compensated absences liability that is payable to employees and will primarily be liquidated by the General Fund.

Additional information on the Council's long-term liabilities can be found in Note 3. F to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S ANNUAL FINANCIAL PLAN

The Council's 2026 adopted budget reflects an estimated increase in total fund balance of $124,798 in the General Fund. The General Fund's budgetary expenditures, for federal and state programs, increased by 13.9% compared to actual 2025 expenditures.

The funding levels for all programs could change if additional funding becomes available. This was in accordance with the appropriated funding levels at the time the budget was prepared.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed:

Coastal Bend Council of Governments
Executive Director
2910 Leopard Street
Corpus Christi, Texas 78408
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Email Address: emily@coastalbendcog.org
Website Address: www.coastalbendcog.org

COASTAL BEND COUNCIL OF GOVERNMENTS

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 896,172
Grants receivable	930,357
Other receivables	3,375
Prepaid items	35,346
Capital assets, net of accumulated depreciation	1,143,395
Total assets	3,008,645
LIABILITIES	
Accounts payable	510,413
Accrued liabilites	95,500
Unearned revenue	214,492
Noncurrent liabilities:	
Due within one year:	
Leases	88,003
Compensated absences	43,179
Due in more than one year:	
Leases	7,346
Compensated absences	118,552
Total liabilities	1,077,485
NET POSITION	
Net investment in capital assets	1,048,046
Unrestricted	883,114
Total net position	$ 1,931,160

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

COASTAL BEND COUNCIL OF GOVERNMENTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

Functions / Programs	Expenses	Indirect Cost Allocation	Expenses After Allocation of Indirect Costs
Governmental activities:			
General government	$ 713,989	$ (416,331)	$ 297,658
Health and welfare	3,800,819	204,692	4,005,511
Community and economic development	251,715	23,420	275,135
Environmental protection	319,838	43,052	362,890
Public safety	422,715	52,822	475,537
9-1-1 emergency communications	2,922,606	92,345	3,014,951
Interest	1,805	-	1,805
Total governmental activities	8,433,487	-	8,433,487
Total	$ 8,433,487	$ -	$ 8,433,487

General revenues:
Membership dues
Unrestricted investment earnings
Other revenue
Total general revenues
Change in net position
Net position, beginning
Net position, ending

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position
Charges for Services	Operating Grants and Contributions	Governmental Activities
$ -	$ 69,186	$ (228,472)
7,527	3,940,362	(57,622)
11,286	258,741	(5,108)
-	370,189	7,299
-	478,170	2,633
-	2,851,019	(163,932)
-	-	(1,805)
18,813	7,967,667	(447,007)
$ 18,813	$ 7,967,667	(447,007)
		151,947
		52,285
		4,824
		209,056
		(237,951)
		2,169,111
		$ 1,931,160

COASTAL BEND COUNCIL OF GOVERNMENTS

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2025

		Special Revenue	
	General	9-1-1 Program	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 874,549	$ 21,623	$ 896,172
Grants receivable	816,600	113,757	930,357
Other receivables	3,375	-	3,375
Due from other funds	-	170,002	170,002
Prepaid items	29,162	6,184	35,346
Total assets	1,723,686	311,566	2,035,252
LIABILITIES			
Accounts payable	315,365	195,048	510,413
Accrued liabilities	95,500	-	95,500
Due to other funds	170,002	-	170,002
Unearned revenue	97,974	116,518	214,492
Total liabilities	678,841	311,566	990,407
FUND BALANCE			
Nonspendable - prepaid items	29,162	6,184	35,346
Assigned for grant matching	112,339	-	112,339
Unassigned	903,344	(6,184)	897,160
Total fund balances	1,044,845	-	1,044,845
Total liabilities and fund balances	$ 1,723,686	$ 311,566	$ 2,035,252

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

COASTAL BEND COUNCIL OF GOVERNMENTS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2025

Total fund balances - governmental funds balance sheet	$ 1,044,845
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.	
Construction in progress	28,002
Equipment & software	1,909,815
Right to use	140,225
Less: accumulated depreciation	(934,647)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Leases payable	(95,349)
Compensated absences	(161,731)
Net position of governmental activities	$ 1,931,160

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

COASTAL BEND COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	General	Special Revenue 9-1-1 Program	Total Governmental Funds
REVENUES			
Direct federal grants	$ 191,227	$ -	$ 191,227
State of Texas and federal pass-through grants	4,856,235	2,847,982	7,704,217
Supportive services fees	18,813	-	18,813
Membership dues	151,947	-	151,947
Investment earnings	52,285	3,037	55,322
Over recovery of paid time off	69,186	-	69,186
Other revenue	4,824	-	4,824
Total revenues	5,344,517	2,851,019	8,195,536
EXPENDITURES			
Current:			
Health and welfare	3,973,861	-	3,973,861
Community and economic development	272,961	-	272,961
Environmental protection	360,023	-	360,023
Public safety	447,651	-	447,651
9-1-1 emergency communications	-	2,851,019	2,851,019
General government	286,748	-	286,748
Capital outlay - leases	128,021	-	128,021
Debt service:			
Principal	87,667	-	87,667
Interest	1,805	-	1,805
Total expenditures	5,558,737	2,851,019	8,409,756
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(214,220)	-	(214,220)
OTHER FINANCING SOURCES (USES)			
Lease issuance	128,021	-	128,021
Total other financing sources and uses	128,021	-	128,021
NET CHANGE IN FUND BALANCES	(86,199)	-	(86,199)
FUND BALANCES, BEGINNING	1,131,044	-	1,131,044
FUND BALANCES, ENDING	$ 1,044,845	$ -	$ 1,044,845

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

COASTAL BEND COUNCIL OF GOVERNMENTS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - total governmental funds:	$ (86,199)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	260,827
Depreciation expense	(394,355)
Principal payments on long-term debt provides current financial resources to governmental funds, but does not have any effect on net position.	
Issuance of leases	(128,021)
Principal payments on debt	87,667
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	22,130
Change in net position of governmental activities	$ (237,951)

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

CBCOG

Established in 1966

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Coastal Bend Council of Governments (the Council) operates as a regional planning agency under the agreement dated November 1966 and subsequently amended, between member counties in South Texas. The powers of the Council are granted and described in Chapter 391, Regional Planning Commissions, and the Local Government Code.

The membership of the Council consists of Aransas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, Nueces, Refugio, and San Patricio Counties, and various political jurisdictions within these counties. The Board of Directors, who are elected each year by the political jurisdiction they represent, governs the Council.

The basic financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As required by generally accepted accounting principles, these financial statements solely present the Council’s financial activities. The Council does not have any component units required to be included within its financial reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated. *Governmental activities* are supported by membership dues, and federal and state grants.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Council are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function and 2) grants and contributions that are restricted to meeting the operational requirement of a particular function. Other items not properly included among program revenues are reported instead as *general revenues*.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, expenditures related to compensated absences, principal and interest expenditures on lease liabilities, and claims and judgments are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the Council the right to use leased assets, are reported as expenditures in governmental funds. Leases issued are reported as other financing sources.

General fund grant resources and supportive services fees are susceptible to accrual and recognized as revenues to the extent of qualifying expenditures recorded for the individual programs since the Council is only reimbursed for qualifying expenditures incurred for grant and contract purposes. Membership dues become measurable and available when cash is received by the Council and are recognized as revenue at that time.

The Council reports the following major governmental funds:

The ***General Fund*** is used to account for all financial resources of the Council not accounted for in other funds. The General Fund's financial resources consist primarily of resources that are restricted to expenditures for specified grant purposes. These restricted resources are not accounted for in a special revenue fund because the Council is not legally or contractually required to maintain separate funds and the applicable grant requirements were satisfied through maintaining separate accounts within the general fund.

The ***9-1-1 Program Fund*** accounts for the activities related to maintaining the 9-1-1 equipment and databases needed to dispatch 9-1-1 calls and is funded by the monthly .50 per access line charged to both land and wireless line. Access lines are collected by the telephone companies and remitted to the State of Texas Commission on State Emergency Communications who then remits them to the Council.

D. Assets, Liabilities and Equity

1. Deposits and investments

The Council's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Statutes authorize the Council to invest funds only in public fund investment pools meeting the requirements of Sections 2256.016 —2256.019 of the Public Funds Investment Act.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act'"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. TexPool is rated an AAA-m money market fund by Standard & Poor's. Investments in public investment pools are carried at amortized costs. The Council does not have any investments that are required to be reported at fair value.

2. Accounts Receivables

The Council's primary source of accounts receivable is from state and federal governments. Based on the prior collections experience, management considers the entire balance to be collectable.

3. Interfund Receivables and Payables

During operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." The Council had no long-term interfund loans (noncurrent portion) that are generally reported as "advances from and to other funds." Interfund receivables and payables between governmental funds are eliminated in the Statement of Net Position.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to the future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In governmental funds, expenditures for prepaid items are recognized when incurred (purchases method).

5. Capital Assets

Capital assets, which include vehicles, equipment, and software, are reported in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Vehicles, equipment, and software are depreciated using the straight-line method over estimated useful lives of three to seven years. The right-to-use leased equipment and building are amortized over the shorter of the leased asset or lease term. The Council revised its estimated useful life for vehicles from three years to seven years due to the number of years the Council retains its vehicles beyond its useful life for use within the city limits. Rental vehicles are used after the useful life of the vehicles for business trips outside of the city limits.

Asset Description	Years
Furniture, fixtures, and equipment	3-7
Right to use:	
Building and equipment	2-5

6. Unearned Revenue

Unearned revenue represents amounts received from grantors or program income received in excess of qualifying expenditures for programs in progress as of December 31, 2025.

7. Compensated Absences

It is the Council's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick leave is accrued based on an amount of sick leave that is expected to be used in the future since the Council does not have a policy to pay any amounts when employees separate from service with the Council. All vacation pay is accrued when incurred in the government-wide fund financial statements and paid upon termination. 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.

8. Long-term obligations

In the government-wide financial statements, long-term obligations related to governmental activities are reported as liabilities in the statement of net position.

9. Fund Balance

The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include prepaid items.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, contributors), laws and regulations of other governments, or through enabling legislation.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Council resolutions no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

The *assigned* fund balance includes amounts that are constrained by the Council's intent to be used for specific purposes but are neither restricted nor committed. The Board of Directors, through a resolution, named the Executive Director as the official authorized to assign funds.

The Council's grant agreement with the Texas Department of Health and Human Services Commission requires a 25% match and the Economic Development Administration grant agreement requires a 20% match. The amount of $112,339 was reported as assigned fund balance authorized by the Council's Executive Director for the purpose of matching grant programs.

The *unassigned* fund balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance amount.

When expenditures are incurred for purposes noted in the unrestricted fund balances classifications, the order of spending is first committed fund balance, then assigned fund balance, and last of all, unassigned fund balance.

10. Minimum Fund Balance Policy

It is the desire of the Council to maintain an adequate General Fund balance to maintain liquidity. The Council has adopted a financial standard to maintain a General Fund minimum fund balance of 25% of budgeted expenditures. The Council has met the minimum fund balance at year end.

11. Leases

The Council is a lessee for a noncancellable lease of equipment and a noncancellable lease of a building. The Council recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Council recognizes lease liabilities with an initial, individual value of $5,000 or more. At the commencement of a lease, the Council initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently the liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Council determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Council uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the Council generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Council is reasonably certain to exercise.

The Council monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease asset.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

12. Flow Assumption of Fund Balance and Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Council's policy is to apply restricted net position first. Similarly, when an expenditure is incurred for which restricted, and unrestricted fund balances are available, it is the Council's policy to apply restricted fund balance first, then committed, assigned, and unassigned fund balance.

13. Indirect Costs

General and administrative costs are recorded in the General Fund as indirect costs in the accounting system and allocated to programs based upon a negotiated indirect cost rate. Indirect costs are defined by Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200) as costs "*(a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved.*" The Council's indirect cost rate is based upon prior cost experience, documented by a cost allocation plan, and is approved by a state cognizant agency. It is the Council's policy to negotiate with the cognizant agency a provisional rate which is used for billing purposes during the Council's fiscal year. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is finalized with the cognizant agency.

14. Use of Estimates

The preparation of basic financial statements in conformance with GAAP requires management to make estimates and assumptions that affect the amount reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The Council's annual budget is a management tool that assists its users in analyzing financial activity for its calendar year. The Board of Directors approves the budget annually prior to the start of the fiscal year; however, this financial plan is not considered a legally adopted budget or appropriation. Accordingly, comparative budget and actual results are not presented in this report.

The Council's primary General Fund funding sources are federal and state grants and local contracts, which have fiscal periods that may or may not coincide with the Council's calendar year. These grants and contracts normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months. Because of the Council's dependency on federal, state and local budgetary decisions, the revenue budget is based upon the best available information as to potential sources of funding. The Council's general fund annual budget differs from that of a city or county government in two respects: (1) the uncertain nature of grant and contract awards from other entities and (2) conversion of grant and contract budgets to a calendar year basis. The resultant annual budgets are subject to constant change within the calendar year due to:

- Increase/decrease in actual grant or contract awards from those estimated;
- Changes in grant or contract period;
- Unanticipated grant or contract awards not included in the budget; and
- Expected grant or contract awards, which fail to materialize.

3. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

The Act also requires the Council's independent auditors to perform test procedures related to investment practices as provided by the Act. The Council is in substantial compliance with the requirements of the Act and with local policies.

TexPool

TexPool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act ("PFIA") of 1987, as amended. The Texas State Comptroller of Public Accounts has oversight responsibility for TexPool. TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company ("Trust Company") to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the Council's investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAm by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

TexPool has a redemption notice period of 1 day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

As of December 31, 2025, the Council had the following investment:

Investment Type	Carrying Value	Weighted Average Maturity (days)	Standard & Poor's Current Rating
TexPool	$ 41,698	35	AAAm

Deposit and Investment Risk Policies

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council's deposits at year-end were entirely insured by federal depository insurance or were collateralized with securities held by the Council's agent in the Council's name. This is in compliance with the Council's policy. The bank balance of cash deposits on December 31, 2025, was $908,590

Interest Rate Risk. This risk is based on the average maturity of the pool's investments.

B. RECEIVABLES

Receivables as of December 31, 2025, consisted of the following:

	General	9-1-1 Program
Due from federal government	$ 37,906	$ -
Due from state government	778,694	113,757
Total	$ 816,600	$ 113,757

C. UNEARNED REVENUE

The Council reports unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Elderly programs	$ 58,695
9-1-1 program	116,518
Other programs	39,279
Total unearned revenue for governmental funds	$ 214,492

D. INTERFUND TRANSACTIONS

The composition of interfund balances as of December 31, 2025, is as follows:

Due From	Due To	Amount
General Fund	9-1-1 Program	$ 170,002
		$ 170,002

Interfund balances are used to account for pooled cash transactions.

E. CAPITAL ASSETS

Primary government capital asset activity for the year ended December 31, 2025, is as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	$ -	$ 28,002	$ -	$ 28,002
Total capital assets, not being depreciated	-	28,002	-	28,002
Capital assets, being depreciated:				
Equipment and software	1,815,429	104,804	(10,418)	1,909,815
Right to use - building	169,549	128,021	(169,549)	128,021
Right to use - equipment	12,204	-	-	12,204
Total capital assets, being depreciated	1,997,182	232,825	(179,967)	2,050,040
Less accumulated depreciation for:				
Equipment and software	(592,701)	(306,976)	10,418	(889,259)
Right to use - building	(127,170)	(85,051)	169,549	(42,672)
Right to use - equipment	(388)	(2,328)	-	(2,716)
Total accumulated depreciation	(720,259)	(394,355)	179,967	(934,647)
Governmental activities capital assets, net	$ 1,276,923	$ (133,528)	$ -	$ 1,143,395

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

Governmental Activities:		
General government	$	11,684
Health and welfare		42,385
Community and economic development		2,911
Environmental protection		3,840
Public safety		29,095
9-1-1 emergency communications		304,440
Total	$	394,355

F. LONG-TERM LIABILITIES

A summary of long-term liability activity for the Council for the year ending December 31, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in One Year
Governmental activities:					
Compensated absences	$ 183,861	$ -	$ 22,130	$ 161,731	$ 43,179
Leases	54,995	128,021	87,667	95,349	88,003
Total	$ 238,856	$ 128,021	$ 109,797	$ 257,080	$ 131,182

Increases and decreases in compensated absences are reported above as a net amount.

Lease Payable

The Council previously entered into a two-year lease agreement as lessee for the use of a building for office space. An initial lease liability was recorded in the amount of $169,549. The Council is required to make monthly principal and interest payments of $7,250. The lease had an estimated interest rate of 2.72%. The building had a two-year estimated useful life, which is equivalent to the lease term. During the year ended December 31, 2025, the Council fully satisfied its remaining obligations under the original lease but approved an addendum to extend the term by eighteen months until the end of fiscal year 2026. The monthly payments and interest rate did not change. $128,021 was added to the value of both the lease liability and the right-to-use leased asset. As of December 31, 2025, the value of the lease liability was $85,731. The value of the right-to-use leased asset as of December 31, 2025, was $128,021 and had accumulated amortization of $42,672.

The Council previously entered into a five-year lease agreement as lessee for the use of postage meter equipment. An initial lease liability was recorded in the amount of $12,204. The Council is required to make monthly principal and interest payments of $206. The lease has an estimated interest rate of 2.33%. The postage meter has a five-year estimated useful life, which is equivalent to the lease term. As of December 31, 2025, the value of the lease liability was $9,619. The value of the right-to-use leased asset as of December 31, 2025, was $12,204 and had accumulated amortization of $2,716.

The future principal and interest lease payments as of December 31, 2025, were as follows:

Year Ended December 31,	Principal	Interest	Total Requirements
2026	$ 88,003	$ 1,467	$ 89,470
2027	2,325	147	2,472
2028	2,380	92	2,472
2029	2,436	36	2,472
2030	205	-	205
Total	$ 95,349	$ 1,742	$ 97,091

G. RISK MANAGEMENT

The Council is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by an intergovernmental risk pool and commercial insurance purchased from independent third parties. The Council is an employer member of the Texas Municipal League (TML) Intergovernmental Risk Pool, self-insurance funds in which contributions from members are used to pay covered losses.

The TML Intergovernmental Risk Pool was established to formulate, develop, and administer a program of self-insurance funds for political subdivisions of the State of Texas to obtain lower costs for workers' compensation, property, and liability coverage. Annual contribution rates are determined by the TML Intergovernmental Risk Pool Board of Directors. The Council pays annual premiums to TML Intergovernmental Risk Pool for workers' compensation, property, and liability coverage. TML Intergovernmental Risk Pool will provide coverage to the Council up to the fund's limited liability amounts, $2,000,000 for general liability and error and omissions, $1,025,000 for automobile liability, actual cash value for auto physical damage, $1,000,000 for cyber liability and data breach, $1,500,000 for flood, $1,975,912 for earthquake and real and personal property. The Texas Windstorm Insurance Association will provide coverage to the Council up to the limited liability of $1,145,000 for windstorm and hail. There is no limited liability amount for workers' compensation coverage. The Council had no significant reductions in insurance coverage as compared to its previous fiscal year and no settlement amounts that exceeded insurance coverage for each of its past three fiscal years.

H. ALLOCATION OF PERSONNEL COSTS AND INDIRECT COSTS

Salaries and related benefits are charged as either direct or indirect costs, based on actual time spent. Indirect costs are allocated to activities based on an indirect cost plan, which utilizes direct salaries and release time charges as the base for allocation.

I. CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the Council expects such amounts, if any, to be immaterial.

J. CENTRAL SERVICE COST ALLOCATION PLAN (CSCAP)

The Central Service Cost Allocation Plan fairly allocates to the grants the administrative and finance personnel costs associated with the processing of accounts payable, accounts receivable, payroll processing, management advisory services, reproduction/mail outs, and other costs. The allocation bases used are number of employees, number of accounts payable invoices processed and direct hours.

K. RETIREMENT SYSTEM AND PENSION PLAN

Coastal Bend Council of Governments Money Purchase Retirement Plan

The Board of Directors adopted the Coastal Bend Council of Governments Money Purchase Retirement Plan (the 401 Qualified Plan). The plan is a defined contribution money purchase retirement plan. The Council's administrator of the 401 Qualified Plan is Mission Square Retirement. The Council's fiduciary responsibility under the plan is to remit employer and employee contribution to Mission Square Retirement bi-weekly.

The Council and employees' obligation to contribute to the 401 Qualified Plan is based on the Coastal Bend Council of Governments Money Purchase Retirement Plan agreement adopted by the Board of Directors. All employees, except for those part-time employees working less than 30 hours per week, with six months of service or more, are eligible to participate in the 401 Qualified Plan. All eligible employees must participate in the 401 Qualified Plan. The Council is required to contribute on behalf of each participant 10% of earnings and participants are required to contribute 5% of earnings.

Participants may retire beginning at age 55. Upon retirement date, all amounts credited to such participant's account shall become distributable. The 401 Qualified Plan also provides death and disability benefits. A participant is fully vested after 7 years of service for retirement benefits; however, accumulated earnings must remain in the 401 Qualified Plan. The Board of Directors established the provisions and contribution requirements of the 401 Qualified Plan, and the Board approves of any subsequent amendments. The Council and employees made the required contribution from January 1 through December 31, 2025, amounting to $164,659 for the Council (10% of covered payroll) and $82,569 for employees (5% of covered payroll), based on a covered payroll of $1,646,593.

Deferred Compensation Plan and Trust Mission Square Retirement Plan

The Board of Directors established a deferred compensation plan administered by Mission Square Retirement and governed by Section 457 of the Internal Revenue Code. All assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, and the assets cannot be diverted to any other purpose. The Council's fiduciary responsibility under the Mission Square Retirement Plan is to remit employee contributions to Mission Square Retirement on a regular basis. The Council has no legal access to the plan assets. The plan assets are not reported on the balance sheet because the assets are held in a custodial account due to a change in tax law.

L. NEW ACCOUNTING PRONOUNCEMENTS

Significant new accounting standards issued by the GASB not yet implemented by the Council include the following:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 105, *Subsequent Events* – The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement will become effective for fiscal years beginning after June 15, 2026, and the impact has not yet been determined.

SUPPLEMENTAL SCHEDULES

COASTAL BEND COUNCIL OF GOVERNMENTS

SCHEDULE OF INDIRECT COSTS AND COMPUTATION
OF INDIRECT COST RATE - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual
INDIRECT COSTS		
Salaries	$ 202,658	$ 296,345
Paid time off	41,038	67,330
Health, retirement & other benefits	114,586	134,687
Office supplies/furniture/software	5,663	18,504
Rental space	26,663	44,716
Utilities	17,892	18,226
Reproduction costs	3,083	2,033
Printing and publications	1,262	857
Insurance	4,292	7,733
Maintenance and repairs	4,962	13,273
Telecommunications	8,484	11,108
Postage and freight	4,912	4,688
Dues and subscriptions	10,063	13,727
Conferences and meetings	1,532	23,926
Contractual services	1,474	56,244
Temporary services	38,494	20,866
Training	6,969	14,923
Auditing services	993	11,458
Advertisements	2,862	563
Travel	4,634	7,489
Depreciation	-	23,750
Subtotal - indirect cost pool	502,516	792,446
Less indirect cost contributions	(3,880)	-
Less personnel costs charged to Central Service Cost Allocation Plan	(120,614)	(118,957)
Less operating expenditures charged to Central Service Cost Allocation Plan	(20,110)	(20,110)
Total indirect costs	357,912	653,379
Under (over) applied paid time off	40,216	(69,186)
Under (over) recovery of indirect costs	(10,207)	-
Net indirect costs	$ 387,921	$ 584,193
BASIS FOR ALLOCATION		
Direct salaries	1,478,919	1,416,073
Paid time off	118,013	297,931
Total indirect cost allocation base	1,596,932	1,714,004
INDIRECT COST RATE COMPUTATION		
Net indirect costs	387,921	584,193
Total direct salaries and fringe	1,596,932	1,714,004
Computed rate	24.29%	34.08%
CALCULATION OF OVER/UNDER RECOVERY OF INDIRECT COSTS		
Total indirect costs		$ 653,379
Indirect costs recovered		(416,331)
Current year under (over) recovery		237,048
Cumulative under (over) recovery, beginning of year		8,052
Cumulative under (over) recovery, end of year		$ 245,100

COASTAL BEND COUNCIL OF GOVERNMENTS

SCHEDULE OF PAID TIME OFF

FOR THE YEAR ENDED DECEMBER 31, 2025

PAID TIME OFF RATE

	Actual
Paid time off costs:	
Vacation taken	$ 138,519
Paid holidays	91,457
Sick leave taken	63,272
Administrative leave	2,826
Total employee paid time off	296,074
Basis for allocation of paid time off:	
Gross salaries	$ 1,904,020
Less: paid time off (taken)	(296,074)
Total chargeable salaries	$ 1,607,946
Paid time off rate:	
Total employee benefits	$ 296,074
Total chargeable salaries	$ 1,607,946
Paid time off rate	18.41%

PAID TIME OFF COSTS RECOVERED

Actual paid time off expenditures	$ 296,074
Paid time off recovered	(365,260)
Under (over) recovery	$ (69,186)

COASTAL BEND COUNCIL OF GOVERNMENTS

SCHEDULE OF INSURANCE IN FORCE

FOR THE YEAR ENDED DECEMBER 31, 2025

Company	Policy No.	Amount	Coverage
Texas Municipal League	8787	$ 2,000,000	General Liability
Texas Municipal League	8787	2,000,000	Error & Omissions
Texas Municipal League	8787	1,000,000	Automobile Liability
Texas Municipal League	8787	Actual Cash Value	Auto Physical Damage
Texas Municipal League	8787	1,000,000	Cyber Liability & Data Breach
Texas Municipal League	8787	1,975,912	Real & Personal Property
Texas Municipal League	8787	1,500,000	Real & Personal Property
Texas Windstorm Insurance Association	TWCP0100043586	1,145,000	Real & Personal Property
Texas Municipal League	8787	No maximum benefit	Workers' Compensation
The Hartford	65BDDHN5790	100,000	Public Employee Dishonesty Bond

Hazards Insured	Policy Term	Annual Premium
Bodily Injury & Property Damage	10/01/2025 to 10/01/2026	$ 875
Liability for Wrongful acts	10/01/2025 to 10/01/2026	1,777
Bodily Injury & Property Damage	10/01/2025 to 10/01/2026	793
Loss of automobile Other than collision	10/01/2025 to 10/01/2026	254
Privacy Website Media Content	10/01/2025 to 10/01/2026	1,900
Earthquake	10/01/2025 to 10/01/2026	4,414
Flood	10/01/2025 to 10/01/2026	Included with earthquake coverage
Windstorm & Hail	09-19-2025 to 09-19-2026	13,528
Employees	10/01/2025 to 10/01/2026	7,486
Loss of money, Securities, and Property	12/15/2025 to 12/15/2026	327

CBCOG

Established in 1966

STATISTICAL SECTION

(unaudited)

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

COASTAL BEND COUNCIL OF GOVERNMENTS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Full Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	$ 427,182	$ 141,012	$ 267,142	$ 541,896
Unrestricted	544,133	543,965	576,277	670,752
Total governmental activities net position	$ 971,315	$ 684,977	$ 843,419	$ 1,212,648

TABLE 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 330,809	$ 237,724	$ 138,238	$ 66,766	$ 1,221,928	$ 1,048,046
753,808	774,572	903,615	1,021,591	947,183	883,114
$ 1,084,617	$ 1,012,296	$ 1,041,853	$ 1,088,357	$ 2,169,111	$ 1,931,160

COASTAL BEND COUNCIL OF GOVERNMENTS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Full Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
EXPENSES				
Governmental activities:				
General government	$ (33,994)	$ 36,788	$ 3,806	$ (22,665)
Health and welfare	3,325,877	3,186,153	3,621,423	3,375,643
Community and economic development	87,917	96,034	154,724	234,363
Environmental protection	162,945	160,147	136,713	170,636
Public safety	399,331	372,669	385,950	466,347
9-1-1 emergency communications	1,855,225	2,135,674	1,820,322	1,938,951
Interest	-	-	-	-
Total governmental activities expenses	5,797,301	5,987,465	6,122,938	6,163,275
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Environmental protection	-	-	-	-
Operating grants and contributions	5,302,044	5,582,465	6,143,577	6,398,641
Total governmental activities program revenues	5,302,044	5,582,465	6,143,577	6,398,641
NET (EXPENSE) REVENUES				
Governmental activities	(495,257)	(405,000)	20,639	235,366
Total	(495,257)	(405,000)	20,639	235,366
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Membership dues	105,193	105,318	104,834	105,182
Investment earnings	221	6,270	15,285	19,431
Miscellaneous	708	7,074	17,684	9,250
Total governmental activities	106,122	118,662	137,803	133,863
CHANGE IN NET POSITION				
Governmental activities	(389,135)	(286,338)	158,442	369,229
Total	$ (389,135)	$ (286,338)	$ 158,442	$ 369,229

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ (23,157)	$ 45,310	$ (6,680)	$ (5,457)	$ 80,097	$ 297,658
4,848,384	4,044,694	4,047,063	4,482,520	4,917,166	4,005,511
253,653	503,847	570,513	757,763	409,447	275,135
148,839	163,172	213,012	347,159	179,027	362,890
408,060	411,720	434,945	679,799	526,275	475,537
2,147,739	2,119,488	2,033,167	1,922,004	2,077,442	3,014,951
7,625	6,123	3,490	2,711	2,749	1,805
7,791,143	7,294,354	7,295,510	8,186,499	8,192,203	8,433,487
-	-	-	-	13,006	7,527
-	-	-	-	2,426	11,286
-	-	-	-	1,638	-
7,546,511	7,104,436	7,161,843	8,048,999	9,039,050	7,967,667
7,546,511	7,104,436	7,161,843	8,048,999	9,056,120	7,986,480
(244,632)	(189,918)	(133,667)	(137,500)	863,917	(447,007)
(244,632)	(189,918)	(133,667)	(137,500)	863,917	(447,007)
105,182	104,834	130,530	130,592	152,176	151,947
3,801	6	12,670	53,020	53,558	52,285
7,618	12,757	20,024	392	11,103	4,824
116,601	117,597	163,224	184,004	216,837	209,056
(128,031)	(72,321)	29,557	46,504	1,080,754	(237,951)
$ (128,031)	$ (72,321)	$ 29,557	$ 46,504	$ 1,080,754	$ (237,951)

COASTAL BEND COUNCIL OF GOVERNMENTS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
General fund				
Nonspendable - prepaid items	$ 14,664	$ 15,309	$ 13,900	$ 12,116
Assigned - matching grant programs	98,775	97,672	132,853	74,623
Unassigned	489,507	491,478	499,468	663,056
Total general fund	$ 602,946	$ 604,459	$ 646,221	$ 749,795
9-1-1 program				
Nonspendable - prepaid items	$ 3,104	$ 326,690	$ 3,693	$ 268,409
Unassigned	(3,104)	(326,690)	(3,693)	(268,409)
Total special revenue funds	$ -	$ -	$ -	$ -
Total primary government	$ 602,946	$ 604,459	$ 646,221	$ 749,795

TABLE 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 6,248	$ 7,377	$ 13,720	$ 19,627	$ 15,621	$ 29,162
97,807	81,168	94,524	95,487	100,354	112,339
754,449	785,088	887,941	1,002,688	1,015,069	903,344
$ 858,504	$ 873,633	$ 996,185	$ 1,117,802	$ 1,131,044	$ 1,044,845
$ 2,934	$ 3,478	$ 9,526	$ 624,408	$ 7,361	$ 6,184
(2,934)	(3,478)	(9,526)	(624,408)	(7,361)	(6,184)
$ -	$ -	$ -	$ -	$ -	$ -
$ 858,504	$ 873,633	$ 996,185	$ 1,117,802	$ 1,131,044	$ 1,044,845

COASTAL BEND COUNCIL OF GOVERNMENTS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
REVENUES				
Grants - federal	$ 62,296	$ 70,000	$ 90,000	$ 197,785
Grants - state	5,201,050	5,500,056	6,008,334	6,151,371
Supportive services fees	38,032	12,409	45,243	49,485
Membership dues	105,193	105,318	104,834	105,182
Other revenue	708	7,074	17,684	9,250
Investment earnings	887	6,270	15,285	19,431
Indirect cost recovery	42,504	9,997	41,575	35,632
Total revenues	5,450,670	5,711,124	6,322,955	6,568,136
EXPENDITURES				
Current:				
Health and welfare	3,325,877	3,186,153	3,621,423	3,375,643
Community and economic development	87,917	96,034	154,724	234,363
Environmental protection	162,945	160,147	136,713	170,636
Public safety	398,539	372,669	385,950	466,347
9-1-1 emergency communications	1,405,090	1,852,365	1,949,313	2,216,566
Indirect cost recovery	9,997	41,575	32,694	-
General government	2,228	668	376	1,007
Capital outlay - leases	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,392,593	5,709,611	6,281,193	6,464,562
NET CHANGE IN FUND BALANCES	58,077	1,513	41,762	103,574
OTHER FINANCING SOURCES (USES)				
Leases (as lessee)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	$ 58,077	$ 1,513	$ 41,762	$ 103,574
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	- %	- %	- %	- %

	Fiscal Year					
	2020	2021	2022	2023	2024	2025
	$ 284,798	$ 466,688	$ 478,984	$ 608,339	$ 345,723	$ 191,227
	7,225,567	6,617,221	6,634,942	7,373,348	8,639,355	7,704,217
	36,146	20,527	47,917	67,312	17,070	18,813
	105,182	104,834	130,530	130,592	152,176	151,947
	7,618	12,757	20,024	392	11,103	4,824
	3,801	6	12,670	53,020	62,110	55,322
	47,738	-	3,649	10,207	-	69,186
	7,710,850	7,222,033	7,328,716	8,243,210	9,272,957	8,195,536
	4,848,384	4,044,694	4,047,063	4,482,520	4,784,500	3,973,861
	297,591	489,348	556,014	742,824	465,242	272,961
	148,839	163,172	213,012	347,159	174,197	360,023
	408,060	411,720	498,008	654,703	512,076	447,651
	1,898,447	2,045,017	1,886,001	1,889,544	3,072,315	2,851,019
	-	51,387	4,760	-	-	-
	820	1,566	1,306	4,843	153,880	286,748
	330,853	-	-	169,549	12,204	128,021
	-	-	-	-	94,756	87,667
	-	-	-	-	2,749	1,805
	7,932,994	7,206,904	7,206,164	8,291,142	9,271,919	8,409,756
	(222,144)	15,129	122,552	(47,932)	1,038	(214,220)
	330,853	-	-	169,549	12,204	128,021
	330,853	-	-	169,549	12,204	128,021
	$ 108,709	$ 15,129	$ 122,552	$ 121,617	$ 13,242	$ (86,199)
	3.22%	2.16%	0.84%	1.69%	1.22%	1.10%

Calculation of the current year's debt service as a percentage of noncapital expenditures:

Total expenditures, per schedule above	$ 8,409,756
Less: capital additions (page 16)	(260,827)
Noncapital expenditures	$ 8,148,929
Debt service principal and interest, per schedule above	$ 89,472
Debt service as a percentage of noncapital expenditures	1.10%

COASTAL BEND COUNCIL OF GOVERNMENTS **TABLE 5**

GENERAL FUND EXPENDITURES - BY FUNCTION

Last ten fiscal years
(modified accrual basis of accounting)

Fiscal Year	Total Expenditures	General Government	Public Safety	Environmental Protection	Community and Economic Development	Health and Welfare	Debt Service	Capital Outlay
2016	$ 3,987,503	$ 12,225	$ 398,539	$ 162,945	$ 87,917	$ 3,325,877	$ -	$ -
2017	3,857,246	42,243	372,669	160,147	96,034	3,186,153	-	-
2018	4,331,880	33,070	385,950	136,713	154,724	3,621,423	-	-
2019	4,247,996	1,007	466,347	170,636	234,363	3,375,643	-	-
2020	5,703,694	820	408,060	148,839	297,591	4,848,384	-	-
2021	5,110,500	1,566	411,720	163,172	489,348	4,044,694	-	-
2022	5,315,403	1,306	498,008	213,012	556,014	4,047,063	-	-
2023	6,232,049	4,843	654,703	347,159	742,824	4,482,520	-	-
2024	6,199,604	153,880	512,076	174,197	465,242	4,784,500	97,505	12,204
2025	5,558,737	286,748	447,651	360,023	272,961	3,973,861	89,472	128,021

COASTAL BEND COUNCIL OF GOVERNMENTS **TABLE 6**

GENERAL FUND REVENUES BY SOURCE

Last ten fiscal years
(modified accrual basis of accounting)

Year	Membership Dues	Federal/State Grants	Interest Income	Other	Total
2016	$ 105,193	$ 3,858,922	$ 221	$ 81,244	$ 4,045,580
2017	105,318	3,719,683	4,278	29,480	3,858,759
2018	104,834	4,153,836	10,470	104,502	4,373,642
2019	105,182	4,135,333	16,688	94,367	4,351,570
2020	105,182	5,613,113	2,606	91,502	5,812,403
2021	104,834	5,038,892	6	(14,454)	5,129,278
2022	130,530	5,228,932	11,663	71,590	5,442,715
2023	130,592	6,096,925	48,238	77,911	6,353,666
2024	152,176	5,921,315	53,558	73,593	6,200,642
2025	151,947	5,047,462	52,285	92,823	5,344,517

COASTAL BEND COUNCIL OF GOVERNMENTS

MEMBERSHIP DUES BY ENTITY

Last ten fiscal years

Entity	2025	2024	2023	2022	2021
Counties					
Aransas	$ 3,336	$ 3,336	$ 2,860	$ 2,860	$ 2,316
Bee	4,347	4,347	3,726	3,726	3,186
Brooks	991	991	849	849	722
Duval	1,376	1,376	1,180	1,180	1,250
Jim Wells	5,445	5,445	4,667	4,667	4,084
Kenedy	313	313	313	313	313
Kleberg	4,346	4,346	3,725	3,725	3,206
Live Oak	1,587	1,587	1,360	1,360	1,250
Nueces	49,445	49,445	42,381	42,381	34,022
Refugio	944	944	809	809	625
San Patricio	9,626	9,626	8,251	8,251	6,480
	81,756	81,756	70,121	70,121	57,454
Cities					
Agua Dulce	112	112	96	96	81
Alice	2,603	2,603	2,231	2,231	1,910
Aransas Pass	1,189	1,189	1,020	1,020	820
Bayside	45	45	39	39	33
Beeville	1,983	1,983	1,700	1,700	1,286
Benavides	195	195	167	167	-
Bishop	426	426	365	365	313
Corpus Christi	45,815	45,815	39,270	39,270	30,522
Driscoll	104	104	89	89	74
Falfurrias	660	660	566	566	498
Freer	367	367	314	314	282
Fulton	207	207	178	178	136
George West	364	364	312	312	246
Gregory	261	261	224	224	191
Ingleside	1,406	1,406	1,205	1,205	939
Ingleside on the Bay	85	85	73	73	62
Kingsville	3,498	3,498	2,999	2,999	2,621
Lake City	72	72	62	-	-
Mathis	654	654	561	561	494
Odem	333	333	286	286	239
Orange Grove	181	181	156	156	132
Portland	2,488	2,488	2,132	2,132	1,510
Port Aransas	617	617	529	529	-
Premont	-	354	303	303	265
Refugio	380	380	325	325	289
Robstown	1,559	1,559	1,336	1,336	1,149

	2020	2019	2018	2017	2016
	$ 2,316	$ 2,316	$ 2,316	$ 2,316	$ 2,316
	3,186	3,186	3,186	3,186	3,186
	722	722	722	722	722
	1,250	1,250	1,250	1,250	1,250
	4,084	4,084	4,084	4,084	4,084
	313	313	313	313	313
	3,206	3,206	3,206	3,206	3,206
	1,250	1,250	1,250	1,250	1,250
	34,022	34,022	34,022	34,022	34,022
	625	625	625	625	625
	6,480	6,480	6,480	6,480	6,480
	57,454	57,454	57,454	57,454	57,454
	81	81	81	81	81
	1,910	1,910	1,910	1,910	1,910
	820	820	820	820	820
	33	33	33	33	33
	1,286	1,286	1,286	1,286	1,286
	-	-	-	136	136
	313	313	313	313	313
	30,522	30,522	30,522	30,522	30,522
	74	74	74	74	74
	498	498	498	498	498
	282	282	282	282	282
	136	136	136	136	136
	246	246	246	246	246
	191	191	191	191	191
	939	939	939	939	939
	62	62	62	62	62
	2,621	2,621	2,621	2,621	2,621
	-	-	-	-	-
	494	494	494	494	494
	239	239	239	239	239
	132	132	132	132	132
	1,510	1,510	1,510	1,510	1,510
	348	348	-	348	348
	265	265	265	265	265
	289	289	289	289	289
	1,149	1,149	1,149	1,149	1,149

COASTAL BEND COUNCIL OF GOVERNMENTS

MEMBERSHIP DUES BY ENTITY

Last ten fiscal years

Entity	2025	2024	2023	2022	2021
Cities					
Rockport	$ 1,519	$ 1,519	$ 1,302	$ 1,302	$ 877
San Diego	586	586	503	503	449
Sinton	739	739	634	634	567
Taft	404	404	346	346	305
Three Rivers	271	271	233	233	188
Woodsboro	193	404	165	165	152
	69,316	69,881	59,721	59,659	46,630
Special Districts					
Nueces County Drainage District #2	125	125	125	125	125
Nueces Water Control & Improvement District #3	125	-	125	125	125
San Patricio Municipal Water District	125	125	125	125	125
Port of Corpus Christi Authority	125	125	125	125	125
South Texas Water Authority	125	125	250	125	125
Nueces River Authority	125	125	-	-	-
CC Metropolitan Planning Org	125	125	-	125	125
	875	750	750	750	750
	$ 151,947	$ 152,387	$ 130,592	$ 130,530	$ 104,834

TABLE 7

2020	2019	2018	2017	2016
$ 877	$ 877	$ 877	$ 877	$ 877
449	449	449	449	449
567	567	567	567	567
305	305	305	305	305
188	188	188	188	188
152	152	152	152	152
46,978	46,978	46,630	47,114	47,114
125	125	125	125	125
125	125	125	125	125
125	125	125	125	125
125	125	125	125	125
125	125	125	125	125
-	-	-	-	-
125	125	125	125	-
750	750	750	750	625
$ 105,182	$ 105,182	$ 104,834	$ 105,318	$ 105,193

COASTAL BEND COUNCIL OF GOVERNMENTS **TABLE 8**

9-1-1 SERVICE FEES BY NUMBER OF TELEPHONE LINES

Last ten fiscal years

Year	No. of Telephone Lines	Service Fees ($.50 per access line)	Amount Allocated and Appropriated
2016	3,298,954	$ 1,649,477	$ 1,964,463
2017	3,225,878	1,612,939	2,546,188
2018	3,032,944	1,516,472	1,859,871
2019	2,975,344	1,487,672	2,238,256
2020	2,973,326	1,486,663	1,905,604
2021	2,924,090	1,462,045	1,897,252
2022	3,012,616	1,506,308	1,793,245
2023	3,077,912	1,538,956	2,951,338
2024	3,139,186	1,569,593	2,310,457
2025	3,242,568	1,621,284	2,269,945

Source:
Texas Commission on State Emergency Communications

The amount of service fees charged and collected for the number of access lines in the Coastal Bend Region, per year, does not represent the amount allocated and appropriated to the Council by the Texas Commission on State Emergency Communications.

COASTAL BEND COUNCIL OF GOVERNMENTS **TABLE 9**

RATIO OF OUTSTANDING DEBT FOR LEASES

Last ten fiscal years

Year	Leases	Percentage of Personal Income (1)	Per Capita (1)
2016	$ -	0.00%	0.00%
2017	-	0.00%	0.00%
2018	-	0.00%	0.00%
2019	-	0.00%	0.00%
2020	254,504	0.94%	5.76%
2021	158,528	0.53%	3.28%
2022	62,552	0.20%	1.26%
2023	140,576	0.46%	2.67%
2024	54,995	0.17%	1.01%
2025	95,349	0.29%	1.71%

Note: Details regarding the Council's debt for leases can be found in the notes to the financial statements.

(1)See the Demographic and Economic Staticstics on the following table for personal income and per capita income.

COASTAL BEND COUNCIL OF GOVERNMENTS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last ten fiscal years

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Income	Gross Sales All Industries
	(1)	(2)	(2)	(3)
2016	594,768	$ 26,098,611	$ 43,880	$ 30,873,332,037
2017	596,853	26,818,933	44,934	33,181,342,808
2018	604,843	28,157,198	46,553	40,190,473,243
2019	611,039	26,652,621	43,619	40,060,498,258
2020	614,276	27,136,242	44,176	31,977,902,218
2021	622,251	30,055,185	48,301	34,162,159,564
2022	632,822	31,387,629	49,599	42,877,973,388
2023	582,949	30,715,165	52,689	60,116,093,857
2024	586,102	31,952,060	54,516	50,102,827,477
2025	587,711	32,846,312	55,889	48,370,140,222

Sources:
(1) United States Census Bureau, July 2025
(2) Bureau of Economic Analysis, U.S. Department of Commerce last updated February 5,2026
(3) Texas Comptroller of Public Accounts, December 2025
(4) Texas Workforce Commission / Workforce Solutions of the Coastal Bend, 2025 Annual Report

(5) https://www.workforcesolutionscb.org/wp-content/uploads/2025/04/April-2025-Texas-LMI-Release.pdf

Gross Sales, All Industries Subject to State Tax	Total Employed	Unemployment Rate
(3)	(4)	(4)
$ 7,036,764,353	253,088	6.5%
7,135,799,501	266,247	5.2%
7,841,865,096	266,303	4.3%
7,928,715,656	269,318	4.0%
7,218,476,766	271,746	9.3%
6,826,718,500	258,036	6.0%
6,365,072,412	259,014	4.6%
8,706,321,604	247,667	3.9%
8,830,499,815	271,264	4.0%
8,899,037,607	271,176	4.4%

COASTAL BEND COUNCIL OF GOVERNMENTS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	2025		
Employer	Employees	Rank	Percentage of Total Coastal Bend Region Employment
Christus Spohn Health System	7,866	1	2.90%
Naval Air Station Corpus Christi	5,952	2	2.19%
Corpus Christi ISD.	5,795	3	2.14%
City of Corpus Christi	3,062	4	1.13%
Driscoll Children's Hospital	2,609	5	0.96%
Texas A&M University-Corpus Christi	2,363	6	0.87%
AEP Texas	2,133	7	0.79%
Nueces County	2,031	8	0.75%
Corpus Christi Army Depot	1,700	9	0.63%
Bay Ltd	1,700	10	0.63%
Corpus Christi Medical Center	1,698	11	0.63%
Turner Industries Group	1,500	12	0.55%
Total	38,409		14.17%

Source:
Texas Workforce Commission / Workforce Solutions of the Coastal Bend
WFSCB 2025 Annual Report
Corpus Christi Regional Economic Development Corp
Kingsville Economic Development Council

2016		
Employees	Rank	Percentage of Total Coastal Bend Region Employment
3,575	4	1.41%
2,618	7	1.03%
5,944	1	2.35%
2,943	6	1.16%
2,006	8	0.79%
5,315	2	2.10%
3,200	5	1.26%
1,500	10	0.59%
27,101		10.69%

COASTAL BEND COUNCIL OF GOVERNMENTS

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last ten fiscal years

Function	2025	2024	2023	2022	2021
General Government	6	5	6	6	6
Health and Welfare	12	12	12	12	11
Community & Economic Development	2	1	2	3	3
Environmental Protection	1	1	1	1	1
Public Safety					
Criminal Justice	-	1	1	1	1
Emergency Management	2	2	2	2	2
911 Emergency Communication	4	5	5	6	6
Total	27	27	29	31	30

Source: COG Employee Payroll Record

2020	2019	2018	2017	2016
6	6	6	6	6
10	12	12	11	12
3	2	2	1	1
1	1	1	1	1
1	-	-	-	-
1	2	2	2	2
6	5	3	4	4
28	28	26	25	26

COASTAL BEND COUNCIL OF GOVERNMENTS

OPERATING INDICATORS BY FUNCTION

Last ten fiscal years

Function	2025	2024	2023	2022
Health & Welfare				
Number of meals (1)	413,355	444,824	442,135	441,483
Environmental Protection				
Recyclables collected in tons (2)	*10,731	*11,494	*27,884	*23,747
9-1-1 Emergency Communications				
Number of calls (3)	142,870	150,889	179,381	171,493

* Not all communities are reporting recyclables
* Only Ingleside, and Corpus Christi are included in the recyclables data for 2025

Sources:
(1) Title III Meal Reports
(2) Solid Waste Managers in the Coastal Bend Region
(3) 9-1-1 Intrado Database
current year 9-1-1 Emergency Communications Number of calls are lower from prior years because ECatS (Emergency Call Tracking System) implemented in 2016 by AT&T and CSEC, delivers quarterly performance reports that eliminate redundancy caused by including rebid calls.

TABLE 13

2021	2020	2019	2018	2017	2016
510,398	622,138	425,181	424,434	422,978	439,087
22,731	16,472	17,842	22,302	20,776	19,547
183,356	169,121	169,040	157,464	172,613	247,560

COASTAL BEND COUNCIL OF GOVERNMENTS

CAPITAL ASSETS STATISTICS BY FUNCTION

Last ten fiscal years

Function	2025	2024	2023	2022
9-1-1 Emergency Communications				
Customer Premises Equipment (CPE)	17	17	17	17
Nexlog 740 Voice Recorders	17	17	17	17
Nexlog license to record as IP	1	1	1	1
Viper Server Hosts (2) and (15) Object Servers	17	17	16	16
Front Room Equipment	17	17	16	16
Dell Power Edge Server with Software	1	1	1	1
Color Scanner	-	1	1	1
Mapflex Server and MapSAG	1	1	1	1
Spectracom and antenna	1	1	1	1
Public Safety				
ArcGIS Mapping Software	-	-	-	-
AV Equipment, upgrade & labor for LCR	1	1	1	1
Trailer Journey 29S 10x6x6'6	1	1	1	1
Microphone addition for Lg Conf Rm	1	1	1	1
Portable Radio XL-200P w/ Dual Band 700/800 VHF	11	11	-	-
Command Runner	1	1	1	1
Podrunner Radios	2	2	2	2

TABLE 14

2021	2020	2019	2018	2017	2016
18	18	18	18	18	18
17	17	17	17	17	17
1	-	-	-	-	-
16	16	16	16	-	-
17	17	17	-	-	-
1	1	1	-	-	-
2	2	2	2	2	1
1	1	1	1	1	1
1	1	1	1	1	-
-	-	1	1	1	1
1	1	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

CBCOG

Established in 1966

SINGLE AUDIT SECTION

CBCOG

Established in 1966

PATTILLO, BROWN & HILL, L.L.P.
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Waco, Texas 76710
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Coastal Bend Council of Governments
Corpus Christi, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Coastal Bend Council of Governments (the "Council"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated June 18, 2026.

Report on Internal Control over Financial Reporting

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

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

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

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 Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 18, 2026

PATTILLO, BROWN & HILL, L.L.P.
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Waco, Texas 76710
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE *UNIFORM GUIDANCE* AND *TEXAS GRANT MANAGEMENT STANDARDS*

Board of Directors
Coastal Bend Council of Governments
Corpus Christi, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Coastal Bend Council of Governments' (the "Council") compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and *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, 2025. The Council's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal and State Programs

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*); and *TxGMS*. Our responsibilities under those standards, 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 programs. 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 programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the *Uniform Guidance*, and *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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
June 18, 2026

COASTAL BEND COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of Commerce				
Direct Programs:				
Economic Development Planning Program	11.302	ED24AUS0G0256	$ 81,549	$ -
Economic Development Planning Program	11.307	08-69-05621	109,678	-
Total Economic Development Cluster			109,678	-
Total direct programs			191,227	-
Total U.S. Department of Commerce			191,227	-
U.S. Department of Housing and Urban Development				
Passed through the Texas Department of Agriculture:				
Community and Economic Development Assistance Funds	14.228	CEDA24-03	10,337	-
Community and Economic Development Assistance Funds	14.228	CEDA25-03	6,383	-
Total 14.228			16,720	-
Total Passed through the Texas Department of Agriculture			16,720	-
Total U.S. Department of Housing and Urban Development			16,720	-
U.S. Department of Transportation				
Passed through the Texas Department of Transportation:				
Public Transportation Planning Project	20.505	51008011625	8,378	-
Public Transportation Planning Project	20.505	51008011626	436	-
Public Transportation Planning Project	20.505	51008021625	41,980	-
Total 20.505			50,794	-
Total Passed through the Texas Department of Transportation			50,794	-
Total U.S. Department of Transportation			50,794	-
U.S. Department of Treasury				
Passed through the Texas Commission on State Emergency Communications:				
COVID-19 - Coronavirus State Fiscal Recovery Fund	21.027	Coastal Bend COG911	5,392	-
COVID-19 - Coronavirus State Fiscal Recovery Fund	21.027	Coastal Bend COG911	1,135,118	-
Total Passed Through the Texas Commission on State Emergency Communications			1,140,510	-
Total U.S. Department of Treasury			1,140,510	-
U.S. Environmental Protection Agency				
Passed through Texas Commission on Environmental Quality:				
Water Quality Management Planning Fiscal Year 2023	66.454	582-24-50309	16,869	-
Water Quality Management Planning Fiscal Year 2024	66.454	582-25-00063	17,459	-
TMDL Implementation Plan(I-Plan)Development and Public Participation for Corpus Christi Projects	66.454	582-25-00042	17,620	-
TMDL Implementation Plan(I-Plan)Development and Public Participation for Corpus Christi Projects	66.454	582-26-00042	18,327	-
Total 66.454			70,275	-
Total Passed Through Texas Commission on Environmental Quality			70,275	-
Total U.S. Environmental Protection Agency			70,275	-

COASTAL BEND COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS (continued)				
U.S. Department of Health and Human Services				
Passed Through the Texas Health and Human Services Commission:				
Title VII, Chapter 3 - Elder Abuse FY25	93.041	HHS000874100007	$ 6,825	$ -
Title VII, Chapter 3 - Elder Abuse FY26	93.041	HHS001603100007	3,098	-
Total 93.041			9,923	-
Title VII, Chapter 2 - Ombudsman FY25	93.042	HHS000874100007	35,533	-
Title VII, Chapter 2 - Ombudsman FY26	93.042	HHS001603100007	20,470	-
Total 93.042			56,003	-
Title III-D - Health Promotion Services FY25	93.043	HHS000874100007	30,465	-
Title III-D - Health Promotion Services FY26	93.043	HHS001603100007	7,980	-
Total 93.043			38,445	-
Title III-B FY25	93.044	HHS000874100007	707,015	15,989
Title III-B FY26	93.044	HHS001603100007	165,995	3,057
Title III-C - Nutrition Services FY25	93.045	HHS000874100007	1,487,089	925,939
Title III-C - Nutrition Services FY26	93.045	HHS001603100007	413,912	245,701
Nutrition Services Incentive Program FY25	93.053	HHS000874100007	182,248	-
Total Aging Cluster			2,956,259	1,190,686
Title III-E FY25	93.052	HHS000874100007	333,961	-
Title III-E FY26	93.052	HHS001603100007	72,024	-
Total 93.052			405,985	-
Medicare Improvements for Patients and Providers	93.071	HHS000874100007	36,812	-
Medicare Improvements for Patients and Providers	93.071	HHS001603100007	14,500	-
Medicare Improvements for Patients and Providers	93.071	HHS001341600002	19,361	-
Medicare Improvements for Patients and Providers	93.071	HHS001341600002	5,453	-
Total 93.071			76,126	-
CDAP State Health Insurance Assistance Program FY25	93.324	HHS000874100007	37,874	-
CDAP State Health Insurance Assistance Program FY26	93.324	HHS001603100007	21,205	-
Total 93.324			59,079	-

COASTAL BEND COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS (continued)				
U.S. Department of Health and Human Services (continued)				
Passed Through the Texas Health and Human Services Commission (continued):				
Money Follows the Person Demonstration	93.791	HHS001341600002	$ 36,031	$ -
Money Follows the Person Demonstration	93.791	HHS001341600002	17,733	-
Total 93.791			53,764	-
Total Passed Through the Texas Health and Human Services Commission			3,655,584	1,190,686
Total U.S. Department of Health and Human Services			3,655,584	1,190,686
U.S. Department of Homeland Security				
Passed Through the Texas Office of the Governor:				
Homeland Security Grant Program	97.067	2966610	312,841	-
Total Passed Through the Texas Office of the Governor			312,841	-
Total U.S. Department of Homeland Security			312,841	-
Total Expenditures of Federal Awards			$ 5,437,951	$ 1,190,686

COASTAL BEND COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

State Grantor/Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total State Expenditures	Passed Through to Subrecipients
STATE AWARDS				
Texas General Land Office				
Passed Through Texas A&M University-Corpus Christi:				
Clean Coast Texas Collaborative	N/A	24-099-002-E376	$ 144,107	$ -
Total Passed Through Texas A&M University-Corpus Christi			144,107	-
Total Texas General Land Office			144,107	-
Texas Office of the Governor				
Criminal Justice Division:				
Regional Law Enforcement Training Academy	N/A	1465919	64,265	-
Regional Law Enforcement Training Academy	N/A	1465920	23,187	-
Total Criminal Justice Division			87,452	-
Public Safety Office:				
Homeland Security/Criminal Justice	N/A	25-00037	51,918	-
Homeland Security/Criminal Justice	N/A	26-00062	25,959	-
Total Public Safety Office			77,877	-
Total Texas Office of the Governor			165,329	-
Texas Health and Human Services Commission				
State General Revenue Other	N/A	HHS000874100007	10,514	-
State General Revenue Other	N/A	HHS001603100007	14,773	-
Housing Bond	N/A	HHS000874100007	14,405	-
Housing Bond	N/A	HHS001603100007	2,100	-
State General Revenue Title III-E Match	N/A	HHS000874100007	61,614	-
State General Revenue Title III-E Match	N/A	HHS001603100007	13,466	-
State General Revenue HDM Rate Increase	N/A	HHS000874100007	20,224	-
Ombudsman Assisted Living Facility Services	N/A	HHS000874100007	18,798	-
Ombudsman Assisted Living Facility Services	N/A	HHS001603100007	4,710	-
Total AAA State General Revenue			160,604	-
State General Revenue ADRC	N/A	HHS001341600002	68,226	-
State General Revenue ADRC	N/A	HHS001341600002	19,315	-
State General Revenue Respite ADRC	N/A	HHS001341600002	12,823	-
State General Revenue Respite ADRC	N/A	HHS001341600002	3,527	-
Promoting Independence	N/A	HHS001341600002	8,690	-
Promoting Independence	N/A	HHS001341600002	11,593	-
Total ADRC State General Revenue			124,174	-
Total Texas Health and Human Services Commission			284,778	-
Texas Commission on Environmental Quality				
Regional Solid Waste Planning	N/A	582-24-50083	122,045	-
Regional Solid Waste Planning	N/A	582-26-00075	33,762	-
Total Regional Solid Waste Planning			155,807	-
Total Texas Commission on Environmental Quality			155,807	-
Commission On State Emergency Communications				
9-1-1 Service Fees	N/A	FY 2025	1,101,804	-
9-1-1 Service Fees	N/A	FY 2026	605,668	-
Total 9-1-1 State Program			1,707,472	-
Total Commission on State Emergency Communications			1,707,472	-
Total Expenditures of State Awards			$ 2,457,493	$ -
Total Expenditures of Federal and State Awards			$ 7,895,444	$ 1,190,686

1. GENERAL

The Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards programs of Coastal Bend Council of Governments (the "Council"). The Council's reporting entity is defined in Note 1 of the basic financial statements. Federal and state awards received directly from federal and state agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal and State Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements.

3. RELATIONSHIP TO FEDERAL FINANCIAL STATUS REPORTS

Amounts reported on the Schedule may not agree with amounts reported in the related Federal/State financial status reports filed with grantor agencies because of the effect of accruals made in the Schedule.

4. INDIRECT COSTS

The Council has elected not to use the de minimis indirect cost rate as allowed in the Uniform Guidance.

COASTAL BEND COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Section I. Summary of Auditor's Results

Financial Statements:	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
Federal and State Awards:	
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the *Uniform Guidance* or *Texas Grant Management Standards*?	None
Identification of major programs:	
Assistance Listing Numbers:	Name of Federal/State Program or Cluster:
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.044, 93.045, 93.053	Aging Cluster
State	AAA State General Revenue
State	9-1-1 State Program
Dollar threshold used to distinguish between type A and type B federal programs	$1,000,000
Dollar threshold used to distinguish between type A and type B state programs	$1,000,000
Auditee qualified as low-risk auditee?	No

Section II. Findings Relating to the Financial Statements, Which Are Required to be Reported in Accordance With *Government Auditing Standards*

None

Section III. Findings and Questioned Costs for Federal and State Awards

None

COASTAL BEND COUNCIL OF GOVERNMENTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

None