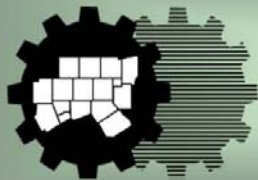



North Central Texas Council of Governments

Comprehensive Annual Financial Report

DRAFT



**Fiscal Year Ended
September 30, 2019**

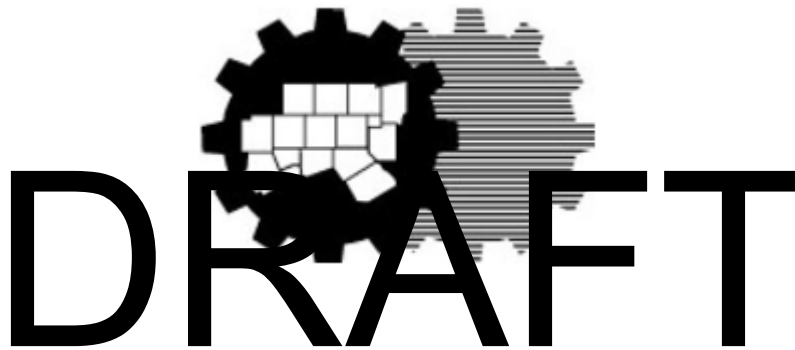
The logo consists of a black gear on the left and a map of Texas on the right, both rendered in a hatched or striped style. The word "DRAFT" is superimposed in large, bold, black capital letters across the center of the gear and map.

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**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

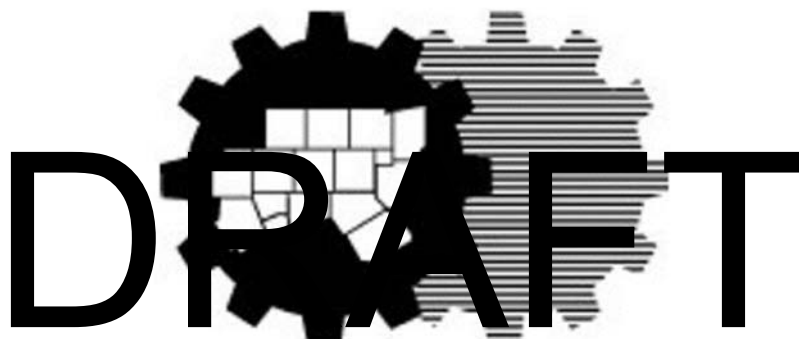
Executive Director
Mike Eastland



Deputy Executive Director
Monte Mercer, CPA

PREPARED BY
DEPARTMENT OF ADMINISTRATION

Molly Rendon, Director of Administration
Maggie Lira, CPA, Accounting Manager
Richard Michael, Budget & Financial Reporting Manager
Randy Richardson, CPA, Workforce Fiscal Manager



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

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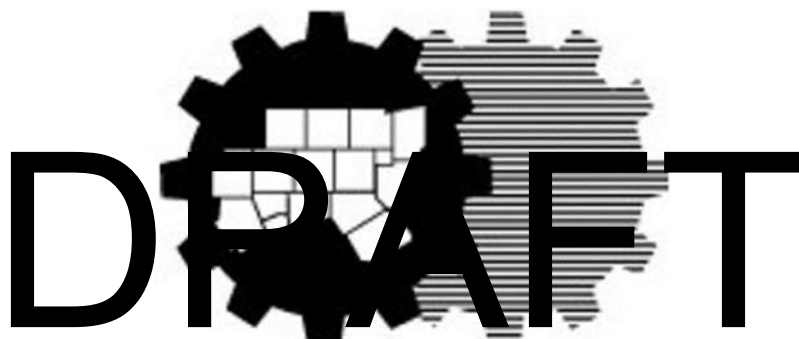
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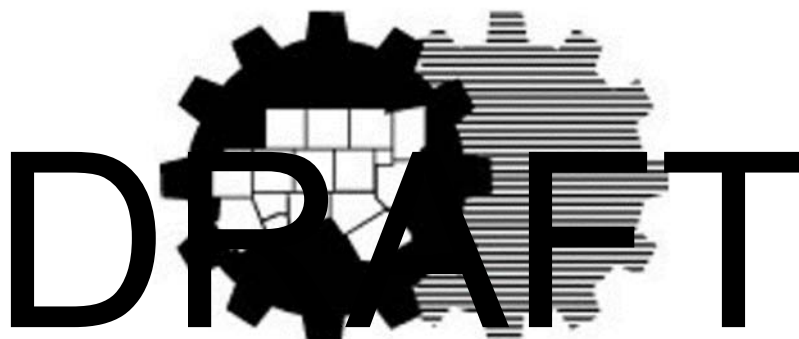
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**North Central Texas
Council of Governments**

Introductory
Section

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**North Central Texas
Council of Governments**



North Central Texas Council of Governments

The Executive Board
North Central Texas Council of Governments
Arlington, Texas

February 18, 2020

Members of the Executive Board:

The Comprehensive Annual Financial Report of the North Central Texas Council of Governments (NCTCOG, “the Council” or “the Agency”) for the fiscal year ended September 30, 2019, is hereby submitted. This report was prepared for the Agency by NCTCOG’s Department of Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of NCTCOG as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Council’s financial affairs have been included.

The Comprehensive Annual Financial Report (CAFR) includes the Management Discussion and Analysis (MD&A) within the financial section immediately following the independent auditor’s report. The MD&A is a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

NCTCOG is required to undergo an annual single audit in conformity with the provisions Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and *State of Texas Uniform Grant Management Standards*. Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and other independent auditor’s reports on the single audit, are included with this report and can be found at the end of the report.

The Financial Section described above is prepared in accordance with Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) and other professional associations as applicable.

Organizational Profile

The NCTCOG is a voluntary association of cities, counties, school districts, and special districts within the 16-county North Central Texas region. NCTCOG was established in January 1966, authorized by

State enabling legislation (Chapter 391 – Local Government Code), to assist local governments in planning for common needs, cooperating for mutual benefit and coordinating for sound regional development. The 16-county region for NCTCOG was designated by the Governor’s Office of the State of Texas.

The Agency is an organization of, by, and for local governments. Its purpose is to strengthen both the individual and collective power of local governments – and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to assist in the implementation of those decisions. The NCTCOG is governed by a general assembly composed of one voting representative from each of the 231-member governments and the Executive Board, which is composed of 17 local officials elected by the General Assembly, and one ex-officio non-voting member of the legislature.

North Central Texas consists of a 16-county metropolitan region centered around the cities of Dallas and Fort Worth. It has a population of over 7 million, which is larger than 37 states, and an area of nearly 12,800 square miles, which is larger than nine states. NCTCOG’s 231-member governments are comprised of 16 counties, 169 municipalities, 19 independent school districts, and 27 special purpose districts.

The Council’s functional activities include responsibilities in the following areas – Transportation, Workforce Development, Area Agency on Aging, 9-1-1 Planning, Emergency Preparedness, Environment & Development, a Research and Information Services Center and Community Services; comprised of Criminal Justice Planning the Training & Development Institute (TDI) and Regional Law Enforcement Training.

Economic Conditions and Outlook

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NCTCOG’s regional population increased by approximately 158,000 persons during 2019 for a January 1, 2019 total estimated population of 7.5 million.

The November 2019 unadjusted unemployment rate for the 16 county NCTCOG region was 3.0%, which was below the Texas rate of 3.4% as well as below the comparable national figure of 3.5%.

Despite the economic concerns of the last few years, NCTCOG expects there to be more than 10 million people and over 6 million jobs in the area by 2040. The Region’s relatively low cost of living, central location, transportation hubs, good business climate, favorable weather, and quality schools make it a competitive area nationally for business relocations. Migration, both from within the U.S. and internationally, is expected to continue to drive growth in North Central Texas well into the future.

New Initiatives

Transportation (TR)- During Fiscal Year 2019, the NCTCOG Transportation Department received approximately \$48,000 in new contributions to the North Central Texas Clean School Bus Program Supplemental Environmental Project (SEP). These funds were combined with existing SEP funds and are used to fund the replacement of old diesel school buses through the Clean Fleets North Texas 2018 and Clean Fleets North Texas 2019 Calls for Projects.

NCTCOG received \$85,000 in additional funding from the Department of Energy (DOE) to continue work as the Dallas-Fort Worth Clean Cities Coalition. Through this initiative, staff provides education and information to fleets and the general public regarding ways to reduce emissions and improve energy efficiency of vehicular transportation. NCTCOG also received \$13,000 from Transportation Energy

Partners to provide Clean Cities support for an alternative fuel vehicle workshop at the annual EarthX event.

In partnership with the NCTCOG Environment and Development Department, the NCTCOG Transportation Department began a new energy management initiative, supported by the Department of Energy funds received through the State Energy Conservation Office. The goal is to reduce energy consumption, thus improving efficiency and reducing emissions from power generation, by increasing local governments' level of education, awareness, and engagement regarding energy management in their own facilities. This also includes targeted outreach to local governments about required annual reporting on electricity consumption.

NCTCOG received \$2,150,139 funding from the Environmental Protection Agency (EPA) for two grants to perform diesel emissions reduction projects. One grant was awarded for installing idle reduction technology at freight distribution centers and terminals in the ozone nonattainment area. The second grant was awarded for vehicle or equipment projects for public sector fleets, or private companies that serve as contractors to the public sector, operating in the ozone nonattainment area.

NCTCOG received \$90,000 in January 2019 from the Texas Commission on Environmental Quality (TCEQ) to conduct an on-road mobile emissions inventory for the 10-county Dallas-Fort Worth ozone nonattainment area. This inventory was developed to support the attainment demonstration analysis for the State Implementation Plan revision for the 2008 eight-hour ozone standard.

The North Central Texas Council of Governments (NCTCOG) funded a \$60,000 University Partnership Program Study with the University of Texas at Arlington (UTA) to research the impact of automated vehicles on the Dallas-Fort Worth (DFW) region. This study specifically investigated the impacts of automation on the future of DFW's manufacturing industry and the infrastructure needed to support the industry in the future.

NCTCOG received \$1,150,000 in Surface Transportation Block Grant Program funds to implement planning studies to develop a comprehensive approach for strategic implementation of transit services focusing on internal and regional connection, increased transportation options and innovation, people and goods movement, feasible funding options, and private-sector participation in each study area in Collin, Dallas, and Tarrant Counties.

Approximately \$250,000 in Transportation Planning Funds was received for the creation of census statistical geographies for the North Central Texas 16-county region. These geographies will be used in reporting various Census Bureau survey results such as the decennial Census and American Community Survey. The project included coordinating various governmental and nongovernmental entities in the region to define these geographies.

The preliminary version of the next generation regional travel model (Next Generation RTM) for the Dallas-Fort Worth metropolitan area has been developed and is being refined and improved. The Next Generation RTM is a collection of computer program software applications, training materials, and documents used by transportation analysts for planning the projects and policies in the region. These tools are used in essential functions of the Metropolitan Planning Organization. This project was funded with Transportation Planning Funds and Surface Transportation Block Grant funds.

In Fiscal Year 2019, \$300,000 was allocated to the Aviation Support: Integrated Systems project. The project combines the efforts of the following: Regional Aviation System Planning, North Texas Aviation Education Initiative, and the Unmanned Aircraft System Safety and Integration Initiative.

Area Agency on Aging (AAA) - The primary funding source for the Aging program was Title III of the Older Americans Act. Title III allocations increased but did not keep pace with growing demand for Aging services. The program obtained discretionary grants to expand current services and introduce new services.

Discretionary grants, by funding source and amount, included:

- Relocation funding in the amount of \$2,136,329, under contracts with Amerigroup, Molina Health Care, and United Health Care, to help nursing home residents return to the community.
- Aging and Disability Resource Center funding awarded by Texas Health and Human Services in the amount of \$404,179 to help people with disabilities access long-term services and supports.
- Fall prevention funding, awarded by the United Way of Tarrant County in the amount of \$14,000, to conduct fall prevention workshops.
- CHOICE—T/P: Grant funding in the amount of \$51,000 from a local health system to support home-delivered meal, transportation, volunteer, and counseling services for older persons who lived in Springtown (Parker County).
- WE HAIL: A Health Resources and Services Administration subgrant in the amount of \$17,500 to assess the needs of laypersons and professionals who care for people with dementia in rural counties.
- Senior Medicare Patrol: A \$20,000 subgrant from the Better Business Bureau to educate Medicare beneficiaries about program fraud.

Funding through the Older Americans Act and State General Revenue provided primary support for the Department's traditional services, including nutrition, transportation, information and referral, benefits counseling, case management, caregiver support, caregiver respite, and long-term care ombudsman programs. Collectively, Aging programs served over 8,000 North Central Texas

9-1-1 Planning - Report on 2019 from a 2018 Perspective

On December 3, 2018 the state 9-1-1 Planning Program transitioned to The North Central Texas Emergency Communications District (NCT-9-1-1). This report contains two months of financial information on the state 9-1-1 Planning Program.

It's that time of year again, when we reflect on the previous year, contemplate lessons learned and begin planning for the new year ahead. Last year I identified "unstoppable" as the word for 2019. All in all, I think that has been accurate. December 3rd marked the first anniversary of the North Central Texas Emergency Communications District or NCT9-1-1. Due to this transition and starting a new district without cash reserves, our biggest challenges in 2019 centered around funding. But being unstoppable, this did not hamper productivity and accomplishments.

During our first year as a district, a Board of Managers was created, a Strategic Advisory Committee was appointed, and the district joined and participated in the Texas 9-1-1 Alliance. NCT9-1-1 hosted Regional Telecommunicator Academy classes 007 and 008, added Lifecare EMS in Parker County as a secondary PSAP and completed implementation of a SD WAN solution for network diversity and dynamic routing.

The GIS team completed the transition from EGDMS to the newly created Regional GIS Data Quality Control process and implemented a new county disbursement model; the Technology team replaced Uninterrupted Power Sources (UPS) at 35 sites and completed the microwave network; and the Strategic Services team executed new Interlocal Agreements for all PSAPs. The Operations team completed a Quality Assurance resource document and the Data team conducted Real Time Text (RTT) research,

testing, outreach and training. The Support team worked behind the scenes and assisted in many of the completed projects.

NCT9-1-1 focused on PSAP engagement this year. Regular efforts ensured PSAPs have greater awareness and more communications. The staff brought in companies to talk about new technologies, hosted PSAP focus groups on relevant issues, and included PSAP feedback in product development and implementation. A Generational Advisory Board was created this year in an effort to create a culture that will attract Millennials and Gen Z to our workforce and assist in retaining current employees. This concept has been well-received, and we hope to expand the scope to PSAPs in the coming years. Streaming services have not just become popular with the way we watch television, but with public safety as well. NCT9-1-1 introduced optional services for the PSAPs this year with Waze and flood warning sensors. In addition, we entered into a contract for Data Analytics with a company that is revolutionizing the way we have historically provided call statistics through reporting. Phase I has been completed and the PSAPs now have improved reporting with a user-friendly platform to run reports and access a dashboard of near real time information. The next phase will allow us to bring in the health of all our systems.

Perhaps the greatest thing to happen to 9-1-1 in Texas in 2019 was the passing of House Bill 1090, which reclassified telecommunicators from clerical workers to first responders. This was the culmination of a long effort to give telecommunicators the recognition they deserve. NCT9-1-1 celebrated with our PSAPs by hosting a Commencement Ceremony.

On a national level, NCT9-1-1 continued to coordinate the Early Adopter Summit with the third annual event held in South Carolina. This event brings together nearly a dozen 9-1-1 space and innovative companies throughout the country to collaborate and plan for the future. It was the largest event to date and was considered a great success. Thanks to the NCT9-1-1 planning team!

The FCC issued a report detailing the cause and impact of a nationwide CenturyLink outage that disrupted 911 service for approximately 17 million Americans in December 2018. The report, issued after a thorough investigation in which NCT9-1-1 participated, outlined lessons learned from the incident and identified network reliability best practices that could have prevented or mitigated the effects of the outage. The FCC continues to stress the importance of reliability and works to ensure that our nation's communications networks remain robust, reliable, and resilient.

The FCC also adopted rules that will help first responders locate people who call 911 from wireless phones in multi-story buildings, such as apartments and offices. The new rules will help emergency responders determine the floor level of a 911 caller. Specifically, wireless providers must transmit the caller's vertical location, within three meters above or below the phone, to the 911 call center. This requirement will help emergency responders more accurately identify the floor level for most 911 calls. However, this is only the beginning. To make the data actionable, local 9-1-1 entities will need to enhance their GIS offerings and begin to implement floor plans and/or 3D mapping. This is a long road, but NCT9-1-1 has already begun planning.

The National 911 Progress Report by the National 9-1-1 Program states NG9-1-1 has now emerged as the desired level of 9-1-1 service. The NG9-1-1 Maturity Model consists of the following 9 data elements: Governance, Routing/location, GIS, Core services, ESInet, Call Handling, Security, Operations and Optional Interfaces. NCT9-1-1 has been focusing on all of these elements for the last several years and continues to do so.

As you can see, 2019 has been another busy and productive year for NCT9-1-1 and this region. Of course, we couldn't do it without our partners of staff, PSAPs, elected officials, NCTCOG administration, vendors and fellow 9-1-1 authorities. Thanks to you all for assisting us in being unstoppable! As we change our focus to 2020, resiliency will be our word of the year. NCT9-1-1's goal for resiliency will be achieved by being reflective, resourceful, robust, and redundant. Systems and processes will be examined in order to be efficient, inclusive, and interoperable; while continuing to mitigate risks. This requires the willingness and ability to adopt alternative strategies in response to changing circumstances. NCT9-1-1 will measure success as the capacity of the district to survive, adapt and grow; regardless of the chronic stress of the industry and the acute shocks of service interruptions and temporary financial limitations. NCT9-1-1 seeks not to just survive but to thrive regardless of the challenge. We will continue saving lives and making a difference!

Community Services

Criminal Justice Planning - During Fiscal Year 2019 the Criminal Justice Program focused its efforts on meeting requirements set forth in the *Interlocal Cooperation Agreement* between NCTCOG and the Office of the Governor's Public Safety Office – Criminal Justice Division. Staff provided technical and operational assistance to more than 100 agencies for 152 new and continuation criminal justice grant applications; conducted 17 grant application workshop sessions; oversaw strategic planning efforts; and carried out other tasks that met administrative requirements of the Criminal Justice Division.

Training & Development Institute (TDI) - TDI facilitated 80 courses for the region; coordinating 2 courses for NCTCOG staff, 1 new Cohort Program for Municipal Management Professionals in the Region, 1 recurring Cohort Program for Finance Professionals in the region, and on-site courses in the region all serving over 1,400 participants. Due to facility renovations, TDI only was able to provide rental space to outside agencies until February 2019. TDI hosted the Center for Public Management for 1.5 days each month from October 2018 until the end of February 2020 for FY2019.

TDI again assessed the cost to value ratio of the Red Vector online content that was being offered in our Learning Management System in the fall of 2019. With these results, TDI has decided to focus all efforts on instructor or speaker led-training offerings in the foreseeable future.

TDI continued to maintain 2 social media profiles; Twitter and Facebook to reach a social media audience for additional marketing opportunities and created branding for each training academy for use in marketing platforms and in conference marketing materials. In 2019, TDI was able to utilize the audience of the NCTCOG agency's social media platforms with the "sharing" features within the programs.

Of the courses offered this fiscal year, 16 were TCEQ-sanctioned water and wastewater courses. These courses are completed by individuals pursuing or renewing Texas Commission on Environmental Quality operator licenses. We had 242 participants successfully complete these 20-hour courses.

Through a partnership with the University of North Texas' Center for Public Management, the TDI hosted 12 Public Funds Investment Act training dates which are required for all public finance and investment officers in the State of Texas. Approximately 203 participants received their certificates of completion for this training course during the 2019 fiscal year.

In cooperation with NCTCOG's Transportation Department, the TDI hosted 6 Traffic Incident Management courses for First Responders & Managers that consisted of 173 participants from a variety of agencies.

In addition to the courses outline above, the TDI facilitated and built out the course offerings in the areas of Public Works, Contract and Procurement and Leadership & Management Academies Best Practices. The TDI staff additionally help provide support when needed for special requests by NCTCOG departmental staff including providing implementation and facilitation support to internal departments implementing the Cornerstone program for learning and registration purposes.

Regional Law Enforcement Training (RPA) - During 2018/2019 the Regional Police Academy conducted 11 Basic Peace Officer Courses and graduated 221 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy conducted 186 In-Service law enforcement training courses for 2,881 in service officers providing a total of 243,316 contact hours.

Emergency Preparedness (EP) - Regional Emergency Preparedness Member Program: In 2019, the North Central Texas Regional Emergency Preparedness Program, managed by the Emergency Preparedness Department, collected \$456,000 in membership dues. Membership funds were used to meet stakeholder needs through advocacy, planning, training and exercise assistance, meeting coordination, regional program/project implementation and management, and multiple other support services. Specialized programs and events were possible through the program, including an Integrated Warning Team, in partnership with the National Weather Service, covering planning and response to hazardous winter weather incidents. Program funds additionally supported: the Regional Emergency Preparedness Planning Council (EPPC), the Department's oversight council composed of regional elected officials; the Regional Emergency Preparedness Advisory Committee (REPAC), composed of emergency management subject matter experts, and response leaders guiding Homeland Security Grant priorities and advising EPPC; and regional Working Groups, which work to create regional approaches to training, exercise, and education.

Homeland Security Program: The Homeland Security Grant Program (HSGP) consists of both the State Homeland Security Grant Program (SHSP) as well as the Urban Area Security Initiative (UASI) Grant Program. HSGP funds support core capabilities across the five mission areas of prevention, protection, mitigation, response, and recovery based on allowable costs. Expenditures close capability gaps identified throughout the region, and that have been captured in documents such as the Threat and Hazard Identification and Risk Assessment (THIRA), Stakeholder Preparedness Review (SPR), Regional Implementation Plan (RIP) and UASI Strategy. Homeland Security funds have helped our region increase response capabilities by improving response plans, equipping special response teams, training first responders, and exercising emergency management and response teams. In 2019, the region received \$1,715,104 in SHSP grant funds, and \$16,900,000 in UASI grant funds. These monies funded many projects throughout the region with a terrorism nexus, including those involving training and exercises, hazardous materials, law enforcement, search and rescue, explosive ordnance disposal, interoperable communications, public works, cyber security and others.

Citizen Corps Program: Citizen preparedness, training, and education continued to be supported by \$50,000 in HSGP funds allocated to north central Texas (NCT) Citizen Corps programs in 2019. The funds helped sustain various citizen volunteer programs, most notably Community Emergency Response Teams (CERT), and supported an NCT Citizen Corps Coordinator to facilitate and coordinate regional CERT meetings, trainings, exercises, and other efforts. In 2019 CERT program members served NCT in support roles such as wide area search, damage assessment, triage, and first responder rehab. Programs also continued training in shelter operation, Stop the Bleed, CPR, and other partner preparedness offerings.

Pre-Disaster Mitigation (PDM) Planning Projects: No additional PDM funds were received by the Emergency Preparedness Department in 2019.; however, the Department was awarded \$324,000 in

federal PDM-17 grant funds in 2018, supporting hazard mitigation planning for 33 North Central Texas jurisdictions in Erath, Hood, Hunt, Palo Pinto, and Parker Counties. Mitigation plans for the participating jurisdictions in these counties is entering the final planning process. Additionally, mitigation plans for the 34 jurisdictions in Tarrant County, funded by a \$264,007 PDM-16 grant award received in 2017, is in the final plan adoption phase. Mitigation planning helps communities identify hazards and develop mitigation actions to reduce or eliminate vulnerability to those hazards. Once a hazard mitigation plan is approved and adopted, participating jurisdictions become eligible to apply for future mitigation grant funds.

Safe Room Project: From July 2013 to date, the EP Department has received \$4,619,948.00 in federal Hazard Mitigation Grant Program (HMGP) funds to administer the Individual Safe Room Rebate Program in north central Texas. These safe room grants have resulted in 1,569 installed safe rooms and \$4,036,305.00 in awarded rebates. Remaining program funds will provide additional safe room rebates to participants on the waitlist. The EP Department will continue to seek funding as opportunities arise.

Collaborative Adaptive Sensing of the Atmosphere (CASA WX) Member Program: The Collaborative Adaptive Sensing of the Atmosphere (CASA WX) program is a weather observation system paradigm based on a low power, low cost, overlapping network of radars capable of providing rapid, enhanced weather data. To support the weather radar system in the Dallas Fort Worth area in 2019, the EP Department continued to manage the CASA WX membership program, collecting membership dues from local jurisdictions totaling \$169,500. Membership dues go towards sustaining operational expenses of the radar network, currently consisting of seven radars. Local jurisdictions that are members of the CASA WX program gain access to the CASA website, allowing them to see CASA WX radar data down to the neighborhood level with minute-to-minute updates. This information helps reduce uncertainty during weather events, enhances decision-making, and can potentially save lives and reduce damage to property.

Environment & Development (E&D) – Overall theme for NCTCOG's environmental resource and development initiatives continued to be Sustainable Environmental Excellence. The department's efforts continue to have a focus on planning for the future of this growing region in a collaborative and cost-effective way for the benefit of all North Central Texas. The Department of Environment and Development (E&D) addresses this growth primarily within six different program areas – Materials Management, Natural Resources, Public Works, Regional Codes, Watershed Management, and Development Excellence.

In the Materials Management program area, the FY 18-19 biennial cycle of the Texas Commission on Environmental Quality (TCEQ) grant continued, including administration and closing out of 14 local government projects totaling \$659,542. A toolkit for grant recipients was developed for grant execution, and 140 technical assistance requests were responded to. A RCC requested regional project totaling \$659,542 was initiated and completed, including a waste characterization study and subsequent Regional Recycling Campaign. A Recycling Technical Assistance Project provided free technical assistance to several communities in North Texas. We updated and maintained the TimetoRecycle.com (78,182 website page views), ReportDFWDumping.org (8,269-page views), and NCTCOG solid waste management websites and social media posts. 468 participants attended 16 hosted trainings/workshops, booths were provided at 4 public outreach events, eleven association meetings/conferences were attended, and two presentations to partner organizations were given. In addition, 22 responses to Closed Landfill Inventory requests were responded to and 609 illegal dump site reports from ReportDFWdumping.org and the hotline were forwarded to the appropriate city or county authorities for cleanup action.

In the Natural Resources program area, we hosted two Region C Water Planning Group meetings, four Water Resources Council (WRC) committee meetings, one Total Maximum Daily Load (TMDL) Coordination Committee meeting, two TMDL Stormwater Technical Subcommittee meetings, and one TMDL Wastewater and Monitoring Forum Technical Subcommittee meetings. The regional Water

Quality Management Plan was updated and submitted to TCEQ. Ninety responses providing regional water priorities were obtained through the issuance of a water resources questionnaire. Fifty participants attended two hosted water trainings, five Clean Water State Revolving Fund projects were reviewed, and two watershed protection plan meetings were attended. In partnership with our Transportation Department, we initiated a contract with the State Energy Conservation Office to focus on energy management initiatives in the region. As part of this contact, we conducted a survey of members to gauge priority energy management topics, hosted four in-person workshops with a cumulative attendance of 129. We also maintained and updated the ConserveNorthTexas.org and gosolartexas.org website. One White Paper on Local Government Energy and two case studies, one on the City of Lewisville Energy and Sustainability efforts and one on Tarrant Regional Water District's Energy Management Planning initiatives were completed and published. Development was completed on a web-based tool to demonstrate the economic and environmental benefits of natural resource stewardship for transportation and development projects, eebns.nctcog.org. Development also began on another web-based tool called the Permittee Responsible Mitigation Database, to connect landowners with developers or entities needing to rehabilitate or restore streams or wetlands to offset construction impacts elsewhere.

In the Public Works program area, we held the 20th Annual Public Works Roundup which was attended by 200 public works professionals; updated Division 1000 of the regions Fifth Edition, 2017 Standard Specifications for Public Works Construction; hosted the Young Inspectors Workshop and the Construction Contracts Workshop; maintained the Regional Public Works Training Calendar; maintained the integrated Stormwater Management (iswm.nctcog.org) website with case studies and a training library; hosted a Sustainable Public Rights of Way (SPROW) track at the Public Works Roundup; and hosted four workshops on the iSWM technical manual and implementation. In addition, we utilized our websites and social media accounts to facilitate public outreach campaigns including DefendYourDrainsNorthTexas, CleanTheGreaseNTTX, and the Holiday Grease Roundup, receiving 20,100-page views and 805,144 impressions. We also provided administrative and technical support, including scoring of 12 Community Development grant applications for the Community Development Block Grant (TxCD) program.

In the Regional Codes program area, a 2019 annual code survey was conducted to determine adoption of the suite of international codes by local governments in North Central Texas was conducted, resulting in documented 90 respondents with 82% utilization of the NCTCOG amendments. A subcommittee developed a Technical Guidance Resource #1 - Electronic Plan Submittal Guideline and developed a short video that explains the process to adopt new building codes and building code amendments. Four RCCC meetings; one Code Amendment Workshop with 76 attendees; a Mobile Food Trucks and 2018 IFC training with 45 attendees; and, a 2018 IECC Significant Changes training with 40 attendees were hosted at NCTCOG.

In the Watershed Management program area, activities completed include: continuing updates to the "Preventing Stormwater Pollution" training video series and website platform; completing a Doo the Right Thing outreach and photo contest; campaigns, social media, and blog posting for Texas SmartScape; and executing the regional cooperative purchase. Stormwater monitoring activities included development of a new BMP Analysis and Evaluation Plan through coordination with our contractor and participating local governments and production of the Regional Stormwater Monitoring Program Term 1 report was developed and submitted to TCEQ. A month-by-month pet and yard waste social media toolkit was developed and issued for use by NCTCOG members. The Trinity River COMMON VISION program continued with the integration of updated regulatory mapping and modeling for the Upper Trinity River Corridor into the Corridor Development Certificate (CDC) Manual and process, and 10 CDC applications were processed. Efforts for expansion of the Common Vision footprint to include the communities along the East Fork of the Trinity River upstream from the Trinity Main Stem to the Lake Ray Hubbard dam continued. Further progress towards the integration of a georeferenced and

consolidated CDC model, tying together the resources needed for FEMA, USACE, and CDC development applications was made. In Cooperation with our North Texas SHARE program, a Regional Early Flood Warning Software platform was made available to our members. In partnership with FEMA, TWDB, and the Texas Floodplain Managers Association (TFMA), Environment and Development hosted the FEMA L-273 “Managing Floodplains through the National Flood Insurance Program” four-day course for the 24th year and hosted the TFMA Certified Floodplain Manager (CFM) Exam. NCTCOG also hosted the FEMA L-278 “NFIP/Community Rating System” course. In collaboration with TFMA, Floodplain Manager/Community Rating System (CRS) Users Group meetings were held three times, one being combined with our annual Elected Officials Seminar which resulted in 50 attendees. One additional CFM exam offering was also hosted at our facilities. Additionally, as a part of our Cooperating Technical Partner (CTP) relationship with FEMA, administration of the FEMA CTP FY16 East Fork Discovery project and the Silver Creek and McAnear Creek/West Buffalo Creek Flood Risk Studies were concluded, FEMA CTP FY17 Richland-Chambers Discovery and the Town Creek and Stream CF-5 Flood Risk Studies were continued. The Flood Risk Study project on Mary’s Creek in Parker County was initiated. Flood Risk Studies on Waxahachie Creek and Harriet Creek were submitted and approved for funding. The FEMA FY17 and FY18 projects for bringing Community Health and Resource Management (CHARM) tool to North Central Texas for community Comprehensive Plan development are underway.

In the Development Excellence program area, support for the Center of Development Excellence (DevEx) and the 12 Principles of Development Excellence continued through the execution of the 2019 Celebrating Leadership in Development Excellence (CLIDE) Awards Program. The program had the largest number of applications in its history, with the 41 complete applications. Of those, 17 were selected as winning projects in North Central Texas. All 17 award winners are highlighted on the Center for Development Excellence (DevEx) website <http://www.developmentexcellence.com/#next>. Redesign of the DevEx website began with the goal of modernizing it and making it more user-friendly and searchable, to provide a broad coverage of DevEx topics areas, to focus on and add example projects and case studies. In addition, our Dingo Regional Planning Exercises were conducted, and a Community Health and Resource Management (CHARM) workshop for community GIS staff was held with a following CHARM workshop for elected officials to facilitate discussion on community Comprehensive Plan development.

Research and Information Services (RIS)- Research NCTCOG's Research and Information Services (RIS) Department provides objective, consistent, and timely information and analysis on development in the region for use in regional and local planning and economic development activities. The emphasis is on population, employment, and other socio-economic factors; commercial and residential development; and land use. New initiatives within Research will focus on increased efficiency, customer needs, and innovation in dataset development.

Focus on Efficiency NCTCOG departments, local governments, and others find data from RIS programs indispensable for their planning and decision-making activities. RIS is exploring ways to leverage available data to develop new datasets and improve existing ones. One example is the use of data from local appraisal districts to enhance the attribute information in our developments inventory.

Focus on Customer Needs The Spatial Data Cooperative Program provides local governments and other participants with high-quality digital imagery and related products. This initiative provides a cost-savings for not just the initial participants, but anyone who purchases the products available through the program. RIS is looking at the program offerings in consideration of expanding them to meet additional customer needs. RIS is also improving the purchase site, through which non-participants can acquire the data. The improved purchase site is being designed to accommodate future enhancements that can improve the experience and offer additional value for the customer.

Focus on Innovation RIS has recently added machine learning capabilities to its suite of competencies. Currently, the applications have focused on work for the Demographic Forecasting. RIS is exploring the potential expansion of these capabilities to other programs such as the small area estimates program.

Workforce Development (WF)- Workforce Solutions for North Central Texas (WSNCT) consists of a Board of Directors and a network of 12 workforce centers serving the 14 counties in the North Central Texas service area. Our Board oversees the planning, oversight, policy guidance and design of services to ensure we fulfill our vision, mission and values. Our workforce centers provide services to the entire population, which includes unemployed and under-employed individuals seeking a better career, or those interested in exploring other career options. In counties where workforce centers are not physically located, services are provided using our Mobile Workforce Unit.

Achievement of Excellence in Procurement® Award 2019 In July 2019, Workforce Solutions for North Central Texas, in partnership with North Central Texas Council of Governments, received the Achievement of Excellence in Procurement® (AEP) Award from the National Procurement Institute, Inc. for the ninth (9) consecutive year. The AEP Award recognizes organizational excellence in public procurement and was awarded to 202 successful recipients across 25 states. Workforce Solutions for North Central Texas is one of only 48 agencies in Texas and one of only 39 special districts in the United States and Canada to receive the AEP award.

North Texas Capabilities Forum WSNCT is committed to supporting employers, career seekers and other stakeholders through initiatives that expand awareness, provide educational platforms and spotlighting the untapped special populations of talent, namely career seekers and veterans with disabilities. In partnership with Capital One Bank HQ and the City of Plano Mayor's Office, WSNCT launched the inaugural North Texas Capabilities Forum (NTX), the first of its kind, on Oct. 31, 2018 in Plano, TX. In collaboration with Workforce Solutions - Vocational Rehabilitation Services (TWS-VR), Bank of America and other champion thought leaders, the event was designed to collaboratively address employers' challenges related to successfully sourcing, hiring, training and supporting career seekers with disabilities.

WSNCT provided an impactful learning platform for employers, veterans and career seekers with disabilities that sparked action and momentum among attendees and encouraged employers to partner with WSNCT & TWS-VR to explore and evaluate their corporate culture. A panel comprised of diversity and inclusion thought leaders from USAA, Blue Cross Blue Shield, Texas Health Presbyterian, Essilor America, Texas Instruments, DOL and AT&T provided employers with an interactive discussion on topics such as embracing diversity related to disabilities in the workplace and the importance of strategic partnerships for strategy development. Bank of America presented their journey, which led to the success of hiring more than 300 employees in a dedicated Support Services division. Simultaneously, career seekers were also provided an interactive discussion presented by TWS-VR, My Possibilities and CVS Health. Topics were workforce readiness, understanding corporate culture, and self-advocacy to help prepare them for interaction with employers. In total, 76 employers and 17 career seekers attended the event, and more than 20 community volunteers and 24 vocational rehabilitation counselors supported the event.

Texas HireAbility Award WSNCT was honored to receive the 2019 Texas HireAbility Award at the 23rd Annual Texas Workforce Commission Conference in the amount of \$30,000. This distinguished award honors a Local Workforce Development Board that has successfully promoted employment opportunities for talented and dedicated Texans with disabilities. The purpose of this award is to recognize outstanding local HireAbility campaign efforts that have benefited both career seekers and employers, and to encourage and foster replication of best practices across the state.

Hiring Red, White and You! Career Fair for Veterans In November 2018, Workforce Solutions for North Central Texas hosted two 7th Annual Statewide, Hiring Red, White and You! career fairs at the Allen Event Center and the Midlothian Conference Center to better serve our career seekers in our Northern and Southern region. The local hiring events involved a multi-agency collaboration designed to help military heroes, their spouses and family members successfully transition into the civilian workforce, and to encourage Texas employers to take advantage of the special skills, unique experiences, and valuable perspectives that former service personnel can offer.

Community resource partners were available onsite to assist career seekers one-on-one with resume writing, career coaching, and translating military experience into language that is relevant to civilian employers. Both events featured a combined 169 companies and resource agencies, and 1,299 career seekers resulting in more than 478 interviews scheduled.

iWork Youth Career Exploration Event Workforce Solutions for North Central Texas, in collaboration with multiple partners, promoted career awareness for local youth through iWork Youth Career Exploration Events, Career Days and Career Fairs to support our 14-county region. By bringing students, businesses and educators together, WSNCT provides an opportunity to explore various careers and immediately begin connecting the dots between career choices, skills and educational requirements necessary to enter occupations leading to successful, sustainable employment.

On April 18, 2019, in partnership with Education Service Center Region 10, WSNCT hosted its first iWork Youth Career Exploration Event for all ISDs located within Region 10. This event provided hands-on career exploration and educational information to 314 students from 21 independent school districts. To date, 2,200 students from across our region have participated in WSNCT iWork Youth Career Exploration events.

Students, teachers and parents were invited to explore interactive displays by more than 60 business partners – including NASA, Boeing, White, U.S. Aviation Academy, Nohra, BBVA Compass Bank, GE Transportation, Onor and employers who offer registered Apprenticeships – community colleges, universities and military personnel. More than 200 students took advantage of the mock interview sessions provided by workforce professionals to prepare them for their next job interview. They received immediate personal feedback and a list of online tips and tools for future use. Participants also enjoyed listening to professionals discuss relevant topics during the iChat sessions, including Social Media Do's and Don'ts, and Digital Technology.

Youth Inspiration and Career Awareness Award WSNCT was honored to receive the 2019 Youth Inspiration and Career Awareness Award at the 23rd Annual Texas Workforce Commission Conference in the amount of \$75,000. This exemplary award honors workforce boards for initiatives focused on supporting career awareness and exploration for young adults by inspiring youth and promoting career awareness through collaboration and involvement with the Texas workforce system.

Summer Earn and Learn Internship for Persons with Disabilities 2019 Summer Earn and Learn (SEAL) Program marked the 3rd year we partnered with the Texas Workforce Commission Vocational Rehabilitation Services (TWC-VRS) to provide students with disabilities, ages 14-22, with Employability Skills Training and Paid Work Experience for 5-weeks during the summer months (May – August 2019). TWC-VRS worked with WSNCT center staff within the 14-county board area to refer a total of 523 students to the program. A total of 412 students attended Workforce Orientation and 382 students completed Employability Skills Training. A total of 311 students successfully completed 5-weeks of Paid Work Experience which exceeded our goal of 217.

Employer partnerships were key to SEAL's success. A total of 99 local employers participated in the program, providing 191 worksites, with CVS accounting for 61 of those locations.

Once the program ended, 20 students were offered continued full-time employment with various employers throughout the board area. WSNCT collected more than 130 success stories and/or testimonials from participants, parents and employers.

Student HireAbility Navigator Initiative Our Student HireAbility Navigators advocate on behalf of students with disabilities to support, expand and enhance pre-employment transition services that are provided through our partner, Texas Workforce Commission-Vocational Rehabilitation Services (TWC-VR). Navigators collaborate with employers, independent school districts, colleges and community organizations to help them develop the right programs and processes to provide an inclusive work and educational environment for students with disabilities.

Foster Youth Initiative and Summer Internship Pilot Program WSNCT has been intentional in collaborating with local and state leadership of The Texas Department of Family and Protective Services and the Preparation for Adult Living program. Working together, we hosted four Aging Out Seminars this year specifically for foster youth to assist them with their transition from foster care. A total of 57 foster youth attended and 15 enrolled in Workforce Innovation and Opportunity Act services in fiscal year 2018-2019.

We completed our second Summer Internship Pilot program to provide foster youth the opportunity to develop marketable career skills and obtain professional work experience. Internship opportunities were provided to six foster youth by Marshalls/TJ Maxx/Home Goods and Hoffman Automotive. The goal is to continue outreach and educational efforts to expand the opportunity for foster youth and employers. A special thank you to Marshalls and Hoffman Automotive for their commitment to provide foster youth work experience placements in the WSNCT area.

Texas Rising Star Child Care Provider Program Texas Rising Star (TRS) certification program is the state of Texas' quality rating and improvement system for child care providers who are contracted with local Workforce Development boards to accept children in the Child Care Subsidy program. Child care providers in the system are 2-, 3-, or 4-star facilities. The Workforce Solutions for North Central Texas team of Early Childhood Specialists provides mentoring services to TRS providers to help them implement and maintain TRS standards. This has produced notable results: the number of TRS providers grew from 66 to 82 in fiscal year 2019, and seven providers moved up a star level in the TRS program.

With more than 7,200 hours of mentoring offered to TRS providers during the past year, WSNCT is a driving force in quality child care practices in the North Central Texas area.

Child Care Provider Training Opportunities Workforce Solutions for North Central Texas offered training opportunities to child care providers as a part of its initiative to promote quality child care practices.

- 87 caregivers graduated from the 120-hour Child Development Associate (CDA) course. 53 received their CDA credential by September 2019.
- 16 participants were awarded an ECMI Administrator's Credential.
- 13 students, who were employed at Texas Rising Star facilities, were awarded scholarships to take classes in early childhood education and child development at colleges or universities.
- 37 trainings were offered throughout the region and more than 500 early childhood professionals benefitted from quality trainings in early childhood education and child development.
- 299 scholarships were awarded to early childhood professionals to attend local, state, or national conferences, including Conscious Discipline, Texas Association for the Education of Young Children, Frog Street Splash Conference, and Association for Early Learning Leaders.

Child Care Equipment and Material Grants In fiscal year 2019, we provided more than \$133,000 in grants in fiscal year 2019 for TRS providers. These grants allowed providers to enhance their centers with new equipment and materials specific to infants and toddlers to ensure quality learning environments were available for children ages 0-2.

WSNCT provided more than \$127,000 in grants to TRS providers who requested early childhood curriculums for children ages 0-5 years. TRS providers who received a curriculum were given training on how to implement the curriculum in the classrooms.

WSNCT also partnered with Scholastic Book Fairs and sponsored Reading Oasis Centers for 13 more TRS providers. This continues to be a place where families can read together. The goal is to promote early literacy and family involvement at our TRS child care facilities. We also enhanced existing Reading Oasis centers in our Texas Rising Star facilities to include books and equipment for children ages 0-2.

Bright From the Start Conference In April 2019, WSNCT hosted its 5th Annual Bright From the Start Early Childhood Conference in Hurst, TX. Owners, Directors, Teachers, and Caregivers attended workshops that addressed child care licensing standards, developmentally appropriate practices for children from birth through 12, children in foster care, and other child care-related topics. Holly Elissa Bruno, an international speaker and best-selling, award-winning author, was the keynote speaker. More than 200 participants attended the one-day conference.

Early Childhood Mini-Conference In July 2019, Workforce Solutions for North Central Texas hosted its first Nurture. Grow. Flourish! mini conference in Grand Prairie, TX. More than 100 attendees received up to 4 clock hours of child care training specific to meeting the needs of children with special needs and abilities.

Family Engagement Event In September 2019, Workforce Solutions for North Central Texas hosted its first family engagement event. Community members in Plano, TX, more than 250 people (adults and children) participated in the event. WSNCT used this as an opportunity to educate parents on how to search for high-quality child care providers for their child(ren) and to provide them with resources on how to implement developmentally appropriate learning activities at home with their child(ren).

Tri-Agency Workforce Initiative Summit In November of 2018, WSNCT participated in and convened a group of local partners to attend the Tri-Agency Workforce Initiative Summit to assess local economic activity, examine workforce challenges and opportunities, and consider innovative approaches to meeting the state's workforce goals. Summit attendees included the City of Denton and City of Denton Economic Development Corporation, North Central Texas College, Terrell Independent School District (ISD), Education Service Center (ESC) Region 10, Collin County Community College, ESC Region 11, Denton ISD and Essilor.

Stakeholder participation from our region resulted in the identification of three areas of focused collaborative needs: (1) The alignment of funding, (2) career exploration, and (3) contributing to the data needs (e.g. focus group findings, surveys and labor marketing information) of Perkins V. Following the summit, the Texas Education Agency (TEA) released the Texas Regional Pathways Networks competitive grant opportunity that sponsored the creation of the North Central Regional Aerial Robotics Initiative designed to provide schools that teach science, technology, engineering, and math (STEM) with educational pathways to the unmanned aerial vehicle, or drone, industry.

Skills Development Fund Grants Workforce Solutions for North Central Texas continues to lead the way in supporting the development of Skills Development Fund (SDF) grants. We work diligently to identify new employers to engage in the SDF process with our community colleges, and our community college partners are continuing to gain the training capacity to meet the needs of local industry. In FY19,

our colleges were awarded \$2,779,826 in SDF dollars to serve our employer community, and WSNCT will continue to actively support development of customized training grants

Adult Education and Literacy Regional Coalition WSNCT is a member of the Adult Education & Literacy/North Central Texas Workforce Regional Coalition (AEL/Workforce Regional Coalition), whose prime objective is to promote integration, cooperation, and collaboration between AEL providers and Workforce Center staff to ensure the consistent delivery of services across all systems.

In addition to WSNCT, participating partners of the AEL/Workforce Regional Coalition include:

- Denton Independent School District (ISD)
- Grayson College
- Navarro College
- Paris Junior College
- Weatherford ISD

WSNCT's AEL partners provide adult basic education and literacy programs – such as High School Equivalency preparation and English as a Second Language classes – to eligible participants within the workforce service area. These efforts were further strengthened through partnering with Texas Workforce Commission-Vocational Rehabilitation Services to better serve the communities in the North Central Texas area.

Our AEL partner Weatherford ISD received the 2019 AEL Performance Quality Improvement Award at the 23rd Annual Texas Workforce Conference. This prestigious award recognizes both exemplary AEL program performance toward meeting targeted measures and employer partnerships

Factors Affecting Financial Condition

As a recipient of federal, state and local government financial assistance, NCTCOG is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management. NCTCOG staff continues to evaluate internal controls and implement recommendations to strengthen controls and minimize risk.

In developing and evaluating the Council's accounting system, consideration is given to the adequacy of internal control. Internal control is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognized that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. It is believed that NCTCOG's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As part of NCTCOG's single audit, tests are made to determine the adequacy of internal control including that portion related to federal financial assistance programs, as well as to determine that NCTCOG has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended September 30, 2019, provided no instance of material weaknesses in internal control or significant violations of applicable laws and regulations.

NCTCOG's annual budget is a management tool that assists in analyzing financial activities during the fiscal year. The annual budget is reviewed and formally adopted by the Executive Board prior to the beginning of the fiscal year. The approved annual budget is used as a control device for the General Fund

while individual grant contracts are used as the control device within the Special Revenue Funds. NCTCOG's fiscal year 2020 budget is approximately 81% grant funding and as new funding opportunities arise throughout the year, they are presented to the Executive Board for approval.

Other Information

Independent Audit

NCTCOG's Work Program is funded by a variety of federal, state, and local government sources. Most of the funding is received through grants, which include audit requirements. In addition to the audit requirements for individual grants, NCTCOG is required by its bylaws to have an annual audit made of the books of accounts, records, and all transactions by a Certified Public Accountant selected by and responsible to NCTCOG's Executive Board. The firm of Whitley Penn performed this year's audit.

NCTCOG has received a single financial and compliance audit each year since 1980. This year, NCTCOG's auditors are issuing a report in compliance with Uniform Guidance and Uniform Grant Management Standards to the U.S. Department of Labor (NCTCOG's federal oversight agency) and the Texas Department of Transportation (NCTCOG's state oversight agency). In addition, the state now requires a single audit of the state funded grants.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Central Texas Council of Governments for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the nineteenth consecutive year that NCTCOG has achieved this prestigious award. In order to be awarded the Certificate of Achievement, governmental units must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believed that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements. It is NCTCOG's intention to submit this year's report to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Administration. Appreciation is expressed to the members of the Department who assisted and contributed to its preparation. The Executive Board is also commended for their interest and support in planning and conducting the financial operations of NCTCOG in a responsible and progressive manner.

Acknowledgment is also given to the representatives of Whitley Penn LLP for their invaluable assistance in producing the final document.

Mike Eastland
Executive Director

Monte Mercer, CPA
Deputy Executive Director

Molly Rendon
Director of Administration

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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North Central Texas
Council of Governments

For its comprehensive annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

Organizational Chart

North Central Texas Council of Governments



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**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
2019- 2020 EXECUTIVE BOARD**

President
J.D. Clark
County Judge
Wise County

Vice President
Ray Smith
Mayor
Town of Prosper

Secretary-Treasurer
Curtistene McCowan
Mayor
City of DeSoto

Past President
Kevin Strength
Mayor
City of Waxahachie

Director
Clay Jenkins
County Judge
Dallas County

Director
B. Glen Whitley
County Judge
Tarrant County

Director
Chris Hill
County Judge
Collin County

Director
Bobbie Mitchell
Commissioner
Denton County

Director
David Sweet
County Judge
Rockwall County

Director
Rick Stopfer
Mayor
City of Irving

Director
Lee Kleinman
Councilmember
City of Dallas

Director
Kelly Allen Gray
Councilmember
City of Fort Worth

Director
Andrew Ziel
Councilmember
City of Arlington

Director
Tito Rodriguez
Councilmember
City of North Richland Hills

Director
Gary Caplinger
Councilmember
City of Allen

Director
Bill Heidemann
Mayor
City of Corinth

Director
Ken Shetter
Mayor
City of Burleson

Ex Officio Nonvoting Member
Yvonne Davis
State Representative
District 111

Executive Director
R. Michael Eastland

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ADMINISTRATIVE STAFF

Deputy Executive Director
Monte Mercer

Director, Transportation
Michael R. Morris

Director, Research and Information Services
Tim Barbee

Director, Environment and Development
Edith Marvin

Director, Emergency Preparedness
Molly McFadden

Director, Area Agency on Aging
Doni Greene

Director, Regional 9-1-1
Christy Williams

Director, Workforce Development
David Setzer

Director, Agency Administration
Molly Rendon

Executive Director, Public Employee Benefits
Cooperative
Dolores Lewis

Mission Statement

We are an association of, by, and for local governments. We assist our members in planning for common needs, cooperating for mutual benefit, and recognizing regional opportunities for improving the quality of life in North Central Texas.

North Central Texas Council of Governments



Values:

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REGIONALISM

We value regionalism as the cornerstone of our existence, and through our unique regional perspective provides us the vantage point to address issues that extend beyond traditional boundaries. One of our goals is to be the catalyst for building consensus from diverse viewpoints and maximizing regional unity.

GOVERNANCE

We feel that policy decisions are best made by the level of government closest to the people. Therefore, we directly involve local governments in our decision-making process, which is made up of an executive board of local elected officials and regional citizens with support from numerous study, technical, and policy committees.

SERVICE

We seek to provide high quality service to our members. Our charge is to work with our local governments and other service providers to identify the most useful and beneficial plans, services, and products to satisfy their needs, and, then, to provide them in a courteous and timely manner.

EMPLOYEES

We value our employees and respect both individual excellence and dedicated teamwork. We support the principles of professional development, fair and consistent personnel practices, and competitive compensation.

ETHICS

We maintain the highest standards of professional integrity in providing competent, technically sound products and services. Honesty and impartiality are minimum standards for all our dealings with our members, the general public, other agencies, and each other.

INNOVATION

We recognize that our members are best served by our ability to anticipate the consequences of dynamic change. We, therefore, will help local governments find innovative solutions to both existing and future challenges facing North Central Texas.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (231)**

Counties (16)

Collin
Dallas
Denton
Ellis
Erath
Hood

Hunt
Johnson
Kaufman
Navarro
Palo Pinto
Parker

Rockwall
Somervell
Tarrant
Wise

Cities (169)

Addison
Aledo
Allen
Alvarado
Alvord
Angus
Anna
Annetta
Argyle
Arlington
Aubrey
Aurora
Azle
Balch Springs
Bartonville
Bedford
Benbrook
Blooming Grove
Blue Mound
Blue Ridge
Bridgeport
Burleson
Caddo Mills
Carrollton
Cedar Hill
Celeste
Celina
Chico
Cleburne
Colleyville
Combine
Commerce
Coppell
Copper Canyon
Corinth
Corsicana
Crandall
Cross Timbers
Crowley
Dallas
Dalworthington Gardens
Decatur
Denton

DeSoto
Dish
Double Oak
Dublin
Duncanville
Edgecliff Village
Ennis
Euless
Everman
Fairview (Collin)
Farmers Branch
Farmersville
Ferris
Flower Mound
Forest Hill
Forney
Fort Worth
Frisco
Garland
Glenn Heights
Glen Rose
Gordon
Graford
Granbury
Grand Prairie
Grandview
Grapevine
Greenville
Hackberry
Haltom City
Haslet
Heath
Hickory Creek
Highland Park
Highland Village
Hudson Oaks
Hurst
Hutchins
Irving
Italy
Josephine
Joshua
Justin

Kaufman
Keene
Keller
Kemp
Kennedale
Kerens
Krugerville
Krum
Lake Bridgeport
Lake Dallas
Lake Worth
Lakewood Village
Lancaster
Laven
Lewisville
Little Elm
Lucas
Mabank
Mansfield
McKinney
McLendon-Chisholm
Melissa
Mesquite
Midlothian
Milford
Millsap
Mineral Wells
Murphy
New Fairview
New Hope
Newark
Northlake
North Richland Hills
Oak Point
Ovilla
Pantego
Paradise
Parker
Pecan Hill
Pilot Point
Plano
Ponder
Princeton

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**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (231)**

Cities (169) - continued

Prosper
Quinlan
Red Oak
Reno
Rhome
Richardson
Richland Hills
Rio Vista
River Oaks
Roanoke
Rockwall
Rowlett
Royse City
Runaway Bay

Sachse
Saginaw
Sanger
Sansom Park
Scurry
Seagoville
Southlake
Springtown
Stephenville
Sunnyvale
Talty
Terrell
The Colony
Trophy Club

University Park
Venus
Watauga
Waxahachie
Weatherford
West Tawakoni
Westworth Village
White Settlement
Willow Park
Wilmer
Wolfe City
Wylie

School Districts (19)

Arlington ISD
Birdville ISD
Cedar Hill ISD
Denton ISD
Duncanville ISD
Farmersville ISD
Garland ISD

Grand Prairie ISD
Greenville ISD
Hurst-Euless-Bedford ISD
Kaufman ISD
Lewisville ISD
Mansfield ISD
Mesquite ISD

Midlothian ISD
Plano ISD
Rockwall ISD
Terrell ISD
Weatherford ISD

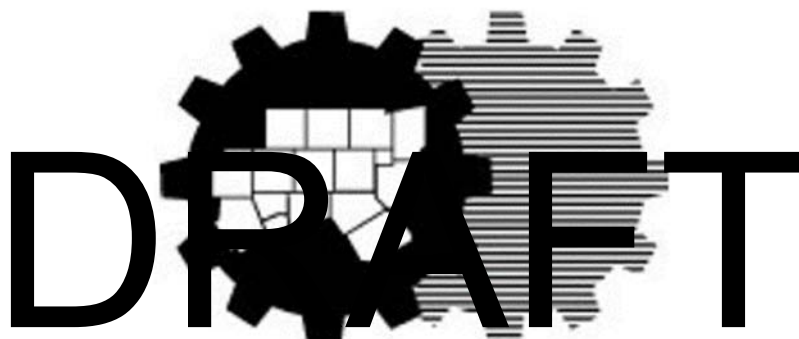
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Special Districts (27)

Acton Municipal Utility District
Benbrook Water and Sewer Authority
Central Appraisal District of Johnson County
Collin County Central Appraisal District
Dallas Area Rapid Transit
Dallas County Community College District
Dallas County Flood Control District #1
Dallas County Park Cities Municipal Utility District
Dallas County Utility & Reclamation District

Dalworth Soil & Water Conservation District
Denton County Fresh Water Supply District #1A
Denton County Fresh Water Supply District #6/7
Denton County Fresh Water Supply District #10
Denton County Transportation Authority
Hunt Memorial Hospital District
Johnson County Special Utility District
Lake Cities Municipal Utility Authority

Metropolitan Area EMS Authority
Northeast Texas Rural Rail Transportation District
North Texas Municipal Water District
North Texas Tollway Authority
Tarrant County Regional Water District
Trinity Metro
Trinity River Authority
Trinity River Vision Authority
Trophy Club Municipal Utility District #1
Wise County Water Control & Improvements District

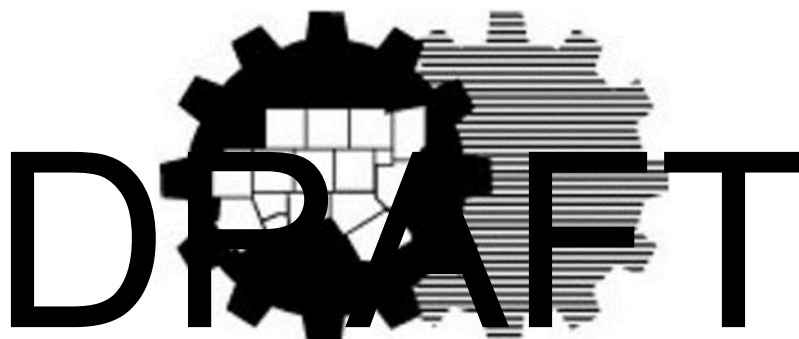


**North Central Texas
Council of Governments**

Financial
Section

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**North Central Texas
Council of Governments**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Central Texas Council of Governments

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Central Texas Council of Governments (the "Council"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors
North Central Texas Council of Governments

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type of activities, each major fund, and the aggregate remaining fund information of the Council, as of September 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The introductory section, other supplemental information and statistical section as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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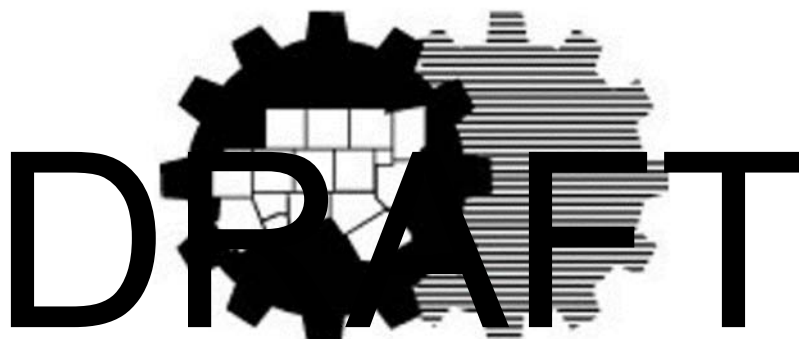
To the Board of Directors
North Central Texas Council of Governments

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2019 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 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 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 Council's internal control over financial reporting and compliance.


Fort Worth, Texas
February 18, 2019

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**North Central Texas
Council of Governments**

DRAFT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The logo consists of a black gear on the left and a stylized map of Texas on the right, filled with horizontal lines. The word "DRAFT" is written in large, bold, black capital letters across the center, overlapping both the gear and the map.

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**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

As management of the North Central Texas Council of Governments (NCTCOG), we offer readers of the NCTCOG's financial statements this narrative overview and analysis of the financial activities of the NCTCOG for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - xvii of this report.

Financial Highlights

- NCTCOG's assets exceeded liabilities at the close of the most recent fiscal year by \$16,157,575 (*net position*). Of this amount \$8,190,933 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- Net position decreased a net of \$4,442,145. An increase of \$3,703,284, or 18%, in the current fiscal year comprised of \$2,806,502 increase in net capital assets and \$896,782 increase in restricted and unrestricted funds. A special item transfer in capital assets from the NCTCOG to the NCT9-1-1 District reduced net position \$8,145,429.
- NCTCOG's governmental funds reported combined ending fund balances of \$15,507,395 an increase of \$1,411,240 or a 9% increase in comparison with the prior year. Of the total fund balance, approximately 39% is restricted for local transportation projects, 8% is reserved for grants, prepaids and other local projects, 44% is available for spending at the government's discretion (unassigned) and 9% is assigned for other agency projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the NCTCOG's basic financial statements. The NCTCOG's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the NCTCOG'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 NCTCOG is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the NCTCOG that are principally supported by grants and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the NCTCOG include the general fund and special revenue fund.

As there are no component units within NCTCOG, the government-wide financial statements include the general, special revenue and proprietary funds as shown on pages 13 and 14 of this report.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 NCTCOG, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the NCTCOG can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The NCTCOG maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the special revenue fund, both of which are considered to be major funds. Individual fund data for the major special revenue governmental funds is provided in the form of *combining statements* elsewhere in this report.

The NCTCOG adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 and 17 of this report.

Proprietary Funds. The NCTCOG maintains two types of proprietary funds:

The *internal service fund* is an accounting device used to accumulate and allocate costs internally among the NCTCOG's various functions. The NCTCOG uses an internal service fund to account for its management information systems. Because this service predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. NCTCOG uses enterprise funds to account for charges to outside customers for full costs of the services provided.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-41 of this report.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information*. Required supplemental information can be found on pages 42-44 of this report.

The combining schedule referred to earlier in connection with the major special revenue fund is presented immediately following the required supplemental information on pages 45-48 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the NCTCOG, total assets exceeded liabilities by \$16,157,575 at the close of the most recent fiscal year. Following is a summary of the Government-wide Statement of Net Position:

COMPARATIVE SCHEDULE OF NET POSITION
September 30, 2019 and 2018

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current assets	\$ 98,289,780	\$ 101,866,663	\$ 184,511	\$ 106,604	\$ 98,474,291	\$ 101,973,267
Capital assets	1,150,206	6,488,405	-	728	1,150,206	6,489,133
Total Assets	<u>99,439,986</u>	<u>108,355,068</u>	<u>184,511</u>	<u>107,332</u>	<u>99,624,497</u>	<u>108,462,400</u>
Other liabilities	874,664	8,112,382	50,491	19,085	81,925,113	86,431,467
Long-term liabilities	1,689,859	1,431,213	-	-	1,689,859	1,431,213
Total Liabilities	<u>8,564,483</u>	<u>7,843,597</u>	<u>50,491</u>	<u>19,085</u>	<u>83,614,972</u>	<u>87,862,680</u>
Net position						
Net investment in capital assets	1,150,206	6,488,405	-	728	1,150,206	6,489,133
Restricted	6,816,436	6,124,568	-	-	6,816,436	6,124,568
Unrestricted	8,056,921	7,898,500	134,012	87,519	8,190,933	7,986,019
Total Net Position	<u>\$ 16,023,563</u>	<u>\$ 20,511,473</u>	<u>\$ 134,012</u>	<u>\$ 88,247</u>	<u>\$ 16,157,575</u>	<u>\$ 20,599,720</u>

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A portion of NCTCOG's net position, \$1,150,206, (7%) reflects its investment in capital assets (e.g., equipment) less any debt used to acquire those assets that is still outstanding. NCTCOG uses these assets to provide grant related services, they are restricted for specific use related to grant services; consequently, these assets are not available for future spending.

In addition, a portion of NCTCOG's net position, \$6,816,436 (42%) is restricted. Of this amount \$6,013,960 is for Regional Transportation Council approved projects related to transportation funded initiatives. The remaining \$802,476 is restricted for grants with limitations specified by the funding agencies.

\$8,190,933 (51%) is considered unrestricted and may be used to meet the government's ongoing obligations to creditors and for service implementation.

- **Governmental Activities.** For the year ended September 30, 2019, NCTCOG's net position for governmental activities decreased a net of \$4,442,145. An increase of \$3,703,284, or 18%, in the current

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

fiscal year comprised of \$2,806,502 increase in net capital assets and \$896,782 increase in restricted and unrestricted funds. A special item transfer in capital assets from the NCTCOG to the NCT9-1-1 District reduced net position \$8,145,429. Following is a summary of the government-wide Statement of Activities:

COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION
September 30, 2019 and 2018

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program revenues:						
Federal administered grants	\$ 7,867,231	\$ 6,122,920	\$ -	\$ -	\$ 7,867,231	\$ 6,122,920
State administered grants	122,167,014	122,996,621	-	-	122,167,014	122,996,621
Local administered grants	11,947	49,981	-	-	11,947	49,981
Local contracts and in-kind	28,307,953	22,945,328	1,445,236	1,440,309	29,753,189	24,385,637
General revenues:						
Membership dues	722,858	708,243	-	-	722,858	708,243
Interest income	1,665,142	954,524	-	-	1,665,142	954,524
Total revenues	<u>160,742,145</u>	<u>153,777,617</u>	<u>1,445,236</u>	<u>1,440,309</u>	<u>162,187,381</u>	<u>155,217,926</u>
Expenses						
Agency administration	8,204,880	7,852,410	-	-	8,204,880	7,852,410
Agency management	1,394,848	885,791	-	-	1,394,848	885,791
Community services	1,364,440	1,364,522	32,028	339,190	1,690,168	1,703,695
Area Agency on Aging	16,739,462	16,601,140	-	-	16,739,462	16,601,140
9-1-1 Planning	5,903,968	14,423,825	-	-	5,903,968	14,423,825
Emergency preparedness	3,457,062	4,434,937	-	-	3,457,062	4,434,937
Environment and development	4,349,585	2,212,906	-	-	4,349,585	2,212,906
RIS local assistance	3,674,309	2,704,069	1,107,443	1,106,029	4,781,752	3,810,098
Transportation planning	42,090,520	38,551,550	-	-	42,090,520	38,551,550
Workforce development	69,845,277	61,478,270	-	-	69,845,277	61,478,270
Total expenses	<u>157,021,551</u>	<u>150,509,400</u>	<u>1,435,971</u>	<u>1,445,222</u>	<u>158,457,522</u>	<u>151,954,622</u>
Increase (decrease) in net position	3,720,594	3,268,217	9,265	(4,913)	3,729,859	3,263,304
Transfers	(63,075)	(26,450)	36,500	26,450	(26,575)	-
Special item	(8,145,429)	-	-	-	(8,145,429)	-
Increase (decrease) in net position	<u>(4,487,910)</u>	<u>3,241,767</u>	<u>45,765</u>	<u>21,537</u>	<u>(4,442,145)</u>	<u>3,263,304</u>
Net position - beginning	20,511,473	17,269,706	88,247	66,710	20,599,720	17,336,416
Net position - ending	\$ <u>16,023,563</u>	\$ <u>20,511,473</u>	\$ <u>134,012</u>	\$ <u>88,247</u>	\$ <u>16,157,575</u>	\$ <u>20,599,720</u>

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Significant components of the net position activity are as follows:

Governmental activities total revenues increased \$6,964,528 or 4.53% in the current year. This increase is comprised of the following major components:

- Federal revenues increased a net \$1,744,311 (28%) in the current year, primarily comprised of the following:
 - \$1,539,287 of this increase relates to Federal Transit Administration (FTA) programs. Job Access/Reverse Commute activities increased by \$1,168,848 due to the contracts with the

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fort Worth Transportation Authority, dba, Trinity Metro. The remaining \$370,439 increase is due to Transit Oriented Development activities.

- State revenues decreased a net \$829,607 (1%) in the current year, primarily comprised of the following:
 - \$8,077,605 decreased funding from the Commission on State Emergency Communication (CSEC). The CSEC grant ended and on December 3, 2018 the 9-1-1 Planning Program transitioned to The North Central Texas Emergency Communications District (NCT9-1-1). The District is funded directly by emergency communication fees from telephone providers.
 - \$8,384,733 increase from the Texas Workforce Commission (TWC). Childcare revenue increased 6,378,496, Childcare Quality increased 784,530, and Workforce Innovation and Opportunity (WIOA) increased 1,426,532.
 - \$1,828,732 decreased funding from the Texas Department of Transportation (TXDOT). The decrease is mainly due to higher activity in 2018 such as the interdepartmental agreement between Transportation and Research Information Services for Aerial Photography and Carma Technology Corporation for implementing technology to automatically detect and verify occupancy for uses of the Tolled Managed Lane facilities.
 - \$839,154 increased funding from the Texas Commission on Environmental Quality (TCEQ). \$1,379,832 increase in the Solid Waste Program, this is a two-year grant with most of the money being spent in year two. The Air Toxics program saw a reduction of \$2,076,171. Also, in 2018 \$1,459,250 Texas Emission Reduction Plan (TERP) grant obligations were returned.
- Local revenue and in-kind increased a net \$5,342,621 (23%) in the current year, primarily comprised of the following:
 - FTA in-kind increased \$962,895 due to the Job Access/Reverse Commute contracts with Fort Worth Transportation Authority, dba, Trinity Metro, for operating activities with a 50 % match requirement.
 - Texas Department of Public Safety (TXDPS) in-kind decreased \$517,430 due almost entirely to the Safe Room program.
 - TWC in-kind decreased \$555,343. The yearly amount of in-kind is based on the local match agreement in place that year. Each year this amount fluctuates based on the negotiated local match contract with local vendors.
 - Department of Commerce (DOC) in-kind increased \$749,292 from the Comprehensive Economic Development Strategy program.
 - Environment Protection Agency (EPA) in-kind increased \$372,187 in the Diesel Emissions Reduction Act (DERA) program.
 - Transportation had an increase of \$2,496,769 in local revenue. \$2,000,000 of this came from the City of Dallas for the Dallas Mockingbird Plaza Sustainable Development Project.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- RIS had an increase of \$929,985 in local revenue. The contributing factor of this increase was a full regional flight in our orthophotography program. Every year either a full flight or a limited flight is performed.
 - Workforce had an increase in local revenue of \$421,678 due to the Workforce Department (WF) receiving new funding for Vocational Rehabilitation (VR) programs. In FY19 WF began getting increased funding for the Hirability Navigator Contract, Summer Earn and Learn (SEAL) and VR Colocation. The VR Colocation contracts will continue to grow each year as TWC increases the amount of VR staff housed in the Workforce Centers.
 - Environment & Development had an increase of \$255,608 in local revenue. Of this, \$180,312 came from the Stormwater Consultant Monitoring program.
- General revenues increased \$725,233 (77%), mostly due to higher interest rates.

Governmental activities total expenses increased \$6,512,151 or 4% in the current year. Key elements of the changes are as follows:

- Workforce Development increased \$8,367,007 or 14% in Child Care, Child Care Quality, WIOA and Temporary Assistance for Needy Families (TANF) programs.
- 9-1-1 Planning decreased \$8,519,857 or 59% when compared with 2018. The CSEC grant ended and on December 3, 2018 the 9-1-1 Planning Program transitioned to The North Central Texas Emergency Communication District (NCT9-1-1).
- Transportation expenses increased \$3,538,900 or 4% when compared with 2018. Primarily due to the City of Dallas Moving Forward Plan Sustainable Development Project and the Fort Worth Transportation Authority, aka, Trinity Metro Job Access Reverse Commute Projects. Rich/Laura
- Environment & development expenses increased \$2,136,679 or 96% when compared to 2018. 2019 was the second year of a two-year Solid Waste grant cycle and typically, most of these expenses occur in year two.
- Research and Information Services expenditures increased \$970,240 or 36% when compared with 2018. The contributing factor of this increase was a full regional flight in our orthophotography program. Every year either a full flight or a limited flight is performed.
- Emergency preparedness expenses decreased \$977,875 or 22% when compared to 2018. The major component of this decrease relates to decreased mitigation activity, primarily in the Safe Room Program.
- Agency management expenses increased \$678,065 from match provided by the Comprehensive Economic Development Strategy project.
- Area Agency on Aging expenses increased a net of \$138,322 or 1%. An increase of \$349,867 in Health and Human Services Commission programs offset by a decrease of \$258,633 in local programs, mostly from the Managed Care Organizations.

Financial Analysis of the Government's Funds

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

As noted earlier, the NCTCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the NCTCOG's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the NCTCOG's financial requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the NCTCOG's governmental funds reported combined ending fund balances of \$15,507,395 an increase of \$1,411,240 in comparison with the prior year. Approximately 45% of this total amount (\$6,924,202) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for use because it has already been committed to liquidate contracts and purchase orders of the prior period along with future project obligations. The general fund is the chief operating fund of the NCTCOG. At the end of the current fiscal year, the total general fund balance reached \$6,984,518. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 4% of total governmental fund expenditures.

General Fund. The fund balance of NCTCOG's general fund increased by \$116,189 during the current fiscal year mainly due to increased interest revenue from higher interest rates.

Special Revenue Fund. The fund balance of NCTCOG's special revenue fund increased by a net of \$1,295,051 during the current fiscal year: \$845,588 for transportation projects, \$33,099 for the Solid Waste Program and \$630,788 in other projects; use of funds include \$6,268 from the Texas Water Development Board, \$134,168 for Criminal Justice programs and \$18,979 for activity in the Federal Emergency Management Agency FEMA Operating Technical Partners (OTP) Program. The underlying reasons for the increase are local match dollars collected for future use in programs as well as excess revenues on fee for service contracts.

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General Fund Budgetary Highlights

There were administrative adjustments made among functions that resulted in no net change in fund balance between the original and final budget. The net change in fund balance between the final budget and actual amounts resulted in an increase of \$115,639 which represents 1.2% of budgeted total current expenditures, primarily due to savings on various projects.

Capital Asset and Long-Term Liability Administration

Capital assets. The NCTCOG's investment in capital assets as of September 30, 2019 and 2018 amounted to \$1,150,206 and \$6,488,405 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and leasehold improvements. Detailed information on the NCTCOG's capital assets can be found in Note G on pages 38-39 of this report.

Economic Factors and Next Year's Budgets and Rates

NCTCOG membership dues are calculated based on current population of governmental units as certified annually by NCTCOG. Per capita membership dues for fiscal year 2020 is estimated at \$737,409.

NCTCOG is primarily funded by state and federal grants which fluctuate from year to year based on many factors including federal and state initiatives, demographics, and competitive grants awarded. Management reviews and makes the operational changes necessary to address these fluctuations. NCTCOG total

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

estimated revenues and program expenses for fiscal year 2020 decreased a net of \$27.2 million from fiscal year 2019.

Major state and federal program decrease in funding of \$24.5 million mainly comprised of:

- Workforce programs estimated a \$5.2 million increase from the Texas Workforce Commission (TWC).
- Transportation programs projected a net decrease of \$16.2 million, primarily comprised of:
 - Texas Commission on Environmental Quality (TCEQ)-(\$23.7 million decrease-AirCheck TX Program).
 - Environmental Protection Agency (EPA)-(\$1.9 million increase).
 - Texas Department of Transportation (TXDOT)-(\$4.1 million increase).
 - Federal Transit Authority (FTA)-(\$1.5 million increase).
 - Department of Energy (DOE)-(\$15 thousand increase).
 - Federal Highway Administration (FHWA)-(\$52 thousand decrease).
- Area Agency on Aging projected a \$204 thousand increase from the Health and Human Services Commission (HHSC) in Title III funds.
- Environment & Development – \$1.9 million net decrease comprised of:
 - Federal Emergency Management Agency (FEMA)-(\$798 thousand increase).
 - Texas Commission on Environmental Quality (TCEQ)-(\$962 thousand increase-Solid Waste Biennial Grant).
 - State Energy Conservation Office (SECO)-(\$105 thousand decrease).
- Agency Management – \$35 thousand increase from the U.S. Department of Commerce (US DOC).
- Emergency Preparedness – \$783 thousand net decrease comprised of:
 - Office of the Governor (OOG) – (\$113 thousand increase).
 - Texas Department of Public Safety (TXDPS) – (\$896 thousand decrease).
- Regional 9-1-1 – \$11 million decrease from the Commission on State Emergency Communications (CSEC).
- Local Contracts & Other Revenue – \$1.5 million net increase, primarily due to:
 - Research and Information Services – (\$1.2 million decrease).
 - Regional Police Academy – (\$165 thousand increase).
 - General Fund Interest Income – (\$80 thousand increase).
 - Emergency Preparedness – (\$51 thousand increase).
 - Transportation – (\$723 thousand increase).
 - Area Agency on Aging – (\$474 thousand increase).
 - Separate Entities:
 - NCT9-1-1 – (\$1.2 million increase).
 - Public Employee Benefits Cooperative-(\$47 thousand decrease)
- In-Kind Match Funds – \$4.3 million net decrease, primarily due to:
 - Transportation – (\$3.5 million increase).
 - Workforce Development – (\$53 thousand decrease).

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS *(continued)*

- Emergency Preparedness – (\$937 thousand decrease).
- Area Agency on Aging – (\$6.7 million decrease-reduction of local match requirements).
- Agency Management – Department of Commerce – (\$35 thousand decrease).

Requests for Information

This financial report is designed to provide a general overview of the NCTCOG's financed for all those with an interest in the agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Administration, North Central Texas Council of Government, P.O. Box 5888, Arlington, Texas, 76005-5888. This report is also available on the NCTCOG website, www.nctcog.org.

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The logo consists of a black gear on the left and a stylized map of Texas on the right, filled with horizontal lines. The word "DRAFT" is written in large, bold, black capital letters across the center, overlapping both the gear and the map.

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**North Central Texas
Council of Governments**

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BASIC FINANCIAL STATEMENTS

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
September 30, 2019

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>NCT-911 Total</u>
Assets				
Cash and cash equivalents	\$ 2,286,842	\$ -	\$ 2,286,842	\$ 356,162
Investments	74,120,849	-	74,120,849	-
Receivables	20,642,788	3,115	20,645,903	1,525,855
Internal balances	(181,396)	181,396	-	-
Due From Component Unit	816,984	-	816,984	-
Prepaid items	603,713	-	603,713	102,111
Capital assets, net of accumulated depreciation	1,150,206	-	1,150,206	5,698,577
Total Assets	<u>99,439,986</u>	<u>184,511</u>	<u>99,624,497</u>	<u>7,682,705</u>
Liabilities				
Accounts payable and accrued expenses	17,554,297	-	17,554,297	34,534
Unearned revenue	64,222,766	50,499	64,222,766	319,923
Due to Primary Government	-	-	-	816,984
Long-term liabilities				
Due within one year	148,050	-	148,050	-
Due in more than one year	1,541,809	-	1,541,809	-
Total Liabilities	<u>83,416,423</u>	<u>50,499</u>	<u>83,466,922</u>	<u>1,171,441</u>
Net Position				
Net investment in capital assets	1,150,206	-	1,150,206	5,698,577
Restricted for:				
Grants	802,476	-	802,476	-
Transportation projects	6,013,960	-	6,013,960	-
Unrestricted	8,056,921	134,012	8,190,933	812,687
Total Net Position	<u>\$ 16,023,563</u>	<u>\$ 134,012</u>	<u>\$ 16,157,575</u>	<u>\$ 6,511,264</u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 For the Year Ended September 30,2019

Functions/Programs	Expenses	Operating Grants and Contributions				Net (Expenses) Revenue and Change in Net Position			Component Unit
		Federal Funding	State/ State Admin Funding	Local Grant Funding	Local Contracts and Inkind Contributions	Primary Government		Total	
						Governmental Activities	Business Type Activities		
Primary Government:									
Governmental Activities:									
Agency administration	\$ 8,204,880	\$ -	\$ -	\$ -	\$ 1,770,499	\$ (6,434,381)	\$ -	\$ (6,434,381)	\$ -
Agency management	1,394,848	31,216	-	-	737,982	(625,650)	-	(625,650)	-
Community services	1,361,640	-	862,656	-	456,656	(42,328)	-	(42,328)	-
Area Agency on Aging	16,739,462	132,515	7,702,353	11,947	9,624,561	731,914	-	731,914	-
9-1-1 Planning	5,948,567	-	-	-	-	-	-	2,958,062	-
Emergency preparedness	3,448,567	-	2,450,856	-	1,700	292,146	-	292,146	-
Environment and development	4,348,567	617,567	2,450,856	-	1,700	68,787	-	68,787	-
RIS local assistance	3,648,567	-	-	-	2,729,285	(2,729,285)	-	(2,729,285)	-
Transportation planning	42,048,567	7,085,914	30,438,526	-	7,741,337	2,741,337	-	2,741,337	-
Workforce development	69,848,567	-	10,835	-	4,371,992	4,371,992	-	4,371,992	-
Total Governmental Activities	\$ 157,048,561	\$ 7,867,231	\$ 122,167,014	\$ 11,947	\$ 29,753,189	\$ 1,332,594	\$ 9,265	\$ 1,341,859	\$ -
Business-Type Activities:									
Shared Service Center	1,435,971	-	-	-	1,445,236	-	9,265	9,265	-
Total Primary Government	\$ 158,484,532	\$ 7,867,231	\$ 122,167,014	\$ 11,947	\$ 29,753,189	\$ 1,332,594	\$ 9,265	\$ 1,341,859	\$ -
Component-Type Activities:									
NCT9-1-1	9,732,713	-	-	-	8,098,548	-	-	-	(1,634,165)
Total Component Unit	\$ 9,732,713	\$ -	\$ -	\$ -	\$ 8,098,548	\$ -	\$ -	\$ -	\$ (1,634,165)
General Revenues:									
Membership dues						722,858	-	722,858	
Interest income						1,665,142	-	1,665,142	
Transfer in (out)						(63,075)	36,500	(26,575)	
Special item						(8,145,429)		(8,145,429)	8,145,429
Total general revenues, transfers and special item						\$ (5,820,504)	\$ 36,500	\$ (5,784,004)	\$ 8,145,429
Change in net position						(4,487,910)	45,765	(4,442,145)	6,511,264
Net position-beginning						20,511,473	88,247	20,599,720	
Net position-ending						\$ 16,023,563	\$ 134,012	\$ 16,157,575	\$ 6,511,264

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 2,163,178	\$ 123,664	\$ 2,286,842
Investments	13,392,093	60,728,756	74,120,849
Accounts receivable:			
Federal grants	-	2,522,386	2,522,386
State and local administered grants	-	17,114,017	17,114,017
Local grants	-	990,599	990,599
Other	15,787	-	15,787
Due from other funds	3,349,266	-	3,349,266
Due from component unit	816,984	-	816,984
Prepaid items	60,316	322,851	383,167
Total Assets	\$ 19,797,624	\$ 81,802,273	\$ 101,599,897
Liabilities			
Accounts payable	\$ 10,702,714	\$ -	\$ 10,702,714
Accrued liabilities	650,694	4,754,093	5,404,787
Accrued payroll and employee benefits	1,423,796	-	1,423,796
Due to other funds	-	4,388,938	4,388,938
Unearned revenue	35,902	64,136,365	64,172,267
Total Liabilities	12,813,106	73,279,396	86,092,502
Fund Balance			
Nonspendable	60,316	322,851	383,167
Restricted for:			
Grants	-	802,476	802,476
Transportation projects	-	6,013,960	6,013,960
Assigned	-	1,383,590	1,383,590
Unassigned	6,924,202	-	6,924,202
Total Fund Balance	6,984,518	8,522,877	15,507,395
Total Liabilities and Fund Balance	\$ 19,797,624	\$ 81,802,273	\$ 101,599,897

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See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
September 30, 2019

Amounts reported for governmental fund balance sheet (page 12) are different due to the following:

Total Fund Balance - total governmental funds (page 16)	\$ 15,507,395
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,042,129
Internal service funds are used by management to charge the cost of certain activities such as network services. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	1,163,898
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds.	<u>(1,689,859)</u>
Net position of governmental activities	<u>\$ 16,023,563</u>

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See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Federal grants	\$ -	\$ 7,867,231	\$ 7,867,231
State administered grants	-	122,167,014	122,167,014
Local administered grants	-	11,947	11,947
Membership dues	722,858	-	722,858
Local contributed cash	19,529	11,863,619	11,883,148
Interest income	277,554	1,387,588	1,665,142
Program Income	-	343,253	343,253
In-Kind	-	16,081,552	16,081,552
Total Revenues	<u>1,019,941</u>	<u>159,722,204</u>	<u>160,742,145</u>
Expenditures			
Current:			
Agency administration	4,703,004	3,717,237	8,420,241
Agency management	650,211	756,916	1,407,127
Community services	49,827	1,396,341	1,446,168
Area Agency on Aging	-	17,046,773	17,046,773
9-1-1	-	5,842,660	5,842,660
Emergency preparedness	-	3,609,118	3,609,118
Environment & development	137,932	4,382,723	4,520,625
Research & information services	246,753	3,879,386	4,126,173
Transportation	146,012	44,231,717	44,377,829
Workforce development	-	70,289,424	70,289,424
Capital outlay	<u>533,396</u>	<u>3,244,459</u>	<u>3,777,855</u>
	<u>6,467,099</u>	<u>158,396,894</u>	<u>164,863,993</u>
Indirect cost allocation	(5,582,753)	-	(5,582,753)
Contributions to indirect costs	(13,410)	-	(13,410)
Total Expenditures	<u>870,936</u>	<u>158,396,894</u>	<u>159,267,830</u>
Excess of Revenues Over Expenditures	<u>149,005</u>	<u>1,325,310</u>	<u>1,474,315</u>
Other Financing Sources (Uses)			
Transfers in	10,065	116,518	126,583
Transfers out	(42,881)	(146,777)	(189,658)
Total Other Financing Sources and (Uses)	<u>(32,816)</u>	<u>(30,259)</u>	<u>(63,075)</u>
Net changes in fund balance	116,189	1,295,051	1,411,240
Fund balance - beginning	<u>6,868,329</u>	<u>7,227,826</u>	<u>14,096,155</u>
Fund balance - ending	<u>\$ 6,984,518</u>	<u>\$ 8,522,877</u>	<u>\$ 15,507,395</u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS 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 September 30, 2019

Amounts reported for governmental activities in the statement of activities (page 13) are different because

Net Change in Fund Balances-total governmental funds (page 16)	\$ 1,411,240
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. This is the amount by which capital outlays exceeded depreciation expense in the current period.	3,777,855
The internal service funds are used by management to charge the costs of certain activities such as network service to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(526,425)
Current year changes in the long term liability for compensated absences does not require the use of current financial resources and, therefore, is not reported as expenditure in the governmental funds.	(112,281)
Special Item	(8,145,429)
Depreciation expense on capital assets does not require the use of current financial resources and, therefore, is not reported as expenditure in the governmental funds.	<u>(892,870)</u>
Change in net assets	<u>\$ (4,487,910)</u>

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See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Assets		
Accounts receivable:	\$ 3,115	\$ -
Due from other funds	181,396	858,276
Prepaid items	<u>-</u>	<u>220,546</u>
Total Current Assets	184,511	1,078,822
Capital assets, net of accumulated depreciation	<u>-</u>	<u>108,076</u>
Total Assets	<u>184,511</u>	<u>1,186,898</u>
Current Liabilities		
Accounts payable	-	23,000
Unearned revenue	<u>50,499</u>	<u>-</u>
Total Liabilities	<u>50,499</u>	<u>23,000</u>
Net Position		
Invested in capital assets, net of related debt	-	108,076
Unrestricted	<u>134,012</u>	<u>1,055,822</u>
Total Net Position	<u>\$ 134,012</u>	<u>\$ 1,163,898</u>

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See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating Revenues		
Service charges	\$ 1,445,236	\$ 6,055,937
Total Operating Revenues	<u>1,445,236</u>	<u>6,055,937</u>
Operating Expenses		
Personnel	160,820	1,382,392
Indirect	28,266	242,982
Contract services	537,500	359,160
Travel	5,788	5,131
Depreciation	72,000	128,744
Other costs	<u>592,872</u>	<u>4,490,528</u>
Total Operating Expenses	<u>1,435,971</u>	<u>6,608,937</u>
Operating Income (Loss)	<u>9,265</u>	<u>(553,000)</u>
Transfers in	<u>36,500</u>	<u>26,575</u>
Change in Net Position	45,765	(526,425)
Net Position - Beginning	<u>88,247</u>	<u>1,690,323</u>
Net Position - Ending	<u>\$ 134,012</u>	<u>\$ 1,163,898</u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities		
Receipts from service charges	\$ 1,398,743	\$ 6,387,842
Payments to other funds for indirect and other costs	(28,267)	(242,982)
Payments to suppliers for goods and services	(1,246,156)	(4,738,054)
Payments to employees	(160,820)	(1,382,392)
Net Cash Provided by (Used in) Operating Activities	<u>(36,500)</u>	<u>24,414</u>
Cash Flows from Noncapital Financing Activities		
Transfers in	(36,500)	26,575
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(36,500)</u>	<u>26,575</u>
Cash Flows from Capital and Related Financing Activities		
Additions to capital assets		(50,989)
Net Cash Provided (Used) by Capital Financing Activities		<u>(50,989)</u>
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents-Beginning of Year	-	-
Cash and Cash Equivalents - End of Year	\$ <u>-</u>	\$ <u>-</u>

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Reconciliation of Operating Income to Net Cash Provided (Used)
by Operating Activities:

Operating income (loss)	9,265	(553,000)
Adjustment to reconcile operating income/ (loss) to Net cash provided by (used in) operating activities:		
Depreciation expense	728	128,744
Decrease in prepaid expenses	-	93,765
Increase in unearned revenue	31,414	
(Increase) decrease in accounts receivable	(190)	-
(Increase) decrease in due from other funds	(77,717)	331,905
Increase in accounts payable	-	23,000
Net Cash Provided by (Used in) Operating Activities	<u>\$ (36,500)</u>	<u>\$ 24,414</u>

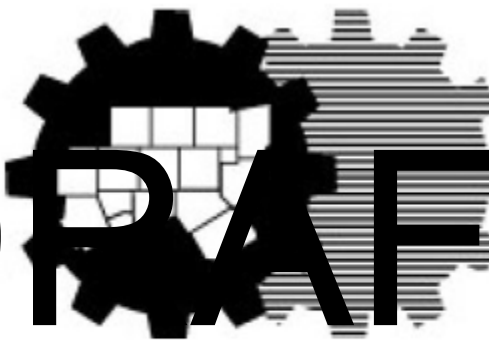
See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The North Central Texas Council of Governments (the Council or NCTCOG) is a voluntary association of cities, counties, school districts, and special districts within the sixteen-county North Central Texas region. The Council was established in 1966 to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. NCTCOG is a political subdivision of the State of Texas under state enabling legislation Chapter 391 - Local Government Code (formerly Article 1011(m), Revised Civil Statutes, State of Texas).

Summary of Significant Accounting Policies

The accounting and reporting policies of the Council relating to the funds included in the accompanying basic financial statements conform in all material respects to accounting principles generally accepted in the United States of America and applicable to state and local governments.

The following significant accounting policies were applied in the preparation of the accompanying basic financial statements:

1. Reporting Entity

Primary Government

Membership in NCTCOG is voluntary. Any city, county or special purpose district within the North Central Texas region may become a member of the independent association by passing a resolution to join the Council and paying annual dues. Each member government is entitled to have one voting representative in the Council's General Assembly, which is NCTCOG's governing body. Each year the General Assembly elects a seventeen (17) member Executive Board that is the policymaking and oversight body for the Council.

The financial reporting entity is determined in accordance with GASB No. 14 "The Financial Reporting Entity", as amended by GASB No. 39, "Determining Whether Certain Organizations are Component Units". The North Central Texas Emergency Communications District (NCT9-1-1) is a discretely presented component unit and is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended component unit. The accompanying financial statements present the government and its blended component unit, North Central Texas Council of Governments Foundation, for which the government is considered to be financially accountable. The governing bodies of the blended component unit are substantially the same as the Council and, although legally separate entities are in substance part of the Council's operations and accordingly, the component unit does not issue separate financial statements.

Discretely presented component unit. On December 3, 2018 the state 9-1-1 Planning Program transitioned to The North Central Texas Emergency Communications District (NCT9-1-1). NCT9-1-1 is a legally separate entity, financially accountable and is not fiscally dependent on the primary government.

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NCT9-1-1 was created pursuant to Chapter 772, Subchapter H, of the Texas Health and Safety Code through the passage of resolutions by County Commissioners Courts and City Councils within the District's service area. The service area of the District consists of all cities within Collin, Ellis, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, and Wise counties not served by another emergency communications district, as well as the cities of Balch Springs, Cockrell Hill, Sachse, Seagoville, and Wilmer in Dallas County.

NCT9-1-1 is a political subdivision of the State and carries out essential governmental functions related to the provision of 9-1-1 emergency communications services to all jurisdictions served by NCT9-1-1 and is governed by a Board of Managers consisting of elected officials.

In accordance with Sec. 772.609 of the Health and Safety Code, the Executive Director of the North Central Texas Council of Governments shall serve as the Executive Director of the District and be empowered to employ and compensate professional staff to perform NCT9-1-1 duties, which shall remain employees of the North Central Texas Council of Governments for all purposes. The North Central Texas Council of Governments shall function as the fiscal and administrative agent for the District, in accordance with Sec. 772.609 of the Health and Safety Code. NCT9-1-1 will be reported as a discrete component unit of the NCTCOG.

Separately issued financial reports are available for NCT9-1-1 and may be obtained by contacting:

DRAFT
NCT9-1-1
P.O. Box 5983
Arlington, TX, 76005

2. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the Council. Historically, governmental activities are supported by grant funding, indirect cost reimbursements from within the agency and membership dues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the NCT9-1-1 *discretely presented component unit*.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program

Program revenues include operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a program. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Council segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements. There are no non-major fund categories in the Council's presentation.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The Council has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the Council. This fund is used to account for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds

The Special Revenue Fund accounts for the proceeds of specific revenue sources, the expenditures for which are legally restricted for purposes specified in the grant agreements. These funds include Federal, State, State Administered, and Locally funded grants.

Proprietary Fund Type

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis accounting. The accounting objectives are determination of net income, financial position and cash flows. Assets and liabilities are included in the Statement of Net position. The Council has presented the following proprietary funds:

Enterprise Fund - accounts for charges to outside customers for full costs of services provided, including City Net shared services and the Training and Development Institute (TDI).

Internal Service Fund - accounts for the cost recovery of the Geographical Information System and the agency computer network cost center, print shop and facilities management. This fund accounts for these services on a cost reimbursement basis and through user fees.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred. Prepaid items are accounted for under the consumption method.

The governmental fund types (General Fund and Special Revenue Funds) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, revenues are considered available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

The accrual basis of accounting and flow of economic resources measurement focus are used in all proprietary fund types. Under the accrual basis of accounting, revenues are recognized when earned, and expenses (including depreciation) are recorded when the liability is incurred.

The major sources of revenue are grants, membership dues, local contributed cash, and in-kind and contributed services as follows:

Federal, State, and Local Grant Revenue

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by NCTCOG, before it has a legal claim to them, as when grant money is received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when NCTCOG has a legal claim to the resources, the liability for the unearned revenue is removed from the balance sheet and revenue is recognized.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Member Government Dues

All member governments are required to pay dues to NCTCOG. Dues are determined annually and are recognized as revenues when assessed because they are measurable and are collectible within the current period.

Dues are reported in the General Fund and funds are transferred to the Special Revenue Fund as needed to meet matching requirements of the grants.

Local Contributed Cash

Contributions to grant programs from local governments and other participants are recognized as revenue when grant expenditures are incurred in the case of cost reimbursement grants, and when courses are completed in the case of Regional Police Academy tuition.

In-Kind and Contributed Services

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal and state administered funding on various grants. Contributed services are therefore recorded as revenue and expenditures in the individual grants. The amounts of such services are recorded in the accompanying financial statements at their estimated fair market values at date of service.

As a general rule the effect of inter-fund activity is not carried forward to the government-wide financial statements.

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4. Leave Policies

Employees eligible for leave include (1) full-time employees and (2) part-time employees that work a minimum of 20 hours per week.

Based on full time or part time accrual rates employees may accrue, during the first five years of employment, up to ten (10) days of vacation leave per year. During the second five years of employment, an employee accrues up to fifteen (15) days per year, and after ten years of employment, up to twenty (20) days per year. The maximum of unused vacation leave a full-time and eligible part-time employee may accumulate is the number of days, which the employee would accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for reviewing the personnel manual. The liability for accumulated vacations (\$1,689,859 at September 30, 2019) for governmental fund types, which represents normal accumulations, has been recorded. The current portion of accrued vacation pay, which would be liquidated with expendable available resources, is not material.

The Council's sick leave policy permits the accumulation of ten (10) sick days per year up to a maximum of 90 days. Employees are not paid for unused sick days upon termination of employment. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The General Fund is typically used to liquidate the

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

liability for governmental activities' compensated absences. Long-term accrued compensated absences are not expected to be liquidated with expendable available financial resources and are not reported in the governmental fund financial statements.

5. Investments

The Council invests in authorized investment pools and funds. See Note B for details on 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 NCTCOG 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 NCTCOG 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 requires NCTCOG to have independent auditors perform test procedures related to investment practices provided by the Act. NCTCOG is in substantial compliance with the requirements of the Act and with local policies.

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates reporting under GASB Statement No. 72.

6. Prepaid Items

Prepaid balances are for payments made by the agency for which benefits extend beyond September 30, 2019. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

7. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. The commitments (purchase orders, contracts, and other commitments for the expenditure of funds) are not treated as expenditures until a liability for payment is incurred but are merely used to facilitate effective budget control and cash planning and management.

8. State Administered Grants

State Administered Grants are federal grant funds, appropriated state funds, or a combination of the two, which are allocated to State agencies, and then, passed through to local units of government.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Transfers

Transfers are the distribution of local cash resources to grant projects requiring a local cash match in accordance with the terms and conditions of the grant contract. Local funds are derived primarily from NCTCOG dues paid by member governments.

10. Allocation of Employee Benefits and Indirect Costs

NCTCOG Employee Benefits and Indirect Costs are allocated based upon actual expenditures to all grants in accordance with Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*. NCTCOG employee benefits are allocated to grant projects as a percentage of NCTCOG direct labor costs. Indirect costs necessary to sustain overall operations are allocated as a percentage of total direct labor costs and employee benefits charged to grant projects. Contributions to Indirect Costs represent revenues that offset certain costs included in the Indirect Cost Pool.

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 Title 2 *U.S. Code of Federal Regulations (CFR) Part 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.” NCTCOG’s indirect cost rate is based upon prior cost experience, documented by a cost allocation plan, and is approved by its cognizant agency. It is NCTCOG’s policy to negotiate with the cognizant agency a provisional rate which is used for billing purposes during NCTCOG’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.

11. Transactions between Funds

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except interfund services and reimbursements, are recorded as transfers.

12. Capital Assets

Capital assets, which include equipment, furniture and leasehold improvements, are reported in the governmental activities’ column in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

See Note G for details on capital assets.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Risk Management

NCTCOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. NCTCOG maintains workers' compensation and other risks of loss coverage through commercial insurance carriers. NCTCOG's management believes such coverage is sufficient to preclude any significant uninsured losses. There were no significant reductions in insurance coverage from coverage in the prior year. There were no insurance settlements which exceeded insurance coverage in any of the past three years.

The NCTCOG participates in the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) to provide workers' compensation coverage and general liability and property insurance. The Council, along with other participating entities, contributes annual amounts determined by TML-IRP management.

As claims arise, they are submitted to and paid by TML-IRP. During 2019, the Council contributed \$117,647 to the fund for this insurance coverage. There were no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the year ended September 30, 2019.

14. Cash and Cash Equivalents

Cash of all funds is pooled into a common bank account in order to maximize investment opportunities. The external investment pools satisfy the definition of cash equivalents, however, it is the Council's policy to treat these investments other than cash equivalents. NCTCOG elects to exclude investments with an original maturity of one year or less from the date of purchase from fair value reporting. These investments are reported at amortized cost.

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15. Nature and Purpose of Restrictions and Assignment of Fund Equity

In the government-wide financial statements, net position is reported in three categories: net position invested in capital assets; restricted net position; and unrestricted net position. Net position invested in capital assets represent capital assets less accumulated depreciation. Restricted net position represents net position restricted by parties outside of the Council. All other net position is considered unrestricted.

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the NCTCOG classifies governmental fund balances as follows.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers (grantors) either through laws and regulations, constitutionally or through enabling legislation.

Committed fund balance – includes fund balance amounts that are constrained for specific purposes that are internally imposed by NCTCOG through formal action of the highest level of decision-making authority. Committed fund balance is reported pursuant to resolution passed by NCTCOG's Board of Directors. It also includes amounts that can be used only for the specific purposes determined by the Executive Board. Commitments may be changed or lifted only by the Executive Board.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned fund balance – includes fund balance amounts that are self-imposed by NCTCOG to be used for a particular purpose and comprises amounts intended to be used by the Council for specific purposes and is authorized by the Executive Board or by the Executive Director. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed.

Unassigned fund balance – residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Unrestricted fund balance - total of committed fund balance, assigned fund balance, and unassigned fund balance. In an effort to ensure the continuance of sound financial management of public resources, the Council's unrestricted fund balance will be maintained in the General Fund. This will provide the Council with sufficient funds to address emergencies, sudden loss of revenue or operating needs, and unexpected downturns without borrowing.

This policy establishes the amounts the Council will strive to maintain in its General Fund balance, the conditions under which fund balance may be spent, and the method by which fund balances will be restored. These amounts are expressed as goals, recognizing that fund balance levels can fluctuate from year to year in the normal course of operations for any government.

Minimum Unassigned/Unrestricted Fund Balance - It is the intent of the Council to limit use of unassigned/unrestricted fund balances to address unanticipated, non-recurring needs or known and planned future obligations. Fund balances shall not be applied to recurring annual operating expenditures. Unassigned fund balances may, however, be used to allow time for the Council to restructure its operations in a deliberate manner, but such use will only take place in the context of long-term financial planning.

The Council's unassigned/unrestricted fund balance in the general fund should represent no less than two months of operating expenditures. The Council considers a fund balance of less than two months of operating expenditures to be cause for concern, barring unusual or deliberate circumstances.

If unassigned fund balance falls below the targeted minimum level or has a deficiency, the Council will request increased local funding over the subsequent fiscal years.

It is the policy of the Council that expenditures for which more than one category of fund balance could be used, that the order of use is: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A schedule of NCTCOG fund balances is provided in Note K.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

NOTE B - CASH AND INVESTMENTS

1. Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Act contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things it requires the NCTCOG 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, (9) and bid solicitation preferences for certificates of deposit. Statutes and the NCTCOG’s investment policy authorized the NCTCOG to invest in the following investments as summarized in the table below:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
US Treasury Securities	< 2 years	100%	none
US Agencies and Instrumentalities	< 2 years	85%	none
Certificates of Deposit	< 2 years	100%	none
Repurchase Agreements	< 120 days	20%	none
Money Market Mutual Funds	< 2 years	50%	none
Local Government Investment Pools	< 2 years	100%	none

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The Act also requires the NCTCOG to have independent audit to perform test procedures related to investment practices as provided by the Act. The NCTCOG is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary Government

Total Cash and Investments \$ 76,407,691

Cash and Investments as of September 30, 2019 consist of the following

Deposits with Financial Institutions	\$ 2,286,192
Cash on Hand	650
Investments	<u>74,120,849</u>
Total Cash and Investments	\$ <u>76,407,691</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

NOTE B - CASH AND INVESTMENTS (continued)

2. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the NCTCOG manages its exposure to risk is to invest in local government investment pools because all invested funds are intended to cover expenditures that are expected to occur within the next twelve months.

As of September 30, 2019, NCTCOG had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Days) (1)</u>
TexPool	\$ 37,215,244	37
Logic	465	43
TexStar	<u>36,905,140</u>	<u>27</u>
	\$ <u>74,120,849</u>	34

(1) Based on the final maturity dates of each floating rate instrument held in the portfolio.

As of September 30, 2019 NCTCOG, did not invest in any securities which are highly sensitive to interest rate fluctuations.

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3. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, NCTCOG's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Rating Required</u>	<u>Rating as of Year End</u>
TexPool	\$ 37,215,244	AAAm	AAAm
Logic	465	AAAm	AAAm
TexStar	<u>36,905,140</u>	AAAm	AAAm
	\$ <u>74,120,849</u>		

4. Concentration of Credit Risk

The investment policy of NCTCOG contains no limitation on the amount that can be invested in any one issuer. As of September 30, 2019, other than external investment pools, NCTCOG did not have 5% or more of its investments with any one issuer.

5. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution a government will not be able to recover its deposits or will not be able to recover collateral

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

NOTE B - CASH AND INVESTMENTS (continued)

securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The

Public Funds Investment Act and NCTCOG's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits or investment other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. At September 30, 2019, all of the Council's deposits had a carrying amount of \$2,723,345 and a bank ledger balance of \$2,286,192. Pledged Collateral of \$3,499,972 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

Interest Rate Risk. In accordance with its investment policy, NCTCOG manages its exposure to declines in fair values by limiting the maximum allowable stated maturity of any individual investment to one year, unless otherwise provided in a specific investment strategy that complies with current law.

Credit Risk. It is NCTCOG's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. NCTCOG's investment pool was rated AAA by Standard and Poor's Investors Service.

Concentration of Credit Risk. NCTCOG policy is to diversify its portfolio to eliminate the risk of loss resulting from overconcentration on assets in a specific maturity, specific issuer or a specific class of investments.

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6. Investment in Local Government Investment Pools

NCTCOG is a voluntary participant in various investment pools organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible entities of the State of Texas to jointly invest their funds in permitted investments. Investments are carried at fair value. All the investment pools maintain a stable value of one dollar per unit (rounded to the nearest whole cent). NCTCOG invests in the following investment pools:

TexPool: The Texas Comptroller of Public Accounts (the Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. Administrative and investment services to TexPool are provided by Federated Investors, Inc., under an agreement with the Comptroller, acting on behalf of the Texas Treasury Safekeeping Trust Company. The Comptroller maintains oversight of the services provided to TexPool by Federated Investors, Inc. In addition, the TexPool Advisory Board advises on the Investment Policies for TexPool and approves any fee increases. As required by the Public Funds Investment Act, the Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TEXSTAR: J.P. Morgan Investment Management Inc. and First Southwest Company serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM provides investment management services, and First Southwest Company provides participant services and

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

marketing. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. Transfer agency services are provided by Boston Financial Data Services, Inc. TexSTAR 's advisory board is composed of Participants in

NOTE B - CASH AND INVESTMENTS (continued)

TexSTAR and other persons who do not have a business relationship with TexSTAR. Members are appointed and serve at the will of the Board.

LOGIC: Day to day administration of Logic is performed by First Southwest Company and J.P. Morgan Investment Management Inc. (the Co-Administrators). First Southwest Company provides distribution, administrative, participant support and marketing services. J.P. Morgan Investment Management Inc. or its affiliates provide investment management, custody and fund accounting services. Transfer agency services are provided by Boston Financial Data Services, Inc. Logic's governing body is a five-member Board of Directors comprised of employees, officers or elected officials of participant Government Entities or individuals who do not have a business relationship with the Cooperative and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of Logic.

NOTE C – FEDERAL AND STATE ADMINISTERED GRANT RECEIVABLES

Federal and state administered grant receivables consist of receivables for reimbursement of expenditures under various programs and grants. All amounts are expected to be collected within the next year.

NOTE D – CHANGES IN LONG-TERM LIABILITIES

A summary of long-term liability transactions for the year ended September 30, 2019, is presented below. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented. Compensated absences are liquidated by all governmental funds by allocating amounts based on labor hours charged to those funds.

	Balance September 30, 2018	Increases	Decreases	Balance September 30, 2019	Due Within One Year
Accrued Vacation	\$ 1,577,578	\$ 240,844	\$ 128,563	\$ 1,689,859	\$ 148,050

NOTE E – DEFERRED COMPENSATION PLAN

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The International City Management Association Retirement Corporation (ICMARC) administers the plan. The plan, available to all Council employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries. NCTCOG has no fiduciary responsibility for the plan and the amounts are not accessible by the Council or its creditors. Therefore, the plan assets are not reported in the financial statements.

The Council also contributes to a Section 457 deferred compensation plan for part-time employees. This plan is also administered by ICMARC. Part-time employees contributed \$23,522 during 2019. The Council contributed a matching \$21,057 as the employer's match, 3.75% of gross salaries. Part-time employees are 100% vested in the plan from the first contribution.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

NOTE F – TRANSACTIONS AND TRANSFERS

Internal transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions are recorded as transfers (See Note A).

The following is a summary of interfund transfers at September 30, 2019:

Transfers In/Out Other Funds:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue	\$ 10,065	Recovery of depreciation
Special Revenue	General Fund	6,381	Local match dollars
Special Revenue Fund	Special Revenue Fund	109,637	Match dollars
Special Revenue Fund-Local	Special Revenue Fund-Lo	500	State funded projects/local match
Internal Service Fund	Special Revenue Fund	26,575	Local funded projects
Enterprise Fund	General Fund	26,588	Enterprise fund projects
	Total	20,658	

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Internal transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions.

Due To/From Other Funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 3,349,266	\$
Special Revenue Fund		4,388,938
Enterprise Fund	181,396	
Internal Service Fund	858,276	-
Total	\$ 4,388,938	\$ 4,388,938

The outstanding balances between funds result mainly from the time lag between dates that interfund goods and services are provided or reimbursable expenditures occur and/or payments between funds are made.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended September 30, 2019

NOTE G – CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended September 30, 2019, follows:

	Balance at September 30, 2018	Increases	Decreases	Transfer to District	Balance at September 30, 2019
<u>General Capital Assets</u>					
Capital assets being depreciated:					
Equipment	\$ 18,024,533	\$ 3,244,459	\$ (1,221,403)	\$ (14,766,883)	5,280,706
Furniture	223,279	-	-	-	223,279
Leasehold improvements	2,818,642	533,396	-	(854,251)	2,497,787
Total capital assets being depreciated	<u>21,066,454</u>	<u>3,777,855</u>	<u>(1,221,403)</u>	<u>(15,621,134)</u>	<u>8,001,772</u>
Accumulated depreciation					
Equipment	12,313,262	822,994	(1,221,403)	(7,082,748)	4,832,105
Furniture	223,279	-	-	-	223,279
Leasehold improvements	2,227,340	69,876	-	(392,957)	1,904,259
Total accumulated depreciation	<u>14,763,881</u>	<u>892,870</u>	<u>(1,221,403)</u>	<u>(7,475,705)</u>	<u>6,959,643</u>
Total governmental funds capital assets, net	<u>6,302,573</u>	<u>2,884,985</u>	<u>-</u>	<u>(8,145,429)</u>	<u>1,042,129</u>
<u>Internal Service Fund Capital Assets</u>					
Capital assets being depreciated:					
Equipment	1,208,322	50,989	(336,586)	-	922,725
Furniture	1,005	-	-	-	1,005
Leasehold improvements	25,667	-	-	-	25,667
Total capital assets being depreciated	<u>1,234,994</u>	<u>50,989</u>	<u>(336,586)</u>	<u>-</u>	<u>949,397</u>
Accumulated Depreciation					
Equipment	1,035,839	126,169	(336,586)	-	825,422
Furniture	1,005	459	-	-	1,464
Leasehold improvements	12,318	2,116	-	-	14,434
Total accumulated depreciation	<u>1,049,162</u>	<u>128,744</u>	<u>(336,586)</u>	<u>-</u>	<u>841,320</u>
Total governmental funds capital assets, net	<u>185,832</u>	<u>(77,755)</u>	<u>-</u>	<u>-</u>	<u>108,077</u>
Governmental activities capital assets, net	<u>\$ 6,488,405</u>	<u>\$ 2,807,230</u>	<u>\$ -</u>	<u>\$ (8,145,429)</u>	<u>\$ 1,150,206</u>

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

	Balance at September 30, 2018	Increases	Decreases	Balance at September 30, 2019
Business Type Activities:				
Capital assets being depreciated:				
Equipment	\$ 7,483,991	\$ -	\$ -	\$ 7,483,991
Total capital assets being depreciated	<u>7,483,991</u>	<u>-</u>	<u>-</u>	<u>7,483,991</u>
Accumulated Depreciation				
Equipment	7,483,263	728	-	7,483,991
Total accumulated depreciation	<u>7,483,263</u>	<u>728</u>	<u>-</u>	<u>7,483,991</u>
Total business type activities, net	\$ <u>728</u>	\$ <u>(728)</u>	\$ <u>-</u>	\$ <u>-</u>

Assets capitalized have an original cost of \$5,000 or more per unit and over three (3) years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Equipment	3 years
Furniture	5 years
Leasehold Improvements	Length of remaining lease

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

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

Governmental Activities:	
Agency administration	\$ 20,614
Agency management	8
Community services-911	588,870
Community services-Aging	639
Community services-CJD	176
Emergency preparedness	6,613
Environment & development	366
RIS local assistance	9,325
Transportation planning	74,105
Workforce development	192,153
Internal service fund	<u>128,744</u>
Total depreciation expense - governmental activities	\$ <u>1,021,613</u>
Business-Type Activities:	
Shared service center	\$ 728
Total depreciation expense - business type activities	\$ <u>728</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

NOTE H – RETIREMENT PLAN

International City Management Association Retirement Corporation (ICMARC) administers the Council’s 401(a) retirement plan. It is a defined contribution retirement plan, which provides retirement benefits for all eligible employees. The Council contributed an amount \$3,254,050 during fiscal year 2019 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Participating employees also contributed an amount of \$1,627,025 during 2019 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$27,979,609 including \$27,117,035 payroll covered by the plan. Employees become 40 percent (40%) vested in the Council's contributions after three full years of employment. An additional 15 percent (15%) is vested for each additional full year of employment. An employee becomes fully vested after seven years of employment. The Council’s retirement plan was formed under the authority of the Council Executive Board and the Executive Board has the authority to amend/or terminate the retirement plan and/or contribution requirements at any time.

NOTE I – COMMITMENTS

The Council entered non-cancellable and cancellable operating leases primarily for office space and equipment. Rental expenditures under all NCTCOG operating lease agreements were \$4,502,100 for 2019.

Future minimum rental payments required under operating leases, including those signed after September 30, 2019, for NCTCOG and its subcontractors that have initial or remaining lease terms in excess of one year, are as follows:

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Year Ending September 30	Amount
2020	\$ 4,546,142
2021	3,944,122
2022	3,815,427
2023	3,778,814
Thereafter (2024-2033)	40,824,694
	\$ 56,909,199

The Council had no encumbrances during 2019.

NOTE J – CONTINGENCIES

For most of the expenditures in Workforce Development (WD) and Aging Programs, the Council contracts with other governments or local agencies to perform the specific services set forth in the grant agreements. The Council disburses grant funds to the agencies based on monthly expenditure and performance reports received from each agency.

WD and Aging program subrecipients are required to have an annual independent audit. The Council requires each agency to submit a copy of the audit reports. If such audits disclose expenditures not in accordance with terms of the grants, the grantor agency could disallow the costs and require

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended September 30, 2019

NOTE J – CONTINGENCIES (continued)

reimbursement of the disallowed costs either from the Council or the delegate agency. The Council generally has the right of recovery from the subrecipients.

For the year ended September 30, 2019, agency costs of various amounts were disbursed for which the audits have not been received. Based on prior experience, management believes that the Council will not incur significant losses from possible grant disallowances.

Additionally, grantor agencies reserve the right to perform certain audit work in addition to the work performed by the Council's independent auditors. Disallowed costs, if any, resulting from such additional work, would have to be absorbed by the Council. Management does not believe that the Council will incur any significant costs if such additional work should occur.

NOTE K – FUND BALANCE

In accordance with GASB 54 the NCTCOG classifies governmental fund balances as follows:

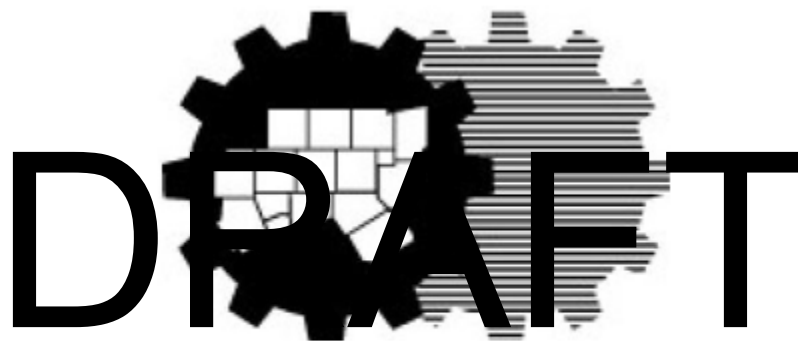
	General Fund	Major Special Revenue					Total	TOTAL
		FEMA	OOG	Local	TCEQ	TXDOT		
Fund Balances:								
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Non Spendable:								
Prepays	\$ 48,000		\$ 121,634		\$ 2,217		\$ 322,851	\$ 371,050
Inventory	12,117							12,117
Restricted:								
Grants	-	94,052	223,980	-	50,913	433,531	802,476	802,476
Local Transportation	-	-	-	6,013,960	-	-	6,013,960	6,013,960
Assigned:								
Agency Shared Services Initiatives	-	-	-	281,200	-	-	281,200	281,200
Agency Assigned Other	-	-	-	1,102,390	-	-	1,102,390	1,102,390
Unassigned	6,924,202	-	-	-	-	-	-	6,924,202
Total Fund Balances	\$ 6,984,518	\$ 94,052	\$ 223,980	\$ 7,519,184	\$ 50,913	\$ 634,748	\$ 8,522,877	\$ 15,507,395

NOTE L – SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through February 16, 2019, the date the financial statements were available and issued.

NOTE M – SPECIAL ITEM

Texas Health and Safety Code 772.622 allows the NCTCOG to transfer to the District assets related to the provision of 9-1-1 service. The NCTCOG executive board authorized this transfer in January 2019. The NCTCOG transferred \$15,621,134 of equipment and leasehold improvements and \$7,475,705 of accumulated depreciation of those assets to the District for a net transfer totaling \$8,145,429.



**North Central Texas
Council of Governments**

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REQUIREMENTS SUPPLEMENTAL SCHEDULES

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON
GENERAL FUND
Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Budget Basis Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Member dues	\$ 722,878	\$ 722,878	\$ 722,858	\$ (20)
Local contributed cash	22,500	22,500	19,529	(2,971)
Interest Income	120,000	120,000	277,554	157,554
Total revenues	<u>865,378</u>	<u>865,378</u>	<u>1,019,941</u>	<u>154,563</u>
Expenditures				
Current:				
Agency administration	4,533,357	4,703,357	4,703,025	332
Agency management	1,025,096	540,596	500,907	39,689
Public affairs	236,448	149,948	149,304	644
RIS local assistance	225,000	195,000	247,034	(52,034)
Community services	-	50,000	49,827	173
Environmental & development	140,000	145,000	137,941	7,059
Transportation planning	207,850	16,850	146,013	837
Capital outlay	6,367,771	6,367,771	533,396	6,604
Indirect cost allocation	(5,495,373)	(5,495,373)	(582,753)	(12,620)
contributions to indirect costs	(10,000)	(10,000)	(13,410)	3,410
Total expenditures	<u>865,378</u>	<u>865,378</u>	<u>871,284</u>	<u>(5,906)</u>
Excess (deficiencies) of revenues				
Over/(under) expenditures	-	-	148,657	148,657
Other Financing Sources				
Transfers in	-	-	10,065	10,065
Transfers out	-	-	(42,881)	(42,881)
Charge for use of assets	40,000	11,000	10,402	(598)
Indirect allocation to special revenue fund	(38,000)	(10,450)	(10,054)	396
Total other financing sources	<u>2,000</u>	<u>550</u>	<u>(32,468)</u>	<u>(33,018)</u>
Net changes in fund balances	<u>2,000</u>	<u>550</u>	<u>116,189</u>	<u>115,639</u>
Fund balances - beginning	<u>6,868,329</u>	<u>6,868,329</u>	<u>6,868,329</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,870,329</u>	<u>\$ 6,868,879</u>	<u>\$ 6,984,518</u>	<u>\$ 115,639</u>

See accompanying notes to the required supplemental information.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2019

Note A: Financial Statement Presentation – Budget Basis

It is NCTCOG's policy to prepare the annual budget on a basis, which includes an equipment usage charge in the General Fund. Accordingly, the Budgetary Comparison Schedule - General Fund is prepared on the basis utilized in preparing the budget, which includes this equipment usage charge. However, the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund, prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), does not include this equipment usage charge.

The effect of this difference on the Budgetary Comparison Schedule - General Fund is an increase in reported expenditures offset by an adjustment to other sources (uses) in the amounts of the current year equipment usage charge. After this adjustment is made through the transfers in (out), the net changes in budget basis versus GAAP basis are the same.

General Fund

Total Net Expenditures (GAAP Basis)	\$ 870,936
Plus charge for use of assets	10,402
Less: Use of assets recovered through indirect cost allocated to special revenue fund	(10,054)
Total expenditures (budget basis)	<u>\$ 871,284</u>
Total other sources (GAAP basis)	\$ (32,816)
Plus charge for use of assets	10,402
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	(10,054)
Total other sources (budget basis)	<u>\$ (32,468)</u>

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2019

Note B: Budgetary Controls

NCTCOG follows these procedures in establishing the General Fund budgetary data reflected in the basic financial statements:

- a. Prior to October 1, the Executive Director submits to the Executive Board a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Prior to October 1, the Executive Board formally approves the budget document following a public hearing.
- c. The approved annual budget is used as a control device for the General Fund. The individual grant contracts are used as the control device within the Special Revenue Funds.
- d. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that depreciation and the increase in NCTCOG's liability for accrued vacation is included as expenditures. Budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis.
- e. Appropriations for the General Fund lapse at the end of the fiscal year.
- f. Expenditures cannot legally exceed appropriations at the fund level. Expenditures are monitored by the Department of Administration. When expenditures are required for functions that have not been budgeted, authorization to incur the expenditures is requested from NCTCOG's Executive Board by resolution during its regular monthly meetings.
- g. The Executive Director is authorized to transfer budgeted amounts between programs; however, NCTCOG's Executive Board would approve any revisions, which would increase total expenditures.

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OTHER SUPPLEMENTAL INFORMATION



NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FEDERAL, STATE AND LOCALLY ADMINISTERED GRANTS
Year Ended September 30, 2019

	<u>Federal Funds Total</u>	<u>State and Locally Administered Total</u>	<u>Combined Total</u>
Revenues			
Federal Grants/Contracts	\$ 7,867,231	\$ -	\$ 7,867,231
State Grants & Contracts	-	122,167,014	122,167,014
Local Administered Grants	-	11,947	11,947
Local Contracts	276,430	11,587,189	11,863,619
In-Kind	3,931,102	12,150,450	16,081,552
Program Income	-	343,253	343,253
Interest	-	1,387,588	1,387,588
Total Revenues	<u>12,074,763</u>	<u>147,647,441</u>	<u>159,722,204</u>
Expenditures			
Current:			
Agency Administration	7,912	3,709,325	3,717,237
Agency Management	756,355	561	756,916
Community Services	-	1,396,341	1,396,341
Area Agency On Aging	138,788	16,908,388	17,046,773
9-1-1 Regional Planning	-	5,842,660	5,842,660
Emergency Preparedness	-	3,609,118	3,609,118
Environment & Development	34,022	3,648,691	4,382,713
Research & Info Svcs	-	3,879,436	3,879,436
Transportation	10,459,557	33,772,260	44,231,817
Workforce Development	-	70,289,424	70,289,424
Capital Outlay	-	3,244,459	3,244,459
Total Expenditures	<u>12,096,231</u>	<u>146,300,663</u>	<u>158,396,894</u>
Excess/(Deficiencies) Of Revenues Over/(Under) Expenditures	<u>(21,468)</u>	<u>1,346,778</u>	<u>1,325,310</u>
Other Financing Sources			
Transfers In - Projects	13,525	102,993	116,518
Transfers Out - Projects	<u>(11,035)</u>	<u>(135,742)</u>	<u>(146,777)</u>
Total Other Financing Sources	<u>2,490</u>	<u>(32,749)</u>	<u>(30,259)</u>
Net Change In Fund Balance	(18,978)	1,314,029	1,295,051
Fund Balances-Beginning Of Year	<u>113,030</u>	<u>7,114,796</u>	<u>7,227,826</u>
Fund Balances-End Of Year	\$ <u>94,052</u>	\$ <u>8,428,825</u>	\$ <u>8,522,877</u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FEDERAL, STATE AND LOCALLY ADMINISTERED GRANTS
Year Ended September 30, 2019

	FEDERAL FUNDS							TOTAL
	EPA	FEMA	DOE	FTA	FHA	DOC	CNCS	
Revenues								
Federal Grants/Contracts	\$ 159,717	\$ 617,592	\$ 50,916	\$ 6,871,070	\$ 4,205	\$ 31,216	\$ 132,515	\$ 7,867,231
Local Contracts	(1,470)	104,752	-	171,346	1,802	-	-	276,430
In-Kind	435,335	-	-	2,764,333	-	725,534	5,900	3,931,102
Total Revenues	593,582	722,344	50,916	9,806,749	6,007	756,750	138,415	12,074,763
Agency Administration	-	7,526	-	-	-	386	-	7,912
Agency Management	-	-	-	-	-	756,355	-	756,355
Community Service	-	-	-	-	-	-	-	-
Area Agency On Aging	-	-	-	-	-	-	138,385	138,385
9-1-1 Regional Planning	-	-	-	-	-	-	-	-
Emergency Preparedness	-	-	-	-	-	-	-	-
Environment & Development	-	734,022	-	-	-	-	-	734,022
Research & Info Svcs	-	-	-	-	-	-	-	-
Transportation	593,582	-	50,908	809,064	6,007	-	-	10,459,557
Workforce Development	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	593,578	741,548	50,908	9,809,064	6,007	756,741	138,385	12,096,231
Excess/(Deficiencies) Of Revenues	4	(19,204)	8	(2,315)	-	9	30	(21,468)
Over/(Under) Expenditures								
Other Financing Sources								
Transfers In - Projects	-	10,899	-	2,626	-	-	-	13,525
Transfers Out - Projects	(4)	(10,673)	(8)	(311)	-	(9)	(30)	(11,035)
Total Other Financing Sources	(4)	226	(8)	2,315	-	(9)	(30)	2,490
Net Change In Fund Balance	-	(18,978)	-	-	-	-	-	(18,978)
Fund Balances-Beginning Of Year	-	113,030	-	-	-	-	-	113,030
Fund Balances-End Of Year	\$ -	\$ 94,052	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,052

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FEDERAL, STATE AND LOCALLY ADMINISTERED GRANTS
Year Ended September 30, 2019

	STATE AND LOCALLY ADMINISTERED FUNDS							
	OOG	TDRA	TDA	TWC	CSEC	TCEO		TX WDB
						Transportation	Other	
Revenues								
State Grants & Contracts	2,236,368	20,350	-	69,780,784	8,848,567	5,512,671	2,016,177	94,041
Local Administered Grants	-	-	-	-	-	-	-	-
Local Contracts	381,148	-	-	-	-	866	-	-
In-Kind	-	-	-	2,988,780	-	-	-	96,621
Total Revenues	2,617,516	20,350	-	72,760,368	8,860,448	5,996,989	2,049,276	190,662
Agency Administration	91,042	1,029	-	846,203	40,936	8,374	16,276	3,364
Agency Management	-	-	-	-	-	-	-	-
Community Service	1,346,405	-	-	-	-	-	-	-
Area Agency On Aging	-	-	-	-	-	-	-	-
9-1-1 Regional Planning	-	-	-	-	5,829,197	-	-	-
Emergency Preparedness	1,346,467	-	-	-	-	-	-	-
Environment & Development	-	376	-	-	-	-	1,996,573	187,293
Research & Info Svcs	859	-	-	2,605,572	357	4,873	3,178	-
Transportation	-	-	-	485	10,858	5,981,353	-	-
Workforce Development	-	-	-	69,156,774	-	-	-	-
Capital Outlay	-	-	-	106,071	2,978,904	-	-	-
Total Expenditures	2,756,773	20,405	-	72,759,137	8,860,252	5,994,600	2,016,027	190,657
Excess/(Deficiencies) Of Revenues	(139,257)	(55)	-	1,231	196	2,389	33,249	5
Over/(Under) Expenditures								
Other Financing Sources								
Transfers In - Projects	6,097	60	-	717	-	-	-	-
Transfers Out - Projects	(1,008)	(5)	-	(1,948)	(196)	(136)	(150)	(61,273)
Total Other Financing Sources	5,089	55	-	(1,231)	(196)	(136)	(150)	(61,273)
Net Change In Fund Balance	(134,168)	-	-	-	-	2,253	33,099	(61,268)
Fund Balances-Beginning Of Year	358,148	-	-	-	-	1,403	14,158	61,268
Fund Balances-End Of Year	\$ 223,980	\$ -	\$ -	\$ -	\$ -	\$ 3,656	\$ 47,257	\$ -

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FEDERAL, STATE AND LOCALLY ADMINISTERED GRANTS
Year Ended September 30, 2019

	STATE AND LOCALLY ADMINISTERED FUNDS							TOTAL
	TX DOT	TX DPS	LOCAL		TX VC	BBB	HHSC	
			Transportation	Other				
Revenues								
State Grants & Contracts	24,925,855	899,796	-	-	130,050	-	7,702,355	122,167,014
Local Administered Grants	-	-	-	-	-	11,947	-	11,947
Local Contracts	143,388	-	3,510,762	7,384,135	-	-	166,890	11,587,189
In-Kind	165,873	699,693	35,000	8,343	-	-	8,156,140	12,150,450
Total Revenues	25,580,810	1,599,489	4,139,043	7,392,478	130,050	11,947	16,298,015	147,647,441
Agency Administration	10,718	49,713	658,814	1,747,331	4,987	-	230,538	3,709,325
Agency Management	-	-	-	561	-	-	-	561
Community Service	36,400	-	-	-	-	-	-	1,396,341
Area Agency On Aging	-	-	-	832,827	-	11,943	16,063,618	16,908,388
9-1-1 Regional Planning	-	-	-	13,463	-	-	-	5,842,660
Emergency Preparedness	-	1,009,400	-	760,557	-	-	-	3,609,118
Environment & Development	24,500	-	-	420,926	-	-	-	3,648,691
Research & Info Svcs	268,400	554	-	944,140	-	-	1,455	3,879,436
Transportation	4,820,100	-	2,886,300	43,251	-	-	4,838	33,772,260
Workforce Development	-	-	-	1,033,588	125,000	-	-	70,289,424
Capital Outlay	153,300	-	6,184	-	-	-	-	3,244,459
Total Expenditures	25,313,654	1,577,351	3,551,298	6,818,068	130,049	11,943	16,300,449	146,300,663
Excess/(Deficiencies) Of Revenues	267,156	22,138	587,745	574,410	1	4	(2,434)	1,346,778
Over/(Under) Expenditures								
Other Financing Sources								
Transfers In - Projects	19,410	542	962	72,104	-	-	3,101	102,993
Transfers Out - Projects	(5,562)	(22,680)	(26,376)	(15,736)	(1)	(4)	(667)	(135,742)
Total Other Financing Sources	13,848	(22,138)	(25,414)	56,368	(1)	(4)	2,434	(32,749)
Net Change In Fund Balance	281,004	-	562,331	630,778	-	-	-	1,314,029
Fund Balances-Beginning Of Year	353,744	-	5,505,635	820,440	-	-	-	7,114,796
Fund Balances-End Of Year	\$ 634,748	\$ -	\$ 6,067,966	\$ 1,451,218	\$ -	\$ -	\$ -	\$ 8,428,825

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)
GENERAL FUND
For the Year Ended September 30, 2019

	<u>Actual</u>	<u>Budget</u>
Salaries	\$2,530,217	\$2,530,663
Benefits	<u>1,103,614</u>	<u>1,104,151</u>
Indirect personnel	3,633,831	3,634,814
Legal	26,342	27,000
Audit	103,961	104,000
Contract services	481,948	482,858
Travel	20,926	21,000
Equipment use fee	10,402	11,000
Consumable supplies	123,327	123,400
Insurance & bonding	40,185	41,000
Rent	474,688	475,500
Printing & publications	25,507	25,600
Equipment rental	-	-
Advertising	470	1,000
Maintenance & repairs	132,108	132,500
Employee recruitment	8,327	10,700
Communications	13,010	13,100
Postage	8,581	9,000
Subscriptions & dues	191,689	191,701
Other	<u>300,861</u>	<u>301,200</u>
 TOTAL	 5,596,163	 5,605,373
Less: Contributions to Indirect costs	 <u>(13,410)</u>	 <u>(10,000)</u>
 NET INDIRECT COSTS	 <u><u>\$5,582,753</u></u>	 <u><u>\$5,595,373</u></u>

Indirect costs rate computations:

Net indirect costs	<u>\$5,582,753</u>	<u>\$5,595,373</u>
Direct salaries & benefits - all funds	<u>\$31,761,830 = 17.58%</u>	<u>\$31,620,312 = 17.70%</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS
ALL FUNDS
Year Ended September 30, 2019

Full Time Benefits Programs	<u>Actual</u>	<u>Projected</u>
Medicare insurance	\$385,657	\$388,578
Medical insurance	4,005,895	3,939,188
Worker's compensation	67,483	67,820
Flexible benefit plan	8,717	9,959
Life & disability insurance	188,532	190,388
Other benefits	63,207	97,000
Unemployment insurance	6,790	64,800
Retirement	2,746,489	2,765,828
Vacation	1,424,333	1,384,901
Sick leave	670,114	712,498
Holiday leave	1,072,180	1,016,837
Other leave	133,913	127,105
TOTAL	<u><u>10,773,310</u></u>	<u><u>10,764,902</u></u>

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Employee benefits rate computations:

Total full-time benefits	<u>\$10,773,310</u>	<u>\$10,764,902</u>
Total regular salaries	\$24,383,714 = 44.18%	\$23,557,212 = 45.70%

Total personnel costs recap:

Salaries	\$24,383,714	\$23,557,212
Benefits	<u>10,773,310</u>	<u>10,764,902</u>
 Personnel - NCTCOG	 <u><u>\$35,157,024</u></u>	 <u><u>\$34,322,114</u></u>

TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST LIMITATIONS TEST
FISCAL YEAR 2019 ACTUAL
October 1, 2018 - September 30, 2019

Total Indirect Costs	\$ 5,582,753	
Expenditures:		
General Fund	6,467,099	
Special Revenue Fund	158,396,894	
Proprietary Fund	6,608,937	
Enterprise Fund	1,435,971	
Interdepartmental Transfers for Direct Charges and Indirect Costs	<u>(11,638,690)</u>	
Total Expenditures	161,270,211 =	3.5%
Less:		
Pass-Through Funds ⁽¹⁾	(59,778,650)	
In-Kind Expenditures	(16,081,482)	
Contract Services	(20,990,891)	
Capital Expenditures	<u>(5,777,853)</u>	
Adjusted Expenditures	106,411,333 =	9.2%

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Texas Statutes §391.0115 (e). “A commission may not spend an amount more than 15 percent of the commission's total expenditures on the commission's indirect costs. For the purposes of this subsection, the commission's capital expenditures and any subcontracts, pass-throughs, or subgrants may not be considered in determining the commission's total direct costs. In this subsection, "pass-through funds" means funds, including subgrants or subcontracts, that are received by a commission from the federal or state government or other grantor for which the commission serves merely as a cash conduit and has no administrative or financial involvement in the program, such as contractor selection, contract provisions, contract methodology payment, or contractor oversight and monitoring.”

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY SOURCE
As of September 30, 2019

	<u>Totals</u>
Capital Assets	
Equipment	\$ 13,658,865
Furniture	229,582
Leasehold improvements	<u>2,546,713</u>
Total capital assets	<u><u>\$ 16,435,160</u></u>

Sources

NCTCOG	
Equipment	\$ 10,472,346
Furniture	82,084
Leasehold improvements	<u>1,163,994</u>
	11,719,334
Grant Funded	
Equipment	3,186,519
Furniture	146,598
Leasehold improvements	<u>1,382,719</u>
	4,715,836
Less: Internal service fund assets	949,397
Less: Enterprise fund	<u>7,483,991</u>
Total general capital assets	<u><u>\$ 8,001,772</u></u>

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
As of September 30, 2019

	<u>2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer to District NCT9-1-1</u>	<u>2019</u>
Capital Assets					
Local assistance	\$ 1,330,459	\$ 533,396	\$ 38,859	\$	\$ 1,824,996
Transportation planning-TxDOT	1,329,239	159,484	6,291		1,482,432
Regional information services	1,983,373	50,989	506,196		1,528,166
Environmental resources	110,290				110,290
Emergency preparedness	271,949				271,949
Workforce development	4,145,951	106,071	614,539		3,637,483
Community services	65,790				65,790
Area Agency on Aging	30,063				30,063
911	13,034,334	2,978,904	392,104	15,621,134	-
Enterprise fund	7,483,991				7,483,991
Total capital assets	29,785,439	3,828,844	1,557,989	15,621,134	16,435,160
Less: Internal service fund	1,234,994	50,989	336,586		949,397
Less: Enterprise fund	7,483,991	-		-	7,483,991
Total general capital assets	\$ 21,066,454	\$ 3,777,855	1,221,403	\$ 15,621,134	\$ 8,001,772

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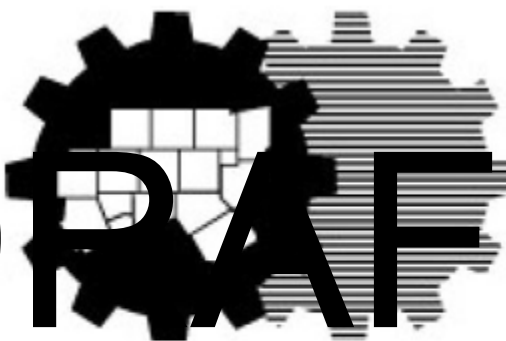


**North Central Texas
Council of Governments**

Statistical
Section

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**North Central Texas
Council of Governments**

**STATISTICAL SECTION
(UNAUDITED)**

This part of the North Central Texas Council of Governments comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about NCTCOG's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Table #s</u>
Financial Trends These schedules contain trend information to help the reader understand how NCTCOG's financial performance and well-being have changed over time.	1, 2, 3 & 4
Revenue Capacity All of NCTCOG's significant revenue is provided by other governments. It does not impose any taxes or charge any significant fees of its own. These tables contain information to help the reader assess NCTCOG's most significant local revenue sources.	5
Debt Capacity This schedule presents information to help the reader assess the affordability of NCTCOG's current level of outstanding debt and the ability to issue additional debt in the future.	6
Demographic and Economic Indicators These schedules offer demographic and economic indicators to help the reader understand the environment within which NCTCOG's financial activities take place.	7 & 8
Operating Information These schedules contain service data to help the reader understand how the information in NCTCOG's financial report relates to the services NCTCOG provides and the resources it utilizes to provide these services.	9&10

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 1,150,206	\$ 6,488,405	\$ 4,848,728	\$ 5,805,480
Restricted	6,816,436	6,124,568	5,924,051	5,649,654
Unrestricted	8,056,921	7,898,500	6,496,927	6,038,512
Total governmental activities net position	<u>\$ 16,023,563</u>	<u>\$ 20,511,473</u>	<u>\$ 17,269,706</u>	<u>\$ 17,493,646</u>
Business-type activities				
Invested in capital assets, net of related debt	-	728	21,997	53,520
Unrestricted	134,012	87,519	44,713	17,040
Total business-type activities net position	<u>\$ 134,012</u>	<u>\$ 88,247</u>	<u>\$ 66,710</u>	<u>\$ 70,560</u>
Primary government				
Invested in capital assets, net of related debt	\$ 1,150,206	\$ 6,489,133	\$ 4,870,725	\$ 5,859,000
Restricted	6,816,436	6,124,568	5,924,051	5,649,654
Unrestricted	8,199,933	7,986,019	6,541,640	6,055,552
Total primary government net position	<u>\$ 16,166,575</u>	<u>\$ 20,599,720</u>	<u>\$ 17,336,416</u>	<u>\$ 17,564,206</u>

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Table 1

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 2,920,629	\$ 1,493,197	\$ 951,869	\$ 1,131,432	\$ 1,368,144	\$ 1,161,862
5,634,043	5,473,922	5,401,133	6,231,665	14,061,433	27,942,962
5,930,520	5,714,552	5,226,610	4,312,103	4,122,881	3,816,701
<u>\$ 14,485,192</u>	<u>\$ 12,681,671</u>	<u>\$ 11,579,612</u>	<u>\$ 11,675,200</u>	<u>\$ 19,552,458</u>	<u>\$ 32,921,525</u>
\$ 76,899	\$ 18,502	\$ 25,791	\$ 13,260	\$ 22,100	\$ -
52,248	36,409	20,801	67,769	55,656	90,141
<u>\$ 129,147</u>	<u>\$ 54,911</u>	<u>\$ 46,592</u>	<u>\$ 81,029</u>	<u>\$ 77,756</u>	<u>\$ 90,141</u>
\$ 2,997,528	\$ 1,511,999	\$ 957,660	\$ 1,141,692	\$ 1,310,244	\$ 1,161,862
5,634,043	5,473,922	5,401,133	6,231,665	14,061,433	27,942,962
5,982,768	5,750,791	5,247,411	4,371,872	4,128,537	3,906,842
<u>\$ 14,614,339</u>	<u>\$ 12,736,822</u>	<u>\$ 11,606,204</u>	<u>\$ 11,759,229</u>	<u>\$ 19,600,214</u>	<u>\$ 33,011,666</u>

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2019	2018	2017	2016
Expenses				
Governmental activities:				
Agency administration	\$ 8,204,880	\$ 7,852,410	\$ 7,410,029	\$ 7,126,021
Agency management	1,394,848	885,791	802,210	641,576
Community services	1,361,640	1,364,502	1,140,500	1,089,685
* Area agency on aging	16,739,462	16,601,140	15,557,099	15,727,538
* 9-1-1 Planning	5,903,968	14,423,825	8,056,787	7,937,736
Emergency preparedness	3,457,062	4,434,937	2,926,935	3,814,764
Environment and development	4,349,585	2,212,906	3,293,253	2,554,177
RIS local assistance	3,674,309	2,704,069	4,847,837	3,121,551
Transportation planning	42,090,520	38,551,550	44,387,187	40,574,850
Workforce development	69,845,277	61,478,270	60,308,475	60,257,318
Total governmental activities expenses	<u>157,021,551</u>	<u>150,509,400</u>	<u>148,730,312</u>	<u>142,845,216</u>
Business-type activities:				
Shared service center	1,435,971	1,445,222	1,354,760	1,560,006
Total business-type activities expenses	<u>1,435,971</u>	<u>1,445,222</u>	<u>1,354,760</u>	<u>1,560,006</u>
Total primary government expenses	<u>158,457,522</u>	<u>151,954,622</u>	<u>150,085,072</u>	<u>144,405,222</u>
Program Revenues				
Governmental activities:				
Operating grants:				
Agency administration	-	-	-	-
Agency management	31,216	104,093	8,631	47,526
Community services	862,656	976,123	965,583	1,010,092
* Area agency on aging	7,846,815	7,460,116	7,878,659	8,166,710
* 9-1-1 Planning	8,848,567	16,926,172	9,844,978	11,634,747
Emergency preparedness	2,272,787	3,972,433	2,051,770	2,426,230
Environment and development	2,705,111	1,600,517	2,387,650	1,318,498
RIS local assistance	-	-	-	-
Transportation planning	3,224,433	3,304,100	43,518,006	37,874,414
Workforce development	3,224,433	6,221,158	59,600,074	59,051,999
Local grants and contributions	15,307,953	2,945,328	21,253,653	23,553,737
Total governmental activities program revenues	<u>58,354,145</u>	<u>15,114,850</u>	<u>147,504,000</u>	<u>145,083,953</u>
Business-type activities:				
Charges for services:				
Shared service center	1,445,236	1,440,309	1,314,460	1,474,969
Total business-type activities program revenues	<u>1,445,236</u>	<u>1,440,309</u>	<u>1,314,460</u>	<u>1,474,969</u>
Total primary government program revenues	<u>159,799,381</u>	<u>153,555,159</u>	<u>148,819,450</u>	<u>146,558,922</u>
Net (Expenses) Revenue				
Governmental activities	1,332,594	1,605,450	(1,225,322)	2,238,737
Business-type activities	9,265	(4,913)	(40,300)	(85,037)
Total primary government net expenses	<u>1,341,859</u>	<u>1,600,537</u>	<u>(1,265,622)</u>	<u>2,153,700</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Membership fees	722,858	708,243	697,285	685,727
Interest on investments	1,665,142	954,524	340,547	110,440
Transfers in (out)	(63,075)	(26,450)	(36,450)	(26,450)
** Special item	(8,145,429)	-	-	-
Total governmental activities	<u>(5,820,504)</u>	<u>1,636,317</u>	<u>1,001,382</u>	<u>769,717</u>
Business-type activities:				
Transfers in (out)	36,500	26,450	36,450	26,450
Total business-type activities	<u>36,500</u>	<u>26,450</u>	<u>36,450</u>	<u>26,450</u>
Total primary government	<u>(5,784,004)</u>	<u>1,662,767</u>	<u>1,037,832</u>	<u>796,167</u>
Change in Net Position				
Governmental activities	(4,487,910)	3,241,767	(223,940)	3,008,454
Business-type activities	45,765	21,537	(3,850)	(58,587)
Total Change in Net Assets	<u>(4,442,145)</u>	<u>3,263,304</u>	<u>(227,790)</u>	<u>2,949,867</u>

Note: The Governmental activities revenues have been restated for the years presented to reflect revenues generated from operating grants as opposed to local grants and contributions.

*NCTCOG began the break out of the Area Agency on Aging and 9-1-1 Planning from Community Services in FY2016

**9-1-1 Planning became a District (NCT9-1-1) in 2019

Table 2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	6,796,651	\$ 5,775,899	\$ 5,463,174	\$ 5,276,175	\$ 5,201,324	\$ 5,227,937
	740,381	754,076	706,873	759,547	848,942	776,145
	1,265,731	1,289,674	24,883,533	18,522,455	22,909,179	20,488,403
	14,240,408	13,508,941	-	-	-	-
	7,297,342	5,586,715	-	-	-	-
	2,650,262	3,672,635	1,426,129	2,062,309	3,539,299	2,781,337
	3,436,397	2,302,909	3,310,704	2,074,557	4,587,918	4,614,671
	3,643,793	2,748,710	3,040,498	2,637,422	3,446,598	2,487,667
	57,414,019	53,195,247	55,148,280	56,170,198	76,151,018	75,614,317
	56,808,063	57,742,893	59,152,671	55,962,878	58,952,928	59,043,491
	<u>154,293,047</u>	<u>146,577,699</u>	<u>153,131,862</u>	<u>143,465,541</u>	<u>175,637,206</u>	<u>171,033,968</u>
	<u>1,398,101</u>	<u>1,639,004</u>	<u>1,868,172</u>	<u>1,936,213</u>	<u>1,947,896</u>	<u>1,987,466</u>
	<u>1,398,101</u>	<u>1,639,004</u>	<u>1,868,172</u>	<u>1,936,213</u>	<u>1,947,896</u>	<u>1,987,466</u>
\$	<u>155,691,148</u>	<u>\$ 148,216,703</u>	<u>\$ 155,000,034</u>	<u>\$ 145,401,754</u>	<u>\$ 177,585,102</u>	<u>\$ 173,021,434</u>
	-	-	-	120,965	238,845	123,814
	51,597	5,359	-	-	-	-
	1,012,142	997,865	18,843,748	13,050,047	17,129,937	15,802,837
	7,709,678	6,819,762	-	-	-	-
	9,447,330	6,627,544	-	-	-	-
	1,513,243	2,102,303	872,066	1,658,836	3,378,408	3,087,356
	2,241,112	835,112	23,277	1,003,412	3,799,786	1,795,328
	-	-	-	-	37,938	158,382
	38,065,116	41,302,113	1,801,874	7,113,915	48,336,809	56,793,123
	56,715,115	59,421,113	59,198,777	57,814,811	59,195,722	58,439,547
	38,635,119	2,839,113	6,477,437	132,612	26,264,855	22,639,979
	<u>155,391,112</u>	<u>146,999,112</u>	<u>153,317,113</u>	<u>139,947,113</u>	<u>158,382,390</u>	<u>158,840,366</u>
	<u>1,472,337</u>	<u>1,643,984</u>	<u>1,833,735</u>	<u>1,939,496</u>	<u>1,939,738</u>	<u>2,010,262</u>
	<u>1,472,337</u>	<u>1,643,984</u>	<u>1,833,735</u>	<u>1,939,496</u>	<u>1,939,738</u>	<u>2,010,262</u>
\$	<u>156,863,709</u>	<u>\$ 148,643,726</u>	<u>\$ 154,150,908</u>	<u>\$ 136,834,270</u>	<u>\$ 160,322,128</u>	<u>\$ 160,850,628</u>
\$	1,098,325	\$ 422,043	\$ (814,689)	\$ (8,570,767)	\$ (14,254,816)	\$ (12,193,602)
	74,236	4,980	(34,437)	3,283	(8,158)	22,796
\$	<u>1,172,561</u>	<u>\$ 427,023</u>	<u>\$ (849,126)</u>	<u>\$ (8,567,484)</u>	<u>\$ (14,262,974)</u>	<u>\$ (12,170,806)</u>
	678,492	664,694	657,054	651,539	663,091	654,835
	26,704	18,661	62,047	41,970	218,421	406,616
	-	(3,339)	-	-	4,237	-
	-	-	-	-	-	-
	<u>705,196</u>	<u>680,016</u>	<u>719,101</u>	<u>693,509</u>	<u>885,749</u>	<u>1,061,451</u>
	-	3,339	-	-	(4,237)	-
	-	3,339	-	-	(4,237)	-
\$	<u>705,196</u>	<u>\$ 683,355</u>	<u>\$ 719,101</u>	<u>\$ 693,509</u>	<u>\$ 881,512</u>	<u>\$ 1,061,451</u>
\$	1,803,521	\$ 1,102,059	\$ (95,588)	\$ (7,877,258)	\$ (13,369,067)	\$ (11,132,151)
	74,236	8,319	(34,437)	3,283	(12,395)	22,796
\$	<u>1,877,757</u>	<u>\$ 1,110,378</u>	<u>\$ (130,025)</u>	<u>\$ (7,873,975)</u>	<u>\$ (13,381,462)</u>	<u>\$ (11,109,355)</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year - Post GASB 54			
General Fund	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Non Spendable:				
Non spendable	\$ 60,316	\$ 104,680	\$ 57,469	\$ 40,417
Spendable:				
Unassigned	<u>6,924,202</u>	<u>6,763,649</u>	<u>6,426,703</u>	<u>6,156,230</u>
Total General Fund	<u><u>\$ 6,984,518</u></u>	<u><u>\$ 6,868,329</u></u>	<u><u>\$ 6,484,172</u></u>	<u><u>\$ 6,196,647</u></u>
Non Spendable:				
Non spendable	\$ 322,851	\$ 748,494	\$ 124,116	\$ 93,484
Spendable:				
Restricted for grants	802,476	699,983	719,573	574,167
Restricted for local transportation	6,013,960	5,424,585	5,204,478	5,075,487
Assigned	<u>1,383,777</u>	<u>354,764</u>	<u>285,208</u>	<u>318,268</u>
Total all other governmental funds	<u><u>\$ 8,527,877</u></u>	<u><u>\$ 7,227,826</u></u>	<u><u>\$ 6,333,375</u></u>	<u><u>\$ 6,061,406</u></u>

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	<u>2010</u>
General Fund	
Reserved ^a	\$ 10,946
Unreserved	<u>4,988,995</u>
Total general fund	<u><u>\$ 4,999,941</u></u>

All Other Governmental Funds	
Reserved for:	
Prepaid items	\$ 79,881
Prepaid items	
Grants	221,448
Local transportation projects	27,721,514
Unreserved, reported in:	
Special revenue funds	-
Capital projects funds	-
Debt service funds	
Total all other governmental funds	<u><u>\$ 28,022,843</u></u>

Notes: ^aIncludes encumbrances and prepaid items.
 GASB 54 adopted in 2011
 2010 data restated for GASB 54 comparable presentation

Table 3

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 44,133	\$ 51,512	\$ 67,473	\$ 55,616	\$ 80,646
5,788,867	5,504,106	5,266,892	5,029,314	4,918,967
<u>\$ 5,833,000</u>	<u>\$ 5,555,618</u>	<u>\$ 5,334,365</u>	<u>\$ 5,084,930</u>	<u>\$ 4,999,613</u>
\$ 123,393	\$ 162,150	\$ 98,930	\$ 57,990	\$ 36,339
646,082	344,380	271,591	193,244	181,786
4,987,961	5,129,542	5,129,542	6,038,421	13,877,396
478,974	64,765	71,271	246,478	204,827
<u>\$ 6,235,330</u>	<u>\$ 6,200,835</u>	<u>\$ 6,065,334</u>	<u>\$ 6,538,153</u>	<u>\$ 14,300,348</u>

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues				
Federal grants	\$ 7,867,231	\$ 6,122,920	\$ 9,417,021	\$ 9,130,586
State administered grants	122,167,014	122,996,621	116,521,194	112,250,105
* Local administered grants	11,947	49,981	311,242	149,525
Membership dues	722,858	708,243	697,285	685,727
Local contributed cash	11,883,148	7,862,199	7,032,388	7,212,111
In-Kind	16,081,552	14,768,786	13,838,816	15,901,151
Program income	343,253	314,343	384,331	440,475
Interest income	1,665,142	954,524	340,547	110,440
Total revenues	<u>160,742,145</u>	<u>153,777,617</u>	<u>148,542,824</u>	<u>145,880,120</u>
Expenditures				
Current:				
Agency administration	8,420,207	8,200,167	7,620,653	7,427,418
Agency management	1,407,077	900,000	820,079	663,102
Community services	1,440,000	1,400,306	1,180,034	1,150,646
** Area Agency on Aging	7,000,773	6,900,077	15,690,048	15,911,917
*** 9-1-1 Planning	5,842,660	12,120,927	8,230,234	8,163,109
Emergency preparedness	3,609,118	4,594,979	2,997,823	3,909,795
Environment & development	4,520,625	2,390,973	3,374,010	2,678,049
Research & information services	4,126,173	3,085,187	5,035,633	3,382,440
Transportation	44,377,829	40,975,838	45,519,190	42,021,853
Workforce development	70,289,424	61,961,130	60,598,233	60,614,440
Capital outlay	3,777,855	4,963,607	1,739,299	4,212,490
	<u>164,863,993</u>	<u>157,697,573</u>	<u>152,813,836</u>	<u>150,135,259</u>
Indirect cost allocation	(5,582,753)	(5,199,871)	(4,851,794)	(4,456,006)
Contributions to indirect costs	(13,410)	(25,143)	(15,161)	(14,706)
Total expenditures	<u>159,267,830</u>	<u>152,472,559</u>	<u>147,946,880</u>	<u>145,664,547</u>
Excess of revenues over expenditures	1,474,315	1,305,058	595,944	215,573
Other Financing Sources and (Uses)				
Transfers in	126,583	283,218	886,189	412,599
Transfers out	(189,658)	(309,668)	(922,639)	(439,049)
Total other financing sources (uses)	<u>(63,075)</u>	<u>(26,450)</u>	<u>(36,450)</u>	<u>(26,450)</u>
Net change in fund balance	<u>\$ 1,411,240</u>	<u>\$ 1,278,608</u>	<u>\$ 559,494</u>	<u>\$ 189,123</u>

*In 2016 NCTCOG began the breakout of Local administered grants

**NCTCOG began the break out of the Area Agency on Aging and 9-1-1 Planning from Community Services in FY2016

***9-1-1 Planning became a District (NCT9-1-1) in 2019

Table 4

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 13,357,415	\$ 22,491,763	\$ 20,631,697	\$ 10,839,413	\$ 12,979,109	\$ 12,842,963
103,398,608	99,668,833	105,208,041	97,922,702	119,138,426	123,357,424
-	-	-	-	-	-
678,492	664,694	657,054	651,539	663,091	654,835
15,874,027	8,144,514	12,964,481	6,000,683	7,718,250	7,242,670
22,288,500	16,227,555	13,125,408	19,820,625	21,228,282	15,055,527
472,822	467,077	387,546	311,351	318,323	341,782
26,704	18,661	62,047	41,970	218,421	406,616
<u>156,096,568</u>	<u>147,683,097</u>	<u>153,036,274</u>	<u>135,588,283</u>	<u>162,263,902</u>	<u>159,901,817</u>
7,166,721	6,070,755	6,019,958	6,123,957	6,078,841	6,149,566
767,169	2,985	5,521	522,788	6,541	61,001
1,428,428	1,099,999	25,387,122	18,967,888	23,388,002	20,913,665
14,384,061	13,108,211	-	-	-	-
7,521,090	5,684,515	-	-	-	-
2,775,433	3,816,952	1,549,436	2,199,152	3,703,670	2,919,321
3,580,973	2,480,694	3,480,494	2,237,449	4,814,780	4,842,179
3,916,598	3,049,466	3,308,621	2,875,759	3,691,229	2,688,156
59,104,042	55,083,003	56,926,135	57,792,540	77,753,457	77,112,327
57,182,521	58,157,641	59,530,189	56,271,929	59,235,482	59,291,468
2,143,073	1,021,314	168,034	229,057	793,319	198,978
<u>159,970,109</u>	<u>151,491,736</u>	<u>156,877,430</u>	<u>147,220,378</u>	<u>180,001,201</u>	<u>174,726,361</u>
(4,127,471)	(3,985,911)	(3,799,890)	(3,634,081)	(3,718,074)	(3,614,978)
(18,547)	(22,821)	(17,882)	(321,138)	(292,163)	(380,116)
<u>155,824,091</u>	<u>147,483,004</u>	<u>153,059,658</u>	<u>143,265,159</u>	<u>175,990,964</u>	<u>170,731,267</u>
272,477	200,093	(23,384)	(7,676,876)	(13,727,062)	(10,829,450)
364,834	963,409	1,239,823	1,144,310	1,234,411	717,919
(364,834)	(966,748)	(1,239,823)	(1,144,310)	(1,230,174)	(717,919)
-	(3,339)	-	-	4,237	-
<u>\$ 272,477</u>	<u>\$ 196,754</u>	<u>\$ (23,384)</u>	<u>\$ (7,676,876)</u>	<u>\$ (13,722,825)</u>	<u>\$ (10,829,450)</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

Revenues by Source

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	LOCAL					Total
	MemberDues	Interest (1)	Contributions (1)	In-Kind	Program	
2019	\$ 722,858	\$ 1,665,142	\$ 11,883,148	\$ 16,081,552	\$ 343,253	\$ 30,695,953
2018	708,243	954,524	7,862,199	14,768,786	314,343	24,608,095
2017	697,285	340,547	7,032,388	13,838,816	384,331	22,293,366
2016	685,727	110,440	7,212,111	15,901,151	440,475	24,349,904
2015	678,492	26,704	15,874,027	22,288,500	472,822	39,340,545
2014	664,694	18,661	8,144,514	16,227,555	467,077	25,522,501
2013	657,054	62,047	12,964,481	13,125,408	387,546	27,196,536
2012	651,539	41,970	6,000,683	19,820,625	311,351	26,826,168
2011	663,091	218,421	7,718,250	21,228,282	318,323	30,146,367
2010	654,835	406,616	7,242,670	15,055,527	341,782	23,701,430

Notes: (1) Includes General and Special Revenue

*In 2016 NCTCOG began the breakout of Local administered grants from Local Contributions

Source: Statement of Revenues, Expenditures and Changes in Fund Balance

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Table 5

*Local	GRANTS			Total	GRAND TOTAL
	State	Federal			
\$ 11,947	\$ 122,167,014	\$ 7,867,231	\$ 130,046,192	\$ 160,742,145	
49,981	122,996,621	6,122,920	129,169,522	153,777,617	
311,242	116,521,194	9,417,021	126,249,457	148,542,824	
149,525	112,250,105	9,130,586	121,530,216	145,880,120	
-	103,398,608	13,357,415	116,756,023	156,096,568	
-	99,668,833	22,491,763	122,160,596	147,683,097	
-	105,208,041	20,631,697	125,839,738	153,036,274	
-	97,922,702	10,839,413	108,762,115	135,588,283	
-	119,138,426	12,979,109	132,117,535	162,263,902	
-	123,357,424	12,842,963	136,200,387	159,901,817	

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
Outstanding Debt-Governmental Activities
Last Ten Fiscal Years
(Unaudited)

Table 6

<u>Fiscal Year</u>	<u>Outstanding Note Payable (1)</u>	<u>Annual Payments</u>	<u>Total Revenues</u>	<u>Payments as Percent of Total Revenues</u>
2019	\$ -	\$ -	\$160,742,145	0.0000%
2018	-	-	153,777,617	0.0000%
2017	-	-	148,542,824	0.0000%
2016	-	-	145,880,120	0.0000%
2015	-	-	156,096,568	0.0000%
2014	-	-	147,683,097	0.0000%
2013	-	-	153,036,274	0.0000%
2012	-	-	135,588,283	0.0000%
2011	-	-	162,263,902	0.0000%
2010	-	60,957	159,777,617	0.0000%

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Source: Details on outstanding debt can be found in the notes to the financial statements

Note: (1) The Note Payable was for equipment for the Agency

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Table 7

<u>Year</u>	<u>Estimated Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^b</u>	<u>School Enrollment^c</u>	<u>Unemployment Rate^d</u>
2019	7,548,400 *	426,405,953,810 *	57,081 *	1,434,859	3.0%
2018	7,390,400	417,480,600,000	55,886	1,425,257	3.2%
2017	7,247,300	392,145,500,000	52,995	1,405,496	3.4%
2016	7,123,560	369,614,741,000	51,099	1,379,534	4.0%
2015	7,005,670	362,947,715,000	50,593	1,349,913	4.0%
2014	6,900,100	344,279,922,000	49,506	1,329,571	5.0%
2013	6,792,770	320,035,384,000	46,989	1,312,126	5.7%
2012	6,700,210	311,008,898,000	46,400	1,289,298	6.7%
2011	6,619,980	292,079,377,000	44,450	1,264,190	7.8%
2010	6,500,000	267,000,000,000	41,000	1,200,000	8.2%

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Sources: ^aYearly NCTCOG Population Estimates. Each year the entire time series is updated.

^bIncome provided by BEA Regional Bearfacts for the Dallas-Fort Worth-Arlington, Tx Metropolitan Statistical Area; bea.gov

^cTexas Education Agency

^dBureau of Labor Statistics; bls.gov

Other: N/A - Data not available.

* - Approximation only, as information not published yet

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Table 8

2019			2010		
<u>Employer^a</u>	<u>Employees</u>	<u>Percentage of Total NCTCOG Employment</u>	<u>Employer^a</u>	<u>Employees</u>	<u>Percentage of Total NCTCOG Employment</u>
Wal-Mart Stores Inc.	37,000	0.93%	Wal-Mart Stores Inc.	34,700	1.13%
American Airlines Group Inc.	33,000	0.83%	American Airlines Group Inc.	20,700	0.67%
Baylor Scott & White Health	24,088	0.61%	Bank of America	20,000	0.65%
Dallas Independent School District	22,222	0.56%	Baylor Health Care System	19,700	0.64%
Lockheed Martin	20,500	0.52%	Texas Health Resources	18,700	0.61%
University of Texas Southwest Medic	18,666	0.47%	AT&T	17,500	0.57%
Medical City Healthcare	17,000	0.43%	Lockheed Martin Aeronautics	14,900	0.49%
AT&T Inc.	15,000	0.38%	JPMorgan Chase	13,000	0.42%
City of Dallas	13,283	0.34%	HCA North Texas Division	12,300	0.40%
Parkland Health and Hospital System	12,857	0.32%	Verizon Communications	11,000	0.36%
Total	213,616	5.40%	Total	182,500	5.94%

Total NCTCOG Region Employment 3,958,111 Total NCTCOG Region Employees b 3,072,082

Source: a Dallas Business Journal, Book of Lists 2011, NCTCOG, RIS department; b Dallas Business Journal, Book of Lists 2011, NCTCOG, RIS department

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
Full-Time Equivalent Agency Employees by Function/Program
Last Ten Years
(Unaudited)

Table 9

<u>Function/Program</u>	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Agency Management	3	3	3	3	3	3	3	3	3	3
Agency Administration	48	46	45	44	42	41	39	38	39	39
Public Affairs	2	2	2	2	2	2	2	3	4	4
Research and Information Services	35	35	35	29	27	27	27	26	30	32
Community Services	9	8	8	7	47	46	44	44	45	41
*Area Agency on Aging	24	24	21	22	-	-	-	-	-	-
**9-1-1 Planning/(NCT9-1-1)	33	32	26	24	-	-	-	-	-	-
Environment & Development	14	14	13	13	13	12	12	18	23	23
Transportation	169	166	161	158	148	149	149	153	158	149
Workforce Development	44	37	30	30	34	34	31	28	25	22
Emergency Preparedness	12	12	11	11	11	12	12	13	18	18
Total	393	379	365	353	327	326	319	326	345	331

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Source: Agency Annual Fiscal Program

*NCTCOG began the break out of the Area Agency on Aging and 9-1-1 Planning from Community Services in FY2016

**9-1-1 Planning became a District (NCT9-1-1) in 2019

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Local assistance	\$ 1,824,996	\$ 1,330,459	\$ 1,305,119	\$ 1,296,232
Transportation - TxDOT	1,482,432	1,329,239	1,310,706	1,307,581
Regional information services	1,528,166	1,983,373	1,983,373	1,818,749
Environmental resources	110,290	110,290	110,290	110,290
Emergency preparedness	271,949	271,949	262,583	262,583
Workforce development	3,637,483	4,145,950	3,959,340	3,829,235
Community services	65,790	65,790	65,790	65,790
*Area agency on aging	30,063	30,063	30,063	30,063
**9-1-1 planning	-	13,034,335	8,291,207	6,747,587
Enterprise fund	7,483,991	7,483,991	7,483,991	7,483,991

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*NCTCOG began the break out of the Area agency on aging and 9-1-1 planning from Community services in FY2019

**9-1-1 Planning became a District (NCT9-1-1) in 2019

Table 10

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,268,031	\$ 1,265,257	\$ 1,298,343	\$ 1,284,610	\$ 1,220,486	\$ 1,188,120
841,120	841,120	731,705	731,705	726,435	617,517
1,435,746	1,286,210	1,286,210	1,301,023	1,301,023	1,264,710
110,810	93,194	99,054	99,054	99,054	99,054
252,688	252,688	240,834	241,709	241,709	215,893
3,597,104	3,352,543	3,291,296	3,291,867	3,234,064	2,659,095
83,061	83,060	792,998	697,102	600,545	600,545
30,063	30,063	-	-	-	-
3,312,911	1,452,079	-	-	-	-
7,467,896	7,389,956	7,383,536	7,361,554	7,361,554	7,335,034

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