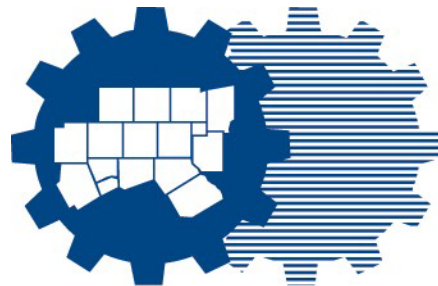
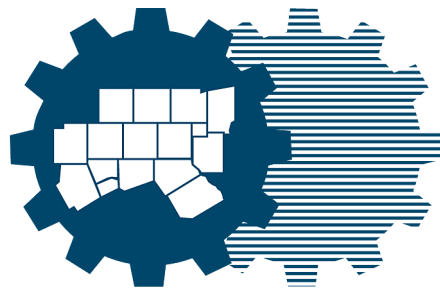


ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2022



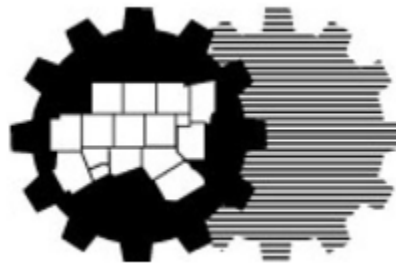
**North Central Texas
Council of Governments**



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

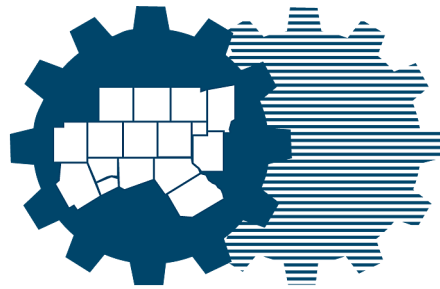
Executive Director
Mike Eastland



Deputy Executive Director
Monte Mercer, CPA

PREPARED BY
DEPARTMENT OF ADMINISTRATION

Molly Rendon, Director of Administration
Randy Richardson, CPA, Assistant Director of Finance
Maggie Lira, CPA, Controller
Richard Michael, Senior Budget & Financial Reporting Manager
Rich Matyiku, CPA, Fiscal Manager



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

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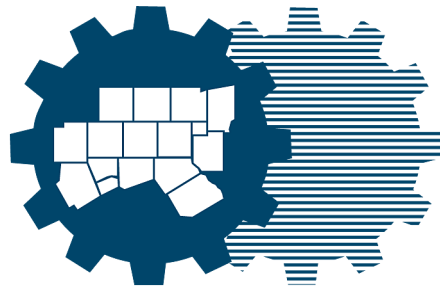
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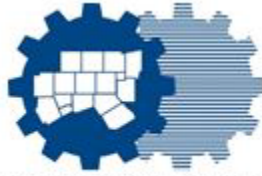
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INTRODUCTORY SECTION





**North Central Texas
Council of Governments**



North Central Texas Council of Governments

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

February 23, 2023

Members of the Executive Board:

The Annual comprehensive Financial Report of the North Central Texas Council of Governments (NCTCOG, ‘the Council’ or ‘the Agency’) for the fiscal year ended September 30, 2022, 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 Annual comprehensive Financial Report (ACFR) 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 schedules of expenditures of federal and state awards, findings and recommendations, and other independent auditor’s reports on the single audit, are issued separately and are included at the end of this 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 228-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 228-member governments are comprised of 16 counties, 169 municipalities, 19 independent school districts, and 24 special purpose districts.

The Council’s functional activities include responsibilities in the following areas – Transportation, Workforce Development, Area Agency on Aging, 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. The Council also administers the North Central Texas Emergency Communications District (NCT9-1-1) and the North Central Texas Economic Development District (NCTEDD).

Economic Condition and Outlook

NCTCOG’s regional population increased by approximately 157,580 persons during 2022 for a January 1, 2022 total estimated population of 8.1 million.

The October 2022 unadjusted unemployment rate for the 16 county NCTCOG region was 3.4%, which was below the Texas rate of 3.8% and equal to the national figure of 3.4%.

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 (FY) 2022, The Transportation Department received \$2,594,000 in Surface Transportation Block Grant Program funds to continue the Regional Air Quality Initiatives project, which includes work to facilitate fleet transition to fuels and technologies that reduce emissions, activities to reduce emissions from consumer vehicles and increase electric vehicle adoption, and initiatives to support the development of alternative fueling/charging infrastructure and related best management practices.

An additional \$114,000 was received from the Department of Energy (DOE), through the National Renewable Energy Laboratory as a DOE contracting agent, to continue performing work as the Dallas-Fort Worth Clean Cities Coalition.

Funding in the amount of \$281,250 was received from the Texas Commission on Environmental Quality for the Rider 7 Local Air Quality Planning Grant. The work under this grant will include air quality planning activities relating to inventorying emissions, monitoring pollution levels, and administration of the program. The work will be conducted in Hood and Hunt counties and includes emissions inventory work in Hunt County and training/monitoring City of Granbury personnel to conduct emissions inventory work in Hood County. A monitoring project in both Hood and Hunt counties will be done to measure ambient levels of nitrogen oxides (NOx).

In-kind support was provided by the Environmental Defense Fund through two summer fellowships. Fellows worked on identifying energy efficiency emission reduction strategies for a regional greenhouse gas control strategy catalogue and evaluated alternative fuel vehicle options for a local school district. In-kind support was also provided through Argonne National Laboratory through two summer interns placed with the Dallas-Fort Worth Clean Cities Coalition. These interns developed local success stories, updated presentation materials, and supported work associated with the development of electric vehicle charging infrastructure.

In August of 2022, the North Central Texas Council of Governments (NCTCOG) Transportation Department received \$800,000 through the Federal Transit Administration's Pilot Program for Transit-Oriented Development (TOD) Planning to develop the Dallas Area Rapid Transit (DART) Silver Line TOD Plan. The study will coordinate with the Cities of Carrollton, Dallas, Grapevine, Plano, and Richardson; Town of Addison; Dallas Fort Worth International Airport; University of Texas at Dallas; DART; and private sector partners along the corridor to advance equitable and connected TOD opportunities at nine regional rail stations. The plan will analyze pedestrian and bicycle access to stations, collect parking data and evaluate opportunities for land-use policy to support increased access to workforce housing and jobs. Stakeholders will be engaged throughout the process. During FY2022 staff began initial stakeholder outreach and developed a scope of work for the study to begin in FY2023.

During Fiscal Year 2022, NCTCOG began a Deep Ellum District Parking Study to assist the City of Dallas and the Deep Ellum Foundation in understanding their parking demand issues and evaluating options for parking management at the district level. Initial tasks completed include stakeholder engagement to refine the scope of work, creation of a comprehensive inventory of parking spaces in the district, and the coordination in preparation of a weekend peak parking demand observation study. The study will continue in FY2023 with further data collection, policy analysis, and recommendations for improvement strategies. This project was funded through larger multi-year sustainable development initiatives.

In 2022, staff initiated the development of a Pedestrian Improvement Plan for the Trinity Metro service area consistent with the City of Fort Worth's Transit Moves Fort Worth plan. The plan will review and identify pedestrian and other active transportation gaps and barriers to transit access along high-frequency (15-minute) bus routes. Anticipated products include a gap analysis related to existing pedestrian and active transportation infrastructure, recommended improvements to infrastructure, opinions of probable construction costs, and a Plan with recommended priorities for implementation. This project was funded through larger multi-year sustainable development initiatives.

In September 2022, the Transportation Department received \$43,750,000 from the Federal Highway Administration (FHWA) for the South Dallas Improved Bicycle/Pedestrian Routes to Rail and Transit Technology Upgrades (South Dallas BPT) project. Funded activities include construction of new sidewalk and shared use path facilities, safety accommodations, bus stop shelters, and transit technology upgrades to improve access to four DART Blue Line light rail stations in the East Oak Cliff community of South Dallas. The project focuses on the half-mile Transit-Oriented Development (TOD) area of DART's 8th and Corinth, Morrell, Illinois, and Kiest Stations. During FY2022, NCTCOG reviewed grant requirements for

development of funding agreements with FHWA and the City of Dallas, with the start of project activities anticipated in FY2024.

In FY2020 NCTCOG was chosen for an award by the United States Department of Transportation (USDOT) under the Better Utilizing Investments to Leverage Development (BUILD) Discretionary Grant Program for the North Texas Multimodal Operations Velocity Efficiency and Safety (NT MOVES) Program. The project will be funded with \$25 million in BUILD funds, \$2 million in Congestion Mitigation and Air Quality Improvement Program funds, \$2 million in local funds from BNSF Railway, and \$33 million in local funds from Dallas Area Rapid Transit and Trinity Metro. The NT MOVES Program seeks to improve freight and passenger mobility in the Dallas-Fort Worth region through strategic investment in rail capacity to improve multimodal transportation. In FY2022 NCTCOG executed an agreement with the Federal Transit Administration to move forward with the program. In FY2023 a portion of these funds will be used to support rail project improvements. NCTCOG staff will oversee project management of the NT MOVES/BUILD grant rail project improvements.

During Fiscal Year 2022, NCTCOG Transportation Department continued the Regional Rail Information System (RRIS) with regional rail partners. The RRIS will analyze aggregated data on train movements, enhance freight and passenger rail operations, and eliminate operational bottlenecks in real time. In addition, the system will be able to identify rail network issues and patterns over time, for the purpose of improved capital project selection and enhanced effectiveness of rail mobility development programs and investments. Funding for this project includes \$7,100,000 in Surface Transportation Block Grant Program funds, \$2,500,000 in Better Utilizing Investments to Leverage Development (BUILD) Discretionary Grant Program funds and \$400,000 in local funds. In FY2022 an agreement with the consultant was completed and work on the system began. In FY2023 development of RRIS will continue with the consultant and regional rail partners.

The Transportation Department developed an interlocal agreement to receive \$300,000 in Texas Department of Transportation (TxDOT) funding to provide technical assistance for planning and coordination of transportation projects for the TxDOT Dallas and Fort Worth Districts. This assistance shall include, but is not limited to, writing technical reports, providing technical analysis, and facilitating meetings between cities and counties, TxDOT and the North Central Texas Council of Governments.

Staff has continued to accumulate video footage of limited-access facilities within the Dallas-Fort Worth region as part of an initiative to inventory and assess roadway signage. In cooperation with TxDOT and NTTA, this video will be used by staff to evaluate signage to identify improper directional information and other errors. This footage will also be utilized to improve way-finding capabilities through signage refinements. This initiative is being funded with \$800,000 in Regional Toll Revenue funding.

The North Central Texas Council of Governments (NCTCOG) Transportation Department has reauthorized an agreement with the North Texas Tollway Authority (NTTA) for \$75,000 in funding for Travel Demand Modeling and Traffic Forecasting Assistance. NCTCOG will provide NTTA assistance with activities such as forecasting, feasibility studies, environmental analyses and other initiatives. NCTCOG will also provide NTTA with travel modeling technical assistance to support toll road feasibility/viability assessments, corridor studies, and environmental analyses.

NCTCOG's Transportation Technology and Innovation Program (TTIP) launched the projects which form the Automated Vehicle 2.0 (AV2.0) Program. During 2022, the first sub-program, AV2.1 Regional Planning Exercise for Local Partners, was completed. NCTCOG received the second round of proposals for the AV2.0 Program's technology deployment initiatives (sub-programs AV2.2 and AV2.3). These projects represent a wide variety of use cases for emerging transportation technology, including 1) using automated vehicles as service delivery modules, 2) automating parking and terminal curbside management at

an international airport, 3) incorporating teleoperation and vehicle-to-vehicle technology elements into an AV shuttle deployment; and 4) use of broadband technology as a form of travel demand management supporting a virtual alternative to physical transportation to destinations such as health care, education, and jobs. The second round of projects represents approximately \$10 million in Surface Transportation Block Grant Program funding.

TTIP launched its freight optimization project in FY2022. The project will improve the flow of freight vehicles through up to 500 signalized intersections and accommodate up to 5,000 vehicles simultaneously. The project should improve traffic flow, air quality, and safety for all roadway users. The project is funded by approximately \$4.5 million in Surface Transportation Block Grant Program funding.

TTIP also facilitated a regional assessment of situational awareness application technology that started in the summer of 2022. Approximately 60 representatives from a number of public agencies tested an example of such technology, which uses AI-curated video from vehicle dashcams to provide useful information about the condition of the roadway environment. The project was funded by approximately \$50,000 in Surface Transportation Block Grant Program funding.

In Fiscal Year 2022, NCTCOG completed Phase 1 of the Dallas-Fort Worth High-Speed Transportation Connections Study initiated in Fiscal Year 2020. Phase 1 included an alternatives analysis of high-speed modes and alignments for a future high-speed passenger service between Dallas and Fort Worth to eventually connect with planned high-speed passenger services throughout the state. With the Regional Transportation Council's adoption of the Phase 1 recommendations in February 2022, NCTCOG will advance Phase 2 of the study which includes conceptual and preliminary engineering to support the environmental analysis and documentation required by the National Environmental Policy Act. In Fiscal Year 2020, a total of \$11,000,000 in Surface Transportation Block Grant funds was allocated through the Federal Transit Administration for the completion of this study; \$7,500,000 of the total was allocated to Phase 2 efforts.

In May 2022, the Regional Transportation Council initiated the Certification of Emerging and Reliable Transportation Technology (CERTT) Program which creates an opportunity for capital-intensive transportation technologies to certify their technology while simultaneously collaborating with local governments who wish to solve a transportation need for their community. This program creates a level playing field for local governments to propose potential locations for consideration by the technology developers. These potential locations must serve a long-range regional transportation need as identified in Mobility 2045 – 2022 Update, the region's long-range transportation plan. This program is supported by Transportation Planning Funds as this program currently only requires staff coordination efforts.

The Transportation Department procured and implemented a digital asset management (DAM) service to streamline storage, retrieval and use of digital image and video assets among members of the Transportation Department. The DAM allows for direct importing of assets into Adobe and Microsoft applications. Additionally, assets are more easily managed, including through auto tagging, allowing for greater efficiencies for the department. Staff management of the DAM as well as the DAM service subscription is expected to continue through Fiscal Year 2023 and beyond. This initiative was funded through Transportation Department Administrative funds.

Area Agency on Aging (AAA) - The Aging program continued to benefit from pandemic relief legislation that resulted in incremental funding for its Area Agency on Aging (NCTAAA) and Aging and Disability Resource Center (NCTADRC). Specifically, it expended \$1,168,302 in funding from the CARES, No Wrong Door (NWD) Vaccine, Consolidated Appropriations Title III C2 and American Rescue Act during Fiscal Year 2022. Specifically, it assisted older adults and persons with disabilities make rental payments necessary to avoid eviction, made utility payments necessary to avoid shut-off, and conducted education

about the importance of obtaining a COVID vaccine. It also used pandemic-relief funds to purchase home-delivered meals, as older adults continued to shelter in place and some senior centers (as congregate meal sites) remained shuttered.

In addition to pandemic Relief funding, the Aging program received the following revenues:

- Funding for the NCTAAA from Texas Health and Human Services (HHSC) in the amount of \$10,894,809 to administer social service programs (e.g., nutrition, transportation, case management, and long-term care ombudsman) for North Central Texans age 60 and over and their family caregivers.
- Funding for the NCTADRC from HHSC in the amount of \$392,405 to provide information and referral, respite, housing navigation, and options counseling services for North Central Texans who are older and/or have disabilities.
- Relocation funding in the amount of \$906,591, under contracts with Amerigroup, Cigna, Molina Health Care, and United Health Care, to help nursing home residents return to the community.
- Chronic Disease Self-Management funding in the amount of \$4,450 from the Community Council for Greater Dallas, as a primary grantee of the Administration for Community Living for Chronic Disease Self-Management, Diabetes Self-Management, Chronic Pain Self-Management, and PEARLS counseling services.
- A \$1M three-year competitive national grant from the Administration for Community Living (ACL) to expand supports for people with dementia and their family caregivers in a 28-county region. It completed an extensive planning process and obtained permission to launch new services effective September 1, 2022. New services will include dementia education for caregivers and individualized consultation to help them better care for their loved ones with dementia and themselves.
- CHOICE/Project Empower: Grant funding in the amount of \$81,467 from a local health system to support home-delivered meal, transportation, volunteer, and emergency financial assistance for adults who lived in Springtown (Parker County).
- Senior Medicare Patrol: A \$23,500 subgrant from the Better Business Bureau to educate Medicare beneficiaries about program fraud.

Collectively, Aging programs served more than 25,000 North Central Texans.

Community Services

Criminal Justice Planning - Criminal Justice Planning - During Fiscal Year 2022 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 (PSO). Staff provided technical and operational assistance to more than 100 agencies for over 170 criminal justice grant applications; conducted three virtual grant application workshop sessions; oversaw strategic planning efforts; and carried out other tasks that met administrative requirements of the PSO.

Training & Development Institute (TDI)- Over the 2022 Fiscal Year, TDI successfully facilitated 79 individual courses for the region, including four Recurring Cohort Programs for Municipal Management Professionals in the Region. TDI additionally developed and implemented one new Cohort Program directed to New & Emerging Procurement Officials in the Region, and two off-site training courses for First-Responders in the region. Of the courses offered this fiscal year, 10 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 103 participants successfully complete these 20-hour courses. Through a partnership with the University of North Texas' Center for Public Management, the TDI hosted 11 Public Funds Investment Act training dates which are required for all public finance and investment officers in the State of Texas; 391 participants received their certificates of completion for this training course during the 2021 Fiscal Year through our participation. In cooperation with NCTCOG's

Transportation Department, the TDI hosted six Traffic Incident Management Safety courses for First Responders & Managers, that consisted of 178 participants from a variety of agencies. Four of the courses were hosted at our NCTCOG offices, one was hosted in Rockwall, Texas at their City Hall training facilities, and one was hosted in Euless, Texas at their TXDOT offices. In addition to the courses outlined above, the TDI facilitated and built out the course offerings in the areas of Public Works, Planning and Zoning, Pavement and Infrastructure, Leadership and Management Academies Best Practices, and ADA Compliance. The TDI staff additionally helps provide support when needed for special requests by NCTCOG departmental staff including providing requested training and/or project facilitation support to internal departments.

Regional Law Enforcement Training (RPA) - Regional Law Enforcement Training (RPA)-During 10/1/2021 to 9/30/2022, the Regional Police Academy conducted 7 Basic Peace Officer Courses and graduated 173 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy submitted 136 training rosters for a total of 18,179 contact hours and 2,022 Students to the Texas Commission on Law Enforcement. This included recruit, in-service and satellite courses.

Emergency Preparedness (EP) - Regional Emergency Preparedness Member Program:

In FY22, the North Central Texas Regional Emergency Preparedness Program, managed by the Emergency Preparedness Department, collected \$467,000 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. The NCTCOG Emergency Preparedness Program is one of the largest and most effective emergency preparedness efforts in the United States. It facilitates collaborative planning, projects and programs that help to build both local and regional capabilities, which in turn enhances the protection of our north central Texas populations and critical infrastructure. Member dues are used to fund a diverse variety of services aimed at creating a stronger, safer region through lasting partnerships and proactive emergency preparedness initiatives. The overarching expense from this funding stream is organizational support. Deliverables are intended to embrace the needs of a wide spectrum of disciplines associated with emergency preparedness and management, including public service, police, fire, emergency management, public works, transportation, special districts, emergency medical services, and others. FY2023 member dues will directly support identified regional emergency preparedness goals, bring information and training to meet regional needs, and support standard functions such as regional trainings, exercise support, working group facilitation, grant assistance and management, project facilitation and support; and advocacy services when appropriate. As a result, the Emergency Preparedness Department is able provide these, and other identified services, while accomplishing regional goals and objectives that may not otherwise be met.

Homeland Security Program: The Homeland Security Grant Program (HSGP) consists of both the State Homeland Security Grant Program (SHSP) and the Urban Area Security Initiative (UASI) Grant Program. HSGP funds support thirty-two core capabilities across the five mission areas of prevention, protection, mitigation, response, and recovery. Expenditures close capability gaps identified in the Threat and Hazard Identification and Risk Assessment (THIRA), Stakeholder Preparedness Review (SPR), Regional Implementation Plan (RIP), UASI Strategy, and After-Action Reports (AARs) from exercises or real-world events that have occurred within our region. Homeland Security funds have helped our region increase response capabilities by developing/updating plans, equipping special response teams, training first responders, and exercising emergency management and other special teams. In FY2023, the D/FW/A Urban Area will receive approximately \$16,900,000 in GY2022 Urban Area Security Initiative (UASI) funds from the U.S. Department of Homeland Security (DHS). These funds were available for use beginning October 1, 2022, with 31% of the overall funding award, \$5,070,00.00 regionally, dedicated toward law enforcement activities. An overall 30% must be allocated in DHS identified national priority areas of: Cyber Security, Soft Targets/Crowded Places, Intelligence and Information Sharing, Community Preparedness and Resilience, and Domestic Violence Extremism. The State of Texas and the D/FW/A

Urban Area opted not to submit projects for an optional priority area of Election Security. Once funds are received, allocations are awarded to regional projects, the three UASI core cities (Dallas, Fort Worth, and Arlington), four metro counties (Collin, Dallas, Denton, and Tarrant), and jurisdictions with a population of 100,000 within those counties.

Additionally, the region received \$1,593,401.25 from the GY2022 State Homeland Security Program (SHSP) grant funds from the U.S. Department of Homeland Security (DHS). These funds will be expended, beginning October 1, 2022. Additionally, 26% of the SHSP award was dedicated toward law enforcement activities, totaling \$418,561.54. The state had to meet an overall 30% allocation of DHS funds to identified national priority areas of: Cyber Security, Soft Targets/Crowded Places, Intelligence and Information Sharing, Community Preparedness and Resilience, and Domestic Violence Extremism. Funding from the GY2022 SHSP Grant supports the implementation of State Homeland Security Strategies addressing the capability targets established in the regional Threat and Hazard Identification and Risk Assessment (THIRA). The Regional Emergency Preparedness Advisory Committee (REPAC) utilized regional working groups to create and submit projects to benefit the region. These projects are intended to close capability gaps and build new capabilities by enhancing citizen preparedness in disaster events, providing equipment and training to regional special response teams, and fund regional full-scale training and exercise events. As a result of these funded projects, local governments throughout the region build on their capacity and enhance their ability to prevent, protect, mitigate, respond to, and recover from a terrorist incident or other catastrophic event.

Mitigation Program:

The primary role of the Mitigation Team is to create or update multijurisdictional, multi-hazard mitigation plans. These hazard mitigation plans identify the hazards faced by participating jurisdictions, vulnerabilities to these hazards, and mitigation to lessen the negative impact of these hazards. The plans fulfill the requirements of the Federal Disaster Mitigation Act as administered by the Texas Division of Emergency Management (TDEM) and the Federal Emergency Management Agency (FEMA). The plans are also an eligibility requirement for FEMA-mitigation funds. In November 2020 the Department was awarded a total of \$497,700 in federal PDM-19 grant funds, supporting hazard mitigation planning for 34 North Central Texas jurisdictions in Ellis, Johnson, Navarro, Somervell, and Wise Counties. Mitigation plans for the participating jurisdictions in these counties is entering the final planning process. In FY22, the department applied for \$552,000 in FEMA funding for three (3) projects: create the University of Texas at Arlington's (UTA) Hazard Mitigation Plan, update Tarrant County's 2020 Hazard Mitigation Plan, and for a Public Education 5% initiative project. The CDBG-MIT Local Hazard Mitigation Plans Program (LHMPP), implemented by the Texas General Land Office, is a new funding source and will be explored for hazard mitigation plan projects. The LHMPP is awarded in ranges from \$20,000-\$100. The 25% local cost share associated with FEMA mitigation grants are generally covered by in-kind hours from the participating jurisdictions. It is anticipated that the Emergency Preparedness Department will continue to search for more project opportunities to complement the mitigation strategies of our region and stakeholders.

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 2022, the EP Department continued to manage the CASA WX membership program, collecting membership dues from local jurisdictions totaling \$181,500. Membership dues go towards sustaining operational expenses of the radar network and CASA organizational support. 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. Organizational support includes coordination of the CASA WX **Executive Council and**

collaboration with the CASA researchers at the University of Massachusetts and engineers at Colorado State University.

Environment & Development (E&D)- The 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 22-23 biennial cycle of the Texas Commission on Environmental Quality (TCEQ) grant continued, including administration of 18 local government projects totaling \$928,126.01 and three Resource Conservation Council (RCC) requested regional projects totaling \$426,420.79. Regional projects included an Organic Waste Technical Study, Regional Tire Collection Events, and a continuation of Know What to Throw Campaign Activities. 40% of the total budget available of \$2,257,578 continued to be allocated for NCTCOG's Regional Coordination and Administration activities. A FY 22-23 Second Call for Projects scoring process was conducted with assistance from the RCC for an additional 8 solid waste grant applications (combined total of 30 including first call), and selection and awards were provided for 5 additional local government projects totaling \$213,414.69.32 for the Second Call for Projects. The Call for Projects efforts began for the FY 24-25 biennial cycle; one preapplication webinar was hosted, technical assistance to the region was provided by responding to questions via phone and email, and resources were developed and posted for grant applicants, including Grant Application Guidelines and a recording of the preapplication webinar. NCTCOG updated the Regional Solid Waste Management Plan this year with assistance from the contractor and stakeholders. NCTCOG attended twelve association meetings/conferences, hosted a regional scrap tire stakeholder meeting, and provided two presentations to partner organizations. In addition, 26 Closed Landfill Inventory requests were responded to and 590 illegal dump site reports from ReportDFWdumping.org and the hotline were forwarded to the appropriate city or county authorities for cleanup action. TimetoRecycle.com, ReportDFWDumping.org, and our solid waste management websites were updated and maintained (207,997 combined pageviews) and the Regional Recycling Campaign continued including public outreach adds and social media posts. Four Resource Conservation Council meetings and three Recycle Roundtable meetings were hosted. For the Western Region Solid Waste Capacity Policy Advisory Group, which is examining cooperative approaches, programs, and/or infrastructure for addressing landfill disposal capacity: NCTCOG held three meetings of the Policy Advisory Group, increased the membership to 22 through additional outreach, created a roster and structure for the group, developed and finalized by-laws with the membership, and maintained the project website, which can be found here: www.nctcog.org/westernsolidwaste. In efforts to better manage organic wastes: NCTCOG completed the EPA-funded North Texas Organic Waste to Fuel Feasibility Study in partnership with the University of Texas at Arlington; hosted four Project Advisory Group workshops to gain feedback on organic waste diversion and renewable natural gas (RNG) goals in the region; and completed the associated regional study. NCTCOG also convened a task force of regional solid waste experts and stakeholders to develop a scope of work for the Organic Waste Technical Study; issued an RFP and selected a contractor to complete work on the technical study and associated gap analysis; and began developing a stakeholder list for inclusion in a Project Advisory Group to review technical study progress. In a connection between trash and watersheds, through our EPA funded grant for Trash Free Texas, NCTCOG held one project related webinar (Trash Free Texas Webinar: Making the Most of New Resources for Reducing Litter); hosted two meetings of the Recreation and Litter Cleanup Advisory Group; maintained our NCTCOG Trash Free Waters project website; created four newsletters (www.nctcog.org/trashfreewaters); gave two presentations and discussed the project with Texas COGs at a meeting of the Texas Association of Regional Councils; presented on the project at ten other meetings of either NCTCOG committees or project stakeholders; continued research and documentation of existing resources and tools for restaurants; developed outlines

for two toolkits: one for restaurants and one for communities for implementing single-use plastic reduction measures at restaurants; promoted the Texas Litter Database at presentations and through newsletters; presented an overview on the project at the Keep Texas Beautiful Conference on June 29, 2022, to help amplify the project reach; drafted and/or facilitated the creation of three toolkits that are now posted on the Trash Free Texas website (Recreational Litter Cleanup Toolkit, the Local Government and Trash Reduction Toolkit, and the Community Cleanup Challenge Toolkit); posted regularly to Trash Free Texas social media accounts about the project; overhauled the “Partners” page of the Trash Free Texas website, which included consolidating and adding resources; and assisted project partners with adding 340 Adopt-a-Spot locations from 12 entities to the Trash Free Texas map.

In the Natural Resources program area, four Water Resources Council (WRC) committee meetings, one Total Maximum Daily Load (TMDL) Coordination Committee meeting, five TMDL Technical Subcommittee meetings, and two Upper Trinity River Coordination Committee meetings were hosted. Region C Water Planning Group in-person meetings continue to be hosted at our offices. The annual regional Water Quality Management Plan was updated and submitted to TCEQ. Coordination with regional Watershed Protection Plan (WPP) managers was maintained, outreach efforts for WPP meetings continued, and two WPP meetings were attended by NCTCOG. Over 470 participants combined attended four NCTCOG organized water quality training webinars. The annual North Central Texas Watershed Stakeholders meeting was facilitated, and Clean Water State Revolving Fund projects continued to be reviewed. With guidance from our Water Resources Council, NCTCOG continued to add resources to the Water for North Texas Online Library, including regional on-site sewage facility data. In partnership with the Trinity Coalition, NCTCOG hosted three meetings of the Trinity River National Water Trail Task Force, a regional initiative to promote recreation along the Trinity River Paddling Trail and maintain its designation as a 130-mile National Parks Service trail. In continued partnership with our Transportation Department and the State Energy Conservation Office (SECO): Produced water/wastewater energy nexus Fact Sheet; hosted two educational webinars titled “CELC and North Central Texas Council of Governments Roundtable - The Intersection of Building Codes on Renewable Energy” and “Applying for Federal Funding 101”; attended four outreach events; drafted the whitepaper: “Integration of Energy Resilience into Hazard Mitigation Planning”; released the document “Best Management Practices for Incorporating Energy Resilience into Hazard Mitigation Planning”; and a supplemental document “Virtual Microgrid Tour: Successful Projects Across the U.S.”. NCTCOG also hosted one Property Assessed Clean Energy (PACE) in North Texas Roundtable and presented to the NCTCOG Executive Board on a proposed regional PACE program. Hosted one SolSmart Roundtable and facilitated four municipalities updating to the 2018 International Energy Conservation Code (from versions older than 2006). The Conserve North Texas website had a total of 17,565 pageviews, and the Go Solar Texas website had a total of 47,671 pageviews. Completed a data update to the Economic & Environmental Benefits of Stewardship tool. Encouraged TSI project partners to utilize the Economic & Environmental Benefits of Stewardship, the Permittee Responsible Mitigation Database website tools, and the Regional Ecosystem Framework website as part of our advance planning for the large area TSI watershed project efforts.

In the Public Works program area, NCTCOG hosted four Public Works Council meetings, two Sustainable Public Rights-of-Way Subcommittee (SPROW) meetings, and four Integrated Stormwater Management (iSWM) Implementation Subcommittee meetings. The 23rd Annual Public Works Roundup was hosted which was attended in-person by 185 individual public works professionals. NCTCOG hosted four subcommittee meetings for continued standard drawing updates to the region’s Fifth Edition, 2017 Standard Specifications for Public Works Construction publication. The Regional Public Works Training Calendar was maintained. For iSWM: one *Design, Construction, Inspection, and Maintenance of Permeable Pavement* workshop was held, which was also posted to the iSWM training library; updates were added to the iSWM website with new program documents from the iSWM subcommittee; and updates to the iSWM Criteria Manual and the iSWM Tiered Measurement Form regarding water quality requirements based on recommendations from the subcommittee were made. Four meetings of the Wastewater Roundtable

committee (WATER) were hosted; one virtual Grease Interceptor Inspection Training and Roundtable was hosted; and three educational explainer videos related to Defend Your Drains North Texas were created. NCTCOG facilitated outreach to the general public via Twitter, Facebook, and Instagram related to Defend Your Drains North Texas (14,800 impressions); coordinated and promoted the Holiday Grease Roundup (with 41 participants and 8,500 gallons of grease/cooking oil collected); and maintained the DefendYourDrainsNorthTexas.com website (19,502 pageviews). NCTCOG also provided support for the Texas Department of Agriculture Community Development Block Grant (TxCDBG) program through disseminating information on the U.S. Department of Housing and Urban Development's Opportunity Portal and Business registry; conducted a Public Meeting with five attendees to select the recommended priority project types identified through a survey; provided information on available grants and population data to non-entitlement communities; and promoted the positive impact TxCDBG-funded grant projects have had in North Central Texas.

In the Regional Codes program area, four Regional Codes Coordinating Committee (RCCC) meetings were hosted along with four Advisory Council meetings with building officials in the region. NCTCOG maintained the adopted regional code amendment recommendations for the 2021 International Code Council Suite of Codes and responded to questions. These are posted on our website at <https://www.nctcog.org/envir/regional-building-codes/amendments>. The 2022 annual code survey was published to the website and building officials were encouraged to adopt the latest codes and to consider adoption of the regional amendments. A Solar Ready Opinion Statement was produced through the RCCC and posted at <https://www.nctcog.org/envir/regional-building-codes/tools-and-resources>. NCTCOG hosted two training sessions on the International Energy Conservation Code - Changes and Certification Preparation; hosted four trainings on the Adoption and Installation of Solar Arrays; and encouraged adoption of the ICC Regional Amendments through correspondence with building officials.

In the Watershed Management program area, four Regional Stormwater Management Coordinating Council (RSWMCC) meetings, three Pollution Prevention (P2) Task Force meetings, four Public Education Task Force (PETF) meetings, three Illicit Discharge Detection and Elimination Task Force meetings, and one Stormwater Monitoring meeting were hosted. Activities completed include: created additional Social Media Templates and/or Toolkits for regional Stormwater Public Education Task Force programs (Texas SmartScape, Doo the Right Thing); administered annual public Doo The Right Thing online photo contest; held the March is Texas SmartScape Month campaign; hosted a second North Texas Community Cleanup Challenge in Spring of 2022; maintained the CommunityCleanupChallenge.com website; began the development of Texas Essential Knowledge and Skills (TEKS) aligned stormwater education videos for elementary students; facilitated the Basic Dry Weather Screening Workshop & Industrial Inspector Workshop; submitted the Regional Wet Weather Characterization Annual Report for Monitoring; and facilitated completion of the Stormwater Monitoring Final Summary Report and Best Management Practice Analysis and Evaluation Plan (BANEP) Final Report. 249 events from 32 member communities and organizations were posted to the Texas SmartScape website events page, and the website had a total of 531,564 pageviews. The Texas SmartScape social media pages had a total of 66,542 impressions and 2,135 engagements/interactions.

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. Four coordination meetings of the Flood Management Task Force and one Trinity River Common Vision Steering Committee meeting were hosted, 21 CDC applications were processed, and progress was made on all measures called for in the annual work program. The CDC application process was more streamlined and efficient through the use of the recently developed website, www.trinityrivercdc.com, a model storage and permit tracking software solution. 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 as well as the communities upstream from the Elm Fork to the Lake Grapevine dam. Progress towards release of a 5th Edition CDC Manual, and

corresponding 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 and is nearing completion. In Cooperation with our North Texas SHARE program, the OneRain Regional Early Flood Warning Software platform continued to be promoted for adoption by all of our members. In partnership with FEMA and the TWDB, Environment and Development hosted the FEMA L-273 “Managing Floodplains through the National Flood Insurance Program” four-day course. In collaboration with the Texas Floodplain Managers Association (TFMA), one Floodplain Manager/Community Rating System (CRS) Users Group meeting was held virtually. NCTCOG’s first hosted Community Health and Resource Management (CHARM) workshop took place with the City of Fort Worth. Additionally, as a part of our Cooperating Technical Partner (CTP) relationship with FEMA, administration of the FEMA CTP FY2019 Harriet Creek and Waxahachie Creek flood risk identification studies were concluded. The CTP FY2020 Catherine Branch Flood Risk Identification Study (FRIS) continued along with initial communications and outreach for our Integrated Transportation and Stormwater (TSI) Management project. For CTP FY21 projects; progress towards additional CHARM workshops, the East Fork FRIS and Hog Branch FRIS and Upper West Fork Discovery were initiated. The FY2022 Business Plan was produced and submitted resulting in funding of continued annual Program Management funds. A contract was signed with the Texas Water Development Board for \$3 million in funding to support the Integrated Transportation and Stormwater Infrastructure (TSI) project, for the upper end of the Trinity River basin in portions of 7 of our less developed counties, which included \$3M match from the Surface Transportation Block Grant (STBG) funds from the Regional Transportation Council. Monthly meetings to refine project activities and scopes of work for use in Interlocal Agreements (ILAs) with project partners continued that culminated into signed agreements. Four official project kick-of meetings with TSI communities were held in August 2022.

In the Development Excellence program area, support for the Center of Development Excellence (DevEx) and the 12 Principles of Development Excellence continued. Promotion of the redesigned DevEx website as a more modern, user-friendly, and searchable platform continued in order to provide a broader coverage of DevEx topic areas, and to focus on added example projects and case studies, see www.developmentexcellence.com. Monthly Development Excellence newsletters were issued, and three additional case studies were added to the website. Three Vision North Texas Lego training events were provided. A Regional Sustainability Virtual Survey was conducted. Four meetings were hosted for the Regional Integration of Sustainability Efforts (RISE) Coalition participants, and the annual work program, committee bylaws, and websites were maintained. Promotion of the Coalition efforts continued with a presentation at the Annual Public Works Roundup and through two educational webinars: Urban Forests & Heat Island Mitigation, and Public Art Collection. Collection of regional solid waste, water, and wastewater data for a regional greenhouse gas inventory continued.

Research and Information Services (RIS)- Research-NCTCOG's 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 detailed data from local appraisal districts to improve the precision of the land use 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. In response to customer needs, RIS recently developed a unique contour data layer and added a recurring

imagery service option to the program. Another high-value layer--building footprints--is currently under development. RIS also improved the purchase site, through which non-participants can acquire the data. The updated purchase site and an associated landing page are designed to accommodate future enhancements, improve the purchasing experience, and offer additional value for the customer.

Focus on Innovation-RIS 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) leads the way in developing today's workforce and anticipating the occupations and skills needed for tomorrow. We help our local economy thrive through our talent development strategies, workforce programs and network of partnerships in our 14-county region. Through our programs and partnerships, we bring tens of millions in funding into the North Central Texas region each year, leading to effective and lasting change for our residents, communities and businesses.

The Workforce Development Board and staff of WSNCT work together to identify the priorities of the region and the role the organization plays in propelling the region forward. We are laser focused on building economic prosperity, developing a sustainable and skilled workforce, and attracting additional employers to strengthen and bolster North Texas. This has helped refine and amplify the key strategic pillars of WSNCT's work: Quality Child Care, Career Pathways, and Workforce and Industry Engagement.

Quality Child Care

Through a partnership with Camp Fire First Texas and WSNCT, a first-of-its-kind apprenticeship program, we're providing education and non-expiring credentials to early childhood educators. The Child Care Professional Apprenticeship Program is designed to ensure there is an ample talent pool and pipeline of highly skilled educators that provides equitable access to early learning for all children. The apprenticeship program typically runs for two years and is offered at no cost to the participants.

WSNCT has a leadership role in helping Early Learning Programs (ELPs) attain Two-Star, Three-Star and Four-Star certification levels through the Texas Rising Star program. WSNCT has a team of Mentors who meet regularly with childcare directors and coach their teams. WSNCT Mentors provide observations, suggestions, resources, and a support system for the programs as they are rising through the program or becoming certified. The Texas Rising Star program grew this past fiscal year from 113 certified ELPs to 133, and our team provided more than 4,000 hours of virtual and in-person mentoring sessions to programs throughout our region.

Additional Quality Child Care milestones for FY22 include:

- \$333,500 in professional development scholarships were made available for early childhood education and child development. More than 950 childcare professionals participated.
- \$750,000 in grants were awarded for the purchase of equipment and material to enhance learning environments. More than 130 Early Learning Programs received support.
- 40 Early Learning professionals graduated from the 120-hour Child Development Associate course, 4 were awarded an ECMI Administrator's Credential, and 17 participated in the Child Care Professional Apprenticeship Program, of which 11 graduated with their Early Childhood Educator Certification.

Career Pathways

Developing a vibrant, diverse, and sustainable workforce to meet the needs of regional employers is a priority for WSNCT and a focus of two of our iWork initiatives: Youth Career Exploration and Teacher Externships. Our iWork: Teacher Externship program helps ISDs and their educators connect more

meaningfully with area employers while also bringing real world information and perspective back to students in the classroom. Twenty Plano ISD educators took part in the four-week program in 2022, which included 14 different employer partners ranging from architecture firms and a bank to a children’s hospital and an animal hospital, and even Battle Beaver, which specializes in custom performance video game equipment.

Each year, we host our iWork: Youth Career Exploration event that brings together students from North Central Texas independent school districts (ISDs), out of school youth and a broad array of employers, colleges and universities, and military branches. In FY22, nearly 400 teens attended and heard from successful young entrepreneurs and had the opportunity to get hands-on experiences with various occupations.

Another way we provide career exploration is through our Summer Earn and Learn (SEAL) program, which gives students with disabilities the opportunity for meaningful work as a pathway to future careers. Through SEAL, the skills and interests of students ages 14 to 22 are matched with companies willing to provide work-based learning opportunities that could potentially lead to filling critical positions. The Cleburne Railroaders baseball team was one of more than 125 regional companies that hosted students during FY22. Outcomes include:

- 404 work experience opportunities identified
- More than 250 students placed with a company
- Nearly 200 completed five weeks of work experience with their host companies
- 12 students hired into full-time positions

In FY22 we continued to strengthen our partnership with the Alliance of Elite Youth Leadership through our joint Youth Entrepreneurial Training initiative. The eight-week program brings in business owners and guest speakers to inspire and teach participants (who range in age from 16 to 24) about establishing a business, from making a business plan and learning how to network, to marketing the business and seeking funding to support long-term sustainability. The culmination of the program is a “Shark Tank”-like business competition, known as “The Mound,” where the top three participants pitch their business concepts to judges. The program has helped participants launch several new entrepreneurial businesses, including in the floral design, trucking, hair care and beauty, and professional services industries.

Workforce and Industry Engagement

WSNCT launched a new sector partnership initiative in September 2022 focused on convening major employers in the construction and infrastructure industry to initiate dialogue and find solutions for common challenges. The goal of the Sector Partnership initiative is to bring together industry leaders, along with educational partners and community-based organizations, to generate rapid-response solutions to workforce challenges. At our inaugural partnership meeting in September 2022, building awareness of the industry sector, training, and recruitment and retention were identified as the areas of initial focus. The group has established action teams to dive deeper into these top-priority issues and outline tangible actions to address them.

Registered Apprenticeship Programs (RAPs) have recently gained new attention. Through this training model, employers can train new and existing employees to the exact specifications needed. In turn, workers gain new skills and certifications that can propel them forward in their career. There are 36 RAPs in the North Central Texas. WSNCT’s partnership with the U.S. Department of Labor allows us to work with employers through the apprenticeship program development and registration process, making it simple and rewarding for both employers and their workers. Velex is one of our newest RAPs; the company has added close to 700 employees to their apprenticeship program and has already graduated more than 300 ready-to-work, highly skilled workers.

Grant funding is vital to our Workforce and Industry Engagement efforts. In FY22, we collaborated with our educational and employer partners to support more than \$39.5 million in grant applications to help increase the skills of our North Central Texas workforce. As of January 2023, more than \$22.3 million in FY22 grant funding has been awarded in our region:

- Apprenticeship Texas Grants: \$835,541
- Skills Development Fund Grants: \$1,560,664
- Education and Training Grants: \$19,955,308

FY22 WSNCT Statistics At A Glance

Employers Served – 9,589

Career Seekers Served – 50,169

Average Number of Children Served Per Day Through Child Care Scholarships – 5,558

Hiring Events

- In Person – 124
- Virtual – 54
- Career Seekers Served – 6,267
- Employers Attended – 980
- Job Openings – 18,734

WSNCT's mission is compelled by business-driven data and decisions that result in vast workforce opportunities and sustainable solutions everywhere in our region. As we continue to be Texas talent champions for our highly diverse landscape of customers and partners, we'll deliver services, programs and innovative solutions to create economic prosperity for all.

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 or 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, 2022, 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 2023 budget is approximately 88% 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 annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the twenty-second consecutive year that NCTCOG has achieved this prestigious award. To be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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.

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Mike Eastland
Executive Director

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Monte Mercer, CPA
Deputy Executive Director

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Molly Rendon
Director of Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

North Central Texas Council of Governments

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

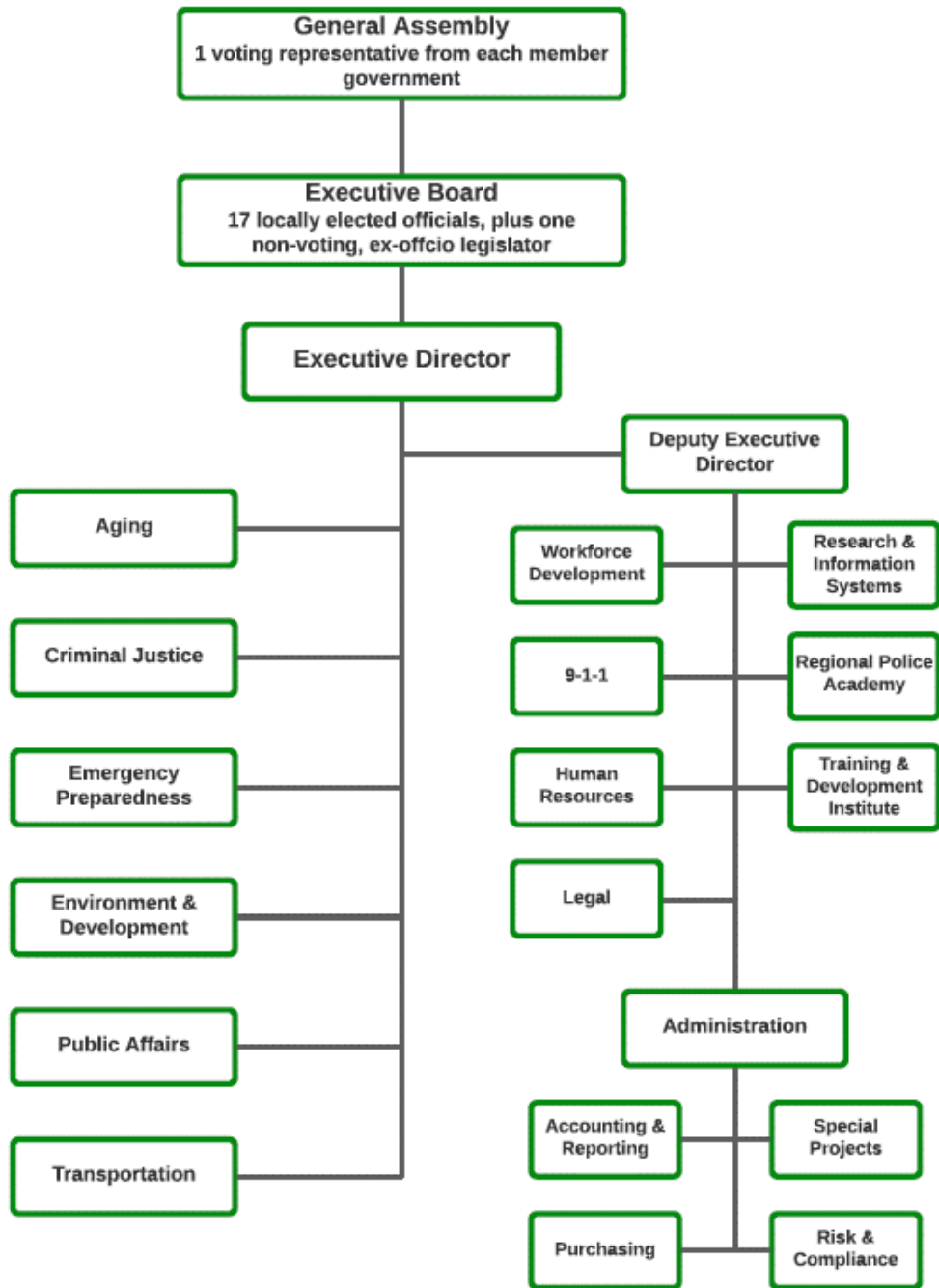
September 30, 2021

Christopher P. Morill

Executive Director/CEO

Organizational Chart

North Central Texas Council of Governments



NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
2022- 2023 EXECUTIVE BOARD

President
ANDREW PIEL
Councilmember
City of Arlington

Vice President
BILL HEIDEMANN
Mayor
City of Corinth

Secretary-Treasurer
CHRIS HILL
County Judge
Collin County

Past President
DAVID SWEET
County Judge
Rockwall County

Director
CLAY JENKINS
County Judge
Dallas County

Director
TIM O'HARE
County Judge
Tarrant County

Director
CARA MENDELSON
Councilmember
City of Dallas

Director
CARLOS FLORES
Councilmember
City of Fort Worth

Director
BOBBIE MITCHELL
Commissioner
Denton County

Director
J. D. CLARK
County Judge
Wise County

Director
TODD LITTLE
County Judge
Ellis County

Director
CLYDE HAIRSTON
Mayor
City of Lancaster

Director
RICK CARMONA
Mayor
City of Terrell

Director
JANET DePUY
Mayor Pro Tem
City of Richardson

Director
LINDA MARTIN
Mayor
City of Euless

Director
VICTORIA JOHNSON
Councilmember
City of Burleson

Director
JORJA CLEMSON
Councilmember
City of Grand Prairie

Ex Officio Nonvoting Member
DR. GLENN ROGERS
State Representative
District 60

Executive Director
MIKE EASTLAND

ADMINISTRATIVE STAFF

Deputy Executive Director
Monte Mercer

Director, Transportation
Michael Morris

Director, Research and Information Services
Tim Barbee

Director, Environment and Development
Edith Marvin

Director, Emergency Preparedness
Maribel Martinez

Director, Area Agency on Aging
Doni Green

Director, Regional NCT9-1-1
Christy Williams

Director, Workforce Development
Phedra Redifer

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:

REGIONALISM

We believe regionalism is the cornerstone of our existence, and that our unique regional perspective provides us the vantage point to address issues that extend beyond traditional boundaries. It is our goal 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

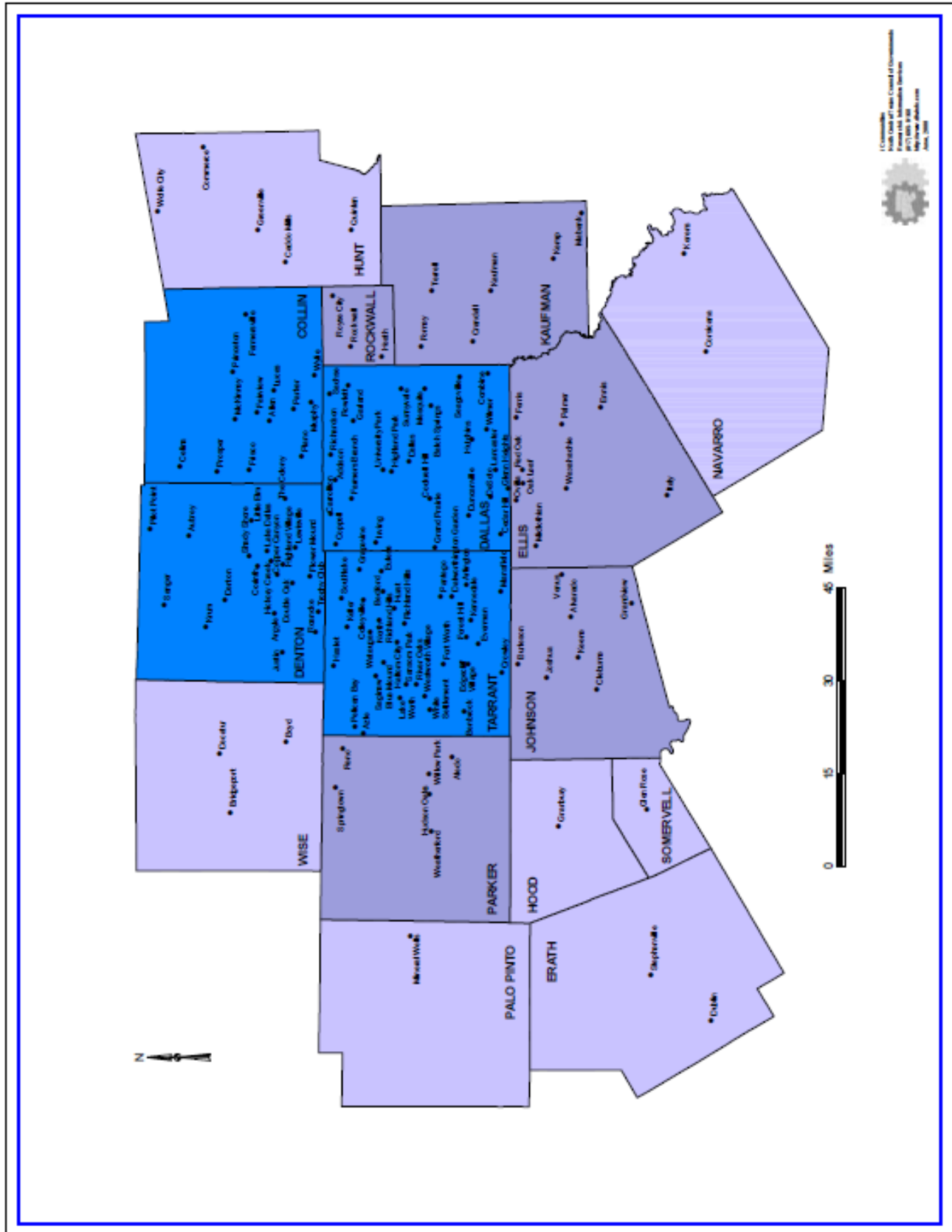
We value our employees and respect both individual excellence and dedicated teamwork. We support the principles of professional development, fair and consistent personnel practices, and competitive compensation.

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 (228)**

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
Burlison
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
Eules
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
Lavon
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
Prosper
Quinlan
Red Oak
Reno
Rhome
Richardson

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (228)**

Cities (169) - continued

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

Special Districts (24)

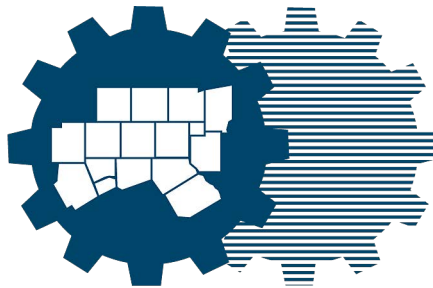
Acton Municipal Utility District
Benbrook Water and Sewer
Authority
Central Appraisal District of
Johnson County
Collin County Central
Appraisal District
Dallas Area Rapid Transit
Dallas County College
Dallas County Flood Control
District #1
Dallas County Park Cities
Municipal Utility District
Dallas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

Denton County Fresh Water
Supply District #1A
Denton County Fresh Water
Supply District #6/7
Denton County Transportation
Authority
Hunt Memorial Hospital
District
Johnson County Special Utility
District
Lake Cities Municipal Utility
Authority
Metropolitan Area EMS
Authority

North Texas Municipal Water
District
North Texas Tollway Authority
Tarrant County Regional Water
District
Trinity Metro
Trinity River Authority
Trophy Club Municipal Utility
District #1
Weatherford College
Wise County Water Control &
Improvement District #1

FINANCIAL SECTION





**North Central Texas
Council of Governments**

INDEPENDENT AUDITOR'S REPORT

To the Executive Board
North Central Texas Council of Governments
Arlington, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Council, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Executive Board
North Central Texas Council of Governments

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

To the Executive Board
North Central Texas Council of Governments

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council’s basic financial statements. The introductory section, other supplemental information and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

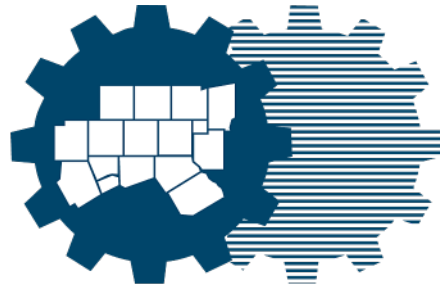
Other Information

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

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



Fort Worth, Texas
February 23, 2023



**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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, 2022. 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 \$ 19,676,485 (net position). Of this amount \$ 11,440,618 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- Net position increased a \$ 1,213,492 or 7%, in the current fiscal year comprised of a \$407,665 decrease in net capital assets and a \$1,621,157 increase in restricted and unrestricted funds.
- NCTCOG's governmental funds reported combined ending fund balances of \$ 18,755,441, an increase of \$ 1,454,822 or an 8% increase in comparison with the prior year. Of the total fund balance, approximately 33% is restricted for local transportation projects, 6% is restricted for grants, 2% is non-spendable, 41% is available for spending at the government's discretion (unassigned) and 18% is assigned for other agency projects.

Overview of the Financial Statements

This discussion and analysis are 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.

The government-wide financial statements include the general, special revenue and proprietary funds as shown on pages 13 and 14 of this report, as well as the discretely presented component unit, NCT911.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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 23-43 of this report.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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 45-47 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 49-52 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 NCTCOG, total assets exceeded liabilities by \$ 19,676,485 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, 2022 and 2021**

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current assets	\$ 96,555,375	\$ 87,605,418	\$ 210,719	\$ 322,626	\$ 96,766,094	\$ 87,928,044
Capital assets	26,246,975	1,326,876	-	-	26,246,975	1,326,876
Total Assets	<u>122,802,350</u>	<u>88,932,294</u>	<u>210,719</u>	<u>322,626</u>	<u>123,013,069</u>	<u>89,254,920</u>
Other liabilities	78,878,883	68,701,351	-	57,906	78,878,883	68,759,257
Long-term liabilities	24,457,701	2,032,670	-	-	24,457,701	2,032,670
Total Liabilities	<u>103,336,584</u>	<u>70,734,021</u>	<u>-</u>	<u>57,906</u>	<u>103,336,584</u>	<u>70,791,927</u>
Net position						
Net investment in capital assets	919,211	1,326,876	-	-	919,211	1,326,876
Restricted	7,316,656	6,988,735	-	-	7,316,656	6,988,735
Unrestricted	11,229,899	9,882,662	210,719	264,720	11,440,618	10,147,382
Total Net Position	<u>\$ 19,465,766</u>	<u>\$ 18,198,273</u>	<u>\$ 210,719</u>	<u>\$ 264,720</u>	<u>\$ 19,676,485</u>	<u>\$ 18,462,993</u>

A portion of NCTCOG's net position, \$919,211 (5%) reflects its investment in capital assets (e.g., equipment). 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, \$7,316,656 (37%) is restricted. Of this amount \$6,272,383 is for Regional Transportation Council approved projects related to transportation funded initiatives. The remaining \$1,044,273 is restricted to grants with limitations specified by the funding agencies.

\$11,440,618 (58%) 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, 2022, NCTCOG's net position for governmental activities increased \$1,267,493 or 7%, in the current fiscal year comprised of \$407,665 decrease in net capital assets and \$1,675,158 increase in restricted and unrestricted funds. Following is a summary of the government-wide Statement of Activities:

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION
September 30, 2022 and 2021**

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program revenues:						
Federal administered grants	\$ 11,278,841	\$ 12,541,382	\$ -	\$ -	\$ 11,278,841	\$ 12,541,382
State administered grants	132,997,272	116,230,240	-	-	132,997,272	116,230,240
Local administered grants	-	29,947	-	-	-	29,947
Local contracts and in-kind	23,310,618	16,344,089	1,249,731	1,371,952	24,560,349	17,716,041
General revenues:						
Membership dues	767,990	752,591	-	-	767,990	752,591
Interest income	423,608	26,597	-	-	423,608	26,597
Total revenues	<u>168,778,329</u>	<u>145,924,846</u>	<u>1,249,731</u>	<u>1,371,952</u>	<u>170,028,060</u>	<u>147,296,798</u>
Expenses						
Agency administration	8,534,517	7,908,178	-	-	8,534,517	7,908,178
Agency management	1,006,989	1,169,150	-	-	1,006,989	1,169,150
Area Agency on Aging	14,431,784	12,680,904	-	-	14,431,784	12,680,904
Community Service	1,409,757	1,451,305	1,482,082	168,457	2,891,839	1,619,762
Emergency preparedness	1,936,861	1,708,521	-	-	1,936,861	1,708,521
Environment and development	3,083,689	3,822,302	-	-	3,083,689	3,822,302
RIS local assistance	3,325,267	4,002,173	(117,752)	1,134,749	3,207,515	5,136,922
Transportation planning	47,936,945	44,451,924	-	-	47,936,945	44,451,924
Workforce development	85,784,429	67,559,454	-	-	85,784,429	67,559,454
Total expenses	<u>167,450,238</u>	<u>144,753,911</u>	<u>1,364,330</u>	<u>1,303,206</u>	<u>168,814,568</u>	<u>146,057,117</u>
Increase (decrease) in net position	1,328,091	1,170,935	(114,599)	68,746	1,213,492	1,239,681
Transfers	(60,598)	(20,000)	60,598	20,000	-	-
Increase (decrease) in net position	<u>1,267,493</u>	<u>1,150,935</u>	<u>(54,001)</u>	<u>88,746</u>	<u>1,213,492</u>	<u>1,239,681</u>
Net position - beginning	18,198,273	17,047,338	264,720	175,974	18,462,993	17,223,312
Net position - ending	<u>\$ 19,465,766</u>	<u>\$ 18,198,273</u>	<u>\$ 210,719</u>	<u>\$ 264,720</u>	<u>\$ 19,676,485</u>	<u>\$ 18,462,993</u>

Significant components of the net position activity are as follows:

Governmental activities total revenues increased \$22,853,483 or 16% in the current year. This increase is comprised of the following major components:

- Federal revenues decreased a net \$1,262,541 (10%) in the current year, primarily comprised of the following:
 - \$3,394,509 decrease related to Federal Transit Administration (FTA) programs. This is comprised of a decrease in activity from HNTB Corporation related to the Dallas to Fort Worth High-Speed Transportation Connections Study and the expiration of the Urbanized Area Formula Program, Section 5307 Trinity Metro agreement in FY 2021.
 - \$1,664,863 increase related to Environmental Protection Agency (EPA) programs. The main portion is due to increased DERA programs activities. Also, additional activities under the EPA OW2RNG grant \$255,811 (Total EPA increase for E&D \$204,842.93 – TFW decreased)
 - \$207,300 increase related to Federal Emergency Management Agency (FEMA) programs. The main increase is due to additional E&D activities primarily relating to grants 19 CTP Harriet Creek and 19 CTP Waxahachie Creek (all \$207,300 relates to E&D)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

- \$167,609 increase related to Department of Defense (DOD) programs. The main increase is due to the North Central Texas Regional Compatible Use Program Implementation Project and the North Central Texas Agile Curriculum Program for Aviation, Aerospace and Defense Manufacturing.
- State revenues increased a net \$16,767,032 (14%) in the current year, primarily comprised of the following:
 - \$14,401,903 increase from the Texas Workforce Commission (TWC). Most of the increase in FY22 was the result of additional funding for the Child Care program, including COVID-19 related funding.
 - \$1,777,209 increased funding from the Texas Department of Transportation (TXDOT) due to an increase in the Congestion Mitigation and Air Quality (CMAQ) projects, mainly the Regional Intersection Equipment Program, and an increase in the Surface Transportation Block Grant (STBG) projects, mainly the Regionwide Optimized Freight Movement Project.
 - \$1,602,202 increase from the Health and Human Services Commission (HHSC). The increase is additional funding received in response to the pandemic. The Agency Area on Aging (AAA) received \$2M in American Rescue Plan Act Funding (ARPA). Additionally, with the disaster declaration still in effect, the AAA was able to carry over funding from FY2021 and FY2020 which would otherwise not be allowable.
 - \$928,603 decrease in funding from the Texas Commission on Environmental Quality (TCEQ). The decrease is mostly comprised of the Solid Waste Grant which is on a biennium with the bulk of the activity occurring in year two.
- In-Kind and Local revenue increased a net \$6,966,529 (43%) in the current year, primarily comprised of the following:
 - FTA in-kind and local contracts decreased \$537,601. The decrease is due to the Urbanized Area Formula Program, Section 5307 Trinity Metro agreement that expired September 2021.
 - TWC in-kind and local income increased \$3,873,739 related to the childcare program. Typically, the childcare local match contract and related in-kind has been recorded in the fiscal year that corresponds to the grant year (for example, contract year 2020 local match and related in-kind was booked in FY2020). For FY2021, overall childcare expenditures were behind target. As a result, other childcare contracts took longer to expend, and the local match contract was not expended until the first quarter of FY2022. This resulted in delay in the 2021 local match contract and related in-kind being booked until FY2022. This is allowable due to the contract term lasting 15 months, ending December 31, 2021. Similarly, the 2022 local match contract and related in-kind will be booked in the first quarter of FY2023.
 - Environmental Protection Agency (EPA) in-kind increased \$2,480,881 relating to the Diesel Emissions Reduction Act (DERA) projects.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

- Federal Emergency Management Agency (FEMA) in-kind, local contracts, and program income increased \$136,195. This variance is primarily due to E&D subrecipients provided additional in-kind.
- Other local revenues increased \$975,636. This increase was due to the following:
 - Transportation local increased \$1,698,852 due to the City of White Settlement Land banking Project.
 - Other local funding sources decreased by \$723,216. The majority of this decrease was due to the RIS Orthos program. The flight schedule alternates every year and with FY22 being a half flight year, the expenses were greatly reduced.
- General revenues increased \$412,410 (1.52%) because of higher interest income; due to higher rates.

Governmental activities total expenses increased \$22,696,327 or 16% in the current year. Key elements of the changes are as follows:

- Workforce Development increased \$18,224,975 or 27% mostly due to the result of additional funding for the Child Care program, including COVID-19 related funding.
- Transportation expenses increased a net of 3,485,021 or 8% when compared with 2021. The main increase was due to the EPA DERA projects, and the TXDOT CMAQ and STBG projects.
- Area Agency on Aging expenses increased \$1,750,880 or 14% due to the continued expansion of the nutrition and transportation programs. As well as the addition of new Evidence-based Intervention programs and increase spending on In-home Services (Homemaker, personal assistance, and Respite in home). The AAA was able to achieve its goal to expand these programs due to receiving additional funding in response to the pandemic including \$2M in American Rescue Plan Act (ARPA) funding and for the first time, being allowed to carry over unexpended funding from the past two fiscal year (FY2021 and FY2020).
- Environment & development expenses decreased \$738,613 or 19% when compared to 2021. This primarily relates to the 1st year Solid Waste activity.

Financial Analysis of the Government's Funds

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 \$18,755,441, an increase of \$1,454,822 in comparison with the prior year. Approximately 42% of this total amount (\$7,810,437) 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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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 \$7,826,643. 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 5% of total governmental fund expenditures.

General Fund. The fund balance of NCTCOG’s general fund increased by \$464,335 during the current fiscal year.

Special Revenue Fund. The fund balance of NCTCOG’s special revenue fund increased by a net of \$990,487 during the current fiscal year primarily due to increases of \$64,141 for TXDOT programs, \$78,541 for FEMA programs, \$650,442 for other agency local projects and \$200,581 for transportation local programs.

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 \$457,519 which represents 7% of budgeted total current expenditures. The change is primarily due to savings on various projects of \$570,033, increased interest revenue of \$80,535 due to higher interest rates offset by a lower than budgeted indirect cost allocation of \$277,748.

Capital Asset and Long-Term Liability Administration

Capital assets. The NCTCOG’s investment in capital assets as of September 30, 2022, and 2021 amounted to \$919,211 and \$1,326,876 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, leasehold improvements, and capital leases. Detailed information on the NCTCOG’s capital assets can be found in Note G on pages 37-38 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 2023 are estimated at \$796,901.

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 estimated revenues and program expenses for fiscal year 2023 decreased a net of \$30.434 million from fiscal year 2022.

- Major state and federal program net decrease in funding of \$27.5 million mainly comprised of:
 - Workforce – \$31.6 million net decrease comprised of:
 - Texas Workforce Commission (TWC) – (\$31.6 million decrease)
 - Transportation – \$1.3 million net decrease, primarily comprised of:
 - Federal Transit Administration (FTA) – (\$3.6 million decrease).
 - Environmental Protection Agency (EPA) – (\$1.4 million decrease).

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

- Texas Commission on Environmental Quality (TCEQ) – (\$844 thousand decrease).
- U.S. Department of Transportation (US DOT) – (\$425 thousand decrease).
- Texas Department of Transportation (TXDOT) – (\$3.6 million increase).
- Federal Highway Administration (FHWA) – (\$922 thousand increase).
- Department of Defense (DOD) – (\$473 thousand increase).
- Area Agency on Aging – \$4.0 million increase comprised of:
 - Texas Health and Human Services (HHS) – (\$3.9 million increase)
 - U.S. Health and Human Services (US HHS) – (\$161 thousand increase)
- Environment & Development – \$2.1 million net increase, primarily comprised of:
 - Texas Commission on Environmental Quality (TCEQ) – (\$1.8 million increase).
 - Texas Water Development Board (TWDB) – (\$478 thousand increase).
 - Federal Emergency Management Agency (FEMA) – (\$184 thousand increase).
 - Environmental Protection Agency (EPA) – (\$233 thousand decrease).
 - State Energy Conservation Office (SECO) – (\$150 thousand decrease).
- Emergency Preparedness – \$590 thousand net decrease, primarily comprised of:
 - Governor’s Office – (\$656 thousand decrease)
- Local Contracts & Other Revenue – \$2.8 million net increase, primarily due to:
 - Transportation – (\$1.3 million increase).
 - Research and Information Services – (\$841 thousand increase).
 - Environment and Development – (\$230 thousand increase).
- In-Kind Match Funds – \$5.8 million net decrease, primarily due to:
 - Transportation – (\$5.7 million decrease).
 - Workforce Development – (\$97 thousand decrease).

Requests for Information

This financial report is designed to provide a general overview of the NCTCOG’s finances for all those with an interest in the agency’s financial position. 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.

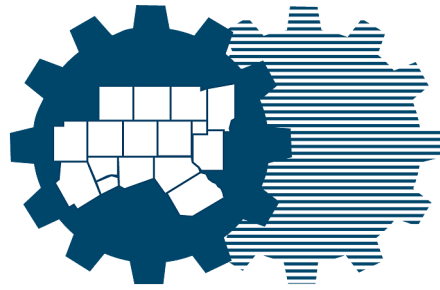
The NCT911 Financial Report is available on the NCT9-1-1 website, [Board of Managers - NCT9-1-1](#)

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
 - Governmental funds
 - Proprietary funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	NCT-911 Total
Assets				
Cash and cash equivalents	\$ 992,561	\$ -	\$ 992,561	\$ 1,536,364
Investments	66,238,545	-	66,238,545	3,674,687
Receivables	28,612,440	-	28,612,440	1,768,267
Internal balances	(120,206)	120,206	-	-
Due From Component Unit	366,049	-	366,049	-
Prepaid items	465,986	90,513	556,499	295,027
Capital assets, net of accumulated depreciation	26,246,975	-	26,246,975	425,683
Total Assets	<u>122,802,350</u>	<u>210,719</u>	<u>123,013,069</u>	<u>7,700,028</u>
Liabilities				
Accounts payable and accrued expenses	18,323,903	-	18,323,903	1,035,164
Unearned revenue	57,730,371	-	57,730,371	183,173
Due to Primary Government	-	-	-	366,049
Long-term liabilities				
Due within one year	2,824,609	-	2,824,609	26,269
Due in more than one year	24,457,701	-	24,457,701	-
Total Liabilities	<u>103,336,584</u>	<u>-</u>	<u>103,336,584</u>	<u>1,610,655</u>
Net Position				
Net investment in capital assets	919,211	-	919,211	399,414
Restricted for:				
Grants	1,044,273	-	1,044,273	-
Transportation projects	6,272,383	-	6,272,383	-
Unrestricted	11,229,899	210,719	11,440,618	5,689,959
Total Net Position	<u>\$ 19,465,766</u>	<u>\$ 210,719</u>	<u>\$ 19,676,485</u>	<u>\$ 6,089,373</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, 2022**

Functions/Programs	Operating Grants and Contributions			Net (Expenses) Revenue and Change in Net Position		
	Expenses	Federal Funding	State/State Admin Funding	Primary Government		Component Unit
				Governmental Activities	Business Type Activities	
						Total
Primary Government:						
<u>Governmental Activities:</u>						
Agency administration	\$ 8,534,517	\$ -	\$ -	\$ (6,730,147)	\$ -	\$ -
Agency management	1,006,989	292,677	-	(680,378)	-	(680,378)
Area Agency on Aging	14,431,784	33,288	11,376,031	1,076,355	-	1,076,355
Community services	1,409,757	-	718,717	191,682	-	191,682
Emergency preparedness	1,936,861	-	1,436,501	251,069	-	251,069
Environment and development	3,083,689	911,629	1,136,522	229,188	-	229,188
RIS local assistance	3,325,267	-	-	(3,090,315)	-	(3,090,315)
Transportation planning	47,936,945	10,041,247	33,180,993	3,927,728	-	3,927,728
Workforce development	85,784,429	-	85,148,508	4,961,311	-	4,961,311
Total Governmental Activities	\$ 167,450,238	\$ 11,278,841	\$ 132,997,272	\$ 136,493	\$ -	\$ 136,493
<u>Business-Type Activities:</u>						
Shared Service Center	1,364,330	-	-	-	(114,599)	(114,599)
Total Primary Government	\$ 168,814,568	\$ 11,278,841	\$ 132,997,272	\$ 136,493	\$ (114,599)	\$ 21,894
<u>Component-Type Activities:</u>						
NCT9-1-1	11,403,178	-	1,024,800	-	-	777,266
Total Component Unit	\$ 11,403,178	\$ -	\$ 1,024,800	\$ -	\$ -	\$ 777,266
General Revenues:						
Membership dues				767,990	-	767,990
Interest income				423,608	-	423,608
Transfer in (out)				(60,598)	60,598	-
Total general revenues				\$ 1,131,000	\$ 60,598	\$ 1,191,598
Change in net position				1,267,493	(54,001)	1,213,492
Net position-beginning				18,198,273	264,720	18,462,993
Net position-ending				\$ 19,465,766	\$ 210,719	\$ 19,676,485

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 837,897	\$ 154,664	\$ 992,561
Investments	15,079,049	51,159,496	66,238,545
Accounts receivable:			
Federal grants	-	4,857,518	4,857,518
State and local administered grants	-	22,441,077	22,441,077
Local grants	-	1,266,907	1,266,907
Other	46,937	-	46,937
Due from other funds	5,726,776	-	5,726,776
Due from component unit	366,049	-	366,049
Prepays	7,736	260,035	267,771
Other assets	8,470	-	8,470
Total Assets	<u>\$ 22,072,914</u>	<u>\$ 80,139,697</u>	<u>\$ 102,212,611</u>
Liabilities			
Accounts payable	\$ 13,338,834	\$ -	\$ 13,338,834
Accrued liabilities	110,691	4,061,264	4,171,955
Accrued payroll and employee benefits	790,610	-	790,610
Due to other funds	-	7,425,400	7,425,400
Unearned revenue	6,136	57,724,235	57,730,371
Total Liabilities	<u>14,246,271</u>	<u>69,210,899</u>	<u>83,457,170</u>
Fund Balance			
Nonspendable	16,206	260,035	276,241
Restricted for:			
Grants	-	1,044,273	1,044,273
Transportation projects	-	6,272,383	6,272,383
Assigned	-	3,352,107	3,352,107
Unassigned	7,810,437	-	7,810,437
Total Fund Balance	<u>7,826,643</u>	<u>10,928,798</u>	<u>18,755,441</u>
Total Liabilities and Fund Balance	<u>\$ 22,072,914</u>	<u>\$ 80,139,697</u>	<u>\$ 102,212,611</u>

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, 2022**

Amounts reported for governmental fund balance sheet are different due to the following:

Total Fund Balance - total governmental funds (page 15)	\$18,755,441
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	26,246,975
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.	1,745,660
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(27,282,310)</u>
Net position of governmental activities (page 13)	<u><u>\$19,465,766</u></u>

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, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Federal grants	\$ -	\$ 11,278,841	\$ 11,278,841
State administered grants	-	132,997,272	132,997,272
Membership dues	767,990	-	767,990
Local contributed cash	7,974	11,745,242	11,753,216
Interest income	100,535	323,073	423,608
Program Income	-	276,769	276,769
In-Kind	-	11,280,633	11,280,633
Total Revenues	<u>876,499</u>	<u>167,901,830</u>	<u>168,778,329</u>
Expenditures			
Current:			
Agency administration	5,371,171	3,728,696	9,099,867
Agency management	783,649	275,313	1,058,962
Area Agency on Aging	-	14,827,524	14,827,524
Community services	5,671	1,534,620	1,540,291
Emergency preparedness	-	2,055,196	2,055,196
Environment & development	109,318	3,183,047	3,292,365
Research & information services	85,307	3,681,192	3,766,499
Transportation	185,947	50,932,841	51,118,788
Workforce development	-	85,062,880	85,062,880
Debt Service			
Interest Expense	43	82,689	82,732
LeaseFinancing Principal	11,546	1,191,349	1,202,895
Capital outlay	<u>84,746</u>	<u>1,801,058</u>	<u>1,885,804</u>
	<u>6,637,398</u>	<u>168,356,405</u>	<u>174,993,803</u>
Indirect cost allocation	(6,113,167)	-	(6,113,167)
Contributions to indirect costs	(21,463)	-	(21,463)
Total Expenditures	<u>502,768</u>	<u>168,356,405</u>	<u>168,859,173</u>
Excess of Revenues Over Expenditures	<u>373,731</u>	<u>(454,575)</u>	<u>(80,844)</u>
Other Financing Sources (Uses)			
Transfers in	127,120	109,149	236,269
Transfers out	(36,516)	(260,350)	(296,866)
Leases (as lessee)	-	1,596,263	1,596,263
Total Other Financing Sources and (Uses)	<u>90,604</u>	<u>1,445,062</u>	<u>1,535,666</u>
Net changes in fund balance	464,335	990,487	1,454,822
Fund balance - beginning	<u>7,362,308</u>	<u>9,938,311</u>	<u>17,300,619</u>
Fund balance - ending	<u>\$ 7,826,643</u>	<u>\$ 10,928,798</u>	<u>\$ 18,755,441</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, 2022**

Amounts reported for governmental activities in the statement of activities are different due to the following:

Net Change in Fund Balances-total governmental funds (page 17)	\$1,454,822
Principal paid on leases	1,202,895
Lease issued	(1,596,263)
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.	1,885,804
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.	(135,273)
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.	78,126
Depreciation /Amortization 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>(1,622,618)</u>
Change in net position (page 14)	<u><u>\$1,267,493</u></u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business Type Activities	Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Assets		
Due from other funds	\$ 120,206	\$ 1,578,419
Prepays	90,513	189,745
Total Current Assets	<u>210,719</u>	<u>1,768,164</u>
Capital assets, net of accumulated depreciation	<u>-</u>	<u>18,163,493</u>
Total Assets	<u>210,719</u>	<u>19,931,657</u>
Current Liabilities		
Accounts payable	-	22,504
Noncurrent Liabilities		
Due within one year: Leases	-	1,456,218
Due in more than one year: Leases	<u>-</u>	<u>16,839,237</u>
Total Liabilities	<u>-</u>	<u>18,317,959</u>
Net Position		
Net investment in capital assets	-	(131,962)
Unrestricted	<u>210,719</u>	<u>1,745,660</u>
Total Net Position	<u>\$ 210,719</u>	<u>\$ 1,613,698</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PROPRIETARY FUNDS
SEPTEMBER 30, 2022**

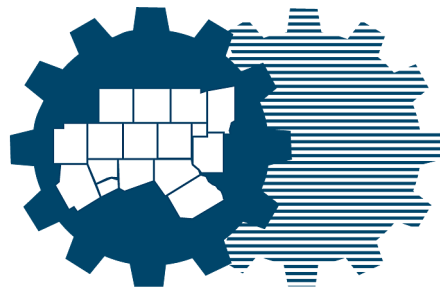
	Business Type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Fund</u>
Operating Revenues		
Service charges	\$ <u>1,249,731</u>	\$ <u>6,796,177</u>
Total Operating Revenues	<u>1,249,731</u>	<u>6,796,177</u>
Operating Expenses		
Personnel	4,464	1,336,508
Indirect	764	228,720
Contract services	686,586	290,131
Travel	-	5,329
Depreciation	-	1,798,950
Interest	-	288,500
Other costs	<u>672,516</u>	<u>2,983,312</u>
Total Operating Expenses	<u>1,364,330</u>	<u>6,931,450</u>
Operating Income (Loss)	<u>(114,599)</u>	<u>(135,273)</u>
Transfers in	<u>60,598</u>	<u>-</u>
Change in Net Position	(54,001)	(135,273)
Net Position - Beginning	<u>264,720</u>	<u>1,748,971</u>
Net Position - Ending	<u>\$ <u>210,719</u></u>	<u>\$ <u>1,613,698</u></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, 2022

	Business Type Activities	Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities		
Receipts from service charges	\$ 1,308,855	\$ 6,518,768
Payments to other funds for indirect and other costs	(764)	(228,720)
Payments to suppliers for goods and services	(1,364,225)	(3,138,248)
Payments to employees	(4,464)	(1,341,837)
Net Cash Provided by (Used in) Operating Activities	<u>(60,598)</u>	<u>1,809,963</u>
Cash Flows from Noncapital Financing Activities		
Transfers in	60,598	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>60,598</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Additions to capital assets	-	(80,052)
Payments on lease principal	-	(1,441,411)
Interest paid on leases	-	(288,500)
Net Cash Provided (Used) by Capital Financing Activities	<u>-</u>	<u>(1,809,963)</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>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	(114,599)	(135,273)
Adjustment to reconcile operating income/ (loss) to Net cash provided by (used in) operating activities:		
Depreciation expense/amortization	-	1,798,950
Interest expense	-	288,500
Increase in prepaid expenses	(5,123)	112,692
Decrease in unearned revenue	(57,906)	-
(Increase) in accounts receivable	12,136	510
Decrease (Increase) in due from other funds	104,894	(277,919)
Increase in accounts payable	-	22,503
Net Cash Provided by (Used in) Operating Activities	<u>\$ (60,598)</u>	<u>\$ 1,809,963</u>

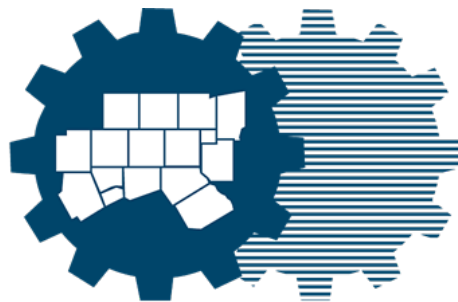
See accompanying notes to the basic financial statements.



**North Central Texas
Council of Governments**

**NOTES TO BASIC FINANCIAL STATEMENTS
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**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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 county, city 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 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 thus separate financial statements are not issued.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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.

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:

NCT-9-1-1
P.O. Box 5888
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 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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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 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 determinations of net income, financial position and cash flow. All assets and liabilities are included on 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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

During 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.

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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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.

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 rule, the effect of interfund activity is not carried forward to the government-wide financial statements.

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 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 vacation (\$1,954,544 on September 30, 2022) 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

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 liability for 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 also requires NCTCOG to have independent auditors perform test procedures related to investment practices as 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, 2022. 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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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.

9. Internal 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, leasehold improvements, and leases, 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 BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

13. Leases

Leases are recognized as a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of a lease, the lease liability is measured based on the net present value of future lease payments using the incremental borrowing rate (IBR). Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

14. Risk Management

NCTCOG is exposed to various risks of loss related to torts; theft or, 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 2022, the Council contributed \$158,424 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, 2022.

15. 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 as investments rather 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.

16. 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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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.

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. 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 normally 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

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

17. Implementation of New Accounting Standards.

Effective for fiscal year 2022 reporting the Council adopted the following new standard issued by the Governmental Accounting Standards Board (GASB):

Statement No. 87, The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This statement did not have an impact on the financial statements.

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:

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE B - CASH AND INVESTMENTS (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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

The Act also requires the NCTCOG to have independent auditors 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, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government

Total Cash and Investments	\$ <u>67,231,106</u>
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Cash and Investments as of September 30, 2020 consist of the following

Deposits with Financial Institutions	\$ 992,111
Cash on Hand	450
Investments	<u>66,238,545</u>
Total Cash and Investments	\$ <u>67,231,106</u>

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.

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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE B - CASH AND INVESTMENTS (continued)

Presented below is the fair value, weighted average maturity, 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.

Investment Type	Fair Value	Weighted Average Maturity (Days) ⁽¹⁾
Primary Government		
TexPool	\$25,423,469	94
Logic	474	65
TexStar	40,814,602	48
	\$66,238,545	66

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

As of September 30, 2022, NCTCOG, did not invest in any securities which are highly sensitive to interest rate fluctuations.

Following the criteria for GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, TexPool, TexStar and LOGIC use amortized cost to value portfolio assets.

As of September 30, 2022, the Council had investments in local government investment pools totaling \$66,238,545 which are recorded at amortized cost.

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, 2022, 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 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 investments 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 Collateral 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 always equal at least the bank balance less the FDIC insurance. On September 30, 2022, all the Council’s deposits had a carrying amount of \$992,111 and a bank ledger balance of \$2,001,473. Pledged Collateral of \$3,628,065 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE B - CASH AND INVESTMENTS (continued)

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 AAAM by Standard and Poor’s Investors Service.

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

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. NCTCOG’s investments in local government investment pools include TexPool, TexStar, and Logic. These pools operate in full compliance with the Public Funds Investment Act.

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, 2022, 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.

	Balance September 30, 2021	Increases	Decreases	Balance September 30, 2022	Due Within One Year
Accrued Vacation	\$2,032,670	\$219,915	\$298,041	\$1,954,544	\$182,632
Leases	26,375,809	1,596,263	2,644,306	25,327,766	2,641,977
Total	<u>\$28,408,479</u>	<u>\$1,816,178</u>	<u>\$2,942,347</u>	<u>\$27,282,310</u>	<u>\$2,824,609</u>

NOTE E – DEFERRED COMPENSATION PLAN

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Mission Square 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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE E – DEFERRED COMPENSATION PLAN (continued)

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 Mission Square. Part-time employees contributed \$31,305 during 2022. The Council contributed a matching \$29,466 as the employer’s match, 3.75% of gross salaries. Part-time employees are 100% vested in the plan from the first contribution.

NOTE F – INTERNAL 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 for the year ended September 30, 2022:

Transfers- In/Out Other Funds:

<u>Transfer- In</u>	<u>Transfer- Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Fund	\$ 127,120	Recovery of depreciation
Special Revenue Fund	General Fund	36,516	Local match dollars
Special Revenue Fund-Local	Special Revenue Fund-Local	59,336	Local funded projects
Special Revenue Fund-State/Federal	Special Revenue Fund-State/Federal	66,567	Match Dollars
Enterprise Fund	Special Revenue Fund-Local	(40,241)	Local match dollars
Enterprise Fund	General Fund	(20,357)	Local match dollars
Special Revenue Fund-State/Federal	Special Revenue Fund-Local	<u>7,327</u>	Match Dollars
	Total	<u><u>\$ 236,269</u></u>	

Due To/From Other Funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 5,726,776	\$ -
Special Revenue Fund	-	7,425,400
Enterprise Fund	120,206	-
Internal Service Fund	<u>1,578,418</u>	<u>-</u>
Total	<u><u>\$ 7,425,400</u></u>	<u><u>\$ 7,425,400</u></u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE F – INTERNAL TRANSACTIONS AND TRANSFERS (continued)

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.

NOTE G – CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended September 30, 2022, follows:

Governmental activities:

	Restated Balance September 30, 2021	Increases	Decreases	Balance September 30, 2022
<u>General Capital Assets</u>				
Capital assets being depreciated:				
Equipment	\$ 3,489,812	\$ 199,858	\$ (1,183,597)	\$ 2,506,073
Furniture	223,279	-	-	223,279
Leasehold improvements	1,624,109	89,683	(33,117)	1,680,675
Right-to-use leased equipment	53,147	-	-	53,147
Right-to-use leased buildings	6,585,796	1,596,263	-	8,182,059
Total capital assets being depreciated	<u>11,976,143</u>	<u>1,885,804</u>	<u>(1,216,714)</u>	<u>12,645,233</u>
Accumulated depreciation/amortization				
Equipment	3,031,989	294,392	(1,183,597)	2,142,784
Furniture	223,279	-	-	223,279
Leasehold improvements	900,579	78,229	(33,117)	945,691
Right-to-use leased equipment	-	42,518	-	42,518
Right-to-use leased buildings	-	1,207,479	-	1,207,479
Total accumulated depreciation/amortization	<u>4,155,847</u>	<u>1,622,618</u>	<u>(1,216,714)</u>	<u>4,561,751</u>
Total governmental funds capital assets, net	<u>7,820,296</u>	<u>263,186</u>	<u>-</u>	<u>8,083,482</u>
<u>Internal Service Fund Capital Assets</u>				
Capital assets being depreciated:				
Equipment	973,018	80,052	(451,640)	601,430
Leased equipment	19,939	-	-	19,939
Leased buildings	19,716,927	-	-	19,716,927
Furniture	1,005	-	(1,005)	-
Leasehold improvements	32,951	-	(7,293)	25,658
Total capital assets being depreciated	<u>20,743,840</u>	<u>80,052</u>	<u>(459,938)</u>	<u>20,363,954</u>
Accumulated depreciation/amortization				
Equipment	840,492	69,640	(451,640)	458,492
Leased equipment	-	15,951	-	15,951
Leased buildings	-	1,714,515	-	1,714,515
Furniture	3,666	(2,661)	(1,005)	-
Leasehold improvements	17,291	1,505	(7,293)	11,503
Total accumulated depreciation/amortization	<u>861,449</u>	<u>1,798,950</u>	<u>(459,938)</u>	<u>2,200,461</u>
Total governmental funds capital assets, net	<u>19,882,391</u>	<u>(1,718,898)</u>	<u>-</u>	<u>18,163,493</u>
Governmental activities capital assets, net	<u>\$ 27,702,687</u>	<u>\$(1,455,712)</u>	<u>\$ -</u>	<u>\$ 26,246,975</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
Right-to-use assets	Shorter of length of remaining lease or useful life

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE G CAPITAL ASSETS (continued)

Right-to-use (RTU) asset value is calculated based on the net present value of future lease payments using the incremental borrowing rate (IBR) and capitalized with the following thresholds.

(RTU) Assets	
Equipment	\$50,000
Buildings/Office Space	\$50,000

Amortization will occur over the shorter of the lease term or the useful life of the underlying asset. DebtBook utilizes straight-line recognition to account for amortization.

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

Governmental Activities:	
Agency administration	\$ 35,254
Agency management	902
Community services-Aging	8,952
Community services-CJD	2,945
Emergency preparedness	2,683
Environment & development	4,777
RIS local assistance	22,356
Transportation planning	126,744
Workforce development	1,418,005
Internal service fund	1,798,950
Total depreciation/amortization expense - governmental activities	<u>\$ 3,421,568</u>

NOTE H – RETIREMENT PLAN

Mission Square 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 of \$3,734,082 during fiscal year 2022 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Participating employees also contributed an amount of \$1,867,041 during 2022 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$32,266,098 including \$31,117,350 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 – LEASES

For the year ended 9/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE I – LEASES (continued)

to the disclosures below. Rental expenditures under all NCTCOG lease agreements were \$2,644,304 for 2022.

On 10/01/2021 GASB 87 was implemented, and the following existing leases were recorded:

138-month lease as Lessee for the use of 624 Six Flags Drive, Centerpoint I. An initial lease liability was recorded in the amount of \$3,205,320. As of 09/30/2022, the value of the lease liability is \$2,990,727. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$38,412. The lease has an interest rate of 1.5270%. The value of the right to use asset as of 09/30/2022 of \$3,205,320 with accumulated amortization of \$278,724 is included with Buildings on the Lease Class activities table found below.

138- month lease as Lessee for the use of 616 Six Flags Drive, Centerpoint II. An initial lease liability was recorded in the amount of \$11,298,343. As of 09/30/2022, the value of the lease liability is \$10,470,790. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$136,650. The lease has an interest rate of 1.5270%. The value of the right to use asset as of 09/30/2022 of \$11,298,343 with accumulated amortization of \$982,465 is included with Buildings on the Lease Class activities table found below.

138- month lease as Lessee for the use of 600 Six Flags Drive, Centerpoint III for 42,833 sq ft. An initial lease liability was recorded in the amount of \$5,213,264. As of 09/30/2022, the value of the lease liability is \$4,831,318. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$68,577. The lease has an interest rate of 1.5270%. The value of the right to use asset as of 09/30/2022 of \$5,213,264 with accumulated amortization of \$453,327 is included with Buildings on the Lease Class activities table found below.

15-month lease as Lessee for the use of Xerox Copiers. An initial lease liability was recorded in the amount of \$33,231. As of 09/30/2022, the value of the lease liability is \$4,365. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$3,399. The lease has an interest rate of 0.6170%. The value of the right to use asset as of 09/30/2022 of \$33,231 with accumulated amortization of \$26,584 is included with Equipment on the Lease Class activities table found below.

GENERAL FUND ACTIVITIES:

	Balance as of October 1, 2021	Additions	Reductions	Balance as of September 30, 2022
Lease Liability				
Equipment:				
Xerox Copiers - COG	\$ 13,292	\$ -	\$ 11,546	\$ 1,746
Total Equipment Lease Liability	13,292	-	11,546	1,746
Total Lease Liability	<u>\$ 13,292</u>	<u>\$ -</u>	<u>\$ 11,546</u>	<u>\$ 1,746</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE I – LEASES (continued)

INTERNAL SERVICE FUND ACTIVITIES:	Balance as of October 1, 2021	Additions	Reductions	Balance as of September 30, 2022
Lease Liability				
Buildings				
Centerpoint I	\$ 3,205,320	\$ -	\$ 214,593	\$ 2,990,727
Centerpoint II	11,298,343	-	827,554	10,470,789
Centerpoint III	5,213,264	-	381,946	4,831,318
Total Building Lease Liability	<u>19,716,927</u>	<u>-</u>	<u>1,424,093</u>	<u>18,292,834</u>
Equipment				
Xerox Copiers - COG	19,939	-	17,318	2,621
Total Equipment Lease Liability	<u>19,939</u>	<u>-</u>	<u>17,318</u>	<u>2,621</u>
Total Lease Liability	<u>\$ 19,736,866</u>	<u>\$ -</u>	<u>\$1,441,411</u>	<u>\$ 18,295,455</u>

The following Workforce development leases were recorded:

69-month lease as Lessee for the use of 202 Hyde Park in Cleburne, TX. An initial lease liability was recorded in the amount of \$628,045. As of 09/30/2022, the value of the lease liability is \$534,632. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$10,850. The lease has an interest rate of 2.5360%. The value of the right to use asset as of 09/30/2022 of \$628,045 with accumulated amortization of \$109,225 is included with Buildings on the Lease Class activities table found below. North Central Texas Council of Governments, TX has 1 extension option(s), each for 60 months.

117-month lease as Lessee for the use of Stonehill Center, Denton. An initial lease liability was recorded in the amount of \$3,546,118. As of 09/30/2022, the value of the lease liability is \$3,218,348. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$38,937. The lease has an interest rate of 1.4140%. The value of the right to use asset as of 09/30/2022 of \$3,546,118 with accumulated amortization of \$363,704 is included with Buildings on the Lease Class activities table found below. North Central Texas Council of Governments, TX has 1 extension option(s), each for 120 months.

25- month lease as Lessee for the use of 1030 E. Highway 377, Granbury. An initial lease liability was recorded in the amount of \$105,951. As of 09/30/2022, the value of the lease liability is \$55,348. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$5,951. The lease has an interest rate of 0.3280%. The value of the right to use asset as of 09/30/2022 of \$105,951 with accumulated amortization of \$50,856 is included with Buildings on the Lease Class activities table found below. North Central Texas Council of Governments, TX has 1 extension option(s), each for 60 months.

20-month lease as Lessee for the use of Greenville Exchange Building, Greenville. An initial lease liability was recorded in the amount of \$165,089. As of 09/30/2022, the value of the lease liability is \$67,041. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$14,297. The lease has an interest rate of 0.3280%. The value of the right to use asset as of 09/30/2022 of \$165,089 with accumulated amortization of \$99,054 is included with Buildings on the Lease Class activities table found below. North Central Texas Council of Governments, TX has 1 extension option(s), each for 60 months.

63- month lease as Lessee for the use of 291 W.Eldorado Parkway, McKinney. An initial lease liability was recorded in the amount of \$942,088. As of 09/30/2022, the value of the lease liability is \$764,893. North

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE I – LEASES (continued)

Central Texas Council of Governments, TX is required to make monthly fixed payments of \$21,280. The lease has an interest rate of 0.7120%. The value of the right to use asset as of 09/30/2022 of \$942,088 with accumulated amortization of \$179,445 is included with Buildings on the Lease Class activities table found below. North Central Texas Council of Governments, TX has 1 extension option(s), each for 60 months.

46-month lease as Lessee for the use of Jupiter North Technology Park, Plano. An initial lease liability was recorded in the amount of \$439,962. As of 09/30/2022, the value of the lease liability is \$330,544. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$13,358. The lease has an interest rate of 0.5550%. The value of the right to use asset as of 09/30/2022 of \$439,962 with accumulated amortization of \$114,773 is included with Buildings on the Lease Class activities table found below. North Central Texas Council of Governments, TX has 1 extension option(s), each for 60 months.

56- month lease as Lessee for the use of 2165 West South Loop, Stephenville. An initial lease liability was recorded in the amount of \$263,723. As of 09/30/2022, the value of the lease liability is \$207,823. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$5,836. The lease has an interest rate of 0.7120%. The value of the right to use asset as of 09/30/2022 of \$263,723 with accumulated amortization of \$56,511 is included with Buildings on the Lease Class activities table found below.

52- month lease as Lessee for the use of 109 Tejas Dr., Terrell. An initial lease liability was recorded in the amount of \$494,821. As of 09/30/2022, the value of the lease liability is \$376,911. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$13,286. The lease has an interest rate of 0.5550%. The value of the right to use asset as of 09/30/2022 of \$494,821 with accumulated amortization of \$114,190 is included with Buildings on the Lease Class activities table found below.

15- month lease as Lessee for the use of Xerox Copiers. An initial lease liability was recorded in the amount of \$39,855. As of 09/30/2022, the value of the lease liability is \$6,647. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$5,848. The lease has an interest rate of 0.6170%. The value of the right to use asset as of 09/30/2022 of \$39,855 with accumulated amortization of \$31,884 is included with Equipment on the Lease Class activities table found below.

On 01/01/2022 Workforce Development entered into a 120- month lease as Lessee for the use of Workforce and Emerging Technologies Buildings, Weatherford. An initial lease liability was recorded in the amount of \$1,596,263. As of 09/30/2022, the value of the lease liability is \$1,468,380. North Central Texas Council of Governments, TX is required to make monthly fixed payments of \$15,689. The lease has an interest rate of 1.3050%. The value of the right to use asset as of 09/30/2022 of \$1,596,263 with accumulated amortization of \$119,720 is included with Buildings on the Lease Class activities table found below. North Central Texas Council of Governments, TX has 2 extension option(s), each for 60 months.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE I – LEASES (continued)

WORKFORCE-SPECIAL REVENUE FUND ACTIVITIES:	Balance as of			Balance as of
	October 1, 2021	Additions	Reductions	September 30, 2022
Lease Liability				
Buildings:				
Cleburne	\$ 628,045	\$ -	\$ 93,413	\$ 534,632
Denton	3,546,118	-	327,770	3,218,348
Granbury	105,951	-	50,603	55,348
Greenville	165,089	-	98,048	67,041
McKinney	942,088	-	177,195	764,893
Plano	439,962	-	109,418	330,544
Stephenville	263,723	-	55,900	207,823
Terrell	494,821	-	117,910	376,911
Weatherford	-	1,596,263	127,884	1,468,379
Total Building Lease Liability	6,585,797	1,596,263	1,158,141	7,023,919
Equipment:				
Xerox Copiers - WF	39,855	-	33,208	6,647
Total Equipment Lease Liability	39,855	-	33,208	6,647
Total Lease Liability	\$ 6,625,652	\$1,596,263	\$1,191,349	\$ 7,030,566

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	\$27,898,986	\$2,921,994
Equipment	73,086	58,468
Total Leases	\$27,972,072	\$2,980,462

Principal and Interest Requirements to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$1,456,218	\$269,269	\$1,725,487
2024	1,507,084	246,687	1,753,771
2025	1,559,938	223,306	1,783,244
2026	1,614,012	199,110	1,813,122
2027	1,669,326	174,079	1,843,405
2028 - 2032	9,418,157	463,384	9,881,541
2033 - 2034	1,070,720	4,641	1,075,361
Total	\$18,295,455	\$1,580,476	\$19,875,931

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$1,185,759	\$83,608	\$1,269,367
2024	1,074,003	70,982	1,144,985
2025	1,058,005	58,367	1,116,372
2026	885,563	46,051	931,614
2027	660,756	34,850	695,606
2028 - 2032	2,168,227	60,401	2,228,628
Total	\$7,032,313	\$354,259	\$7,386,572

The council had no encumbrances during 2022.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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 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, 2022, 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.

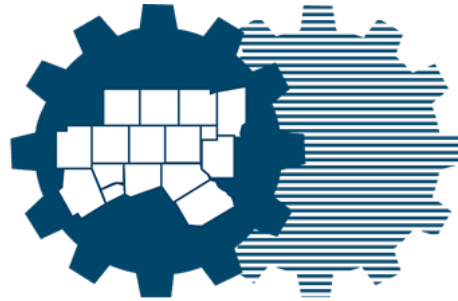
NOTE K – FUND BALANCE

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

DETAILED FUND BALANCE DISCLOSURE

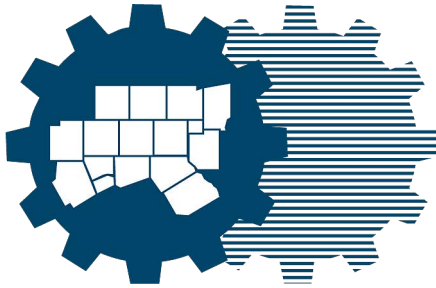
	General Fund	Major Special Revenue					Total	Governmental Funds
		FEMA	OOG	Local	TCEQ	TXDOT		TOTAL
Fund Balances:								
Non Spendable:								
Prepays	\$ 7,736	\$ -	\$ -	\$ 259,001	\$ 1,034	\$ -	\$ 260,035	\$ 267,771
Inventory	8,470	-	-	-	-	-	-	8,470
Restricted:								
Grants	-	197,414	159,050	-	12,479	675,330	1,044,273	1,044,273
Local Transportation	-	-	-	6,272,383	-	-	6,272,383	6,272,383
Assigned:								
Shared Services Initiatives	-	-	-	728,220	-	-	728,220	728,220
Other	-	-	-	2,623,887	-	-	2,623,887	2,623,887
Leasehold Improvements/Equipment	-	-	-	-	-	-	-	-
Unassigned	7,810,437	-	-	-	-	-	-	7,810,437
Total Fund Balances	\$ 7,826,643	\$ 197,414	\$ 159,050	\$ 9,883,491	\$ 13,513	\$ 675,330	\$ 10,928,798	\$ 18,755,441

*The purpose of other assigned fund balance is to augment programs.



**North Central Texas
Council of Governments**

REQUIRED SUPPLEMENTAL SCHEDULES



**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<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	\$ 768,390	\$ 768,390	767,990	\$ (400)
Local contributed cash	22,500	22,500	7,974	(14,526)
Interest Income	20,000	20,000	100,535	80,535
Total revenues	810,890	810,890	876,499	65,609
Expenditures				
Current:				
Agency administration	5,330,999	5,324,999	5,268,359	56,640
Agency management	977,389	977,389	621,351	356,038
Public affairs	206,116	206,116	162,310	43,806
RIS local assistance	225,000	225,000	192,196	32,804
Community services	-	6,000	5,671	329
Environmental & development	140,000	140,000	109,596	30,404
Transportation planning	232,201	232,201	185,953	46,248
Debt Service				
Interest Expense	100	100	43	57
Lease Financing Principal	15,000	15,000	11,546	3,454
Capital outlay	85,000	85,000	84,746	254
	<u>7,211,805</u>	<u>7,211,805</u>	<u>6,641,771</u>	<u>570,034</u>
Indirect cost allocation	(6,390,915)	(6,390,915)	(6,113,167)	(277,748)
contributions to indirect costs	(10,000)	(10,000)	(21,463)	11,463
Total expenditures	810,890	810,890	507,141	303,749
Excess (deficiencies) of revenues				
Over/(under) expenditures	-	-	369,358	369,358
Other Financing Sources				
Transfers in	-	-	127,120	127,120
Transfers out	-	-	(36,516)	(36,516)
Charge for use of assets	136,300	136,300	131,493	(4,807)
Indirect allocation to special revenue fund	(129,485)	(129,485)	(127,120)	2,365
Total other financing sources	6,815	6,815	94,977	88,162
Net changes in fund balances	6,815	6,815	464,335	457,520
Fund balances - beginning	7,023,992	7,023,992	7,362,308	338,316
Fund balances - ending	\$ 7,030,807	\$ 7,030,807	7,826,643	\$ 795,836

See accompanying notes to the required supplemental information.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2022

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)	\$	502,768
Plus charge for use of assets		131,493
Less: Use of assets recovered through indirect cost allocated to special revenue fund		<u>(127,120)</u>
Total expenditures (budget basis)	\$	<u><u>507,141</u></u>

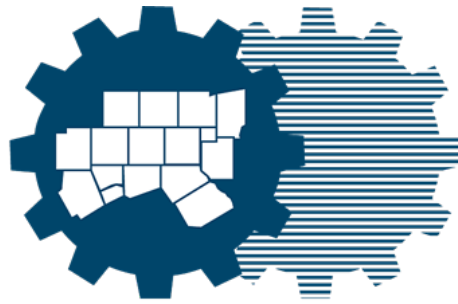
Total Other Sources (GAAP Basis)	\$	90,604
Plus charge for use of assets		131,493
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund		<u>(127,120)</u>
Total other sources (budget basis)	\$	<u><u>94,977</u></u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2022

Note B: Budgetary Controls

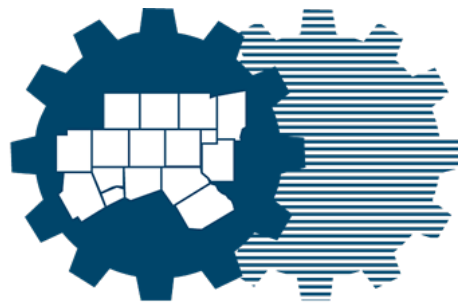
NCTCOG follows these procedures in establishing the General Fund budgetary data reflected in the basic financial statements:

- 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.



**North Central Texas
Council of Governments**

OTHER SUPPLEMENTAL INFORMATION



**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Federal Funds Total</u>	<u>State and Locally Administered Total</u>	<u>Combined Total</u>
Revenues			
Federal Grants/Contracts	\$ 11,278,841	\$ -	\$ 11,278,841
State Grants & Contracts	-	132,997,272	132,997,272
Local Contracts	259,148	11,486,094	11,745,242
In-Kind	4,454,464	6,826,169	11,280,633
Program Income	-	276,769	276,769
Interest	-	323,073	323,073
Total Revenues	<u>15,992,453</u>	<u>151,909,377</u>	<u>167,901,830</u>
Expenditures			
Current:			
Agency Administration	50,426	3,678,270	3,728,696
Agency Management	262,726	12,587	275,313
Community Service	-	1,534,620	1,534,620
Area Agency On Aging	31,689	14,795,835	14,827,524
Emergency Preparedness	-	2,055,196	2,055,196
Environment & Development	1,007,266	2,175,781	3,183,047
Research & Info Svcs	-	3,681,192	3,681,192
Transportation	14,557,412	36,375,429	50,932,841
Workforce Development	-	85,062,880	85,062,880
Debt Services:			
Interest	-	82,689	82,689
Lease Financing Principal	-	1,191,349	1,191,349
Capital Outlay	-	1,801,058	1,801,058
Total Expenditures	<u>15,909,519</u>	<u>152,446,886</u>	<u>168,356,405</u>
Excess of Revenues Over Expenditures	<u>82,934</u>	<u>(537,509)</u>	<u>(454,575)</u>
Other Financing Sources (Uses)			
Transfers In - Projects	18,465	90,684	109,149
Transfers Out - Projects	(22,858)	(237,492)	(260,350)
Leases (As Lessee)	-	1,596,263	1,596,263
Total Other Financing Sources (Uses)	<u>(4,393)</u>	<u>1,449,455</u>	<u>1,445,062</u>
Net Change In Fund Balance	78,541	911,946	990,487
Fund Balances-Beginning	<u>118,873</u>	<u>9,819,438</u>	<u>9,938,311</u>
Fund Balance-Ending	\$ <u>197,414</u>	\$ <u>10,731,384</u>	\$ <u>10,928,798</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
 YEAR ENDED SEPTEMBER 30, 2022**

	FEDERAL FUNDS						
	DOD	EPA	FEMA	FTA	DOC	HHS	TOTAL
Revenues							
Federal Grants/Contracts	\$ 218,127	\$ 2,399,463	\$ 524,336	\$ 7,810,957	\$ 292,673	\$ 33,285	\$ 11,278,841
Local Contracts	32,947	-	189,487	36,714	-	-	259,148
In-Kind	-	4,174,225	-	277,722	-	2,517	4,454,464
Total Revenues	251,074	6,573,688	713,823	8,125,393	292,673	35,802	15,992,453
Agency Administration	-	6,654	10,740	-	29,008	4,024	50,426
Agency Management	-	-	-	-	262,726	-	262,726
Area Agency On Aging	-	-	-	-	-	31,689	31,689
Environment & Development	-	380,275	626,991	-	-	-	1,007,266
Transportation	250,386	6,186,306	344	8,120,376	-	-	14,557,412
Total Expenditures	250,386	6,573,235	638,075	8,120,376	291,734	35,713	15,909,519
Excess/(Deficiencies) Of Revenues Over/(Under) Expenditures	688	453	75,748	5,017	939	89	82,934
Other Financing Sources (Uses)							
Transfers In - Projects	8,710	-	9,095	-	660	-	18,465
Transfers Out - Projects	(9,398)	(453)	(6,302)	(5,017)	(1,599)	(89)	(22,858)
Total Other Financing Sources (Uses)	(688)	(453)	2,793	(5,017)	(939)	(89)	(4,393)
Net Change In Fund Balance	-	-	78,541	-	-	-	78,541
Fund Balances-Beginning	-	-	118,873	-	-	-	118,873
Fund Balance-Ending	\$ -	\$ -	\$ 197,414	\$ -	\$ -	\$ -	\$ 197,414

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2022**

	STATE AND LOCALLY ADMINISTERED FUNDS					
	OOG	TDA	TWC	TCEQ		TX DOT
				Transportation	Other	
Revenues						
State Grants & Contracts	\$ 2,037,962	\$ 20,283	\$ 85,148,657	\$ 109,821	\$ 1,116,233	\$ 33,070,085
Local Contracts	415,172	-	-	-	-	124,828
In-Kind	-	-	3,873,739	-	-	164,310
Program Income	-	-	23,508	-	-	450
Interest	-	-	-	1,932	6,748	101,396
Total Revenues	2,453,134	20,283	89,045,904	111,753	1,122,981	33,461,069
Agency Administration	38,280	1,645	977,475	-	25,436	4,569
Agency Management	-	-	-	-	-	-
Area Agency On Aging	-	-	-	-	-	-
Community Service	1,112,095	-	-	-	-	-
Emergency Preparedness	1,214,275	-	-	-	-	-
Environment & Development	-	19,494	-	-	1,092,930	18,343
Research & Info Svcs	28,733	-	3,188,818	-	-	229,435
Transportation	-	-	23,555	112,463	1,963	33,031,772
Workforce Development	-	-	83,419,870	-	-	-
Debt Services						
Interest	-	-	82,689	-	-	-
LeaseFinancing Principal	-	-	1,191,349	-	-	-
Capital Outlay	63,199	-	1,734,385	-	-	-
Total Expenditures	2,456,582	21,139	90,618,141	112,463	1,120,329	33,284,119
Excess/(Deficiencies) Of Revenues	(3,448)	(856)	(1,572,237)	(710)	2,652	176,950
Over/(Under) Expenditures						
Other Financing Sources (Uses)						
Transfers In - Projects	93	916	-	2,702	565	34,530
Transfers Out - Projects	(3,262)	(60)	(24,026)	(60)	(1,730)	(147,339)
Leases (As Lessee)	-	-	1,596,263	-	-	-
Total Other Financing Sources (Uses)	(3,169)	856	1,572,237	2,642	(1,165)	(112,809)
Net Change In Fund Balance	(6,617)	-	-	1,932	1,487	64,141
Fund Balances-Beginning	165,667	-	-	4,949	5,145	611,189
Fund Balance-Ending	\$ 159,050	\$ -	\$ -	\$ 6,881	\$ 6,632	\$ 675,330

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2022**

	STATE AND LOCALLY ADMINISTERED FUNDS-continued					
	TDEM	LOCAL		CFOHIO	HHSC	TOTAL
		Transportation	Other			
Revenues						
State Grants & Contracts	\$ 117,237	\$ -	\$ -	\$ 1,004	\$ 11,375,990	\$ 132,997,272
Local Contracts	-	3,831,269	7,109,625	-	5,200	11,486,094
In-Kind	130,947	-	4,753	-	2,652,420	6,826,169
Program Income	-	-	-	-	252,811	276,769
Interest	-	212,997	-	-	-	323,073
Total Revenues	248,184	4,044,266	7,114,378	1,004	14,286,421	151,909,377
Agency Administration	9,468	716,020	1,635,991	-	269,386	3,678,270
Agency Management	-	-	12,587	-	-	12,587
Area Agency On Aging	-	112	799,397	-	13,996,326	14,795,835
Community Service	-	-	422,525	-	-	1,534,620
Emergency Preparedness	239,541	-	601,380	-	-	2,055,196
Environment & Development	-	23,862	1,021,152	-	-	2,175,781
Research & Info Svcs	-	-	234,080	-	126	3,681,192
Transportation	-	3,135,399	56,110	1,002	13,165	36,375,429
Workforce Development	-	-	1,643,010	-	-	85,062,880
Debt Services						
Interest	-	-	-	-	-	82,689
LeaseFinancing Principal	-	-	-	-	-	1,191,349
Capital Outlay	-	-	3,474	-	-	1,801,058
Total Expenditures	249,009	3,875,393	6,429,706	1,002	14,279,003	152,446,886
Excess/(Deficiencies) Of Revenues Over/(Under) Expenditures	(825)	168,873	684,672	2	7,418	(537,509)
Other Financing Sources (Uses)						
Transfers In - Projects	1,148	59,336	(10,033)	-	1,427	90,684
Transfers Out - Projects	(323)	(27,628)	(24,217)	(2)	(8,845)	(237,492)
Leases (As Lessee)	-	-	-	-	-	1,596,263
Total Other Financing Sources (Uses)	825	31,708	(34,250)	(2)	(7,418)	1,449,455
Net Change In Fund Balance	-	200,581	650,422	-	-	911,946
Fund Balances-Beginning	-	6,288,810	2,743,678	-	-	9,819,438
Fund Balance-Ending	\$ -	\$ 6,489,391	\$ 3,394,100	\$ -	\$ -	\$ 10,731,384

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)
GENERAL FUND
YEAR ENDED OF SEPTEMBER 30, 2022**

	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 2,582,908	\$ 2,652,981
Benefits	1,237,099	1,240,844
Indirect personnel	3,820,007	3,893,825
Legal	3,400	20,000
Audit	170,000	170,000
Contract services	509,001	516,540
Travel	10,457	29,500
Equipment use fee	131,495	136,300
Consumable supplies	88,095	122,000
Insurance & bonding	79,752	80,000
Rent	590,020	604,750
Printing & publications	13,083	35,000
Advertising	543	4,000
Maintenance & repairs	143,790	160,000
Employee recruitment	(8,462)	7,500
Communications	13,191	15,000
Postage	4,758	9,000
Subscriptions & dues	259,261	270,000
Other	304,178	325,000
TOTAL	6,134,630	6,400,915
Less: Contributions to Indirect costs	(21,463)	(10,000)
NET INDIRECT COSTS	<u>\$ 6,113,167</u>	<u>\$ 6,390,915</u>

Indirect costs rate computations:

Net indirect costs	\$ <u>6,113,167</u>	\$ <u>6,390,915</u>
Direct salaries & benefits - all funds	\$ 35,721,751 = 17.11%	\$ 36,109,060 = 17.70%

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS – ALL FUNDS
YEAR ENDED SETEMBER 30, 2022**

Full Time Benefits Programs	<u>Actual</u>	<u>Projected</u>
Medicare insurance	\$ 428,057	\$ 445,137
Medical insurance	4,583,386	4,939,710
Worker's compensation	69,990	71,992
Flexible benefit plan	8,529	12,559
Life & disability insurance	207,491	226,703
Other benefits	64,164	97,000
Unemployment insurance	8,043	67,500
Retirement	3,263,270	3,183,858
Vacation	1,772,791	1,672,663
Sick leave	736,509	704,615
Holiday leave	1,538,290	1,525,140
Other leave	<u>51,246</u>	<u>87,989</u>
TOTAL	<u>\$ 12,731,766</u>	<u>\$ 13,034,866</u>
 Employee benefits rate computations:		
Total full-time benefits	\$ <u>12,731,766</u>	\$ <u>13,034,866</u>
Total regular salaries	\$ 26,486,139 = 48.07%	\$ 26,708,444 = 48.80%
 Total personnel costs recap:		
Salaries	\$ 26,486,139	\$ 26,708,444
Benefits	<u>12,731,766</u>	<u>13,034,866</u>
 Personnel - NCTCOG	 <u>\$ 39,217,905</u>	 <u>\$ 39,743,310</u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST
LIMITATION TEST
FISCAL YEAR 2022 ACTUAL
OCTOBER 1, 2021-SEPTEMBER 30, 2022**

Total Indirect Costs	\$ 6,113,167	
Expenditures:		
General Fund	6,637,398	
Special Revenue Fund	168,356,405	
NCT9-1-1	9,837,199	
Proprietary Fund	6,931,450	
Enterprise Fund	1,364,330	
Interdepartmental Transfers for Direct Charges and Indirect Costs	(12,909,344)	
Total Expenditures	180,217,438 =	3.4%
Less:		
Pass-Through Funds ⁽¹⁾	(73,215,135)	
In-Kind Expenditures	(11,280,633)	
Contract Services	(26,243,916)	
Contract Services NCT9-1-1	(1,802,940)	
Capital Expenditures	(1,885,804)	
Capital Expenditures NCT9-1-1	(123,025)	
Adjusted Expenditures	65,665,985 =	9.3%

⁽¹⁾Includes Subgrants & Subcontracts

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, 2022**

	<u>Totals</u>
Capital Assets	
Equipment	\$ 3,146,526
Buildings	27,898,986
Furniture	234,084
Leasehold improvements	<u>1,729,591</u>
Total capital assets	<u><u>33,009,187</u></u>
 Sources	
NCTCOG	
Equipment	1,081,080
Buildings	19,716,927
Furniture	87,485
Leasehold improvements	<u>951,315</u>
	21,836,807
Grant Funded	
Equipment	2,065,446
Buildings	8,182,059
Furniture	146,599
Leasehold improvements	<u>778,276</u>
	11,172,380
Less: Internal service fund assets	<u>20,363,954</u>
Total general capital assets	<u><u>\$ 12,645,233</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2022**

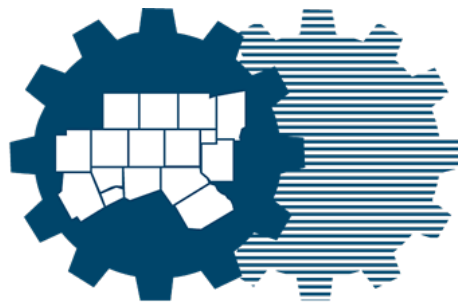
	<u>Totals</u>
Capital Assets	
Local and Administrative	\$ 21,731,475
Transportation planning	390,898
Regional information services	647,433
Environmental resources	25,639
Emergency preparedness	233,852
Workforce development	9,965,244
Community services	14,646
Total Capital Assets	<u>33,009,187</u>
Less: Internal Service Fund	<u>20,363,954</u>
Total General Capital Assets	<u><u>\$ 12,645,233</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2022**

	<u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>2022</u>
Capital Assets				
Community services	\$ -	\$ 14,646	\$ -	\$ 14,646
Emergency preparedness	233,852	-	-	233,852
Environmental resources	25,639	-	-	25,639
Local and Administrative	21,598,176	133,299	-	21,731,475
Regional information services	1,298,970	123,791	775,328	647,433
Transportation planning	790,914	-	400,016	390,898
Workforce development	8,772,432	1,694,120	501,308	9,965,244
	<u>32,719,983</u>	<u>1,965,856</u>	<u>1,676,652</u>	<u>33,009,187</u>
Total capital assets	32,719,983	1,965,856	1,676,652	33,009,187
Less: Internal service fund	20,743,840	80,052	459,938	20,363,954
Total general capital assets	<u>\$ 11,976,143</u>	<u>\$ 1,885,804</u>	<u>\$ 1,216,714</u>	<u>\$ 12,645,233</u>

STATISTICAL SECTION





**North Central Texas
Council of Governments**

**STATISTICAL SECTION
(UNAUDITED)**

This part of the North Central Texas Council of Governments annual comprehensive 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
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.	6 & 7
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.	8 & 9

Source: Unless otherwise noted, the information in these tables is derived from the annual comprehensive 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental activities				
Net investment in capital assets	\$ 919,211	\$ 1,326,876	\$ 1,542,292	\$ 1,150,206
Restricted	7,316,656	6,988,735	7,201,769	6,816,436
Unrestricted	11,229,899	9,882,662	8,303,277	8,056,921
Total governmental activities net position	<u>\$ 19,465,766</u>	<u>\$ 18,198,273</u>	<u>\$ 17,047,338</u>	<u>\$ 16,023,563</u>
Business-type activities				
Net investment in capital assets	-	-	-	-
Unrestricted	210,719	264,720	175,974	134,012
Total business-type activities net position	<u>\$ 210,719</u>	<u>\$ 264,720</u>	<u>\$ 175,974</u>	<u>\$ 134,012</u>
Primary government				
Net investment in capital assets	\$ 919,211	\$ 1,326,876	\$ 1,542,292	\$ 1,150,206
Restricted	7,316,656	6,988,735	7,201,769	6,816,436
Unrestricted	11,440,618	10,147,382	8,479,251	8,190,933
Total primary governmental net position	<u>\$ 19,676,485</u>	<u>\$ 18,462,993</u>	<u>\$ 17,223,312</u>	<u>\$ 16,157,575</u>

Source: Annual Comprehensive Financial Report

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Table 1

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 6,488,405	\$ 4,848,728	\$ 5,805,480	\$ 2,920,629	\$ 1,493,197	\$ 951,869
6,124,568	5,924,051	5,649,654	5,634,043	5,473,922	5,401,133
7,898,500	6,496,927	6,038,512	5,930,520	5,714,552	5,226,610
<u>\$ 20,511,473</u>	<u>\$ 17,269,706</u>	<u>\$ 17,493,646</u>	<u>\$ 14,485,192</u>	<u>\$ 12,681,671</u>	<u>\$ 11,579,612</u>
728	21,997	53,520	\$ 76,899	\$ 18,502	\$ 25,791
87,519	44,713	17,040	52,248	36,409	20,801
<u>\$ 88,247</u>	<u>\$ 66,710</u>	<u>\$ 70,560</u>	<u>\$ 129,147</u>	<u>\$ 54,911</u>	<u>\$ 46,592</u>
\$ 6,489,133	\$ 4,870,725	\$ 5,859,000	\$ 2,997,528	\$ 1,511,699	\$ 977,660
6,124,568	5,924,051	5,649,654	5,634,043	5,473,922	5,401,133
7,986,019	6,541,640	6,055,552	5,982,768	5,750,961	5,247,411
<u>\$ 20,599,720</u>	<u>\$ 17,336,416</u>	<u>\$ 17,564,206</u>	<u>\$ 14,614,339</u>	<u>\$ 12,736,582</u>	<u>\$ 11,626,204</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2022	2021	2020	2019
Expenses				
Governmental activities:				
Agency administration	\$ 8,534,517	\$ 7,908,178	\$ 7,582,566	\$ 8,204,880
Agency management	1,006,989	1,169,150	1,278,501	1,394,848
* Area agency on aging	14,431,784	12,680,904	12,754,861	16,739,462
Community services	1,409,757	1,451,305	1,266,452	1,361,640
* 9-1-1 Planning	-	-	-	5,903,968
Emergency preparedness	1,936,861	1,708,521	2,806,164	3,457,062
Environment and development	3,083,689	3,822,302	2,799,729	4,349,585
RIS local assistance	3,325,267	4,002,173	3,493,105	3,674,309
Transportation planning	47,936,945	44,451,924	40,638,495	42,090,520
Workforce development	85,784,429	67,559,454	84,339,773	69,845,277
Total governmental activities expenses	<u>167,450,238</u>	<u>144,753,911</u>	<u>156,959,646</u>	<u>157,021,551</u>
Business-type activities:				
Shared service center	1,364,330	1,303,206	1,327,119	1,435,971
Total business-type activities expenses	<u>1,364,330</u>	<u>1,303,206</u>	<u>1,327,119</u>	<u>1,435,971</u>
Total primary government expenses	<u>168,814,568</u>	<u>146,057,117</u>	<u>158,286,765</u>	<u>158,457,522</u>
Program Revenues				
Governmental activities:				
Operating grants:				
Agency management	292,677	225,333	96,372	31,216
* Area agency on aging	11,409,319	9,776,719	8,568,158	7,846,815
Community Service	718,717	805,373	740,503	862,656
* 9-1-1 Planning	-	-	-	8,848,567
Emergency preparedness	1,436,501	1,386,785	1,421,866	2,273,508
Environment and development	2,048,151	2,566,078	1,385,954	2,748,162
RIS local assistance	-	-	-	-
Transportation planning	43,222,240	43,306,463	35,855,717	37,524,433
Workforce development	85,148,508	70,734,818	84,671,870	69,910,835
Local grants and contributions	23,310,618	16,344,089	23,983,472	28,307,953
Total governmental activities program revenues	<u>167,586,731</u>	<u>145,145,658</u>	<u>156,723,912</u>	<u>158,354,145</u>
Business-type activities:				
Charges for services:				
Shared service center	1,249,731	1,371,952	1,369,081	1,445,236
Total business-type activities program revenues	<u>1,249,731</u>	<u>1,371,952</u>	<u>1,369,081</u>	<u>1,445,236</u>
Total primary government program revenues	<u>168,836,462</u>	<u>146,517,610</u>	<u>158,092,993</u>	<u>159,799,381</u>
Net (Expenses) Revenue				
Governmental activities	136,493	391,747	(235,734)	1,332,594
Business-type activities	(114,599)	68,746	41,962	9,265
Total primary government net expenses	<u>21,894</u>	<u>460,493</u>	<u>(193,772)</u>	<u>1,341,859</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Membership fees	767,990	752,591	734,911	722,858
Interest on investments	423,608	26,597	524,598	1,665,142
Transfers in (out)	(60,598)	(20,000)	-	(63,075)
** Special item	-	-	-	(8,145,429)
Total governmental activities	<u>1,131,000</u>	<u>759,188</u>	<u>1,259,509</u>	<u>(5,820,504)</u>
Business-type activities:				
Transfers in (out)	60,598	20,000	-	36,500
Total business-type activities	<u>60,598</u>	<u>20,000</u>	<u>-</u>	<u>36,500</u>
Total primary government	<u>1,191,598</u>	<u>779,188</u>	<u>1,259,509</u>	<u>(5,784,004)</u>
Change in Net Position				
Governmental activities	1,267,493	1,150,935	1,023,775	(4,487,910)
Business-type activities	(54,001)	88,746	41,962	45,765
Total Change in Net Position	<u>1,213,492</u>	<u>1,239,681</u>	<u>1,065,737</u>	<u>(4,442,145)</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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Table 2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	7,852,410	\$ 7,410,029	\$ 7,126,021	\$ 6,796,651	\$ 5,775,899	\$ 5,463,174
	885,791	802,210	641,576	740,381	754,076	706,873
	16,601,140	15,557,099	15,727,538	14,240,408	13,508,941	-
	1,364,502	1,140,500	1,089,685	1,265,731	1,289,674	24,883,533
	14,423,825	8,056,787	7,937,736	7,297,342	5,586,715	-
	4,434,937	2,926,935	3,814,764	2,650,262	3,672,635	1,426,129
	2,212,906	3,293,253	2,554,177	3,436,397	2,302,909	3,310,704
	2,704,069	4,847,837	3,121,551	3,643,793	2,748,710	3,040,498
	38,551,550	44,387,187	40,574,850	57,414,019	53,195,247	55,148,280
	61,478,270	60,308,475	60,257,318	56,808,063	57,742,893	59,152,671
	<u>150,509,400</u>	<u>148,730,312</u>	<u>142,845,216</u>	<u>154,293,047</u>	<u>146,577,699</u>	<u>153,131,862</u>
	1,445,222	1,354,760	1,560,006	1,398,101	1,639,004	1,868,172
	<u>1,445,222</u>	<u>1,354,760</u>	<u>1,560,006</u>	<u>1,398,101</u>	<u>1,639,004</u>	<u>1,868,172</u>
	<u>151,954,622</u>	<u>150,085,072</u>	<u>144,405,222</u>	<u>\$ 155,691,148</u>	<u>\$ 148,216,703</u>	<u>\$ 155,000,034</u>
	104,093	8,631	47,526	51,597	5,359	-
	7,460,116	7,878,659	8,166,710	7,709,678	6,819,762	-
	976,123	965,583	1,010,092	1,012,142	997,865	18,843,748
	16,926,172	9,844,978	11,634,747	9,447,330	6,627,544	-
	2,757,243	2,039,596	2,426,230	1,513,243	2,102,303	872,066
	960,517	2,387,730	1,318,498	2,241,342	835,146	2,123,277
	-	-	-	-	-	-
	38,464,100	43,518,006	37,874,414	38,065,646	47,130,223	44,801,874
	61,521,158	59,606,274	59,051,999	56,715,045	57,642,394	59,198,773
	22,945,328	21,255,533	23,553,737	38,635,349	24,839,146	26,477,435
	<u>152,114,850</u>	<u>147,504,990</u>	<u>145,083,953</u>	<u>155,391,372</u>	<u>146,999,742</u>	<u>152,317,173</u>
	1,440,309	1,314,460	1,474,969	1,472,337	1,643,984	1,833,735
	<u>1,440,309</u>	<u>1,314,460</u>	<u>1,474,969</u>	<u>1,472,337</u>	<u>1,643,984</u>	<u>1,833,735</u>
	<u>153,555,159</u>	<u>148,819,450</u>	<u>146,558,922</u>	<u>\$ 156,863,709</u>	<u>\$ 148,643,726</u>	<u>\$ 154,150,908</u>
	1,605,450	(1,225,322)	2,238,737	\$ 1,098,325	\$ 422,043	\$ (814,689)
	(4,913)	(40,300)	(85,037)	74,236	4,980	(34,437)
	<u>1,600,537</u>	<u>(1,265,622)</u>	<u>2,153,700</u>	<u>\$ 1,172,561</u>	<u>\$ 427,023</u>	<u>\$ (849,126)</u>
	708,243	697,285	685,727	678,492	664,694	657,054
	954,524	340,547	110,440	26,704	18,661	62,047
	(26,450)	(36,450)	(26,450)	-	(3,339)	-
	-	-	-	-	-	-
	<u>1,636,317</u>	<u>1,001,382</u>	<u>769,717</u>	<u>705,196</u>	<u>680,016</u>	<u>719,101</u>
	26,450	36,450	26,450	-	3,339	-
	<u>26,450</u>	<u>36,450</u>	<u>26,450</u>	<u>-</u>	<u>3,339</u>	<u>-</u>
	<u>1,662,767</u>	<u>1,037,832</u>	<u>796,167</u>	<u>\$ 705,196</u>	<u>\$ 683,355</u>	<u>\$ 719,101</u>
	3,241,767	(223,940)	3,008,454	\$ 1,803,521	\$ 1,102,059	\$ (95,588)
	21,537	(3,850)	(58,587)	74,236	8,319	(34,437)
	<u>3,263,304</u>	<u>(227,790)</u>	<u>2,949,867</u>	<u>\$ 1,877,757</u>	<u>\$ 1,110,378</u>	<u>\$ (130,025)</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Non Spendable:				
Non spendable	\$ 16,206	\$ 104,124	\$ 125,792	\$ 60,316
Spendable:				
Assigned	-	-	344,087	-
Unassigned	7,810,437	7,258,184	6,547,298	6,924,202
Total General Fund	<u>\$ 7,826,643</u>	<u>\$ 7,362,308</u>	<u>\$ 7,017,177</u>	<u>\$ 6,984,518</u>
Non Spendable:				
Non spendable	\$ 260,035	\$ 254,157	\$ 74,486	\$ 322,851
Spendable:				
Restricted for grants	1,044,273	904,630	900,069	802,476
Restricted for local transportation	6,272,383	6,084,105	6,301,700	6,013,960
Assigned	3,352,107	2,695,419	2,031,400	1,383,590
Total all other governmental funds	<u>\$ 10,928,798</u>	<u>\$ 9,938,311</u>	<u>\$ 9,307,655</u>	<u>\$ 8,522,877</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 3

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 104,680	\$ 57,469	\$ 40,417	\$ 44,133	\$ 51,512	\$ 67,473
-	-	-	-	-	-
6,763,649	6,426,703	6,156,230	5,788,867	5,504,106	5,266,892
<u>\$ 6,868,329</u>	<u>\$ 6,484,172</u>	<u>\$ 6,196,647</u>	<u>\$ 5,833,000</u>	<u>\$ 5,555,618</u>	<u>\$ 5,334,365</u>
\$ 748,494	\$ 124,116	\$ 93,484	\$ 123,393	\$ 162,150	\$ 98,930
699,983	719,573	574,167	646,082	344,380	271,591
5,424,585	5,204,478	5,075,487	4,987,961	5,129,542	5,129,542
354,764	285,208	318,268	478,494	604,763	765,271
<u>\$ 7,227,826</u>	<u>\$ 6,333,375</u>	<u>\$ 6,061,406</u>	<u>\$ 6,235,930</u>	<u>\$ 6,240,835</u>	<u>\$ 6,265,334</u>

**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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues				
Federal grants	\$ 11,278,841	\$ 12,541,382	\$ 9,665,896	\$ 7,867,231
State administered grants	132,997,272	116,230,240	123,057,730	122,167,014
* Local administered grants	-	29,947	16,814	11,947
Membership dues	767,990	752,591	734,911	722,858
Local contributed cash	11,753,216	10,740,753	9,769,285	11,883,148
In-Kind	11,280,633	5,437,434	13,990,073	16,081,552
Program income	276,769	165,902	224,114	343,253
Interest income	423,608	26,597	524,598	1,665,142
Total revenues	<u>168,778,329</u>	<u>145,924,846</u>	<u>157,983,421</u>	<u>160,742,145</u>
Expenditures				
Current:				
Agency administration	9,099,867	8,510,295	8,848,655	8,420,241
Agency management	1,058,962	1,211,093	1,294,516	1,407,127
Community services	1,540,291	1,552,097	1,327,938	1,446,168
** Area Agency on Aging	14,827,524	13,040,536	13,064,008	17,046,773
*** 9-1-1 Planning	-	-	-	5,842,660
Emergency preparedness	2,055,196	1,823,853	2,952,309	3,609,118
Environment & development	3,292,365	4,059,455	2,988,871	4,520,625
Research & information services	3,766,499	4,418,873	3,850,291	4,126,173
Transportation	51,118,788	47,577,664	43,080,787	44,377,829
Workforce development	85,062,880	68,146,169	84,824,493	70,289,424
**** Debt Service				
Interest Expense	82,732	-	-	-
Lease Financing Principal	1,202,895	-	-	-
Capital outlay	<u>1,885,804</u>	<u>158,093</u>	<u>762,959</u>	<u>3,777,855</u>
	<u>174,993,803</u>	<u>150,498,128</u>	<u>162,994,827</u>	<u>164,863,993</u>
Indirect cost allocation	(6,113,167)	(5,555,948)	(5,820,026)	(5,582,753)
Contributions to indirect costs	<u>(21,463)</u>	<u>(13,121)</u>	<u>(8,817)</u>	<u>(13,410)</u>
Total expenditures	<u>168,859,173</u>	<u>144,929,059</u>	<u>157,165,984</u>	<u>159,267,830</u>
Excess of revenues over expenditures	(80,844)	995,787	817,437	1,474,315
Other Financing Sources and (Uses)				
Transfers in	236,269	683,266	612,298	126,583
Transfers out	(296,866)	(703,266)	(612,298)	(189,658)
Leases (as lessee)	1,596,263	-	-	-
Total other financing sources (uses)	<u>1,535,666</u>	<u>(20,000)</u>	<u>-</u>	<u>(63,075)</u>
Net change in fund balance	<u>\$ 1,454,822</u>	<u>\$ 975,787</u>	<u>\$ 817,437</u>	<u>\$ 1,411,240</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

****GASB 87

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting) (Unaudited)**

Table 4

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 6,122,920	\$ 9,417,021	\$ 9,130,586	\$ 13,357,415	\$ 22,491,763	\$ 20,631,697
122,996,621	116,521,194	112,250,105	103,398,608	99,668,833	105,208,041
49,981	311,242	149,525	-	-	-
708,243	697,285	685,727	678,492	664,694	657,054
7,862,199	7,032,388	7,212,111	15,874,027	8,144,514	12,964,481
14,768,786	13,838,816	15,901,151	22,288,500	16,227,555	13,125,408
314,343	384,331	440,475	472,822	467,077	387,546
954,524	340,547	110,440	26,704	18,661	62,047
<u>153,777,617</u>	<u>148,542,824</u>	<u>145,880,120</u>	<u>156,096,568</u>	<u>147,683,097</u>	<u>153,036,274</u>
8,297,167	7,626,153	7,427,418	7,166,721	6,190,755	6,020,958
927,382	821,879	663,102	767,169	782,985	570,521
1,457,306	1,180,134	1,150,646	1,428,428	1,390,999	25,323,042
16,923,077	15,691,248	15,911,917	14,384,061	13,731,082	-
12,120,927	8,230,234	8,163,109	7,521,090	5,786,845	-
4,594,979	2,997,823	3,909,795	2,775,433	3,816,952	1,549,436
2,390,973	3,374,010	2,678,049	3,580,973	2,480,694	3,480,494
3,085,187	5,035,633	3,382,440	3,916,598	3,049,466	3,308,621
40,975,838	45,519,190	42,021,853	59,104,042	55,083,003	56,926,135
61,961,130	60,598,233	60,614,440	57,182,521	58,157,641	59,530,189
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,963,607</u>	<u>1,739,299</u>	<u>4,212,490</u>	<u>2,143,073</u>	<u>1,021,314</u>	<u>168,034</u>
<u>157,697,573</u>	<u>152,813,836</u>	<u>150,135,259</u>	<u>159,970,109</u>	<u>151,491,736</u>	<u>156,877,430</u>
(5,199,871)	(4,851,794)	(4,456,006)	(4,127,471)	(3,985,911)	(3,799,890)
(25,143)	(15,161)	(14,706)	(18,547)	(22,821)	(17,882)
<u>152,472,559</u>	<u>147,946,880</u>	<u>145,664,547</u>	<u>155,824,091</u>	<u>147,483,004</u>	<u>153,059,658</u>
1,305,058	595,944	215,573	272,477	200,093	(23,384)
283,218	886,189	412,599	364,834	963,409	1,239,823
(309,668)	(922,639)	(439,049)	(364,834)	(966,748)	(1,239,823)
-	-	-	-	-	-
<u>(26,450)</u>	<u>(36,450)</u>	<u>(26,450)</u>	<u>-</u>	<u>(3,339)</u>	<u>-</u>
<u>\$ 1,278,608</u>	<u>\$ 559,494</u>	<u>\$ 189,123</u>	<u>\$ 272,477</u>	<u>\$ 196,754</u>	<u>\$ (23,384)</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	LOCAL					Total
	Member Dues	Interest (1)	Contributions (1)	In-Kind	Program	
2022	\$ 767,990	\$ 423,608	\$ 11,753,216	\$ 11,280,633	\$ 276,769	\$ 24,502,216
2021	752,591	26,597	10,740,753	5,437,434	165,902	17,123,277
2020	734,911	524,598	9,769,285	13,990,073	224,114	25,242,981
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	22,293,367
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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
REVENUES BY SOURCE
LAST TEN FISCAL YEAR
(Unaudited)

Table 5

		GRANTS			GRAND
*Local		State	Federal	Total	TOTAL
\$	-	\$ 132,997,272	\$ 11,278,841	\$ 144,276,113	\$ 168,778,329
	29,947	116,230,240	12,541,382	128,801,569	145,924,846
	16,814	123,057,730	9,665,896	132,740,440	157,983,421
	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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEAR
 (Unaudited)**

Table 6

Year	Estimated State of Texas Population ^a	Estimated Regional Population ^a	Personal Income ^b	Per Capita Personal Income ^b	School Enrollment ^c	Unemployment Rate ^d
2022	30,029,572	8,097,180 *	\$ 528,055,126,689 *	\$ 70,341	1,441,135	3.8%
2021	29,558,864	7,939,600	517,778,595,000	66,727	1,420,331	3.9%
2020	29,232,474	7,831,768	473,604,117,000	61,554	1,452,149	7.1%
2019	28,995,881	7,556,910	444,730,277,000	58,725	1,434,859	3.1%
2018	28,628,666	7,395,780	417,480,600,000	55,886	1,425,257	3.2%
2017	28,295,273	7,255,690	392,145,500,000	52,995	1,405,496	3.4%
2016	27,914,410	7,129,550	369,614,741,000	51,099	1,379,534	4.0%
2015	27,470,056	7,010,220	362,947,715,000	50,593	1,349,982	4.0%
2014	26,964,333	6,904,230	344,279,922,000	49,506	1,329,571	5.0%
2013	26,480,266	6,793,750	320,035,384,000	46,989	1,312,126	5.7%

Sources:

^aRIS. Each year the entire time series is updated.

^bDallas-Fort Worth-Arlington, Tx Metropolitan Statistical Area; bea.gov

^cTexas Education Agency

^dBureau of Labor Statistics; bls.gov

Other:

* - Approximation only, as information not published yet

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)**

Table 7

2022			2013		
Employer ^a	Employees	Percentage of Total NCTCOG Employment	Employer a	Employees	Percentage of Total NCTCOG Employment
American Airlines Group Inc.	30,000	0.75%	Texas Health Resources	21,100	0.64%
Texas Health Resources	27,000	0.68%	Bank of America	20,000	0.61%
Wal-Mart Stores Inc.	25,534	0.64%	Dallas ISD	19,800	0.60%
Baylor Scott & White Health	23,865	0.60%	American Airlines	19,219	0.58%
Dallas Independent School District	22,222	0.56%	Baylor Health Care Systems	16,850	0.51%
Lockheed Martin	22,000	0.55%	Lockheed Martin	16,000	0.49%
University of Texas Southwestern Medical Center	21,539	0.54%	JPMorgan Chase	14,500	0.44%
Medical City Healthcare	17,000	0.43%	Texas Instruments	14,000	0.42%
Bank of America	13,850	0.35%	City of Dallas	13,000	0.39%
University of North Texas System	13,275	0.33%	UT Southwestern.	12,100	0.37%
Total	<u>216,285</u>	<u>5.43%</u>	Total	<u>166,569</u>	<u>5.05%</u>
Total NCTCOG Region Employees b	3,985,804		Total NCTCOG Region Employees b	3,298,444	

Source: a Dallas Business Journal, Book of Lists 2022; NCTCOG
 b Bureau of Economic Analysis (W&S)

Source: a Dallas Business Journal, Book of Lists 2014; NCTCOG
 b Bureau of Economic Analysis (W&S)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 FULL-TIME EQUIVALENT AGENCY EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS
 (Unaudited)**

Table 8

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Agency Management	4	4	4	3	3	3	3	3	3	3
Agency Administration	50	50	48	48	46	45	44	42	41	39
*Area Agency on Aging	28	24	24	24	24	21	22	-	-	-
Community Services	9	9	9	9	8	8	7	47	46	44
**9-1-1 Planning/(NCT9-1-1)	33	33	33	33	32	26	24	-	-	-
Emergency Preparedness	6	10	12	12	12	11	11	11	12	12
Environment & Development	15	15	14	14	14	13	13	13	12	12
Public Affairs	2	2	2	2	2	2	2	2	2	2
Research and Information Services	35	35	35	35	35	35	29	27	27	27
Transportation	184	176	167	169	166	161	158	148	149	149
Workforce Development	50	48	48	44	37	40	40	34	34	31
Total	416	406	396	393	379	365	353	327	326	319

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 ASSETS STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Function/Program</u>	Fiscal Year			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
*Area agency on aging	\$ -	\$ -	\$ 30,063	\$ 30,063
**9-1-1 planning	-	-	-	-
Community services	14,646	-	65,790	65,790
Emergency preparedness	233,852	233,852	271,949	271,949
Environmental resources	25,639	25,639	110,290	110,290
Local and administrative	21,731,475	1,848,018	1,824,996	1,824,996
Regional information services	647,433	1,298,970	1,528,166	1,528,166
Transportation	390,898	790,914	1,482,432	1,482,432
Workforce development	9,965,244	2,146,782	3,637,483	3,637,483
Enterprise fund	-	-	7,483,991	7,483,991

*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 ASSETS STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

Table 9

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063	\$ -
13,034,335	8,291,207	6,747,587	3,312,911	1,452,079	-
65,790	65,790	65,790	83,061	83,060	792,998
271,949	262,583	262,583	252,688	252,688	240,834
110,290	110,290	110,290	110,810	93,194	99,054
1,330,459	1,305,119	1,296,232	1,268,031	1,265,257	1,298,343
1,983,373	1,983,373	1,818,749	1,435,746	1,286,210	1,286,210
1,329,239	1,310,706	1,307,581	841,120	841,120	731,705
4,145,950	3,959,340	3,829,235	3,597,104	3,352,543	3,291,296
7,483,991	7,483,991	7,483,991	7,467,896	7,389,956	7,383,536