

# Comprehensive Annual Financial Report

**Fiscal Year Ended  
September 30, 2016**



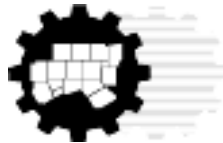
**North Central Texas Council of Governments**



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**Executive Director**

Mike Eastland

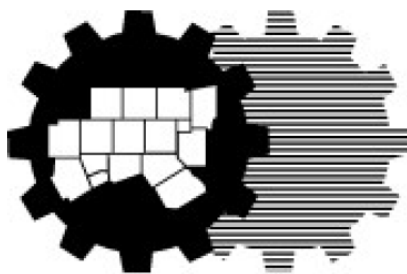


**Deputy Executive Director**

Monte Mercer, CPA

***PREPARED BY  
DEPARTMENT OF ADMINISTRATION***

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**North Central Texas  
Council of Governments**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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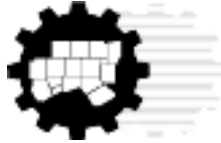
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North Central Texas Council of Governments

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

February 10, 2017

Members of the Executive Board:

The Comprehensive Annual Financial Report of the North Central Texas Council of Governments (NCTCOG, 'the Council' or 'the Agency') for the fiscal year ended September 30, 2016, is hereby submitted. This report was prepared for the Agency by NCTCOG's Department of Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. To the best of our knowledge and belief the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of NCTCOG as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Council's financial affairs have been included.

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

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

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

### **Organizational Profile**

The NCTCOG is a voluntary association of cities, counties, school districts, and special districts within the 16-county North Central Texas region. NCTCOG was established in January 1966, authorized by State enabling legislation (Chapter 391 – Local Government Code), to assist local governments in planning for common needs, cooperating for mutual benefit and coordinating for sound regional development. The 16-county region for NCTCOG was designated by the Governor's Office of the State of Texas.

The Agency is an organization of, by, and for local governments. Its purpose is to strengthen both the individual and collective power of local governments – and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to assist in the implementation of those decisions. The NCTCOG is governed by a general assembly composed of one voting representative from each of the 238 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 30 states, and an area of 12,800 square miles, which is larger than nine states. NCTCOG's 238 member governments are comprised of 16 counties, 167 municipalities, 24 independent school districts, and 31 special purpose districts.

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

Because of the large monetary and community impact of 9-1-1 Planning and Area Agency on Aging programs, they were broken out from the Community Services department.

For consistency and transparency, the Council began in 2016 to break out federal grant funds that are locally administered.

### **Economic Condition and Outlook**

NCTCOG's regional population increased by approximately 119,040 persons during 2016 for a January 1, 2016 total estimated population of 7 million.

The December 2016 unadjusted unemployment rate for the 16 county NCTCOG region was 3.5%, which was below the Texas rate of 4.2% and well below the comparable national figure of 4.5%.

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

### **New Initiatives**

#### **Transportation (TR)**

During Fiscal Year 2016, the North Central Texas Council of Governments (NCTCOG) was awarded \$439,769 from the US Department of Defense to conduct a Regional Joint Land Use Study for several military installations in North Texas. This is a land use compatibility study to assess encroachment and land use issues with a goal of promoting compatible community growth that supports military training and operational missions. A consultant was procured, policy committees formed, initial public and stakeholder meetings were held, and an Existing Conditions Report was drafted. When complete, a final report will include recommended strategies to minimize encroachment issues and to preserve the capabilities of regional military installations including policy recommendations, responsible entities, timeframes and anticipated costs.

NCTCOG initiated a TEXpress Lanes Education Campaign, working with regional transportation partners, to provide information on the benefits of managed lanes (branded as TEXpress Lanes in the Dallas-Fort Worth region). The campaign has two focus areas: information for stakeholders such as elected officials and business groups, as well as information for the general public. A workshop was held for the Regional Transportation Council, a communications plan was developed with regional partners, and collateral materials (presentation, pocket card, fact sheet, white paper, testimonial videos) were developed.

NCTCOG received \$977,500 in Surface Transportation Program Block Grant funds to continue to provide planning support to expedite projects programmed in the Transportation Improvement Program as requested by local transportation agencies. This effort includes the process for reviewing environmental and design documents, providing necessary planning expertise, and providing technical and legal support for innovative financing mechanisms. This funding will continue NCTCOG's work to streamline approvals and advance regional surface transportation projects.

The Section 214 program was extended by NCTCOG to expedite Section 404 and Section 408 permits with the United States Army Corp of Engineers USACE. NCTCOG received \$500,000 in Regional Toll Revenue funds to continue the program for three more years. The program funds one person at the USACE to work on only those projects identified by NCTCOG as a priority for regional transportation. This program has continued since its inception in 2008 to accelerate project permitting and reduce project cost for impacts to waters of the U.S. by reducing review time, working with project teams to identify the proper permitting early in the project, and streamlining the final mitigation required.

The 84th Texas Legislature passed House Bill (HB) 20 in 2015 directing the Texas Department of Transportation (TxDOT) and its Metropolitan Planning Organization (MPO) partners to establish a performance measure-based selection and prioritization process to determine projects for inclusion in the state's 10-year Unified Transportation Plan (UTP). In August 2016, the Texas Transportation Commission (TTC) approved the proposed Dallas-Fort Worth Metropolitan Planning Area (MPA) formula allocation for Category 2 (MPO-selected), Category 4 (TxDOT District-selected), Category 12 (TTC-selected) funding for a 10-year period of Fiscal Year (FY) 2017 – FY2026. Also at that time the North Central Texas Council of Governments began coordination with TxDOT Dallas District, Fort Worth District, and Paris District (Hunt County) staffs to assess the region's highest priorities for that period concerning freeways, toll roads, high-occupancy vehicle (HOV)/managed/express lanes, and on-system arterials. Applied performance measures for congestion, safety, asset conditions, environmental justice, and goods movement were consistent with those used to develop the planning and prioritization process for Mobility 2040: The Metropolitan Transportation Plan for North Central Texas, and NCTCOG staff conducted updated reviews of proposed project timing, environmental status, and estimated construction costs. Recommendations were approved by the Regional Transportation Council (RTC) in December 2016, and the TTC is expected to approve the statewide list of projects in February 2017. Per HB 20 planning requirements, this evaluation and approval process will become an annual work effort as part of regular UTP and Transportation Improvement Program (TIP) development and monitoring.

NCTCOG received \$120,000 in Department of Energy funds under a subgrant from the National Association of Regional Councils as part of the Aggregated Alternative Technology Alliance project, which is now known as Fleets for the Future. The goal of the project is to reduce fleets' incremental capital costs to purchase alternative fuel vehicles by leveraging cooperative procurements to achieve discounted pricing. NCTCOG will be responsible for engaging local fleets to participate in the project and administering a cooperative procurement effort. Grant agreements were executed and staff began surveying local fleets to identify procurement plans and priorities over the coming years. A stakeholder group of fleet representatives was also established.

NCTCOG was awarded \$1.4 million from the Federal Transit Administration through the competitive Pilot Program for Transit-Oriented Development (TOD) to support increased TOD and active transportation connections around 28 Dallas Area Rapid Transit (DART) light rail transit stations on the Red and Blue Lines. A local match of \$350,000 is being provided using Regional Transportation Council Local funds and DART funds for a total of \$1.75 million. NCTCOG partnered with DART and the Cities of Dallas, Garland, Plano, and Richardson to submit the application and will lead planning work with the four cities and DART to address barriers to increased development and ridership. The planning study will address the need to prioritize and estimate costs for addressing gaps in the last mile pedestrian and bicycle facilities around the stations, conduct targeted parking studies to plan for better parking management, and survey residents and employers of the station areas. The information and resources developed in this plan will be used to inform policy, future plans, and implementation of active transportation projects throughout the region.

NCTCOG established its Automated Vehicle Program in mid-2016. The program has three focus areas: 1) vehicle automation and the supporting physical and communications infrastructure for such vehicles, 2) building the data infrastructure to support automated vehicles, and 3) supporting development of mobility-as-a-service transportation models to encourage the efficient use of automated vehicles. Initial activities have included extensive outreach to local officials and transportation professionals about automated vehicle technology and its implications for the region. Regional Transportation Council approval was secured for two initiatives: 1) a regional data sharing partnership under the Waze Connected Citizens

Program accompanied by a request for proposals to see if there are other parties with whom transportation can be shared to support applications that improve travel and safety, and 2) sharing of traffic signal data to support in-vehicle applications, including those that inform drivers and vehicles of optimal speeds to minimize time waiting at red lights.

NCTCOG was awarded \$664,834 in FY2016 through the National Clean Diesel Funding Assistance Program from the US Environmental Protection Agency. These funds are being used to replace or repower existing Tier 1, 2, and/or 3 diesel-powered vehicles and equipment used as ground support equipment (GSE) at airports located within the 10-county eight-hour ozone nonattainment area with new Tier 4 or all-electric GSE. Depending on the subgrant activities selected, it is estimated that approximately 35 pieces of GSE will be replaced or repowered through an open, competitive call for projects.

### **Area Agency on Aging**

Aging Services funding and programs remain relatively unchanged from Fiscal Year 2015 to Fiscal Year 2016. The Department benefited from several discretionary grants that allowed it to expand its range of program and serve younger persons with disabilities who would not otherwise qualify for services under the Older Americans Act.

Discretionary grants, by funding source and amount, included:

- Nursing home relocation funding, awarded by the Department of Aging and Disability Services (DADS), in the amount of \$1,053,232.
- Aging and Disability Resource Center funding, awarded by DADS in the amount of \$358,927.
- Chronic disease self-management funding, awarded by the Community Council of Greater Dallas in the amount of \$22,350.
- Fall prevention funding, awarded by the United Way of Tarrant County in the amount of \$41,454.
- Benefits Enrollment Center funding, awarded by the National Council on Aging, in the amount of \$59,855.
- Senior Medicare Patrol funding, awarded by the Better Business Bureau, in the amount of \$20,000.

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

### **9-1-1 Planning**

The NCTCOG 9-1-1 Program fosters opportunities for improving the quality of emergency communications in North Central Texas through innovation, collaboration, and initiative. The 9-1-1 Program began a transition to Next Generation 9-1-1 in 2008 and continues to enhance 9-1-1 service throughout the region by providing vision, leadership, technology and operational assistance.

Implementation is underway of a large scale alternate network project that incorporates microwave and business internet technology into the existing network consisting of MPLS and a wireless backup network. Not only will the newly implemented services provide a more robust network with a greater diversity of routes and transport medium, but when completed it will also provide the ability to route calls dynamically based on the best route. This project has also enhanced membership services to our local governments with the building of towers that they are able to use for other public safety applications.

The 9-1-1 data team has completed the transition of data platform for the ALI Database, which is the source for landline address information. The team manages approximately 400,000 customer records with an average error rate of 0.001.

The GIS team provisions high-quality spatial data into the Public Safety applications used for geospatially routing live 9-1-1 calls and call potting at the Public Safety Answering Points. Their primary role is ensuring accurate and precise GIS data is used throughout the NCTCOG 9-1-1 region. The focus this year has been to refine and optimize GIS business processes and workflow, improve data accuracy and plan for the future requirements of GIS in public safety.

NCTCOG 9-1-1 developed and completed two pilot courses and the first approved Regional Telecommunicator Academy this year. The mission is to provide Regional Public Safety Answering Points a four-week academy to educate, prepare and train new career telecommunicators in accordance with the Texas Commission on Law Enforcement's (TCOLE) licensing and training mandates. After Action Reports have been completed and lessons learned have been incorporated into the curriculum for future academies.

### **Community Services**

#### **Criminal Justice Planning**

In fiscal year 2016 the Criminal Justice Program focused its efforts on meeting the "Interlocal Cooperation Agreement" requirements with the Office of the Governor's Criminal Justice Division. As a result, technical and operational assistance was provided to more than 90 public and private agencies for new and continuation criminal justice projects, grant application workshops, preparation of grant applications, strategic planning efforts, and to meet the administrative requirements of the Criminal Justice Division.

#### **Training & Development Institute (TDI)**

TDI facilitated 76 courses for the region and coordinated 9 courses for NCTCOG staff, serving over 1,200 participants. In addition to facilitating training courses, the TDI underwent a thorough evaluation of program offerings and developed a framework to introduce new initiatives. New initiatives include offering courses through an Academy-based approach, acquiring an online learning platform that will be available in the 2017 fiscal year, along with an extensive library of online courses for each academy.

Of the courses offered this fiscal year, 19 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 322 participants successfully complete these 20 hour courses. Additionally, the TDI continued support of the TCEQ by serving as a test site for computer-based license exams facilitating 17 exam sessions for 124 individuals.

Through a partnership with the University of North Texas' Center for Public Management, the TDI offered 8 two-day Public Funds Investment Act trainings which are required for all public finance and investment officers in the State of Texas. Approximately 130 participants received their certificates of completion for this training course during the 2016 fiscal year.

Through an agreement with Government Procurement Services, TDI facilitated 6 courses for purchasing and procurement professionals wanting to advance their knowledge in Contract Management, Ethics in Contracting, Negotiation Skills, and Procurement Management. Of these 6 courses we had 60 participants attend.

In cooperation with NCTCOG's Transportation Department, the TDI hosted 6 Traffic Incident Management courses for First Responders & Managers that consisted of 117 participants from a variety of agencies.

In addition to the courses outlined above, the TDI facilitated courses in the areas of Code Enforcement, Planning & Zoning, Records Management, and Leadership & Management Best Practices, as well as special requests by NCTCOG departmental staff.

#### **Regional Law Enforcement Training**

During 2015/2016, the Regional Police Academy conducted five Basic Peace Officer Courses and graduated 124 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy conducted 59 In-Service law enforcement training courses for 757 in service officers providing a total of 104,160 contact hours for Basic Peace Officers training, and a total of 11,881 contact hours for In-Service training.

#### **Emergency Preparedness (EP)**

Regional Emergency Preparedness Member Program: In 2016, the North Central Texas Regional Emergency Preparedness Program (REPP), managed by the Emergency Preparedness (EP)

Department, continued to meet stakeholder needs through advocacy; planning, training, and exercise assistance and coordination; program management, and multiple support services. Specialized programs and events were possible through the REPP, including co-sponsoring an Integrated Warning Team workshop and emergency management weather radar training with the National Weather Service; and supporting local training and exercise programs, including managing a large-scale, 3-day regional exercise entitled the BigX, which covered multiple jurisdictions, disciplines and training sites with approximately 3,000 participants. Additionally, staff supported and helped coordinate the regional CASA weather radar project, and facilitated regional Emergency Management and subject matter expert working groups.

**Homeland Security Program:** The Homeland Security Grant Program (HSGP) consists of both the State Homeland Security Grant Program (SHSP) as well as the Urban Area Security Initiative (UASI) Grant Program. Funds for this program are used to prevent, prepare, mitigate, respond, and recover from acts of terrorism and catastrophic events. Expenditures are used to close capability gaps that have been identified throughout the regional urban area, in state strategies, as well as, the Threat and Hazard Identification and Risk Assessment (THIRA). These funds have helped our region increase response capabilities by improving response plans, equipping special response teams, training first responders, and exercising together so that everyone knows what to do when disasters occur. In 2016, the SHSP grant received \$1,674,518.36 and the UASI grant received \$15,302,000, which were applied to regional projects to address terrorism and homeland security initiatives throughout the region.

**Citizen Corps Program:** Citizen preparedness, training, and education were supported by \$50,000 in HSGP funds allocated to NCT (North Central Texas) Citizen Corps programs in 2016. The funds helped sustain the citizen volunteer program, Community Emergency Response Teams (CERT). CERT program members served NCT in skilled emergency support roles such as wide area search, damage assessment, triage, and first responder rehab.

**Mitigation Program-Hazardous Mitigation Grant Program (HMGP) and Pre-Disaster Mitigation (PDM) Planning Projects:**

The Emergency Preparedness Department supported hazard mitigation planning for six NCT counties in 2016. Five of the six plans were approved or approved pending adoption as of December 31, 2016, and one is under review at TDEM. Mitigation planning helps communities identify hazards and develop mitigation actions to reduce or eliminate vulnerability to those hazards. Once the hazard mitigation action plans are approved and adopted, participating jurisdictions become eligible to apply for future mitigation grant funds.

**Safe Room Project:** In July 2013, the EP Department received \$1,395,000 to administer the Individual Safe Room Rebate Program in Collin, Dallas, Denton, and Tarrant counties. Due to overwhelming response, and an ensuing waitlist of over 9,400 individual applicants, the EP Department was granted an additional \$930,000 in October 2013 to expand the program to all sixteen NCT counties. That trend continued in May 2015 when the EP Department received another \$500,000 for the program. During 2016, the safe room program grant resulted in 275 individual safe room installations totaling \$734,891 in federal grant rebates. This brings the program total, since inception, to 780 safe rooms installed and \$2,103,396 in rebates awarded. Additional safe rooms will be awarded in 2017 with existing funds, and an additional \$250,000 in federal funds is expected in early 2017. The EP Department will maintain the waitlist and continue to seek additional funding as opportunities arise.

**Collaborative Adaptive Sensing of the Atmosphere (CASA WX) Member Program:** The EP Department continued working with regional partners and academia to explore financial support, through grants and private sector, to help maintain the Collaborative Adaptive Sensing of the Atmosphere (CASA WX) weather radar system in the Dallas Fort Worth area (DFW demonstration network). CASA's focus is a weather observation system paradigm based on low power, low cost, overlapping network of radars. The seventh radar in the network was installed in the City of Mesquite in 2016 and the eighth radar is planned for installation in Collin County 2017. The EP Department continued to manage the CASA WX membership program and the dues assessed are based on jurisdictional population. Local jurisdictions that are members of the CASA WX program gain access to the 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 incidents, enhances decision making, and can potentially save lives and reduce damage to property. Membership dues go towards sustaining operational expenses of the radar network.

### **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 and changing area 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 16-17 biennial cycle of the Texas Commission on Environmental Quality (TCEQ) grant began, including conducting six briefing sessions, conducting a two day grant scoring process, and selection and administration of 14 local government projects and one regional project totaling approximately \$1,300,000. The Resource Conservation Council finalized and began to implement the updated Regional Solid Waste Management Plan (Volume II), utilized the recently developed paperless regional grant application process, updated the website, improved materials for the recently developed software application for Report Illegal Dumping, reviewed three waste facility conformance reviews, and provided updates on legislation. Eleven educational/training workshops were offered in fiscal year 2016, 61 technical assistance requests to local governments were recorded, a day-long DFW Area Food Recovery Event was held, one Drug Take-Back work group meeting was conducted, and the first statewide Packaging Recycling Forum was hosted at our offices. In addition, 24 responses to inquiries into the status of the Closed Landfill Inventory were handled.

In the Natural Resources program area, the Region C Water Planning Group meeting was hosted at our offices, and collaboration meetings with our regions four major water providers were coordinated to coordinate planning efforts towards best management practices and sample resolutions that would support water efficient landscape practices that would positively impact water conservation in our region. Energy conservation was promoted through our hosting of two State Energy Conservation Office (SECO) residential and commercial workshops, and promotion of our Dallas 2030 District and our Fort Worth Better Buildings Challenge initiatives. Additionally, through state and federal funding, our team developed a Solar Energy System Expedited Permit Checklist; developed a Solar Energy Model Ordinance Guidelines for Municipalities; developed Solar Energy Toolboxes for Nonprofit Utilities and Independent School Districts; completed a Benefits and Costs of Model Solar Applications Report; hosted and conducted 16 solar energy trainings in four Texas cities attended by 250 participants; developed a regional GoSolarTexas.org clearinghouse website; and, documented case studies and developed framework for regional website clearinghouse called *Conserve North Texas* to house transportation, energy-efficient, and water-efficient information.

In the Public Works program area, in a collaboration with NCTCOG's North Texas Share team, we developed a regional offering of pricing secured for selection from four vendors for the purpose of pavement analysis services throughout our membership area. We held the 17th Annual Public Works Roundup which was attended by 120 public works professionals; hosted the Sustainable Public Rights of Way (SPROW) Education Forum; included redevelopment guidance into our integrated Stormwater Management (iSWM) manual in coordination with our subcommittee; recruited additional member participation at Silver Level within the iSWM program area; and continued finalizing updates to our 2004 Standard Specifications for Public Works Construction with the intent to release the update electronically in 2017. In addition, we began promotion of the upcoming Community Development Block Grant (TxCDBG) grant cycle and provided requested technical support for the region on community development and TxCDBG program matters.

In the Regional Codes program area, uniform amendments for the North Central Texas region were developed through many review discussions and ten advisory board meetings of the Regional Codes Coordinating Committee. The 2015 suite of International Building Codes with these amendment are posted to our website, and encouragement for the adoption of the latest code editions and regional



recommended amendments by local governments is supported through Executive Board resolution and outreach and education, including email blasts, meetings, website language, and responses to technical assistance requests from the public and local governments.

In the Watershed Management program area, meetings with committees, stakeholders and interest groups regarding the region's watersheds continued, with efforts supporting Texas A&M AgriLife Stephenville by hosting four Upper Trinity River Basin Coordinating Committee meetings; prioritizing implementation strategies recommended in the Greater Trinity River Bacteria Total Maximum Daily Load (TMDL) I-Plan; attending two public meetings and five partner Watershed Protection Plans (WPPs) planning meetings; attending two Clean Rivers Program meetings; and hosting three workshops on water quality and conservation initiatives in the region. In addition, we collected data and conducted one public meeting for the amended 2016 North Central Texas Water Quality Management Plan (WQMP); developed the North Central Texas Water Resources Report; and, provided review comments and letters for three Clean State Revolving Fund projects associated with wastewater infrastructure improvements. We hosted four Wastewater And Treatment Education Roundtable (WATER) meetings; coordinated and promoted the Holiday Grease Roundup and Grease Interceptor Inspection Training; assisted in maintaining the Cease the Grease North Texas website; launched the Defend Your Drains North Texas campaign and associated website, organized two mock self-inspection tours with our Pollution Prevention Task Force; conducted our annual group purchase for our public Education Task Force, and hosted one Illicit Discharge Detection and Elimination (IDDE) Municipal Industrial Inspector Workshop. We also encouraged partnerships with the Audubon, with the Trust for Public Lands in the Rockwall County Open Space plan effort, and to support the Denton County Greenbelt Plan. Under our Texas Smartscape brand, we produced a new marketing campaign and promotional materials; updated Texas Smartscape plant list to include over 324 native and drought tolerant plants in a searchable database; maintained Texas Smartscape website including updates to blog and events page; and coordinated with Home Depots around the region to host 19 Smartscape plant sale events. For additional regional tools, we completed development of our GIS interactive mapping tool website that displays Regional Ecosystem Framework (REF) layers; and, then utilized the REF mapping tool five times when reviewing conformance items related to infrastructure development in the region. The Trinity River COMMON VISION program continued with the integration of updated regulatory mapping and modeling for the Upper Trinity River Corridor into the Corridor Development Certificate (CDC) Manual and Process and processed 6 CDC applications. Brochures were produced for promotion by our communities of this program, and a May 2015 Flooding Report was developed that will be utilized as a record and planning tool by our region, and may be including in a USACE federal report that is funded for documentation of this flood event. As a part of our Cooperating Technical Partner (CTP) relationship with the Federal Emergency Management Agency (FEMA) and the Texas Water Development Board (TWDB), the FY14 Bear Creek study and mapping project was closed out, and administration of the FEMA CTP FY15 West Irving and Lynchburg Creek study and mapping projects have begun along with our Cedar and Denton Watershed Discovery Projects. Additionally, in partnership with FEMA, TWDB, and the Texas Floodplain Managers Association (TFMA), Environment and Development held our 21<sup>st</sup> Anniversary "Managing Floodplains through the National Flood Insurance Program" four-day course and hosted the TFMA Certified Floodplain Manager (CFM) Exam. Floodplain Manager/Community Rating System (CRS) Users Group meetings were held every other month and was combined with our annual Elected Officials Seminar which was attended by approximately 80 participants.

In the Development Excellence program area, support for the Center of Development Excellence (CODE) and the 12 Principles of Development Excellence continued, and coordination activities for the 2017 Celebrating Leadership in Development Excellence (CLIDE) awards began. Coordination for presentations to be made to local governments and community groups by the Vision North Texas Speakers Bureau continues to be supported by NCTCOG staff. Maintenance of the Center of Development Excellence website continues; the technical tools library is being revised to be more user-friendly and searchable, to provide a broader coverage of CODE topic areas, and to focus on example projects that have been constructed within our region and can be easily visited.



### **Research and Information Services (RIS)**

The RIS Research Team provides data and analytical support to both internal and external customers. A variety of datasets that are valuable for regional and local planning are developed and maintained. These include:

- A development monitoring program database, which tracks significant structures and other features and now has nearly 24,000 records;
- Current and historical land use layers;
- Various geographic layers including city boundaries, roads, hydrology, and statistical and planning areas;
- Population, household, and employment datasets used for demographic forecasting;
- Small-area employment information;
- Daytime population estimates; and
- Annual population and housing estimates.

The RIS Information Technology (IT) Team responded to 6,451 officially posted Agency and Workforce support requests. These requests included:

- new computer requests (ordering, receiving and setup);
- software management;
- network connectivity between 14 sites; and
- support of a Mobile Workforce Unit.

This support is for computer and phone systems required for the RIS customers to meet the business needs of their customers.

The IT Team has continued to assist with the management and operations of several critical enterprise computer environments that support and serve data used throughout the region. These enterprise systems, that include a large number of websites such as NCTCOG.org and DFWMaps.com, provide information to the public and assist in regional planning initiatives.

The IT Team completed major network enhancements by:

- adding dual power supply modules to Core Rack switches
- upgrading server room ISP router with a pair of routers with increased capabilities
- installing redundant, divergent fiber optic services with Level 3 directly to our server room.

The IT Team also:

- completed a website redesign and web content management system (CMS) selection project that will be used to implement the new design and CMS;
- migrated all SharePoint 2007 content to SharePoint 2013 environment and retired SharePoint 2007;
- assisted with the selection of a Learning Management System and performed SSO (same sign-on) configuration;
- implemented a new help desk system used by RIS customers to request service;
- assisted with the selection of Laserfiche document management system for the Workforce Development department;
- implemented Azure AD Connect to enhance business continuity capabilities;
- implemented Skype for business messaging and conferencing system; and
- completed migration of virtual environment from VMWare to Hyper-V.

The RIS Information Security (IS) team reviews new Information Technology projects to ensure that threats to the confidentiality, integrity, and availability of enterprise systems and data are identified and risks are appropriately mitigated. The IS team also works to find and mitigate previously unidentified risks in existing systems by reviewing system logs and auditing access controls. The IS team looks to improve the ease-of-use of security technologies, while at the same time update or add to their functionality and

effectiveness. In addition to technological improvements to the Agency's security posture, IS continues to educate employees on the importance of adhering to security policies and continues to inform employees about current threats and safe computing practices. This is achieved through new employee orientation sessions, e-mail alerts, and monthly newsletters.

### **Workforce Development (WF)**

The integrated system known as Workforce Solutions for North Central Texas consists of a Board of Directors and a network of 12 workforce centers located throughout the WDA. The Board oversees the planning, oversight, policy guidance and design of services. The workforce centers are managed by a contracted service provider, selected through a rigorous and competitive procurement process, and provide direct service delivery to job seekers and businesses. Today, the Board oversees approximately \$60 million in federal funds.

### **STRATEGIC GOALS**

- Enhance business engagement and inclusive human capital development through service delivery designs that invite participation without regard to barriers.
- Develop and maintain a technology platform that attracts participants, employers and job seekers, and allows everyone to share, transact, and find value in the workforce system.
- Improve organizational focus, communication and leadership decision making to include data driven continuous improvement, accountability and effectiveness.
- Recruit and retain competent professionals by expanding professional development opportunities and offering clear and focused career tracks.

As of September 30, 2016 Workforce Solutions for North Central Texas achieved 98% of its year one goals and completed 37% of its four-year strategic plan.

### **Business Development Unit**

In 2015, Workforce Solutions for North Central Texas embarked on a mission to rebuild the Business Development Unit (BDU). Now fully functional, the new model relies on a team of ten staff members who aim to leverage resources by engaging employers and gathering intelligence that strengthens service delivery design.

The BDU was recognized with the TWC 2016 Industry Sector Outreach Award for working with employers, economic development and education partners to respond to workforce shortages in targeted industries. Through its commitment to maximize use of grant funds and establishment of new sector development plans such as Inspire North Texas, the BDU continues to respond to the demands of business and industry with award-winning, innovative solutions.

### **Skills Development Grants**

The Texas Workforce Commission's Skills Development Fund (SDF) program is a job training program designed to meet the unique training needs of employers. This customized training program assists employers in identifying workforce skill gaps. The SDF provides community colleges resources to quickly respond to the needs of business by delivering customized and targeted skill enhancements to both new hires and current employees.

In partnership with local community colleges and economic development partners, Workforce Solutions for North Central Texas facilitated the award of more than \$3.8 million in SDF grants in 2016, training 382 new workers and 1,944 existing workers.

## Inspire North Texas

Workforce Solutions for North Central Texas participated in a local collaborative initiative with the Frisco Economic Development Corporation. This innovative industry sector outreach sparked discussion of workforce needs for local high-tech businesses, particularly those in the gaming industry. The goal was to identify solutions to address industry needs for the digital technology industry sector and to gather information from industry representatives on their most pressing workforce needs. The discussion led to the establishment of the High-Tech Sector Development Plan, "Inspire North Texas."

Inspire North Texas offers employers and employees in the technology sector a place to network, share ideas, identify industry-related needs, and create a strategy to identify training and certifications needed to expand and enhance the available workforce. Because the technology industry is ever-changing, it is of the utmost importance to keep the dialogue open and flowing for North Central Texas to strategize sector support. Every partner benefits when all partners understand the direction the industry is headed and can anticipate internal changes to facilitate growth.

## H1-B Technical Skills Training Grant

In April of 2012, Workforce Solutions for North Central Texas and its partners, North Central Texas College, AT&T, IBM, and Lockheed Martin, were awarded a \$4.9 million grant from the Department of Labor. Funds were used to provide education, training and job placement assistance in the fields of information technology (IT), science, technology, engineering and math (STEM). The intent of the grant was to raise the technical skill levels of American workers and, over time, help businesses reduce their reliance on the H1-B program.

Over 6,400 incumbent workers and 140 long-term unemployed/underemployed participants received necessary training, skills and certifications to address the skills shortage in the IT and STEM industries within the Dallas-Fort Worth region through the grant. The training provided stackable credentials increasing the ability of participants to gain, retain, and advance in employment.

## Industry Recognized Skills Certification Initiative

The Industry Recognized Skills Certification Initiative provides capacity to increase the number of workers with industry-recognized skills certifications supporting high-demand occupations. Workforce Solutions for North Central Texas partnered with Ranger College, and in collaboration with FMC, Technologies, Inc., Stephenville ISD, and Stephenville Economic Development Corp., developed and implemented a curriculum incorporating the knowledge, skills and abilities needed for entry-level employment for machining. In collaboration with Ranger College, FMC, Inc. assisted in providing on-going support to include, among other things, guest lectures, plant tours, sample materials, machine programming support, and maintenance support.

The program is anticipated to train 14 students in its first year. Upon completing the program students may receive a Level I certificate from Ranger College and are prepared to take the National Institute of Metalworking Skills (NIMS) Certification Exam. The academic and portable industry recognized certifications prepare the student to apply for employment locally at FMC, Inc. and throughout the nation. Ranger College and Stephenville ISD are currently working to develop the initiative as a dual credit program with enrollment to begin in the Fall of 2017.

## Adult Education and Literacy Integration Partnership

The Adult Education & Literacy/North Central Workforce Regional Coalition was formed in 2015 to promote integration, cooperation and collaboration. The Regional Coalition addresses transitional issues, shares information and best practices, explores systems and services for closing strategic and operational gaps in services, and ensures integration of services within the North Central Texas Workforce Board area. Participating partners include Denton ISD, Weatherford ISD and Navarro College. In July 2016, Workforce Solutions for North Central Texas hosted two Adult Education & Literacy (AEL) summits for business leaders and other stakeholders to learn about the program, and discussed how

Workforce Solutions for North Central Texas can better serve them. Strategic integration with AEL service delivery allows for workforce system engagement and support to AEL grant recipients in various activities that promote student success in career and higher education goals.

### Career Pathways

Governor Greg Abbott established the Tri-Agency Workforce Initiative in March 2016, to assess local economic activity, examine workforce challenges and opportunities, and discover innovative approaches to meet education and workforce goals. The Commissioners of the Texas Education Agency (TEA), Texas Higher Education Coordinating Board (THECB), and the Texas Workforce Commission (TWC) addressed the Governor's request by developing four prime recommendations:

- Identify statewide initiatives for the next generation that will make Texas the clear leader in targeted fields and position the state for economic pre-eminence.
- Strengthen pre-kindergarten through high school academic instruction to establish students' foundational skills in math, science, language arts, and social studies so that students graduate high school career or college ready and are prepared for lifetime learning.
- Build a proactive, ongoing partnership among the TEA, THECB, TWC, and other stakeholders to align the educational goals of Texas with the state's higher education plan of 60x30TX, which aims for 60 percent of 25 to 34 year olds to hold either a certificate or degree by 2030, with the goal of growing the state's workforce, industry, and the economy.
- Identify services for Texas veterans and advance strategies to enhance their education and employment opportunities, while developing solutions to ensure a seamless and accelerated transition back into the Texas workforce.

In 2016, Workforce Solutions for North Central Texas hired a Career Pathways Coordinator to work with colleges, primary and secondary education, and other system stakeholders to align local strategies with state strategies and connect education and training programs to the skills and knowledge required to secure or advance in-demand industries and occupations.

### Texas Rising Star Assessments

Texas Rising Star (TRS) is the state's quality rating and improvement system designed for promoting and implementing quality child care across the state. Workforce Solutions for North Central Texas has 47 child care providers who voluntarily participate in TRS, five of which have entered the program over the past year. These providers are monitored yearly and assessed every three years as participants in the program. Early Childhood Specialists continue to work closely with TRS providers, both as mentors and assessors, to ensure that these child care providers are operating within the TRS standards of quality. Early Childhood Specialists also hosted four TRS information meetings throughout the region to promote the TRS program to interested child care providers.

### Equipment and Material Grants

Workforce Solutions for North Central Texas provided over \$250,000 in grants to FY 2016 Texas Rising Star providers who scored a 2-star or above on their TRS assessments. These grants allowed the providers to enhance their centers with new and updated equipment, materials and curriculum to ensure quality learning environments for the children in their care.

Workforce Solutions for North Central Texas provided over \$90,000 in Inclusion and Expansion grants to child care providers interested in expanding their capacity to care for infants and toddlers or to provide accommodations to care for infants and toddlers with special needs. Through these grants, child care providers increased capacity to deliver services for 60 infants and toddlers with special needs and expanded capacity for infants and toddlers by 84 new slots.

### Promoting Excellence in Early Education

Workforce Solutions for North Central Texas is committed to supporting quality child care practices that provide lasting benefits to our future workforce.

- 86 caregivers graduated from the Child Development Associate (CDA) course.
- 12 participants were awarded an ECMI Administrator's Credential.
- 9 caregivers, who were employed at Texas Rising Star (TRS) facilities, were awarded college scholarships.
- 56 Saturday trainings were offered throughout the region and over 2,000 early childhood professionals benefitted from quality training in early childhood education and child development.
- 149 scholarships were awarded to care providers to attend national and state conferences.
- 258 employees of TRS facilities received training on Frog Street Press curriculum.

### Hiring Red, White, and You!

November 2015 marked the fourth consecutive year of partnership between Workforce Solutions for North Central Texas, Tarrant County and Greater Dallas for the TWC statewide Hiring Red, White, and You! job fair. Held at Globe Life Park in Arlington, the collaboration also included local partners, the Texas Veterans Commission and the Texas Medical Center. Hiring Red, White, and You! connects veterans and their spouses with employment opportunities. The job fair attracted 266 employers with over 1,000 job seekers and resulted in 104 on-site hires.

### Integration of Vocational Rehabilitation

As a result of legislation passed in the 84<sup>th</sup> Legislative Session, on Sept. 1, 2016, the state agency known as the Department of Assistive and Rehabilitative Services (DARS) was transferred to the Texas Workforce Commission (TWC). Transition teams including individuals from DARS and TWC worked together to integrate what is now known as Vocational Rehabilitation Services (VRS) into the workforce system.

Corsicana and Waxahachie workforce centers were selected as early transition sites for the integration. Corsicana was one of the first centers in Texas to be fully integrated. Strong collaboration, planning, and frequent communication with VRS regional staff was critical to address, among other things, space planning, IT reconfiguration requirements, furniture and equipment needs for staff as well as VRS customers.

VRS partners were incorporated into the Voice Over Internet Protocol (VOIP) system allowing them to connect to staff throughout the region with 4 digit extensions. VRS is identified in the automated call system providing customers easy access to VRS staff. As a true partner, VRS shares resources with workforce center staff, effectively leveraging resources. Customers benefit through an expanded network of employment connections and on-site expertise to assist job seekers with special needs.

### Going Paperless

After a robust procurement process, Workforce Solutions for North Central Texas selected DocuNav to design and launch a project to implement an Enterprise Content Management (ECM). The Laserfiche application is designed to create a paperless environment for the management and maintenance of programmatic documentation and customer/participant case files. The Laserfiche application will automate business processes to increase efficiencies across all programs administered by Workforce Solutions for North Central Texas. The Laserfiche application has a projected implementation date of September 5, 2017.

## Career Coach

The Texas Workforce Commission Labor Market and Career Information (LMI) Supplemental Services Grant provided funds to the Board to enhance and supplement current LMI activities and resources. In May 2016 Workforce Solutions for North Central Texas added [Career Coach](#) to current LMI resources to assist jobseekers and young adults to make data driven career decisions. Career Coach is a user friendly web-based tool that connects jobseekers to careers and training providers by linking current and local occupation information with career interests. It provides local labor market data such as wages, employment, job postings, and associated education and training for career exploration. Career Coach provides tools to help with job search including:

- Translation of Military Occupation Codes (MOC) to civilian careers
- Ability to take an assessment to determine careers that matches interests
- Easy Resume builder which provides phrases to select work related activities
- Hot Jobs – Local employers posting jobs by career
- Easy to read key analytics - Employment trends – Historic and Projected
- Related Education and training programs

Since log in is not required, students and the general public can freely access the site for resources. Career Coach can be accessed at <https://dfwjjobs.emsicareercoach.com/>.

### Getting Social

As a part of its social media outreach strategy, Workforce Solutions for North Central Texas has launched a YouTube channel. Video is becoming a medium of choice for young adults seeking information and with a billion viewers every month, YouTube has become the second largest search engine in the world. In addition to posting the video version of the 2015 Annual Report, Workforce Solutions for North Central Texas produced and is sharing several professional videos designed to assist unemployed job seekers with tips for preparing for a successful job search. Video lessons such as resume writing, interviewing and completing online applications create a valuable and consistent experience for customers and stakeholders looking for helpful information. Videos can be accessed via [www.dfwjobs.com](http://www.dfwjobs.com) or at <https://www.youtube.com/channel/UCWaNio2tUwLrGtZv4UY-bIQ>.

### Contracted Performance Update

In fiscal year 2016, Workforce Solutions for North Central Texas served 88,588 job seekers providing a variety of job search tools including access to computers, education and training opportunities, and pre-employment workshops.

331	Young Adults Served
5,804	Children Served Per Day
9,395	Employers Receiving Workforce Assistance
20,038	Claimants Gaining reemployment Within 10 weeks
58,558	Job Seekers Entering Employment After Exit
86%	Child Care Recipients Receiving TANF Benefits Obtained Self-Sufficiency Within 12 Months

<i>County</i>	<i>Total Job Seeker Visits</i>	<i>Total Individuals Trained</i>	<i>Training Expenditures</i>
<i>Collin &amp; Rockwall</i>	33,909	168	\$648,797
<i>Denton &amp; Wise</i>	13,691	154	\$399,874
<i>Ellis</i>	14,775	45	\$223,139
<i>Erath</i>	5,888	26	\$94,995
<i>Hood &amp; Somervell</i>	5,628	23	\$60,339
<i>Hunt</i>	7,940	42	\$184,482
<i>Johnson</i>	10,575	22	\$75,593
<i>Kaufman</i>	11,120	45	\$104,434
<i>Navarro</i>	13,487	44	\$247,349
<i>Parker &amp; Palo Pinto</i>	10,521	42	\$111,964
<i>Mobile Workforce Unit</i>	2,136	N/A	N/A
<i>Total</i>	129,670	611	\$2,150,966

#### Quality Texas Foundation

In 2016, Workforce Solutions for North Central Texas submitted a Progress Level application to the Quality Texas Foundation for review and feedback for continuous improvement. The Progress Level requires an organization to address approximately three quarters of the criteria under the Baldrige Performance Excellence Program. In addition to recognition for this achievement, feedback was received on how to continuously improve as an organization. For 2017, Workforce Solutions for North Central Texas will continue to address the excellence criteria and incorporate more of it in the coming years. Working in a systematic manner, improvement strategies will be implemented within the framework of the strategic planning process; and all will be tied to business-driven priorities.

#### AEP Award

In August 2016, in partnership with North Central Texas Council of Governments, Workforce Solutions for North Central Texas received the Achievement of Excellence in Procurement® (AEP) award from the National Procurement Institute, Inc. (NPI) for the sixth consecutive year. The AEP award recognizes organizational excellence in public procurement. Workforce Solutions for North Central Texas was one of only 21 special districts in the United States to receive the award.

#### Local Employer of Excellence

Gearbox Software, LLC, in Frisco, Texas employs over 300 people and is an award-winning, independent developer of interactive entertainment. Known for developing popular games, including Borderlands and Tony Hawk Pro Skater 3, Gearbox brings excitement and opportunities for tech-savvy job seekers across the North Texas region hoping to break into the multibillion-dollar gaming industry.

Gearbox supports local institutions of higher learning through skills development of future gamers while educating students hoping to break into the gaming industry. Additionally, Gearbox invests in local talent by providing paid internships at its headquarters. Through the Industry Recognized Skills Grant from the Texas Workforce Commission, Gearbox partnered with Workforce Solutions for North Central Texas on an initiative to upgrade the skills of 43 employees.

#### Weatherford ISD Adult Education and Literacy Awards

Weatherford Independent School District, in partnership with Workforce Solutions for North Central Texas, was recognized by the Texas Workforce Commission for two Adult Education and Literacy (AEL) awards, totaling \$90,000. The AEL awards recognize partners who demonstrate exemplary performance

and outstanding AEL service delivery in partnership with employers, community colleges, and workforce boards.

### **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, 2016, 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 2017 budget is approximately 84% 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 Weaver and Tidwell, L.L.P. performed this year's audit.

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

***Certificate of Achievement*** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Central Texas Council of Governments for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the sixteenth consecutive year that NCTCOG has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual 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 believed that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements. It is NCTCOG's intention to submit this year's report to determine its eligibility for another certificate.

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

Acknowledgment is also given to the representatives of Weaver & Tidwell, L.L.P. for their invaluable assistance in producing the final document.

Mike Eastland  
Executive Director

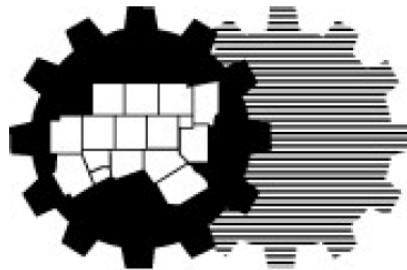


Monte Mercer, CPA  
Deputy Executive Director



Molly Rendon  
Assistant Director of Finance





**North Central Texas  
Council of Governments**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**North Central Texas  
Council of Governments**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**2016- 2017 EXECUTIVE BOARD**

President  
**Lissa Smith**  
 Mayor Pro-Tem  
 City of Plano

Vice President  
**Tom Lombard**  
 Councilmember  
 City of North Richland Hills

Secretary-Treasurer  
**Kevin Strength**  
 Mayor  
 City of Waxahachie

Past President  
**John Horn**  
 County Judge  
 Hunt County

Director  
**Clay Jenkins**  
 County Judge  
 Dallas County

Director  
**B. Glen Whitley**  
 County Judge  
 Tarrant County

Director  
**Keith Self**  
 County Judge  
 Collin County

Director  
**Bobbie Mitchell**  
 Commissioner  
 Denton County

Director  
**J.D. Clark**  
 County Judge  
 Wise County

Director  
**Bruce Wood**  
 County Judge  
 Kaufman County

Director  
**Lee Kleinman**  
 Councilmember  
 City of Dallas

Director  
**Kelly Allen Gray**  
 Councilmember  
 City of Fort Worth

Director  
**Chris Watts**  
 Mayor  
 City of Denton

Director  
**Kathryn Wilemon**  
 Councilmember  
 City of Arlington

Director  
**Ray Smith**  
 Mayor  
 Town of Prosper

Director  
**Dan McClendon**  
 Mayor Pro Tem  
 City of Burleson

Director  
**Bruce Archer**  
 Councilmember  
 City of Mesquite

Ex Officio Member  
**Jeff Leach**  
 State Representative

Executive Director  
**R. Michael Eastland**

General Counsel  
**William P. Remington**

**ADMINISTRATIVE STAFF**

Deputy Executive Director  
**Monte Mercer**

Director, Transportation  
**Michael R. Morris**

Director, Research and Information Services  
**Tim Barbee**

Director, Environment and Development  
**Edith Marvin**

Director, Emergency Preparedness  
**Molly McFadden**

Director, Area Agency on Aging  
**Doni Greene**

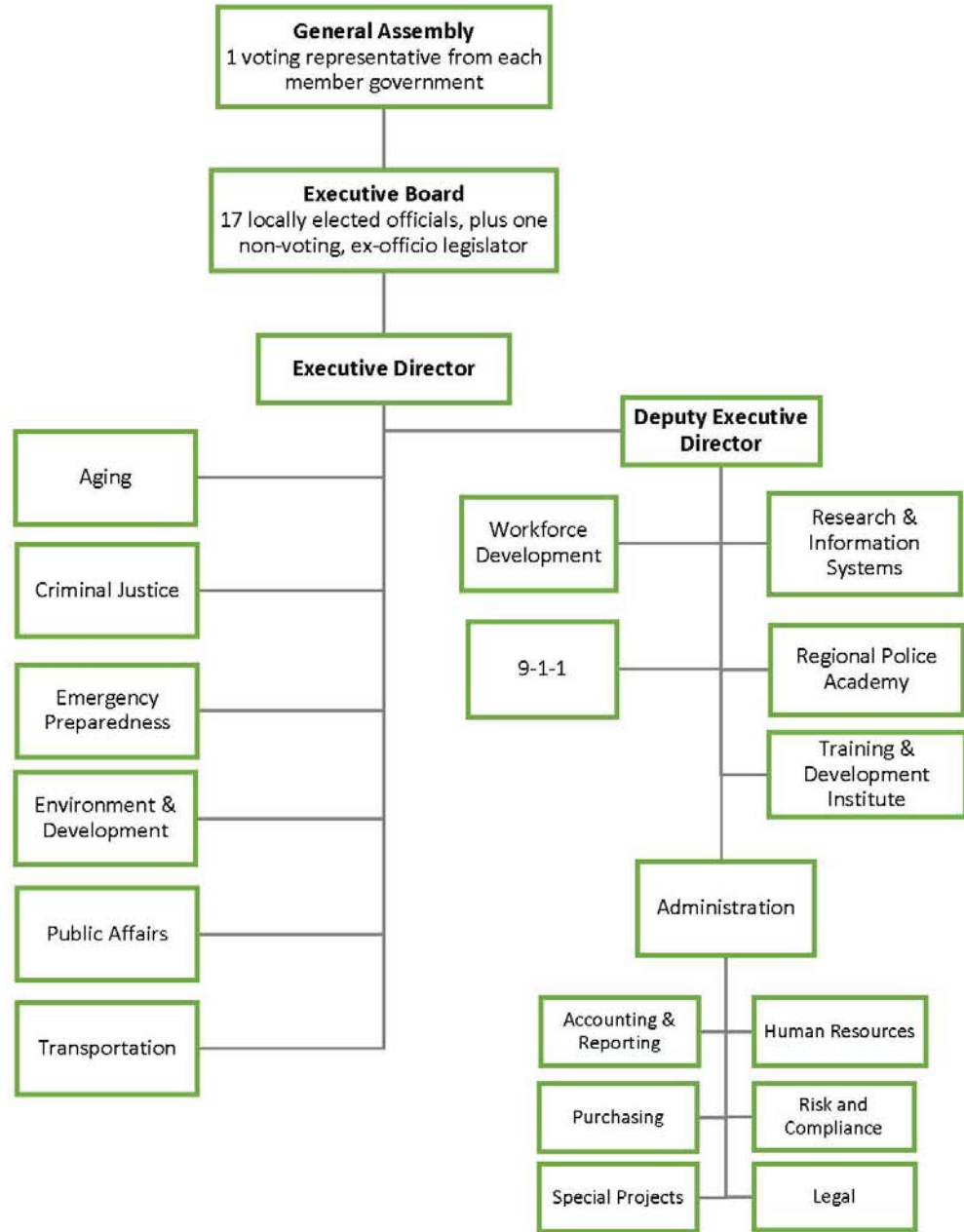
Director, Regional 9-1-1  
**Christy Williams**

Director, Workforce Development  
**David Setzer**

Executive Director, Public Employee Benefits  
 Cooperative  
**Diana Kongevick**

# Organizational Chart

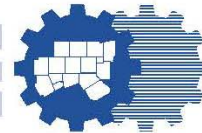
## North Central Texas Council of Governments



## 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 (238)**

**Counties (16)**

Collin  
Dallas  
Denton  
Ellis  
Erath  
Hood

Hunt  
Johnson  
Kaufman  
Navarro  
Palo Pinto  
Parker

Rockwall  
Somervell  
Tarrant  
Wise

**Cities (167)**

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

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

Justin  
Kaufman  
Keene  
Keller  
Kemp  
Kennedale  
Kerens  
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



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MEMBER GOVERNMENTS (238)**

**Cities (167) - continued**

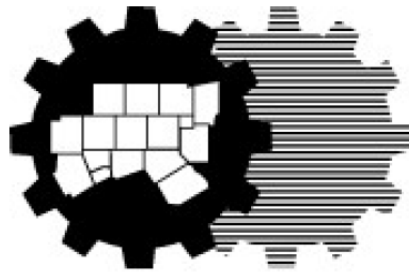
Princeton	Runaway Bay	Trophy Club
Prosper	Sachse	University Park
Quinlan	Saginaw	Venus
Red Oak	Sanger	Watauga
Reno	Sansom Park	Waxahachie
Rhome	Scurry	Weatherford
Richardson	Seagoville	West Tawakoni
Richland Hills	Southlake	Westworth Village
Rio Vista	Springtown	White Settlement
River Oaks	Stephenville	Willow Park
Roanoke	Sunnyvale	Wilmer
Rockwall	Talty	Wolfe City
Rowlett	Terrell	Wylie
Royse City	The Colony	

**School Districts (24)**

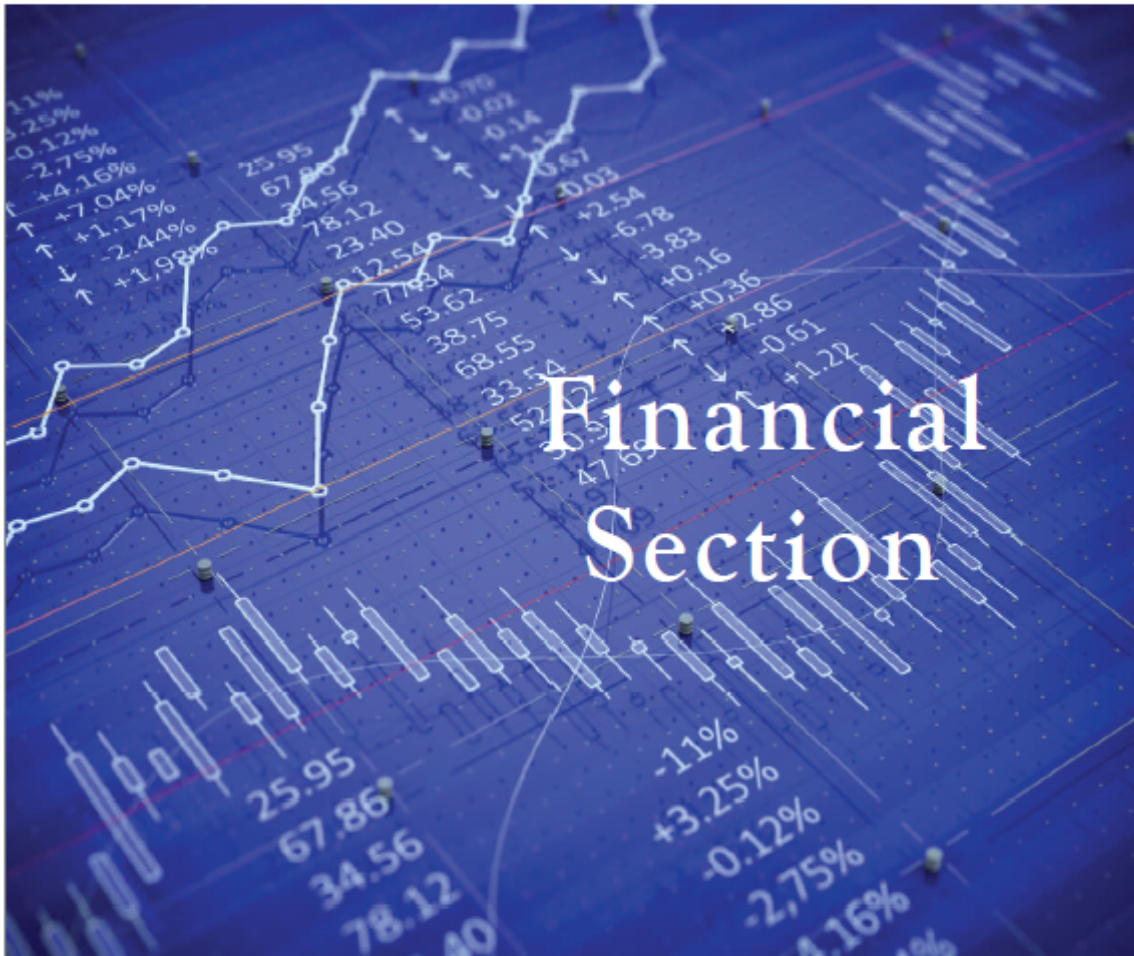
Arlington ISD	Fort Worth ISD	Mansfield ISD
Birdville ISD	Garland ISD	Mesquite ISD
Carrollton-Farmers Branch ISD	Grand Prairie ISD	Midlothian ISD
Cedar Hill ISD	Greenville ISD	Plano ISD
Cleburne ISD	Hurst-Euless-Bedford ISD	Richardson ISD
Denton ISD	Irving ISD	Rockwall ISD
Duncanville ISD	Kaufman ISD	Terrell ISD
Farmersville ISD	Lewisville ISD	Weatherford ISD

**Special Districts (31)**

Acton Municipal Utility District	Dalworth Soil & Water	North Texas Municipal Water
Area Metropolitan Ambulance Authority	Conservation District	District
Benbrook Water and Sewer Authority	Denton County Fresh Water Supply District #1A	North Texas Tollway Authority
Central Appraisal District of Johnson County	Denton County Fresh Water Supply District #6/7	Providence Village Water Control & Improvement District of Denton County
Collin County Central Appraisal District	Denton County Fresh Water Supply District #10	Tarrant County Regional Water District
Collin County Soil & Water Conservation District #535	Denton County Transportation Authority	Trinity River Authority
Dallas Area Rapid Transit	Fort Worth Transportation Authority	Trinity River Vision Authority
Dallas County Community College District	Hunt Memorial Hospital District	Trophy Club Municipal Utility District #1
Dallas County Flood Control District #1	Johnson County Special Utility District	Weatherford College
Dallas County Park Cities Municipal Utility District	Lake Cities Municipal Utility Authority	Wise County Water Control & Improvements District
Dallas County Schools	Northeast Texas Rural Rail Transportation District	
Dallas County Utility & Reclamation District		



**North Central Texas  
Council of Governments**







## INDEPENDENT AUDITOR'S REPORT

To the Members of the Executive Board  
North Central Texas Council of Governments

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of North Central Texas Council of Governments (The Council) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the North Central Texas Council of Governments (the Council), as of September 30, 2016, 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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–11 and 37-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

North Central Texas Council of Governments  
February 10, 2017

Page 3

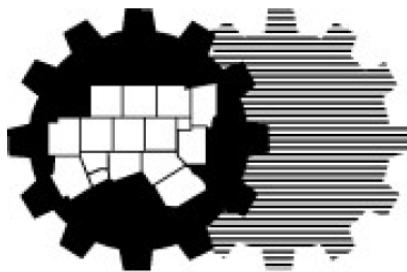
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2017, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Texas Council of Governments' internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*  
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 10, 2017



**North Central Texas  
Council of Governments**



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2016**

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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, 2016. 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 \$17,564,206 (net position). Of this amount \$6,055,552 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- The net position increased \$2,949,867 or a 20% increase in the current year. The increase was mainly due to \$2,861,472 increase in net capital assets, and \$72,784 increase in unrestricted funds.
- NCTCOG's governmental funds reported combined ending fund balances of \$12,258,053, an increase of \$189,123, in comparison with the prior year. Of the total fund balance, approximately 41% is restricted for local transportation projects, 6% is reserved for grants and prepaids, 50% is available for spending at the government's discretion (unassigned) and 3% is assigned for other agency projects.
- Governmental funds total revenues decreased \$10,216,448 or 6.5% in the current year. This decrease comprised of:
  - Decrease of \$ 11,884,778 relating to Federal Transit Administration (FTA) programs made up of \$4,202,139 less (FTA) funds with a \$3,114,568 reduction in 5307 Urbanized Area Formula Programs and a \$1,059,432 reduction in Job Access Reverse Commute (JARC) funds as well as a decrease of \$7,682,639 In-Kind match relating to the Dallas Streetcar program.
  - Decrease of \$759,456 in Department of Labor funds due to the H1-B program ending midyear.
  - Increase of \$2,187,417 from the Commission of State Emergency Communications (CSEC) to fund the Microwave Tower project.
  - Decrease of \$6,013,230 in local Regional Transportation Council funds relating to the Sustainable Development and Congestion Management programs as well as a decrease of \$642,385 In-kind match.
  - Increase of \$1,764,709 in funds from the Texas Commission on Environmental Quality (TCEQ) with an increase in the Aircheck program of \$3,089,425 and a decrease of \$1,324,716 in the Solid Waste program.
  - Increase of \$3,092,983 relating to Texas Workforce Commission (TWC) programs with \$1,080,860 less in the Workforce Investment Act (WIA) program and \$4,407,035 more in the Childcare program as well as an increase of \$1,135,349 In-Kind match.
  - Increase of \$1,308,743 relating Area Agency on Aging programs primarily made up of additional In-kind match.
  - Decrease of 581,894 In-Kind match relating to Texas Department of Transportation (TXDOT) programs.
  - Increase of \$1,114,121 relating to Emergency Preparedness programs primarily made of funds from Homeland Security.
  - Net Decrease of \$938,026 in all other revenues of which \$834,791 relates to the partial aerial flyover done by our Research and Information Services (RIS) department.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,156,230, or 4% of total governmental fund expenditures.

# NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR YEAR ENDED SEPTEMBER 30, 2016

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## Overview of the Financial Statements

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

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

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

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

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

As there are no component units within NCTCOG, the government-wide financial statements include the general, special revenue and proprietary funds as shown on pages 12 and 13 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2016**

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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 14 and 16 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.

*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 18-20 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 21-36 of this report.

**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 page 37 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 40-43 of this report.

**Government-wide Financial Analysis**

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the NCTCOG, assets exceeded liabilities by \$17,564,206 at the close of the most recent fiscal year. Following is a summary of the government-wide Statement of Net position:

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2016**

**NCTCOG'S Government-Wide Net Position**

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>						
Current and other assets	\$ 77,833,459	\$ 49,975	\$ 77,883,434	\$ 62,493,555	\$ 52,248	\$ 62,545,803
Capital assets	5,805,480	53,520	5,859,000	2,920,629	76,899	2,997,528
Total assets	<u>83,638,939</u>	<u>103,495</u>	<u>83,742,434</u>	<u>65,414,184</u>	<u>129,147</u>	<u>65,543,331</u>
<b>Liabilities</b>						
Long-term Liabilities outstanding	1,402,488	-	1,402,488	1,278,050	-	1,278,050
Other Liabilities	64,742,805	32,935	64,775,740	49,650,942	-	49,650,942
Total Liabilities	<u>66,145,293</u>	<u>32,935</u>	<u>66,178,228</u>	<u>50,928,992</u>	<u>-</u>	<u>50,928,992</u>
<b>Net Position</b>						
Investment in capital assets	5,805,480	53,520	5,859,000	2,920,629	76,899	2,997,528
Restricted for grants	574,167	-	574,167	646,082	-	646,082
Restricted for local transportation projects	5,075,487	-	5,075,487	4,987,961	-	4,987,961
Unrestricted	6,038,512	17,040	6,055,552	5,930,520	52,248	5,982,768
Total net position	<u>\$ 17,493,646</u>	<u>\$ 70,560</u>	<u>\$ 17,564,206</u>	<u>\$ 14,485,192</u>	<u>\$ 129,147</u>	<u>\$ 14,614,339</u>

- A portion of NCTCOG's net position, \$5,075,487, (29%) is restricted for local projects related to transportation funded initiatives. In October 2005, NCTCOGs' Regional Transportation Council (RTC) announced the 2005 Sustainable Development Call for Projects. In April 2006, the RTC selected projects and awarded funding for infrastructure, planning, and land banking projects which began funding at the end of fiscal year 2007 continuing throughout fiscal year 2016. Current year expenses for these projects totaled \$1,824,394 and cumulative expenses through fiscal year 2016 amount to \$84,423,105, leaving a remaining \$5,075,487 restricted for remaining projects. Funding includes RTC local funds and anticipated local contributions from project sponsors in addition to local match funding.
- An additional portion of NCTCOG's net position, \$5,859,000, (33%) reflects its investment in capital assets (e.g., equipment) less any debt used to acquire those assets that is still outstanding. NCTCOG uses these assets to provide grant related services; they are restricted for specific use related to grant services; consequently, these assets are not available for future spending.
- Net position restricted for grants, \$574,167, (3%) are funds that have limitations for use as specified by the funding agencies.
- The remaining balance of net position totaling \$6,055,552, (34%) is considered unrestricted and may be used to meet the government's ongoing obligations to creditors and for service implementation

**Change in Net position.** For the year ended September 30, 2016, NCTCOG's net position increased by \$2,949,867. Following is a summary of the government-wide Statement of Activities:

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2016**

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>						
<b>Program Revenues</b>						
Federal administered grants	\$ 9,130,586	\$ -	\$ 9,130,586	\$ 13,357,415	\$ -	\$ 13,357,415
State administered grants	112,250,105	-	112,250,105	103,398,608	-	103,398,608
Local administered grants	149,525	-	149,525	-	-	-
Local contracts & In-kind	23,553,737	1,474,969	25,028,706	38,635,349	1,472,337	40,107,686
<b>Total Program Revenues</b>	<b>145,083,953</b>	<b>1,474,969</b>	<b>146,558,922</b>	<b>155,391,372</b>	<b>1,472,337</b>	<b>156,863,709</b>
<b>General Revenues:</b>						
Membership Dues	685,727	-	685,727	678,492	-	\$ 678,492
Interest Income	110,440	-	110,440	26,704	-	26,704
<b>Total General Revenue</b>	<b>796,167</b>	<b>-</b>	<b>796,167</b>	<b>705,196</b>	<b>-</b>	<b>705,196</b>
<b>Total Revenue</b>	<b>145,880,120</b>	<b>1,474,969</b>	<b>147,355,089</b>	<b>156,096,568</b>	<b>1,472,337</b>	<b>157,568,905</b>
<b>Expenses:</b>						
Agency management and administration	7,767,597	-	7,767,597	7,537,032	-	7,537,032
Community Services	1,089,686	-	1,089,686	22,803,481	-	22,803,481
Area agency on aging	15,727,539	-	15,727,539	-	-	-
9-1-1	7,937,738	-	7,937,738	-	-	-
Emergency Preparedness	3,814,764	-	3,814,764	2,650,262	-	2,650,262
Environment and development	2,554,177	-	2,554,177	3,436,397	-	3,436,397
RIS local assistance	3,121,550	1,560,006	4,681,556	3,643,793	1,398,101	5,041,894
Transportation	40,574,854	-	40,574,854	57,414,019	-	57,414,019
Workforce development	60,257,311	-	60,257,311	56,808,063	-	56,808,063
<b>Total expenses</b>	<b>142,845,216</b>	<b>1,560,006</b>	<b>144,405,222</b>	<b>154,293,047</b>	<b>1,398,101</b>	<b>155,691,148</b>
Change in Net Position before Transfers	3,034,904	(85,037)	2,949,867	1,803,521	74,236	1,877,757
Transfers in (out)	(26,450)	26,450	-	-	-	-
Change in Net Position	3,008,454	(58,587)	2,949,867	1,803,521	74,236	1,877,757
Net Position - October 1	14,485,192	129,147	14,614,339	12,681,671	54,911	12,736,582
Net position - September 30	\$ 17,493,646	\$ 70,560	\$ 17,564,206	\$ 14,485,192	\$ 129,147	\$ 14,614,339

Significant components of the net position activity are as follows:

- Governmental activities total revenues decreased \$10,216,448 or 6.5% in the current year.
  - Federal revenues decrease \$4,226,829 or 32% in the current year. This is primarily made up of reduced FTA funding of \$4,202,139.
  - State revenues increased \$8,851,497 or 9% in the current year. This is primarily made up of \$2,187,417 additional funds from CSEC for the Microwave Tower project; increase of \$1,764,709 in funds from the Texas Commission on Environmental Quality (TCEQ) with an increase in the Aircheck program of \$3,089,425 and a decrease of \$1,324,716 in the Sold Waste program; increase of \$3,092,983 relating to Texas Workforce Commission (TWC) programs with \$1,080,860 less in the Workforce Investment Act (WIA) program and \$4,407,035 more in the Childcare program; \$625,586 increased funding from the Office of the Governor (OOG) and 346,766 additional funding from the Texas Department of Public Safety (TXDPS) for Emergency Preparedness programs.
  - Local revenue & In-Kind decreased \$14,932,087 or 39% this is primarily made up of \$7,682,639 less in FTA In-Kind and \$7,731,871 less local funding of which \$6,655,615 relates to Regional Transportation Council projects
  - General revenues increased \$90,971, mostly due to interest on additional funds received from TCEQ to fund the Aircheck program.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2016**

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- Governmental activities total expenses decreased \$11,447,831 or 7% in the current year. Key elements of the changes are as follows:
  - Emergency preparedness expenses increased \$1,164,502 or 44% when compared to 2015. The major component of this increase relates to the Safe Room Project as well as Homeland Security Programs.
  - Environment and development expenses decreased \$882,220 or 26% when compared to 2015. 2016 was the first year of a two-year Solid Waste grant cycle and typically the majority of these expenses occur in year two.
  - Research and Information Services expenditures decreased \$522,242 or 14% when compared with 2015. The contributing factor of this decrease was a limited regional flight in our orthophotography program. Every year either a full flight or a limited flight is performed.
  - Workforce Expenses increased \$3,449,255 or 6% when compared to 2015 primarily due to the following: Child care programs experienced an increase of \$4,407,035 because of increased enrollment while WIA Adult, Dislocated, and Youth programs experienced a reduction of \$1,010,860 as a result of a decrease in funds that began this past July.
  - Transportation expenses decreased \$16,839,169 or 29% when compared with 2015. Key elements of the change are as follows; FTA expenses were \$12,118,167 less with \$7,563,435 due to the Dallas Streetcar Project that ended in 2015 and \$2,817,417 due to less transit vehicles purchased for 5307 projects as well as \$1,609,283 less in JARC operating, vehicle and New Freedom costs; local expenses went down by \$6,768,142 with \$5,243,270 less in Regional Transportation Sustainable Development programs and \$1,914,178 less in Congestion Management programs.
  - Community Service - Area Agency on Aging expenses increased \$1,487,130 or 10% when compared to 2015. The major component of this increase was In-Kind match.
  - Community Service – 9-1-1 Planning expenses increased \$640,934 or 9% when compared to 2015 due to the Microwave Tower project.

**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 \$12,258,053 an increase of \$189,123 in comparison with the prior year. Approximately 50% of this total amount (\$6,156,230) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for use because it has already been committed to liquidate contracts and purchase orders of the prior period along with future project obligations. The general fund is the chief operating fund of the NCTCOG. At the end of the current fiscal year, the total general fund balance reached \$6,196,647. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 4% of total governmental fund expenditures.

**General Fund.** The fund balance of NCTCOG's general fund increased by \$363,647 during the current fiscal year.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2016**

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**Special Revenue Fund.** The fund balance of NCTCOG's special revenue fund decreased by \$174,524 during the current fiscal year. This was mostly comprised of a planned draw down of match funds collected in the prior year for the Federal Emergency Management Agency (FEMA) Cooperating Technical Partners (CTP) Program

**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 \$361,458 which represents 7.4% of budgeted total current expenditures, primarily due to savings on various projects.

**Capital Asset and Long Term Liability Administration**

**Capital assets.** The NCTCOG's investment in capital assets for its governmental activities as of September 30, 2016, amounts to \$5,805,480 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and leasehold improvements.

	<u>2016</u>	<u>2015</u>
<u>Governmental Activities</u>		
Equipment	\$ 4,953,846	\$ 2,450,926
Leasehold Improvements	<u>851,634</u>	<u>469,703</u>
Total government activities capital assets	<u>\$ 5,805,480</u>	<u>\$ 2,920,629</u>

Detailed information on the NCTCOG's capital assets can be found in Note G on pages 33-34 of this report.

**Long-term liabilities.** At the end of the current fiscal year, the NCTCOG had total long-term liabilities outstanding of \$1,402,488. This debt is related to accrued vacation that is payable to employees at the time of their departure from NCTCOG.

	<u>Balance September 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2016</u>	<u>Due Within One Year</u>
Accrued vacation	\$ 1,278,050	\$ 247,941	\$ 123,503	\$ 1,402,488	\$ 156,901
Total	<u>\$ 1,278,050</u>	<u>\$ 247,941</u>	<u>\$ 123,503</u>	<u>\$ 1,402,488</u>	<u>\$ 156,901</u>

Detailed information on the long-term debt can be found in Note D on page 31 of this report.

**Economic Factors and Next Year's Budgets and Rates**

NCTCOG membership dues are calculated based on current population estimates of governmental units as certified annually by NCTCOG. Per capita membership dues for fiscal year 2017 is estimated at \$697,000.

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2016**

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reviews and makes the operational changes necessary to address these fluctuations. NCTCOG total estimated revenues and program expenses for fiscal year 2017 increased a net of \$6.3 million from fiscal year 2016. Major program funding changes are:

Transportation programs projected state and federal funding increases of \$7.7 million primarily comprised of: \$3.4 million increase from the Texas Department of Transportation (TXDOT); \$2.4 million increase from the Texas Commission on Environmental Quality (TCEQ); \$2.0 million increase from the Federal Transit Authority (FTA), as well as increased local funding of \$833 thousand along with a \$1.7 million increase in In-Kind match funds.

Workforce programs estimated a \$3.9 million decrease in state and federal funding; \$3.7 million decrease from the Texas Workforce Commission (TWC) and a \$155 thousand decrease from the U.S. Department of Labor (DOL) along with a \$414 thousand increase from In-Kind match funds.

Environment and Development programs estimated decreased state and federal funding of \$222 thousand; \$466 thousand from the Federal Emergency Management Agency (FEMA) and \$197 thousand from the State Energy Conservation Office as well as an increase of \$441 thousand from the Texas Commission on Environmental Quality. Local funding decreased \$455 thousand.

All of these factors were considered in preparing the NCTCOG's budget for the 2017 fiscal year.

**Requests for Information**

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



## **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  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 169,943	\$ -	\$ 169,943
Investments	56,283,152	-	56,283,152
Receivables	21,155,739	33,461	21,189,200
Internal balances	(16,514)	16,514	-
Prepays and other assets	241,139	-	241,139
Capital assets, net of accumulated depreciation	5,805,480	53,520	5,859,000
<b>TOTAL ASSETS</b>	<b>83,638,939</b>	<b>103,495</b>	<b>83,742,434</b>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	15,056,497	-	15,056,497
Unearned revenue	49,686,308	32,935	49,719,243
Long-term liabilities			
Due within one year	156,901	-	156,901
Due in more than one year	1,245,587	-	1,245,587
<b>TOTAL LIABILITIES</b>	<b>66,145,293</b>	<b>32,935</b>	<b>66,178,228</b>
<b>NET POSITION:</b>			
Investment in capital assets	5,805,480	53,520	5,859,000
Restricted for grants	574,167	-	574,167
Restricted for local transportation projects	5,075,487	-	5,075,487
Unrestricted	6,038,512	17,040	6,055,552
<b>TOTAL NET POSITION</b>	<b>\$ 17,493,646</b>	<b>\$ 70,560</b>	<b>\$ 17,564,206</b>

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, 2016**

Functions/Programs	Expenses	Operating Grants and Contributions				Net (Expenses) Revenue and Changes in Net Position			
						Primary Government			
		Federal Funding	State/ State Admin Funding	Local Grants	Local Contracts and In-kind Contributions	Governmental Activities	Business Type Activities	Total	
<b>Primary Government:</b>									
Governmental Activities:									
Agency administration	\$ 7,126,021	\$ -	\$ -	\$ -	\$ 1,419,613	\$ (5,706,408)	\$ -	\$ (5,706,408)	
Agency management	641,576	47,526	-	-	38,884	(555,166)	-	(555,166)	
Community services	1,089,686	-	1,010,092	-	216,889	137,295	-	137,295	
Area agency on aging	15,727,539	-	8,047,048	119,662	7,972,946	412,117	-	412,117	
9-1-1 Planning	7,937,738	-	11,634,747	-	18,886	3,715,895	-	3,715,895	
Emergency preparedness	3,814,764	-	2,422,685	3,545	1,556,017	167,483	-	167,483	
Environment and development	2,554,177	458,404	860,094	-	1,082,706	(152,973)	-	(152,973)	
RIS local assistance	3,121,550	-	-	-	944,120	(2,177,430)	-	(2,177,430)	
Transportation	40,574,854	8,516,211	29,331,885	26,318	6,017,621	3,317,181	-	3,317,181	
Workforce development	60,257,311	108,445	58,943,554	-	4,286,055	3,080,743	-	3,080,743	
<b>Total governmental activities</b>	<b>142,845,216</b>	<b>9,130,586</b>	<b>112,250,105</b>	<b>149,525</b>	<b>23,553,737</b>	<b>2,238,737</b>	<b>-</b>	<b>2,238,737</b>	
Business-type activities:									
Shared services	1,560,006	-	-	-	1,474,969	-	(85,037)	(85,037)	
<b>Total primary government</b>	<b>\$ 144,405,222</b>	<b>\$ 9,130,586</b>	<b>\$ 112,250,105</b>	<b>\$ 149,525</b>	<b>\$ 25,028,706</b>	<b>\$ 2,238,737</b>	<b>\$ (85,037)</b>	<b>\$ 2,153,700</b>	
General Revenues:									
						685,727	-	685,727	
						110,440	-	110,440	
						(26,450)	26,450	-	
						<b>769,717</b>	<b>26,450</b>	<b>796,167</b>	
						Change in net position	3,008,454	(58,587)	2,949,867
						Net Position-beginning	14,485,192	129,147	14,614,339
						Net Position-ending	<b>\$ 17,493,646</b>	<b>\$ 70,560</b>	<b>\$ 17,564,206</b>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 126,913	\$ 43,030	\$ 169,943
Investments	13,340,523	42,942,629	56,283,152
Accounts Receivable:			
Federal grants	-	3,064,959	3,064,959
State administered grants	-	17,541,438	17,541,438
Local grants	-	507,155	507,155
Other	42,187	-	42,187
Due from other funds	4,943,447	-	4,943,447
Prepays	5,623	93,484	99,107
Other assets	34,794	-	34,794
<b>TOTAL ASSETS</b>	<b><u>\$ 18,493,487</u></b>	<b><u>\$ 64,192,695</u></b>	<b><u>\$ 82,686,182</u></b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 11,151,605	\$ -	\$ 11,151,605
Accrued liabilities	68,479	2,804,237	2,872,716
Accrued payroll and employee benefits	1,032,176	-	1,032,176
Due to other funds	-	5,685,324	5,685,324
Unearned revenue	44,580	49,641,728	49,686,308
<b>TOTAL LIABILITIES</b>	<b><u>12,296,840</u></b>	<b><u>58,131,289</u></b>	<b><u>70,428,129</u></b>
<b>FUND BALANCES:</b>			
Nonspendable	40,417	93,484	133,901
Restricted for grants	-	574,167	574,167
Restricted for local transportation	-	5,075,487	5,075,487
Assigned	-	318,268	318,268
Unassigned	6,156,230	-	6,156,230
<b>TOTAL FUND BALANCES</b>	<b><u>6,196,647</u></b>	<b><u>6,061,406</u></b>	<b><u>12,258,053</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 18,493,487</u></b>	<b><u>\$ 64,192,695</u></b>	<b><u>\$ 82,686,182</u></b>

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, 2016**

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Amounts reported for governmental fund balance sheet (page 14) are different due to the following:

Total Fund Balance - total governmental funds	\$ 12,258,053
Add: Capital assets net of accumulated depreciation as of September 30, 2016 used in governmental activities were not current financial resources and therefore not reported in the governmental funds balance sheet (excluding Internal Service Fund).	5,440,686
Add: Internal Service Funds are used by management to charge the cost of certain activities, such as financing of the Geographical Information System, to individual funds. The net effect of this activity is to increase net position.	1,197,395
Less: Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	<u>(1,402,488)</u>
Net position of governmental activities (page 12)	<u><u>\$ 17,493,646</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, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>			
Federal grants	\$ -	\$ 9,130,586	\$ 9,130,586
State administered grants	-	112,250,105	112,250,105
Membership dues	685,727	-	685,727
Local administered grants	-	149,525	149,525
Local contributed cash	56,416	7,155,695	7,212,111
In-Kind	-	15,901,151	15,901,151
Program income	-	440,475	440,475
Interest income	32,850	77,590	110,440
	<u>774,993</u>	<u>145,105,127</u>	<u>145,880,120</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES:</b>			
Current:			
Agency administration	3,785,417	3,642,001	7,427,418
Agency management	587,289	75,813	663,102
Community services	1,002	1,149,644	1,150,646
Area agency on aging	-	15,911,917	15,911,917
9-1-1 planning	-	8,163,109	8,163,109
Emergency preparedness	-	3,909,795	3,909,795
Environment and development	135,417	2,542,632	2,678,049
RIS local assistance	189,390	3,193,050	3,382,440
Transportation	138,389	41,883,464	42,021,853
Workforce development	-	60,614,440	60,614,440
Capital outlay	32,428	4,180,062	4,212,490
	<u>4,869,332</u>	<u>145,265,927</u>	<u>150,135,259</u>
Indirect Cost Allocation	(4,456,006)	-	(4,456,006)
Contributions to Indirect Costs	(14,706)	-	(14,706)
	<u>398,620</u>	<u>145,265,927</u>	<u>145,664,547</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>376,373</u>	<u>(160,800)</u>	<u>215,573</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	29,518	383,081	412,599
Transfers Out	(42,244)	(396,805)	(439,049)
	<u>(12,726)</u>	<u>(13,724)</u>	<u>(26,450)</u>
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>			
NET CHANGE IN FUND BALANCES	363,647	(174,524)	189,123
FUND BALANCES - BEGINNING OF YEAR	<u>5,833,000</u>	<u>6,235,930</u>	<u>12,068,930</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,196,647</u>	<u>\$ 6,061,406</u>	<u>\$ 12,258,053</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, 2016**

---

Amounts reported for governmental activities in the statement of activities (page 13) are different due to the following:

Net change in Fund Balances - Total Governmental Funds (page 16)	\$ 189,123
Governmental funds report capital outlay as expenditures, however, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	4,212,490
Internal Service Funds are used by management to charge the cost of certain activities, such as financing of the Geographical Information System, to individual funds. This is the net change in fund balances for Internal Service Funds.	272,885
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(124,438)
Depreciation expense on capital assets is reported in the government-wide statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	<u>(1,541,606)</u>
Change in net position of governmental activities (page 13)	<u><u>\$ 3,008,454</u></u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2016**

	<b>Business Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>		
Accounts receivable	\$ 33,461	\$ -
Prepays and other assets	-	107,238
Due from other funds	16,514	725,363
Total current assets	<u>49,975</u>	<u>832,601</u>
Capital assets, net of accumulated depreciation	<u>53,520</u>	<u>364,794</u>
<b>TOTAL ASSETS</b>	<u>103,495</u>	<u>1,197,395</u>
<b>CURRENT LIABILITIES</b>		
Accrued liabilities		
Unearned revenue	<u>32,935</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>32,935</u>	<u>-</u>
<b>NET POSITION</b>		
Investment in capital assets	53,520	364,794
Unrestricted	<u>17,040</u>	<u>832,601</u>
<b>TOTAL NET POSITION</b>	<u>\$ 70,560</u>	<u>\$ 1,197,395</u>

See accompanying notes to the basic financial statements.



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<b>OPERATING REVENUES</b>		
Service charges	\$ 1,474,969	\$ 5,157,892
<b>TOTAL OPERATING REVENUES</b>	<u>1,474,969</u>	<u>5,157,892</u>
<b>OPERATING EXPENSES</b>		
Personnel	136,613	821,864
Indirect	23,509	141,432
Contract services	675,921	61,028
Travel	27,994	2,088
Depreciation	39,474	143,411
Other costs	656,495	3,715,184
<b>TOTAL OPERATING EXPENSES</b>	<u>1,560,006</u>	<u>4,885,007</u>
<b>OPERATING INCOME</b>	<u>(85,037)</u>	<u>272,885</u>
Transfers in	26,450	-
CHANGE IN NET POSITION	(58,587)	272,885
NET POSITION - BEGINNING OF YEAR	<u>129,147</u>	<u>924,510</u>
NET POSITION - END OF YEAR	<u>\$ 70,560</u>	<u>\$ 1,197,395</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Business Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from service charges	\$ 1,482,182	\$ 5,931,575
Payments to other funds for indirect and other costs	(23,509)	(866,795)
Payments to suppliers for goods and services	(1,332,415)	(3,885,538)
Payments to employees	(136,613)	(821,864)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(10,355)</b>	<b>357,378</b>
<b>CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES:</b>		
Transfer in	26,450	-
Purchase of capital assets	(16,095)	(357,378)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>10,355</b>	<b>(357,378)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (85,037)	\$ 272,885
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	39,474	143,411
Increase in prepaid expenses	-	(107,238)
Increase in accounts receivable	(2,956)	-
Decrease in due from other funds	5,229	48,320
Increase in unearned revenue	32,935	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ (10,355)</b>	<b>\$ 357,378</b>

See accompanying notes to the basic financial statements.

## NOTES TO BASIC FINANCIAL STATEMENTS

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**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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**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 thirteen (13) 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 accompanying financial statements present the government and its blended component unit, North Central Texas Council of Governments Foundation, for which the government is considered to be financially accountable. The governing bodies of the blended component unit are substantially the same as the Council and, although legally separate entities are in substance part of the Council's operations and accordingly, the component unit does not issue separate financial statements.

**2. Basis of Presentation**

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

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, 2016**

---

**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 particular 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 of 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, law enforcement and court analysis portals.

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

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

**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES – Continued**

**3. Measurement Focus and Basis of Accounting**

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

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

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

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

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

a) Federal, State, and Local Grant Revenue

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

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

b) 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES – Continued**

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.

c) 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.

d) In-Kind and Contributed Services

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

As a general rule the effect of 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 of unused vacation leave a full-time and eligible part-time employee may accumulate is the number of days, which the employee would accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for review in the personnel manual. The liability for accumulated vacations (\$1,402,488 at September 30, 2016) for governmental fund types, which represents normal accumulations, has been recorded. The current portion of accrued vacation pay, which would be liquidated with expendable available resources, is not material.

The Council's sick leave policy permits the accumulation of ten (10) sick days per year up to a maximum of 90 days. Employees are not paid for unused sick days upon termination of employment. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The General Fund is typically used to liquidate the liability for governmental activities' compensated absences. Long-term accrued compensated absences are not expected to be liquidated with expendable available financial resources and are not reported in the governmental fund financial statements.

**5. Investments**

The Council invests in authorized investment pools and funds. Investments are carried at fair value. See Note B for details on investments.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES – Continued**

**6. Prepays**

Prepaid balances are for payments made by the District for which benefits extend beyond September 30, 2016. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

**7. Encumbrances**

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

**8. State Administered Grants**

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

**9. Transfers**

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

**10. Allocation of Employee Benefits and Indirect Costs**

NCTCOG Employee Benefits and Indirect Costs are allocated based upon actual expenditures to all grants in accordance with the Office of Management and Budget Circular A-87. 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.

**11. Transactions Between Funds**

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

**12. Capital Assets**

Capital assets, which include equipment, furniture and leasehold improvements, are reported in the governmental activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market 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, 2016**

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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES – Continued**

**13. Risk Management**

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 2016, the Council contributed \$95,424 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, 2016.

**14. Cash and Cash Equivalents**

Cash of all funds is pooled into a common bank account in order to maximize investment opportunities. The external investment pools satisfy the definition of cash equivalents, however, it is the Council's policy to treat these 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.

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

In the government-wide financial statements, net position are 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 represent net position restricted by parties outside of the Council. All other net position are considered unrestricted.

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

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

Committed fund balance – includes 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 – 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES – Continued**

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

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

Minimum Unassigned/Unrestricted Fund Balance - It is the intent of the Council to limit use of unassigned/unrestricted fund balances to address unanticipated, non-recurring needs or known and planned future obligations. Fund balances shall not 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. A schedule of NCTCOG fund balances is provided in Note K.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2016**

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**NOTE B - CASH AND INVESTMENTS**

GASB 40 requires the following disclosure for investments:

**1. Legal and Contractual Provisions Governing Deposits and Investments**

The Public Funds Act contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things it requires the NCTCOG to adopt, implement and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes and the NCTCOG's investment policy authorized the NCTCOG to invest in the following investments as summarized in the table below:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
US Treasury Securities	less than 2 years	100%	none
US Agencies and Instrumentalities	less than 2 years	85%	none
Certificates of Deposit	less than 2 years	100%	none
Repurchase Agreements	less than 120 days	20%	none
Money Market Mutual Funds	less than 2 years	50%	none
Local Government Investment Pools	less than 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, 2016 are classified in the accompanying financial statements as follows:

**Statement of net position:**

Primary Government	
Total cash and investments	<u>\$ 56,453,095</u>

Cash and investments as of September 30, 2016 consist of the following:

Deposits with financial institutions	\$ 169,293
Cash on hand	650
Investments	<u>56,283,152</u>
Total cash and investments	<u>\$ 56,453,095</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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**NOTE B - CASH AND INVESTMENTS – Continued**

**2. Disclosures Relating to Interest Rate Risk**

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

As of September 30, 2016, NCTCOG had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity(1)</u>
TexPool	\$ 36,078,675	48 days
Logic	440	59 days
TexStar	<u>20,204,037</u>	51 days
	<u>\$ 56,283,152</u>	

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

As of September 30, 2016 NCTCOG did not invest in any securities which are highly sensitive to interest rate fluctuations.

**3. Disclosures Relating to Credit Risk**

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

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Rating Required</u>	<u>Rating as of Year End</u>
Primary Government			
TexPool	\$ 36,078,675	AAA	AAAm
Logic	440	AAA	AAAm
TexStar	<u>20,204,037</u>	AAA	AAAm
Total Primary Government	<u>\$ 56,283,152</u>		

**4. Concentration of Credit Risk**

The investment policy of NCTCOG contains no limitation on the amount that can be invested in any one issuer. As of September 30, 2016 other than external investment pools, NCTCOG did not have 5% or more of its investments with any one issuer.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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**NOTE B - CASH AND INVESTMENTS – Continued**

**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 investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and NCTCOG's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits or investment other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. At September 30, 2016, the Council's deposits had a carrying amount of \$169,293 and a bank ledger balance of \$911,035. Pledged collateral of \$3,564,670 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

**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 invests in the following investment pools:

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

**TEXSTAR:** J.P. Morgan Investment Management Inc. and First Southwest Company serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM provides investment management services, and First Southwest Company provides participant services and marketing. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. Transfer agency services are provided by Boston Financial Data Services, Inc. TexSTAR 's advisory board is composed of Participants in TexSTAR and other persons who do not have a business relationship with TexSTAR. Members are appointed and serve at the will of the Board.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE B - CASH AND INVESTMENTS – Continued**

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

Each investment pool the NCTCOG participates and operates in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940 to the extent such rule is applicable to its operations. Accordingly, the investment pools use the amortized cost method permitted by SEC Rule 2a-7 to report net position and share prices since that amount approximates fair value. A Board of Directors comprised of local government officers, including participants of the investment pools, performs regulatory oversight in the external investment pools.

Since investment pools are valued at amortized cost, the Council has no investments required to be reported at fair value under GASB Statement No. 72.

**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, 2016, is presented below. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented. Compensated absences are liquidated by all governmental funds by allocating amounts based on labor hours charged to those funds.

	Balance September 30, 2015	Increases	Decreases	Balance September 30, 2016	Due Within One Year
Accrued vacation	\$ 1,278,050	\$ 247,941	\$ 123,503	\$ 1,402,488	\$ 156,901
Total	<u>\$ 1,278,050</u>	<u>\$ 247,941</u>	<u>\$ 123,503</u>	<u>\$ 1,402,488</u>	<u>\$ 156,901</u>

**NOTE E - DEFERRED COMPENSATION PLAN**

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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**NOTE E - DEFERRED COMPENSATION PLAN - CONTINUED**

The Council also contributes to a Section 457 deferred compensation plan for part-time employees. This plan is also administered by ICMARC. Part-time employees contributed \$23,262 during 2016. The Council contributed a matching \$16,797 as the employers match, 3.75% of gross salaries. Part-time employees are 100% vested in the plan from the first contribution.

**NOTE F - TRANSACTIONS AND TRANSFERS**

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

The following is a summary of interfund transfers at September 30, 2016:

Transfers in/out other funds:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue	\$ 22,956	Recovery of Depreciation
General Fund	Special Revenue	6,562	Local funded projects
Special Revenue	General Fund	15,794	Local match dollars
Special Revenue Fund - State	Local	112,449	Match dollars
Special Revenue Fund - Local	Special Revenue Fund - State/Foundation	254,838	State funded projects/local match
Enterprise Fund	General Fund	26,450	Local funded projects
	Total	<u>\$ 439,049</u>	

Due to/from other funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 4,943,447	\$ -
Special Revenue Fund	-	5,685,324
Enterprise Fund	16,514	-
Internal Service Fund	725,363	-
Total	<u>\$ 5,685,324</u>	<u>\$ 5,685,324</u>

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE G - CAPITAL ASSETS**

**Governmental activities:**

A summary of changes in the governmental activities capital assets for the year ended September 30, 2016, follows:

	Balance at October 1, 2015	Increases	Decreases	Balance at September 30, 2016
<b>Governmental Activities</b>				
<b><u>General Capital Assets</u></b>				
Capital Assets being depreciated:				
Equipment	\$ 7,587,564	\$ 3,740,033	\$ -	\$ 11,327,597
Furniture	310,133	-	(33,292)	276,841
Leasehold Improvements	2,346,185	472,457	-	2,818,642
Total capital assets being depreciated	<u>10,243,882</u>	<u>4,212,490</u>	<u>(33,292)</u>	<u>14,423,080</u>
Accumulated depreciation				
Equipment	5,274,684	1,449,196	-	6,723,880
Furniture	310,133	-	(33,292)	276,841
Leasehold Improvements	1,889,263	92,410	-	1,981,673
Total accumulated depreciation	<u>7,474,080</u>	<u>1,541,606</u>	<u>(33,292)</u>	<u>8,982,394</u>
Total governmental funds capital assets, net	<u>2,769,802</u>	<u>2,670,884</u>	<u>-</u>	<u>5,440,686</u>
<b><u>Internal Service Fund Capital Assets</u></b>				
Capital assets being depreciated:				
Equipment	664,580	353,778	-	1,018,358
Furniture	1,005	-	-	1,005
Leasehold Improvements	22,067	3,600	-	25,667
Total capital assets being depreciated	<u>687,652</u>	<u>357,378</u>	<u>-</u>	<u>1,045,030</u>
Accumulated depreciation				
Equipment	526,534	141,695	-	668,229
Furniture	1,005	-	-	1,005
Leasehold Improvements	9,286	1,716	-	11,002
Total accumulated depreciation	<u>536,825</u>	<u>143,411</u>	<u>-</u>	<u>680,236</u>
Total internal service funds capital assets, net	<u>150,827</u>	<u>213,967</u>	<u>-</u>	<u>364,794</u>
Governmental activities capital assets, net	<u>\$ 2,920,629</u>	<u>\$ 2,884,851</u>	<u>\$ -</u>	<u>\$ 5,805,480</u>



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE G - CAPITAL ASSETS – Continued**

	Balance at October 1, 2015	Increases	Decreases/ Transfers	Balance at September 30, 2016
Business-type Activities:				
<u>Capital assets being depreciated:</u>				
Equipment	\$ 7,467,896	\$ 16,095	\$ -	\$ 7,483,991
Total capital assets being depreciated	<u>7,467,896</u>	<u>16,095</u>	<u>-</u>	<u>7,483,991</u>
<u>Accumulated Depreciation:</u>				
Equipment	7,390,997	39,474	-	7,430,471
Total accumulated depreciation	<u>7,390,997</u>	<u>39,474</u>	<u>-</u>	<u>7,430,471</u>
Total Business-type activities capital assets, net	<u>\$ 76,899</u>	<u>\$ (23,379)</u>	<u>\$ -</u>	<u>\$ 53,520</u>

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

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

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

Governmental Activities

Agency Administration	\$ 21,871
Agency Management	35
Area Agency on Aging	1,484
9-1-1 Planning	1,141,924
Community Services - CJD	483
Emergency Preparedness	8,465
Environment & Development	9,437
RIS Local Assistance	12,979
Transportation	212,580
Workforce Development	132,348
Internal Service Fund	143,411
Total depreciation expense-governmental activities	<u>\$ 1,685,017</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2016**

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**NOTE H - RETIREMENT PLAN**

International City Management Association Retirement Corporation (ICMARC) administers the Council's 401(a) retirement plan. It is a defined contribution retirement plan, which provides retirement benefits for all full-time permanent employees. The Council contributed an amount (\$2,639,387) during fiscal year 2016 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Full-time employees also contributed an amount of \$1,319,693 during 2016 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$22,717,365 including \$22,003,040 payroll covered by the plan. Employees become 40 percent (40%) vested in the Council's contributions after three full years of employment. An additional 15 percent (15%) is vested for each additional full year of employment. An employee becomes fully vested after seven years of employment. The Council's retirement plan was formed under the authority of the Council Executive Board and the Executive Board has the authority to amend/or terminate the retirement plan and/or contribution requirements at any time.

**NOTE I - COMMITMENTS**

The Council entered into non-cancellable operating leases primarily for office space and equipment. Rental expenditures under all NCTCOG operating lease agreements were \$3,931,918 for 2016.

Future minimum rental payments required under operating leases for NCTCOG and its subcontractors that have initial or remaining lease terms in excess of one year as of September 30, 2016, are as follows:

Year Ending September 30,	
2017	\$ 3,854,335
2018	3,799,633
2019	3,655,354
2020	3,668,880
2021	3,287,322
Thereafter (2022-2033)	41,937,433
	\$ 60,202,957

**NOTE J - CONTINGENCIES**

For a majority 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 subcontractors 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 subcontractors.

For the year ended September 30, 2016, 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE J – CONTINGENCIES – Continued**

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 BALANCES**

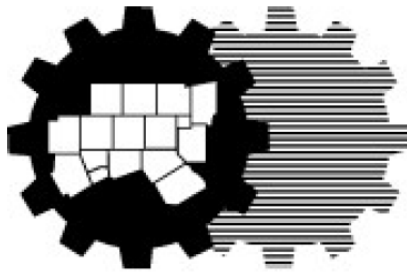
In accordance with GASB 54 the NCTCOG classifies governmental fund balances as follows:

**DETAILED FUND BALANCE DISCLOSURE**

	General Fund	Major Special Revenue Fund						TOTAL
		FEMA	CJD	Local	TCEQ	TXWD	TXDOT	
<b>FUND BALANCES:</b>								
Non Spendable:								
Prepays	\$ 5,623	\$ -	\$ -	\$ 93,484	\$ -	\$ -	\$ -	\$ 99,107
Inventory	34,794	-	-	-	-	-	-	34,794
Restricted:								
Grants	-	80,444	307,651	-	2,807	117,997	65,268	574,167
Local Transportation	-	-	-	5,075,487	-	-	-	5,075,487
Assigned:								
Agency Shared Service	-	-	-	318,268	-	-	-	318,268
Unassigned	6,156,230	-	-	-	-	-	-	6,156,230
<b>TOTAL FUND BALANCES:</b>	<b>\$ 6,196,647</b>	<b>\$ 80,444</b>	<b>\$ 307,651</b>	<b>\$ 5,487,239</b>	<b>\$ 2,807</b>	<b>\$ 117,997</b>	<b>\$ 65,268</b>	<b>\$ 12,258,053</b>

**NOTE L – SUBSEQUENT EVENTS**

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through February 10, 2017, the date the financial statements were available to be issued.



**North Central Texas  
Council of Governments**

**REQUIRED  
SUPPLEMENTAL  
INFORMATION**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 BUDGETARY COMPARISON  
 GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Budget Basis Actual	Variance with Final Budget (Negative)
	Original	Final		
<b>REVENUES</b>				
Membership dues	\$ 687,527	\$ 687,527	\$ 685,727	\$ (1,800)
Local contributions	22,500	22,500	56,416	33,916
Interest income	10,000	10,000	32,850	22,850
Total revenues	<u>720,027</u>	<u>720,027</u>	<u>774,993</u>	<u>54,966</u>
<b>EXPENDITURES</b>				
Current:				
Agency administration	3,622,755	3,791,299	3,786,455	4,844
Agency management	994,068	929,068	587,288	341,780
Research and information services	225,000	225,000	190,174	34,826
Environment & development	140,000	140,000	135,496	4,504
Transportation	169,473	169,473	138,390	31,083
Capital outlay	-	35,000	32,427	2,573
Total current expenditures	<u>5,151,296</u>	<u>5,289,840</u>	<u>4,870,230</u>	<u>419,610</u>
Indirect cost allocation	(4,421,269)	(4,559,813)	(4,456,006)	(103,807)
Contributions to indirect costs	(10,000)	(10,000)	(14,706)	4,706
Total expenditures	<u>720,027</u>	<u>720,027</u>	<u>399,518</u>	<u>320,509</u>
Excess (deficiencies) of revenues Over/(under) expenditures	<u>-</u>	<u>-</u>	<u>375,475</u>	<u>375,475</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	29,518	29,518
Transfers out	-	-	(42,244)	(42,244)
Charge for use of assets	40,000	40,000	23,854	(16,146)
Indirect allocation to Special Revenue Fund	(37,811)	(37,811)	(22,956)	14,855
Total other financing sources	<u>2,189</u>	<u>2,189</u>	<u>(11,828)</u>	<u>(14,017)</u>
Net changes in fund balances	2,189	2,189	363,647	361,458
Fund balances - beginning	<u>5,833,000</u>	<u>5,833,000</u>	<u>5,833,000</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,835,189</u>	<u>\$ 5,835,189</u>	<u>\$ 6,196,647</u>	<u>\$ 361,458</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
SEPTEMBER 30, 2016**

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**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.

<u>General Fund</u>	
Total Net Expenditures (GAAP Basis)	\$ 398,620
Plus: Charge for use of assets	23,854
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(22,956)</u>
Total Expenditures (Budget Basis)	<u>\$ 399,518</u>
Total Other Sources (GAAP Basis)	\$ (12,726)
Plus: Charge for use of assets	23,854
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(22,956)</u>
Total Other Sources (Budget Basis)	<u>\$ (11,828)</u>

**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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
SEPTEMBER 30, 2016**

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- 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.



**OTHER  
SUPPLEMENTAL  
INFORMATION**

Other supplementary information includes financial schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Combining Schedules- Federal, State and Locally Administered Grant Funds
- Schedule of Indirect Costs (Budget Basis)
- Schedule of Employee Benefits- All Funds
- Texas Local Government Code Chapter 391 Indirect Cost Limitations Test
- Capital Assets:
  - By Source
  - By Function and Activity
  - Changes by Function and Activity

Additional support for specific grants within the Special Revenue governmental fund can be found in the supplemental booklet available upon request.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCES – FEDERAL, STATE AND LOCALLY ADMINISTERED GRANTS  
 YEAR ENDED SEPTEMBER 30, 2016**

	<u>Federal Funds Total</u>	<u>Locally Administered Funds Total</u>	<u>Combined Total</u>
<b>REVENUES</b>			
Federal grants	\$ 9,130,586	\$ -	\$ 9,130,586
State administered grants	-	112,250,105	112,250,105
Local administered grants	-	149,525	149,525
Local contributed cash	215,334	6,940,361	7,155,695
In-Kind	3,120,088	12,781,063	15,901,151
Program income	-	440,475	440,475
Interest income	-	77,590	77,590
	<u>12,466,008</u>	<u>132,639,119</u>	<u>145,105,127</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Current:			
Agency administration	146,059	3,495,942	3,642,001
Agency management	75,273	540	75,813
Community services	-	1,149,644	1,149,644
Area agency on aging	-	15,911,917	15,911,917
9-1-1 planning	-	8,163,109	8,163,109
Emergency preparedness	-	3,909,795	3,909,795
Environment & development	738,664	1,803,968	2,542,632
Research & information services	-	3,193,050	3,193,050
Transportation	11,584,732	30,298,732	41,883,464
Workforce development	103,694	60,510,746	60,614,440
Capital Outlay	-	4,180,062	4,180,062
	<u>12,648,422</u>	<u>132,617,505</u>	<u>145,265,927</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESSES (DEFICIENCIES) OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>(182,414)</u>	<u>21,614</u>	<u>(160,800)</u>
<b>OTHER FINANCING SOURCES AND USES</b>			
Transfers In	-	383,081	383,081
Transfers Out	(808)	(395,997)	(396,805)
	<u>(808)</u>	<u>(12,916)</u>	<u>(13,724)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
<b>NET CHANGE IN FUND BALANCES</b>			
	(183,222)	8,698	(174,524)
<b>FUND BALANCES - BEGINNING OF YEAR</b>			
	<u>263,666</u>	<u>5,972,264</u>	<u>6,235,930</u>
<b>FUND BALANCES - END OF YEAR</b>			
	<u>\$ 80,444</u>	<u>\$ 5,980,962</u>	<u>\$ 6,061,406</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – FEDERAL GRANTS  
 YEAR ENDED SEPTEMBER 30, 2016**

	Federal Funds								TOTAL
	DOC	DOE	EPA	FTA	FEMA	DOD	DOL	FHA	
<b>REVENUES</b>									
Federal grants	\$ 47,524	\$ 180,919	\$ 145,983	\$ 7,981,909	\$ 458,404	\$ 144,356	\$ 108,445	\$ 63,046	\$ 9,130,586
State administered grants	-	-	-	-	-	-	-	-	-
Local administered grants	-	-	-	-	-	-	-	-	-
Local contributed cash	-	872	7,941	64,792	107,000	7,709	-	27,020	215,334
In-Kind	27,784	38,839	85,178	2,968,287	-	-	-	-	3,120,088
Program income	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>75,308</b>	<b>220,630</b>	<b>239,102</b>	<b>11,014,988</b>	<b>565,404</b>	<b>152,065</b>	<b>108,445</b>	<b>90,066</b>	<b>12,466,008</b>
<b>EXPENDITURES</b>									
Current:									
Agency administration	-	9,273	12,774	86,691	9,896	10,720	4,719	11,986	146,059
Agency management	75,273	-	-	-	-	-	-	-	75,273
Community services	-	-	-	-	-	-	-	-	-
Area agency on aging	-	-	-	-	-	-	-	-	-
9-1-1 planning	-	-	-	-	-	-	-	-	-
Emergency preparedness	-	-	-	-	-	-	-	-	-
Environment & development	-	-	-	-	738,664	-	-	-	738,664
Research & information services	-	-	-	-	-	-	-	-	-
Transportation	-	211,312	226,259	10,927,844	-	141,291	-	78,026	11,584,732
Workforce development	-	-	-	-	-	-	103,694	-	103,694
Capital Outlay	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>75,273</b>	<b>220,585</b>	<b>239,033</b>	<b>11,014,535</b>	<b>748,560</b>	<b>152,011</b>	<b>108,413</b>	<b>90,012</b>	<b>12,648,422</b>
<b>EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>35</b>	<b>45</b>	<b>69</b>	<b>453</b>	<b>(183,156)</b>	<b>54</b>	<b>32</b>	<b>54</b>	<b>(182,414)</b>
<b>OTHER FINANCING SOURCES AND USES</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(35)	(45)	(69)	(453)	(66)	(54)	(32)	(54)	(808)
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>	<b>(35)</b>	<b>(45)</b>	<b>(69)</b>	<b>(453)</b>	<b>(66)</b>	<b>(54)</b>	<b>(32)</b>	<b>(54)</b>	<b>(808)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(183,222)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(183,222)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263,666</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,444</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,444</b>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – STATE AND LOCALLY ADMINISTERED FUNDS  
YEAR ENDED SEPTEMBER 30, 2016**

	State and Locally Administered Funds										
	BBB E F	CSEC	HHS	CITY OF DALLAS	CCDG	DADS	OOG	LOCAL		MARC	NARC
								Transportation	Other		
<b>REVENUES</b>											
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State administered grants	-	11,634,747	121,652	-	-	7,925,396	1,604,065	-	-	-	-
Local administered grants	18,353	-	-	3,546	41,454	-	-	-	-	12,340	8,065
Local contributed cash	-	12,240	-	-	-	152,595	216,889	2,067,912	3,996,950	2,500	2,463
In-Kind	-	-	-	-	-	7,547,591	-	-	-	(4,425)	-
Program income	-	-	-	-	-	235,667	-	-	-	-	-
Interest income	-	2,862	-	-	-	-	-	45,006	-	-	-
<b>TOTAL REVENUES</b>	<b>18,353</b>	<b>11,649,849</b>	<b>121,652</b>	<b>3,546</b>	<b>41,454</b>	<b>15,861,249</b>	<b>1,820,954</b>	<b>2,112,918</b>	<b>3,996,950</b>	<b>10,415</b>	<b>10,528</b>
<b>EXPENDITURES</b>											
Current:											
Agency administration	-	55,804	2,032	232	-	196,898	34,472	48,719	1,630,102	515	1,456
Agency management	-	-	-	-	-	-	-	-	540	-	-
Community services	-	-	-	-	-	490	1,122,075	-	-	-	-
Area agency on aging	18,350	-	119,146	-	41,435	15,668,573	-	-	4,700	-	-
9-1-1 planning	-	8,156,463	-	-	-	-	-	-	6,646	-	-
Emergency preparedness	-	-	-	3,312	-	-	522,650	-	610,935	-	-
Environment & development	-	-	-	-	-	-	-	4,429	936,092	9,655	-
Research & information services	-	155	-	-	-	1,024	698	-	913,129	-	-
Transportation	-	864	444	-	-	6,758	1,500	2,063,533	138	1,244	9,066
Workforce development	-	-	-	-	-	-	-	-	1,261	-	-
Capital Outlay	-	3,434,676	-	-	-	-	-	-	25,625	-	-
<b>TOTAL EXPENDITURES</b>	<b>18,350</b>	<b>11,647,962</b>	<b>121,622</b>	<b>3,544</b>	<b>41,435</b>	<b>15,873,743</b>	<b>1,681,395</b>	<b>2,116,681</b>	<b>4,129,168</b>	<b>11,414</b>	<b>10,522</b>
<b>EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>3</b>	<b>1,887</b>	<b>30</b>	<b>2</b>	<b>19</b>	<b>(12,494)</b>	<b>139,559</b>	<b>(3,763)</b>	<b>(132,218)</b>	<b>(999)</b>	<b>6</b>
<b>OTHER FINANCING SOURCES AND USES</b>											
Transfers in	-	-	-	-	-	14,086	-	188,147	66,691	1,009	-
Transfers out	(3)	(1,887)	(30)	(2)	(19)	(1,592)	(61,337)	(96,858)	(124,608)	(10)	(6)
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>	<b>(3)</b>	<b>(1,887)</b>	<b>(30)</b>	<b>(2)</b>	<b>(19)</b>	<b>12,494</b>	<b>(61,337)</b>	<b>91,289</b>	<b>(57,917)</b>	<b>999</b>	<b>(6)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,222</b>	<b>87,526</b>	<b>(190,135)</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>229,429</b>	<b>4,987,961</b>	<b>601,887</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 307,651</b>	<b>\$ 5,075,487</b>	<b>\$ 411,752</b>	<b>\$ -</b>	<b>\$ -</b>

(continued)

**State and Locally Administered Funds**

	NCOA	SECO	TCEQ		TDH	TDRA	TVC	TWC	TX A&M	TXDOT	TXDPS	TXWD	Total
			Transportation	Other									
<b>REVENUES</b>													
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State administered grants	-	194,437	6,051,881	626,542	52,200	19,105	136,336	58,807,218	20,009	23,280,005	1,776,512	-	112,250,105
Local administered grants	59,856	-	-	-	-	-	-	-	5,911	-	-	-	149,525
Local contributed cash	-	-	-	-	-	-	-	-	-	488,812	-	-	6,940,361
In-Kind	-	8,998	-	-	-	-	-	4,121,057	-	214,363	893,479	-	12,781,063
Program income	-	-	44,790	-	-	-	-	159,998	-	20	-	-	440,475
Interest income	-	-	808	2,423	-	-	-	-	-	26,491	-	-	77,590
<b>TOTAL REVENUES</b>	<b>59,856</b>	<b>203,435</b>	<b>6,097,479</b>	<b>628,965</b>	<b>52,200</b>	<b>19,105</b>	<b>136,336</b>	<b>63,088,273</b>	<b>25,920</b>	<b>24,009,691</b>	<b>2,669,991</b>	<b>-</b>	<b>132,639,119</b>
<b>EXPENDITURES</b>													
Current:													
Agency administration	-	5,377	48,473	10,030	108	984	2,926	693,096	1,826	744,312	18,580	-	3,495,942
Agency management	-	-	-	-	-	-	-	-	-	-	-	-	540
Community services	-	-	-	-	-	-	-	439	-	26,640	-	-	1,149,644
Area agency on aging	59,713	-	-	-	-	-	-	-	-	-	-	-	15,911,917
9-1-1	-	-	-	-	-	-	-	-	-	-	-	-	8,163,109
Emergency preparedness	-	-	-	-	52,088	-	-	-	-	-	2,720,810	-	3,909,795
Environment & development	-	169,457	-	610,845	-	18,375	-	-	18,933	33,973	2,209	-	1,803,968
Research & information services	-	-	22,324	5,733	-	-	-	1,767,155	-	474,938	7,894	-	3,193,050
Transportation	139	46,191	5,968,250	-	-	-	-	15,619	5,145	22,179,841	-	-	30,298,732
Workforce development	-	-	-	-	-	-	133,408	60,376,077	-	-	-	-	60,510,746
Capital Outlay	-	-	57,962	-	-	-	-	232,131	-	419,773	9,895	-	4,180,062
<b>TOTAL EXPENDITURES</b>	<b>59,852</b>	<b>221,025</b>	<b>6,097,009</b>	<b>626,608</b>	<b>52,196</b>	<b>19,359</b>	<b>136,334</b>	<b>63,084,517</b>	<b>25,904</b>	<b>23,879,477</b>	<b>2,759,388</b>	<b>-</b>	<b>132,617,505</b>
<b>EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>4</b>	<b>(17,590)</b>	<b>470</b>	<b>2,357</b>	<b>4</b>	<b>(254)</b>	<b>2</b>	<b>3,756</b>	<b>16</b>	<b>130,214</b>	<b>(89,397)</b>	<b>-</b>	<b>21,614</b>
<b>OTHER FINANCING SOURCES AND USES</b>													
Transfers in	-	17,680	-	395	-	266	-	-	-	5,123	89,684	-	383,081
Transfers out	(4)	(90)	(754)	(330)	(4)	(12)	(2)	(3,756)	(16)	(104,390)	(287)	-	(395,997)
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>	<b>(4)</b>	<b>17,590</b>	<b>(754)</b>	<b>65</b>	<b>(4)</b>	<b>254</b>	<b>(2)</b>	<b>(3,756)</b>	<b>(16)</b>	<b>(99,267)</b>	<b>89,397</b>	<b>-</b>	<b>(12,916)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(284)</b>	<b>2,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,947</b>	<b>-</b>	<b>-</b>	<b>8,698</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>563</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,321</b>	<b>-</b>	<b>117,997</b>	<b>5,972,264</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 279</b>	<b>\$ 2,528</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,268</b>	<b>\$ -</b>	<b>\$ 117,997</b>	<b>\$ 5,980,962</b>

(concluded)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 1,841,240	\$ 1,844,496
Benefits	<u>785,371</u>	<u>788,052</u>
Indirect personnel	2,626,611	2,632,548
Legal	3,512	10,000
Audit	95,088	95,550
Contract services	515,183	515,189
Travel	14,118	17,400
Equipment use fee	23,854	40,000
Consumable supplies	89,527	90,000
Insurance & bonding	34,539	40,000
Rent	393,540	419,801
Printing & publications	22,110	30,000
Equipment rental	4,253	8,800
Advertising	2,742	4,000
Maintenance & repairs	113,632	120,000
Employee recruitment	4,541	7,500
Communications	11,189	17,800
Postage	7,951	9,000
Subscriptions & dues	261,651	262,000
Other	<u>246,671</u>	<u>250,225</u>
TOTAL	4,470,712	4,569,813
Less: Contributions to Indirect costs	<u>( 14,706)</u>	<u>(10,000)</u>
NET INDIRECT COSTS	<u>\$ 4,456,006</u>	<u>\$ 4,559,813</u>
Indirect costs rate computations:		
Net indirect costs	<u>\$ 4,456,006</u>	<u>\$ 4,559,813</u>
Direct salaries & benefits - all funds	<u>\$ 25,893,909 = 17.21%</u>	<u>\$ 25,768,504 = 17.70%</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EMPLOYEE BENEFITS - ALL FUNDS  
YEAR ENDED SEPTEMBER 30, 2016**

<b>Full Time Benefits Programs</b>	<u>Actual</u>	<u>Projected</u>
Medicare insurance	\$ 312,801	\$ 314,116
Medical insurance	2,747,922	2,872,325
Worker's compensation	63,594	57,718
Flexible benefit plan	8,029	10,789
Life & disability insurance	156,462	167,477
Other benefits	48,641	97,000
Unemployment insurance	61,624	54,360
Retirement	2,418,375	2,249,590
Vacation	1,202,776	1,139,834
Sick leave	460,581	500,219
Holiday leave	855,202	832,865
Other leave	<u>133,811</u>	<u>62,466</u>
 TOTAL	 <u>\$ 8,469,818</u>	 <u>\$ 8,358,759</u>

Employee benefits rate computations:

Total full-time benefits	\$ <u>8,469,818</u>	\$ <u>8,358,759</u>
Total regular salaries	\$ 19,839,611 = 42.69%	\$ 19,127,841 = 43.70%

Total personnel costs recap:

Salaries	\$ 19,839,611	\$ 19,127,841
Benefits	<u>8,469,818</u>	<u>8,358,759</u>
 Personnel - NCTCOG	 <u>\$ 28,309,429</u>	 <u>\$ 27,486,600</u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST LIMITATIONS TEST  
 FISCAL YEAR 2016 ACTUAL  
 OCTOBER 1, 2015 - SEPTEMBER 30, 2016**

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<b>Total Indirect Costs</b>	<b>\$ 4,456,006</b>		
<b>Expenditures:</b>			
General Fund	4,869,332		
Special Revenue Fund	145,265,927		
Internal Service Fund	4,885,007		
Enterprise Fund	1,560,006		
Interdepartmental Transfers for Direct Charges and Indirect Costs	<u>(9,613,898)</u>		
<b>Total Expenditures</b>	<b>146,966,374</b>	<b>=</b>	<b>3.0%</b>
<b>Less:</b>			
Pass-Through Funds <sup>(1)</sup>	(49,664,374)		
In-Kind Expenditures	(15,877,111)		
Contract Services	(20,218,549)		
Capital Expenditures	<u>(4,212,489)</u>		
<b>Adjusted Expenditures</b>	<b>56,993,851</b>	<b>=</b>	<b>7.8%</b>

<sup>(1)</sup> 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, 2016**

	<u>Totals</u>
<b>CAPITAL ASSETS</b>	
Equipment	\$ 19,829,946
Furniture	277,846
Leasehold Improvements	<u>2,844,309</u>
Total Capital Assets	<u>\$ 22,952,101</u>
<b>SOURCES</b>	
NCTCOG	
Equipment	\$ 10,597,533
Furniture	83,402
Leasehold Improvements	<u>630,599</u>
	11,311,534
GRANT FUNDED	
Equipment	9,232,413
Furniture	194,444
Leasehold Improvements	<u>2,213,710</u>
	11,640,567
Less: Internal Service Fund Assets	1,045,030
Less: Enterprise Fund	<u>7,483,991</u>
Total General Capital Assets	<u>\$ 14,423,080</u>

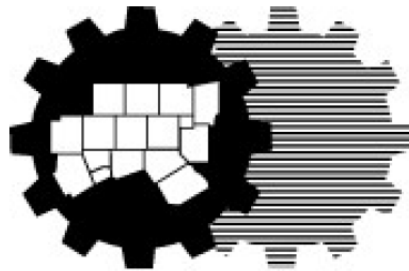
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
AS OF SEPTEMBER 30, 2016**

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	<u>Totals</u>
<b>CAPITAL ASSETS</b>	
Local Assistance	\$ 1,296,232
Transportation Planning-TxDOT	1,307,581
Regional Information Services	1,818,749
Environmental Resources	110,290
Emergency Preparedness	262,583
Workforce Development	3,829,235
Community Services	65,790
Area Agency on Aging	30,063
9-1-1 Planning	6,747,587
Enterprise Fund	<u>7,483,991</u>
 Total Capital Assets	 22,952,101
 Less: Internal Service Fund	 1,045,030
Less: Enterprise Fund	<u>7,483,991</u>
 Total General Capital Assets	 \$ <u><u>14,423,080</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
AS OF SEPTEMBER 30, 2016**

	<u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>2016</u>
<b>CAPITAL ASSETS</b>				
Local assistance	\$ 1,268,031	\$ 32,427	\$ 4,226	\$ 1,296,232
Transportation planning-TxDOT	841,120	477,735	11,274	1,307,581
Regional information services	1,435,746	383,003	-	1,818,749
Environmental resources	110,810	-	520	110,290
Emergency preparedness	252,688	9,895	-	262,583
Workforce development	3,597,103	232,132	-	3,829,235
Community services	71,732	-	5,942	65,790
Area agency on aging	30,131	-	68	30,063
9-1-1 planning	3,324,173	3,434,676	11,262	6,747,587
Enterprise fund	<u>7,467,896</u>	<u>16,095</u>	<u>-</u>	<u>7,483,991</u>
 Total capital assets	 18,399,430	 4,585,963	 33,292	 22,952,101
 Less: Internal service fund	 687,652	 357,378	 -	 1,045,030
Less: Enterprise fund	<u>7,467,896</u>	<u>16,095</u>	<u>-</u>	<u>7,483,991</u>
 Total General Capital Assets	 <u>\$ 10,243,882</u>	 <u>\$ 4,212,490</u>	 <u>\$ 33,292</u>	 <u>\$ 14,423,080</u>



**North Central Texas  
Council of Governments**





# STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Table #s</u></b>
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the Council's financial performance and well-being have changed over time.	<b>1, 2, 3 &amp; 4</b>
<b>Revenue Capacity</b> These tables are to contain information to help the reader assess the Council's most significant local revenue sources.	<b>5</b>
<b>Debt Capacity</b> These tables are to present information to help the reader assess the affordability of the Council's current levels of outstanding debt.	<b>6</b>
<b>Economic and Demographic Information</b> These tables offer economic and demographic indicators to help the reader understand the environment within which the Council's financial activities take place.	<b>7 &amp; 8</b>
<b>Operating Information</b> These tables contain service and infrastructure data to help the reader understand how the information in the Council's financial report relates to the services the Council provides.	<b>9 &amp; 10</b>

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	<b>Fiscal Year</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities				
Investment in capital assets	\$ 5,805,480	\$ 2,920,629	\$ 1,493,197	\$ 951,869
Restricted	5,649,654	5,634,043	5,473,922	5,401,133
Unrestricted	6,038,512	5,930,520	5,714,552	5,226,610
Total governmental activities net assets	<u>\$ 17,493,646</u>	<u>\$ 14,485,192</u>	<u>\$ 12,681,671</u>	<u>\$ 11,579,612</u>
Business-type activities				
Investment in capital assets	53,520	\$ 76,899	\$ 18,502	\$ 25,791
Unrestricted	17,040	52,248	36,409	20,801
Total business-type activities net assets	<u>\$ 70,560</u>	<u>\$ 129,147</u>	<u>\$ 54,911</u>	<u>\$ 46,592</u>
Primary government				
Investment in capital assets	\$ 5,859,000	\$ 2,997,528	\$ 1,511,699	\$ 977,660
Restricted	5,649,654	5,634,043	5,473,922	5,401,133
Unrestricted	6,055,552	5,982,768	5,750,961	5,247,411
Total primary governmental net assets	<u>\$ 17,564,206</u>	<u>\$ 14,614,339</u>	<u>\$ 12,736,582</u>	<u>\$ 11,626,204</u>

**Source:** Comprehensive Annual Financial Report



TABLE 1

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$ 1,131,432	\$ 1,368,144	\$ 1,161,862	\$ 1,497,753	\$ 1,255,488	\$ 484,470
6,231,665	14,061,433	27,942,962	38,909,613	53,519,795	40,565,985
4,312,103	4,122,881	3,816,701	3,646,310	3,776,966	3,254,971
<u>\$ 11,675,200</u>	<u>\$ 19,552,458</u>	<u>\$ 32,921,525</u>	<u>\$ 44,053,676</u>	<u>\$ 58,552,249</u>	<u>\$ 44,305,426</u>
\$ 13,260	\$ 22,100	\$ -	\$ -	\$ 1,217,307	\$ 3,759,091
67,769	55,656	90,141	67,345	128,515	(94,171)
<u>\$ 81,029</u>	<u>\$ 77,756</u>	<u>\$ 90,141</u>	<u>\$ 67,345</u>	<u>\$ 1,345,822</u>	<u>\$ 3,664,920</u>
\$ 1,144,692	\$ 1,390,244	\$ 1,161,862	\$ 1,497,753	\$ 2,472,795	\$ 4,243,561
6,231,665	14,061,433	27,942,962	38,909,613	53,519,795	40,565,985
4,379,872	4,178,537	3,906,842	3,713,655	3,905,481	3,160,800
<u>\$ 11,756,229</u>	<u>\$ 19,630,214</u>	<u>\$ 33,011,666</u>	<u>\$ 44,121,021</u>	<u>\$ 59,898,071</u>	<u>\$ 47,970,346</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2016	2015	2014	2013
<b>Expenses</b>				
Governmental activities:				
Agency administration	\$ 7,126,021	\$ 6,796,651	\$ 5,775,899	\$ 5,463,174
Agency management	641,576	740,381	754,076	706,873
*Community services	1,089,686	22,803,481	20,385,330	24,883,533
*Area agency on aging	15,727,539	-	-	-
*9-1-1 planning	7,937,738	-	-	-
Emergency preparedness	3,814,764	2,650,262	3,672,635	1,426,129
Environment and development	2,554,177	3,436,397	2,302,909	3,310,704
RIS local assistance	3,121,550	3,643,793	2,748,710	3,040,498
Transportation planning	40,574,854	57,414,019	53,195,247	55,148,280
Workforce development	60,257,311	56,808,063	57,742,893	59,152,671
Total governmental activities expenses	<u>142,845,216</u>	<u>154,293,047</u>	<u>146,577,699</u>	<u>153,131,862</u>
Business-type activities:				
Shared service center	1,560,006	1,398,101	1,639,004	1,868,172
Total business-type activities expenses	<u>1,560,006</u>	<u>1,398,101</u>	<u>1,639,004</u>	<u>1,868,172</u>
Total primary government expenses	<u>\$ 144,405,222</u>	<u>\$ 155,691,148</u>	<u>\$ 148,216,703</u>	<u>\$ 155,000,034</u>
<b>Program Revenues</b>				
Governmental activities:				
Agency administration	\$ -	\$ -	\$ -	\$ -
Agency management	47,526	51,597	5,359	-
*Community services	1,010,092	18,169,150	14,445,171	18,843,748
*Area agency on aging	8,166,710	-	-	-
*9-1-1 planning	11,634,747	-	-	-
Emergency preparedness	2,426,230	1,513,243	2,102,303	872,066
Environment and development	1,318,498	2,241,342	835,146	2,123,277
RIS local assistance	-	-	-	-
Transportation planning	37,874,414	38,065,646	47,130,223	44,801,874
Workforce development	59,051,999	56,715,045	57,642,394	59,198,773
Local grants and contributions	23,553,737	38,635,349	24,839,146	26,477,435
Total governmental activities program revenues	<u>145,083,953</u>	<u>155,391,372</u>	<u>146,999,742</u>	<u>152,317,173</u>
Business-type activities:				
Charges for services:				
RIS local assistance	1,474,969	1,472,337	1,643,984	1,833,735
Total business-type activities program revenues	<u>1,474,969</u>	<u>1,472,337</u>	<u>1,643,984</u>	<u>1,833,735</u>
Total primary government program revenues	<u>\$ 146,558,922</u>	<u>\$ 156,863,709</u>	<u>\$ 148,643,726</u>	<u>\$ 154,150,908</u>
<b>Net (Expenses) Revenue</b>				
Governmental activities	\$ 2,238,737	\$ 1,098,325	\$ 422,043	\$ (814,689)
Business-type activities	(85,037)	74,236	4,980	(34,437)
Total primary government net expenses	<u>\$ 2,153,700</u>	<u>\$ 1,172,561</u>	<u>\$ 427,023</u>	<u>\$ (849,126)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Membership fees	685,727	678,492	664,694	657,054
Interest on investments	110,440	26,704	18,661	62,047
Transfers in (out)	(26,450)	-	(3,339)	-
Total governmental activities	<u>769,717</u>	<u>705,196</u>	<u>680,016</u>	<u>719,101</u>
Business-type activities:				
Transfers in (out)	26,450	-	3,339	-
Total business-type activities	<u>26,450</u>	<u>-</u>	<u>3,339</u>	<u>-</u>
Total primary government	<u>\$ 796,167</u>	<u>\$ 705,196</u>	<u>\$ 683,355</u>	<u>\$ 719,101</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 3,008,454	\$ 1,803,521	\$ 1,102,059	\$ (95,588)
Business-type activities	(58,587)	74,236	8,319	(34,437)
Total primary government	<u>\$ 2,949,867</u>	<u>\$ 1,877,757</u>	<u>\$ 1,110,378</u>	<u>\$ (130,025)</u>

Source: Comprehensive Annual Financial Report

\*NCTCOG began the break out of the Area agency on aging and 9-1-1 planning from Community services in FY2016

TABLE 2

							Fiscal Year					
							2012	2011	2010	2009	2008	2007
\$	5,276,175	\$	5,201,324	\$	5,227,937	\$	5,269,854	\$	5,355,259	\$	4,802,438	
	759,547		848,942		776,145		853,457		571,395		558,360	
	18,522,455		22,909,179		20,488,403		22,490,067		19,668,658		14,732,789	
	-		-		-		-		-		-	
	2,062,309		3,539,299		2,781,337		2,435,347		4,461,768		6,766,770	
	2,074,557		4,587,918		4,614,671		5,709,613		4,343,873		5,520,315	
	2,637,422		3,446,598		2,487,667		3,486,236		2,979,893		2,227,484	
	56,170,198		76,151,018		75,614,317		63,238,757		59,886,873		47,265,285	
	55,962,878		58,952,928		59,043,491		53,269,187		48,193,206		49,917,806	
	143,465,541		175,637,206		171,033,968		156,752,518		145,460,925		131,791,247	
	1,936,213		1,947,896		1,987,466		2,861,816		4,023,843		4,484,126	
	1,936,213		1,947,896		1,987,466		2,861,816		4,023,843		4,484,126	
\$	145,401,754	\$	177,585,102	\$	173,021,434	\$	159,614,334	\$	149,484,768	\$	136,275,373	
\$	120,965	\$	238,845	\$	123,814	\$	100,626	\$	78,732	\$	829,212	
	-		-		-		-		-		-	
	13,050,047		17,129,937		15,802,837		17,634,359		14,759,657		10,043,056	
	-		-		-		-		-		-	
	1,658,836		3,378,498		3,087,356		2,262,037		4,547,830		6,846,840	
	1,003,473		3,799,786		1,795,328		4,353,732		1,943,294		2,430,434	
	-		37,938		158,382		200,903		159,905		1,115,696	
	37,113,912		48,336,809		56,793,123		42,882,386		46,223,986		29,793,889	
	55,814,882		59,195,722		58,439,547		51,946,951		50,814,449		51,347,719	
	26,132,659		26,264,855		22,639,979		21,644,684		38,238,325		66,241,118	
	134,894,774		158,382,390		158,840,366		141,025,678		156,766,178		168,647,964	
	1,939,496		1,939,738		2,010,262		1,583,339		1,704,745		1,513,590	
	1,939,496		1,939,738		2,010,262		1,583,339		1,704,745		1,513,590	
\$	136,834,270	\$	160,322,128	\$	160,850,628	\$	142,609,017	\$	158,470,923	\$	170,161,554	
\$	(8,570,767)	\$	(14,254,816)	\$	(12,193,602)	\$	(15,726,840)	\$	11,305,253	\$	36,856,717	
	3,283		(8,158)		22,796		(1,278,477)		(2,319,098)		(2,970,536)	
\$	(8,567,484)	\$	(14,262,974)	\$	(12,170,806)	\$	(17,005,317)	\$	8,986,155	\$	33,886,181	
	651,539		663,091		654,835		645,519		632,215		617,503	
	41,970		218,421		406,616		582,748		2,308,855		3,230,180	
	-		4,237		-		-		-		-	
	693,509		885,749		1,061,451		1,228,267		2,941,070		3,847,683	
	-		(4,237)		-		-		-		-	
	-		(4,237)		-		-		-		-	
\$	693,509	\$	881,512	\$	1,061,451	\$	1,228,267	\$	2,941,070	\$	3,847,683	
\$	(7,877,258)	\$	(13,369,067)	\$	(11,132,151)	\$	(14,498,573)	\$	14,246,323	\$	40,704,400	
	3,283		(12,395)		22,796		(1,278,477)		(2,319,098)		(2,970,536)	
\$	(7,873,975)	\$	(13,381,462)	\$	(11,109,355)	\$	(15,777,050)	\$	11,927,225	\$	37,733,864	

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

	<b>Fiscal Year - Pre GASB 54</b>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund			
Reserved <sup>a</sup>	\$ 10,946	\$ 3,158	\$ 13,322
Unreserved	4,988,995	4,884,409	4,708,103
Total general fund	<u>\$ 4,999,941</u>	<u>\$ 4,887,567</u>	<u>\$ 4,721,425</u>

All Other Governmental Funds			
Reserved for:			
Prepaid items	\$ 79,881	\$ 55,054	\$ 47,588
Grants	221,448	796,364	645,283
Local transportation projects	27,721,514	38,113,249	52,874,512
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Total all other governmental funds	<u>\$ 28,022,843</u>	<u>\$ 38,964,667</u>	<u>\$ 53,567,383</u>

	<b>Fiscal Year - Post GASB 54</b>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund			
Non Spendable:			
Non Spendable	\$ 40,417	\$ 44,133	\$ 51,512
Spendable:			
Unassigned	6,156,230	5,788,867	5,504,106
Total General Fund	<u>\$ 6,196,647</u>	<u>\$ 5,833,000</u>	<u>\$ 5,555,618</u>

All Other Governmental Funds			
Non Spendable:			
Non Spendable	\$ 93,484	\$ 123,393	\$ 162,150
Spendable:			
Restricted for grants	574,167	646,082	344,380
Restricted for local transportation	5,075,487	4,987,961	5,129,542
Assigned	318,268	478,494	604,763
Total all other governmental funds	<u>\$ 6,061,406</u>	<u>\$ 6,235,930</u>	<u>\$ 6,240,835</u>

**Source:** Comprehensive Annual Financial Report

**Notes:** <sup>a</sup>Includes encumbrances and prepaid items.

GASB 54 adopted in 2011

2010 data restated for GASB 54 comparable presentation

TABLE 3

---

<u>2007</u>		
\$	15,555	
	4,256,017	
\$	<u>4,271,572</u>	
\$	48,359	
	437,221	
	40,148,643	
	(66,059)	
	-	
\$	<u>40,568,164</u>	
<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	\$	\$
67,473	55,616	80,646
5,266,892	5,029,314	4,918,967
\$	\$	\$
<u>5,334,365</u>	<u>5,084,930</u>	<u>4,999,613</u>
\$	\$	\$
98,930	57,990	36,339
271,591	193,244	181,786
5,129,542	6,038,421	13,877,396
765,271	248,498	204,827
\$	\$	\$
<u>6,265,334</u>	<u>6,538,153</u>	<u>14,300,348</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)**

	<b>FISCAL YEAR</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>				
Federal grants	\$ 9,130,586	\$ 13,357,415	\$ 22,491,763	\$ 20,631,697
State administered grants	112,250,105	103,398,608	99,668,833	105,208,041
Membership dues	685,727	678,492	664,694	657,054
*Local administered grants	149,525	-	-	-
Local contributed cash	7,212,111	15,874,027	8,144,514	12,964,481
In-Kind	15,901,151	22,288,500	16,227,555	13,125,408
Program income	440,475	472,822	467,077	387,546
Interest income	110,440	26,704	18,661	62,047
<b>TOTAL REVENUES</b>	<b>145,880,120</b>	<b>156,096,568</b>	<b>147,683,097</b>	<b>153,036,274</b>
<b>EXPENDITURES</b>				
Current:				
Agency administration	7,427,418	7,166,721	6,190,755	6,020,958
Agency management	663,102	767,169	782,985	570,521
**Community services	1,150,646	23,333,579	20,908,926	25,323,042
**Area agency on aging	15,911,917	-	-	-
**9-1-1 planning	8,163,109	-	-	-
Emergency preparedness	3,909,795	2,775,433	3,816,952	1,549,436
Environment & development	2,678,049	3,580,973	2,480,694	3,480,494
Research & information services	3,382,440	3,916,598	3,049,466	3,308,621
Transportation	42,021,853	59,104,042	55,083,003	56,926,135
Workforce development	60,614,440	57,182,521	58,157,641	59,530,189
Capital outlay	4,212,490	2,143,073	1,021,314	168,034
	<b>150,135,259</b>	<b>159,970,109</b>	<b>151,491,736</b>	<b>156,877,430</b>
Indirect cost allocation	(4,456,006)	(4,127,471)	(3,985,911)	(3,799,890)
Contributions to indirect costs	(14,706)	(18,547)	(22,821)	(17,882)
<b>TOTAL EXPENDITURES</b>	<b>145,664,547</b>	<b>155,824,091</b>	<b>147,483,004</b>	<b>153,059,658</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>215,573</b>	<b>272,477</b>	<b>200,093</b>	<b>(23,384)</b>
<b>OTHER FINANCING SOURCES AND USES</b>				
Capital-related debt issued (note payable)	-	-	-	-
Transfers In	412,599	364,834	963,409	1,239,823
Transfers out	(439,049)	(364,834)	(966,748)	(1,239,823)
Total other financing sources (uses)	(26,450)	-	(3,339)	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 189,123</b>	<b>\$ 272,477</b>	<b>\$ 196,754</b>	<b>\$ (23,384)</b>

\*In 2016, NCTCOG began the breakout of Local administered grants

\*\*NCTCOG began to break out the Area agency on aging and 9-1-1 planning from Community services in FY2016

TABLE 4

FISCAL YEAR					
<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 10,839,413	\$ 12,979,109	\$ 12,842,963	\$ 3,391,827	\$ 4,796,333	\$ 2,130,761
97,922,702	119,138,426	123,357,424	115,989,167	113,731,520	100,276,085
651,539	663,091	654,835	645,519	632,215	617,503
-	-	-	-	-	-
6,000,683	7,718,250	7,242,670	9,694,057	26,908,819	44,262,299
19,820,625	21,228,282	15,055,527	11,505,589	10,893,201	21,514,892
311,351	318,323	341,782	445,038	436,305	463,927
41,970	218,421	406,616	582,748	2,308,855	3,230,180
<u>135,588,283</u>	<u>162,263,902</u>	<u>159,901,817</u>	<u>142,253,945</u>	<u>159,707,248</u>	<u>172,495,647</u>
6,123,956	6,037,841	6,149,666	6,239,753	5,380,601	4,780,155
522,548	602,541	611,201	617,456	580,135	569,182
18,967,988	23,368,882	20,913,065	22,810,881	20,020,526	15,051,041
-	-	-	-	-	-
-	-	-	-	-	-
2,199,152	3,703,670	2,919,321	2,555,857	4,527,038	6,892,294
2,237,449	4,814,780	4,842,179	5,906,678	4,380,767	5,612,603
2,875,759	3,691,229	2,688,156	3,660,746	3,000,855	2,215,495
57,792,540	77,753,457	77,112,327	64,537,300	60,937,748	48,098,352
56,271,929	59,235,482	59,291,468	53,457,071	49,234,539	51,333,120
229,057	793,319	198,978	614,578	1,423,653	374,854
<u>147,220,378</u>	<u>180,001,201</u>	<u>174,726,361</u>	<u>160,400,320</u>	<u>149,485,862</u>	<u>134,927,096</u>
(3,634,081)	(3,718,074)	(3,614,978)	(3,359,333)	(2,860,926)	(2,872,021)
(321,138)	(292,163)	(380,116)	(378,949)	(366,759)	(363,527)
<u>143,265,159</u>	<u>175,990,964</u>	<u>170,731,267</u>	<u>156,662,038</u>	<u>146,258,177</u>	<u>131,691,548</u>
(7,676,876)	(13,727,062)	(10,829,450)	(14,408,093)	13,449,071	40,804,099
-	-	-	-	-	149,887
1,144,310	1,234,411	717,919	1,058,306	627,426	314,725
(1,144,310)	(1,230,174)	(717,919)	(1,086,787)	(627,426)	(340,564)
-	4,237	-	(28,481)	-	124,048
<u>\$ (7,676,876)</u>	<u>\$ (13,722,825)</u>	<u>\$ (10,829,450)</u>	<u>\$ (14,436,574)</u>	<u>\$ 13,449,071</u>	<u>\$ 40,928,147</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>LOCAL</u>					<u>TOTAL</u>
	<u>MemberDues</u>	<u>Interest (1)</u>	<u>Contributions (1)</u>	<u>In-Kind</u>	<u>Program</u>	
2016	\$ 685,727	\$ 110,440	\$ 7,212,111	\$ 15,901,151	\$ 440,475	\$ 24,349,904
2015	678,492	26,704	15,874,027	22,288,500	472,822	39,340,545
2014	664,694	18,661	8,144,514	16,227,555	467,077	25,522,501
2013	657,054	62,047	12,964,481	13,125,408	387,546	27,196,536
2012	651,539	41,970	6,000,683	19,820,625	311,351	26,826,168
2011	663,091	218,421	7,718,250	21,228,282	318,323	30,146,367
2010	654,835	406,616	7,242,670	15,055,527	341,782	23,701,430
2009	645,519	582,748	9,694,057	11,505,589	445,038	22,872,951
2008	632,215	2,308,855	26,908,819	10,893,201	436,305	41,179,395
2007	617,503	3,230,180	44,262,299	21,514,892	463,927	70,088,801

**Notes:** (1) Includes General and Special Revenue

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



**TABLE 5**

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<b>GRANTS</b>			
<u>*Local</u>	<u>State</u>	<u>Federal</u>	<u>TOTAL</u>
\$ 149,525	\$ 112,250,105	\$ 9,130,586	\$ 121,530,216
-	103,398,608	13,357,415	116,756,023
-	99,668,833	22,491,763	122,160,596
-	105,208,041	20,631,697	125,839,738
-	97,922,702	10,839,413	108,762,115
-	119,138,426	12,979,109	132,117,535
-	123,357,424	12,842,963	136,200,387
-	115,989,167	3,391,827	119,380,994
-	113,731,520	4,796,333	118,527,853
-	100,276,085	2,130,761	102,406,846

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 OUTSTANDING DEBT-GOVERNMENTAL ACTIVITIES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

**TABLE 6**

Fiscal Year	Outstanding Note Payable (1)	Annual Payments	Total Revenues	Payments as Percent of Total Revenues
2016	\$ -	\$ -	\$ 145,880,120	0.0000%
2015	-	-	156,096,568	0.0000%
2014	-	-	147,683,097	0.0000%
2013	-	-	153,036,274	0.0000%
2012	-	-	135,588,283	0.0000%
2011	-	-	162,263,902	0.0000%
2010	-	60,957	159,901,817	0.0381%
2009	60,957	42,896	142,253,945	0.0302%
2008	103,853	39,469	159,707,248	0.0247%
2007	143,322	6,565	172,495,647	0.0038%

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

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

**TABLE 7**

Year	Estimated Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>b</sup>	School Enrollment <sup>c</sup>	Unemployment Rate <sup>d</sup>
2016	7,058,290 *	\$ 369,173,934,836 *	\$ 51,976 *	1,379,534 *	3.5%
2015	6,939,250	362,947,715,000	51,099	1,348,402	4.0%
2014	6,842,340	344,279,922,000	49,506	1,329,571	5.0%
2013	6,753,080	320,035,384,000	46,989	1,312,126	5.7%
2012	6,671,420	311,008,898,000	46,400	1,289,298	6.7%
2011	6,602,580	292,079,377,000	44,450	1,264,190	7.8%
2010	6,539,950	267,544,467,000	41,462	1,240,827	8.2%
2009	6,639,630	256,748,150,000	40,485	1,216,929	7.8%
2008	6,538,850	272,171,616,000	43,820	1,193,011	5.1%
2007	6,406,450	252,997,455,000	41,598	1,168,405	4.3%

**Sources:** <sup>a</sup>Yearly NCTCOG Population Estimates.

<sup>b</sup>Income provided by BEA Regional Bearfacts for the  
 Dallas-Fort Worth-Arlington, Tx Metropolitan Statistical Area, via tracer2.com

<sup>c</sup>Texas Education Agency

<sup>d</sup>Texas Workforce Commission, via tracer2.com

**Notes:** N/A - Data not available.

\* - Approximation only, as information not published yet

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND PREVIOUS FIVE YEARS  
(UNAUDITED)**

**TABLE 8**

2016		
Employer <sup>a</sup>	Employees	Percentage of Total NCTCOG Employment
Wal-Mart Stores Inc.	34,000	0.93%
American Airlines Group Inc.	27,000	0.74%
Texas Health Resources	22,296	0.61%
Dallas Independent School District	19,740	0.54%
Baylor Scott & White Health	16,500	0.45%
Lockheed Martin Aeronautics Co.	13,750	0.38%
Bank of America	13,500	0.37%
City of Dallas	13,336	0.37%
UT Southwestern Medical Center	13,018	0.36%
Texas Instruments Inc.	13,000	0.36%
<b>Total</b>	<b>186,140</b>	<b>5.11%</b>

Total NCTCOG Region Employees<sup>b</sup> 3,641,906

Source:<sup>a</sup> Dallas Business Journal, Book of Lists 2017

<sup>b</sup> NCTCOG, RIS department

2015		
Employer <sup>a</sup>	Employees	Percentage of Total NCTCOG Employment
Wal-Mart Stores Inc.	25,534	0.73%
American Airlines Group Inc.	25,000	0.71%
Dallas Independent School District	20,000	0.57%
Texas Health Resources	19,131	0.54%
Baylor Scott & White Health	16,860	0.48%
Bank of America	14,465	0.41%
Lockheed Martin Aeronautics Co.	13,700	0.39%
City of Dallas	13,000	0.37%
Texas Instruments Inc.	13,000	0.37%
JP Morgan Chase Bank N.A.	12,600	0.36%
<b>Total</b>	<b>173,290</b>	<b>4.92%</b>

Total NCTCOG Region Employees<sup>b</sup> 3,519,871

Source:<sup>a</sup> Dallas Business Journal, Book of Lists 2016

<sup>b</sup> NCTCOG, RIS department

2014		
Employer <sup>a</sup>	Employees	Percentage of Total NCTCOG Employment
Wal-Mart Stores	52,700	1.55%
American Airlines Group, Inc.	23,700	0.70%
Baylor Health Care System	22,000	0.65%
Dallas ISD	20,793	0.61%
Texas Health Resources	16,205	0.48%
Bank of America	15,400	0.45%
City of Dallas	13,000	0.38%
JP Morgan Chase Bank N.A.	13,000	0.38%
Texas Instruments Inc.	13,000	0.38%
Lockheed Martin Aeronautics Co.	12,600	0.37%
<b>Total</b>	<b>202,398</b>	<b>5.96%</b>

Total NCTCOG Region Employees<sup>b</sup> 3,397,119

Source:<sup>a</sup> Dallas Business Journal, Book of Lists 2015

<sup>b</sup> NCTCOG, RIS department

2013		
Employer <sup>a</sup>	Employees	Percentage of Total NCTCOG Employment
Texas Health Resources	21,100	0.64%
Bank of America	20,000	0.60%
Dallas ISD	19,800	0.60%
American Airlines	19,219	0.58%
Baylor Health Care Systems	16,850	0.51%
Lockheed Martin	16,000	0.48%
JPMorgan Chase	14,500	0.44%
Texas Instruments	14,000	0.42%
City of Dallas	13,000	0.39%
UT Southwestern.	12,100	0.37%
<b>Total</b>	<b>166,569</b>	<b>5.03%</b>

Total NCTCOG Region Employees<sup>b</sup> 3,313,916

Source:<sup>a</sup> Dallas Business Journal, Book of Lists 2014

<sup>b</sup> NCTCOG, RIS department

2012		
Employer <sup>a</sup>	Employees	Percentage of Total NCTCOG Employment
American Airlines	24,700	0.77%
Bank of America	20,000	0.62%
Texas Health Resources	19,230	0.60%
Dallas ISD	18,314	0.57%
Baylor Health Care System	17,097	0.53%
AT&T	15,800	0.49%
Lockheed Martin	14,126	0.44%
JP Morgan Chase	13,500	0.42%
UT Southwestern Medical Center	13,122	0.41%
City of Dallas	12,836	0.40%
<b>Total</b>	<b>168,725</b>	<b>5.26%</b>

Total NCTCOG Region Employees<sup>b</sup> 3,209,334

Source:<sup>a</sup> Dallas Business Journal, Book of Lists 2013

<sup>b</sup> NCTCOG, RIS department

2011		
Employer <sup>a</sup>	Employees	Percentage of Total NCTCOG Employment
Wal-Mart	34,700	1.11%
American Airlines	24,888	0.80%
Texas Health Resources	24,189	0.78%
Bank of America	20,000	0.64%
AT&T*	17,500	0.56%
Baylor Health Care System	17,097	0.55%
Lockheed Martin	15,000	0.48%
JP Morgan Chase	13,500	0.43%
HCA North Texas Division	11,400	0.37%
Verizon	10,500	0.34%
<b>Total</b>	<b>188,774</b>	<b>6.06%</b>

Total NCTCOG Region Employees<sup>b</sup> 3,115,023

Source:<sup>a</sup> Dallas Business Journal, Book of Lists 2012

<sup>b</sup> NCTCOG, RIS department

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

**TABLE 9**

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Agency Management	3	3	3	3	3	3	3	3	3	3
Agency Administration	44	42	41	39	38	39	39	39	34	30
Public Affairs	2	2	2	2	3	4	4	4	4	4
Research and Information Services	29	27	27	27	26	30	32	32	31	27
*Community Services	7	47	46	44	44	45	41	40	38	34
*Area Agency on Aging	22	-	-	-	-	-	-	-	-	-
*9-1-1 Planning	24	-	-	-	-	-	-	-	-	-
Environment & Development	13	13	12	12	18	23	23	24	26	24
Transportation	158	148	149	149	153	158	149	154	145	116
Workforce Development	39	34	34	31	28	25	22	22	24	23
Emergency Preparedness	11	11	12	12	13	18	18	13	11	9
<b>Total</b>	<b>352</b>	<b>327</b>	<b>326</b>	<b>319</b>	<b>326</b>	<b>345</b>	<b>331</b>	<b>331</b>	<b>316</b>	<b>270</b>

**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

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

Function/Program	Fiscal Year			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Local assistance	\$ 1,296,232	\$ 1,268,031	\$ 1,265,257	\$ 1,298,343
Transportation - TxDOT	1,307,581	841,120	841,120	731,705
Regional information services	1,818,749	1,435,746	1,286,210	1,286,210
Environmental resources	110,290	110,810	93,194	99,054
Emergency preparedness	262,583	252,688	252,688	240,834
Workforce development	3,829,235	3,597,104	3,352,543	3,291,296
*Community services	65,790	3,426,035	1,565,202	792,998
*Area agency on aging	30,063	-	-	-
*9-1-1 planning	6,747,587	-	-	-
Enterprise fund	7,483,991	7,467,896	7,389,956	7,383,536

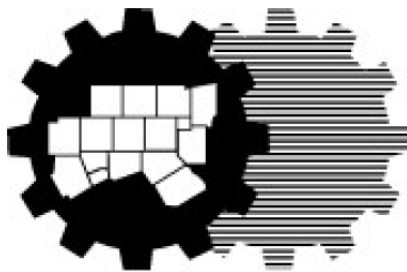
**Source:** Comprehensive Annual Financial Report

\*NCTCOG began the break out of the Area agency on aging and 9-1-1 planning from Community services in FY2016

TABLE 10

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<b>Fiscal Year</b>					
<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,284,610	\$ 1,220,486	\$ 1,188,120	\$ 1,185,086	\$ 1,208,926	\$ 772,363
731,705	726,435	617,517	617,517	540,975	414,588
1,301,023	1,301,023	1,264,710	1,264,710	1,102,440	837,499
99,054	99,054	99,054	99,054	99,054	99,054
241,709	241,709	215,893	188,670	88,164	67,451
3,291,867	3,234,064	2,659,095	2,592,517	2,530,547	2,076,129
697,102	600,545	600,545	501,362	376,749	151,005
-	-	-	-	-	-
-	-	-	-	-	-
7,361,554	7,361,554	7,335,034	7,335,034	7,335,034	8,080,514



**North Central Texas  
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