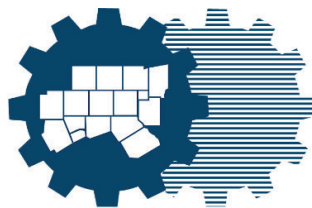


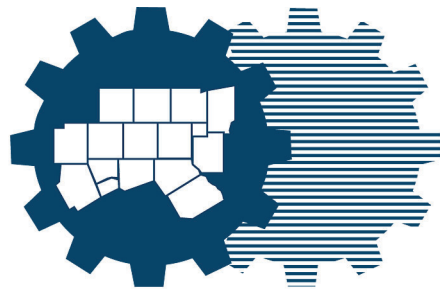


# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FISCAL YEAR ENDED SEPTEMBER 30, 2025**



**North Central Texas  
Council of Governments**



**North Central Texas  
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

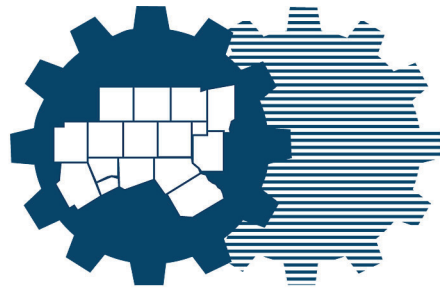
**Executive Director**  
Todd Little



**Deputy Executive Director**  
Monte Mercer, CPA

***PREPARED BY***  
***DEPARTMENT OF ADMINISTRATION***

Randy Richardson, CPA, Director of Administration  
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**North Central Texas  
Council of Governments**

# NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

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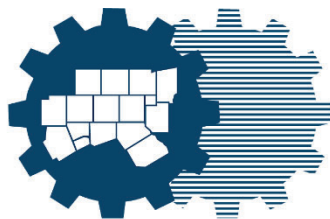
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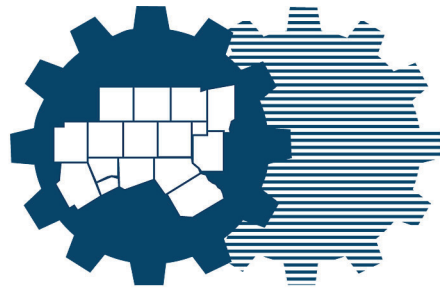
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## **INTRODUCTORY SECTION**



**North Central Texas  
Council of Governments**



**North Central Texas  
Council of Governments**





## North Central Texas Council of Governments

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

February 26, 2026

Members of the Executive Board, General Assembly and citizens of the NCTCOG 16 county region:

The Annual Comprehensive Financial Report of the North Central Texas Council of Governments (NCTCOG, the Council' or 'the Agency') for the fiscal year ended September 30, 2025, is hereby submitted. This report was prepared for the Agency by NCTCOG's Department of Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of NCTCOG as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Council's financial affairs have been included.

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

NCTCOG is required to undergo an annual single audit in conformity with the provisions Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)* and *State of Texas Grant Management Standards*. Information related to the single audit, including the schedules of expenditures of federal and state awards, findings and recommendations, and other independent auditor's reports on the single audit; these items are issued separately from the ACFR and included at the end of this report.

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

### **Organizational Profile**

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

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

The Agency is an organization of, by, and for local governments. Its purpose is to strengthen both the individual and collective power of local governments – and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to assist in the implementation of those decisions. The NCTCOG is governed by a general assembly composed of one voting representative from each of the 235-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 8 million, which is larger than 37 states, and an area of nearly 12,800 square miles, which is larger than nine states. NCTCOG’s 235-member governments are comprised of 16 counties, 170 municipalities, 20 independent school districts, and 29 special purpose districts.

The Council’s functional activities include responsibilities in the following areas – Transportation, Workforce Development, Area Agency on Aging, Emergency Preparedness, Environment & Development, a Research and Information Services Center and Community Services; comprised of Criminal Justice Planning, the Training & Development Institute (TDI) and Regional Law Enforcement Training. The Council also administers the North Central Texas Emergency Communications District (NCT9-1-1) and the North Central Texas Economic Development District (NCTEDD).

### **Economic Condition and Outlook**

NCTCOG’s regional population increased by approximately 236,988 persons during 2025 for a January 1, 2025 total estimated population of 8.7 million.

The October 2025 unadjusted unemployment rate for the 16 county NCTCOG region was 4.2%, which was above the Texas rate of 4.1% but below the national figure of 4.6%.

Despite the economic concerns of the last few years, NCTCOG expects there to be more than 12 million people and over 8 million jobs in the area by 2050. 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)**- Strategic Transportation Block Grant Program (STBG) funding, in the amount of \$2,000,000, has been approved to support the development of an early warning system for roadway flooding. The goal of the program is to predict, with Artificial Intelligence (AI), roadways that could flood from an incoming storm, alert emergency services, and close the road through a navigational AI system. A consultant will be hired to achieve the project’s goals.

The NCTCOG has received \$3,643,199 from the Department of Defense (DOD) Office of Local Defense Community Cooperation (OLDCC) for a Community Noise Mitigation grant to implement a plan that will reduce the impact of fixed-wing military aviation noise in school buildings surrounding the Naval Air Station Joint Reserve Base (NAS JRB) Fort Worth.

The implementation activities will include school/military coordination, acoustical testing, and building construction.

Regional Transportation Council (RTC) Local funds, in the amount of \$350,000, have been approved to support development and implementation of strategies to reduce travel demand during special events. Funding will be used to manage World Cup travel behavior by sharing messaging with North Texas residents about reducing background traffic on match days. Activities include campaign development, partner coordination, and public outreach across multiple communication channels. The goal of this effort is to help maintain mobility, minimize congestion, and ensure a positive experience for residents and visitors during World Cup events.

Regional Toll Revenue, in the amount of \$12,500,000, has been approved for the Rail Crossing Improvement Program (RCIP) to improve safety and quality of life near at-grade rail crossings throughout the NCTCOG region. The RCIP is to identify low-cost solutions for crossings in disrepair by working with cities, counties, and the Texas Department of Transportation (TxDOT). NCTCOG staff reviewed at-grade crossings across the region based on the specified evaluation criteria. RCIP projects approved in 2025 were safety improvements, crossing closures and quiet zone on the Union Pacific Railroad from Kellis Street to Jessamine Street in Fort Worth and Vilbig Road to East Jefferson Street in Dallas.

NCTCOG executed a subrecipient agreement with Public Transit Services to begin rehabilitation of its Mineral Wells administrative facility, which sustained damage during the Severe Winter Storms of 2021. This project, funded at \$90,000 through Federal Transit Administration's Emergency Relief program, supported restoration of critical infrastructure necessary for transit operations in Palo Pinto County and surrounding areas. During Fiscal Year FY25, staff finalized contractual arrangements, coordinated compliance requirements, and initiated rehabilitation activities at the facility.

NCTCOG initiated a subrecipient agreement with Span Transit to implement Enhanced Mobility for Seniors and Individuals with Disabilities in Denton County. This project, funded at \$2,500,000 through the Federal Transit Administration Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program, initiated an expansion of transportation options for older adults and persons with disabilities by improving service coverage, accessibility, and coordination. During FY25, Span began implementing expanded services with greater coverage to meet the needs of these individuals in Denton County.

Regional Toll Revenue, in the amount of \$600,000, have been approved for the Air Quality Truck Assessment and Goods Movement Program. The goal of the project is to identify on-road heavy-duty diesel vehicles with tampered and/or disabled emissions components and assess their air quality impact within the 10-county nonattainment area. The program will fund the purchase of equipment to detect emissions tampering in heavy-duty diesel vehicles and partner with law enforcement agencies across the region to scan vehicles, ensuring compliance with air quality standards. After the TxDOT funding agreement was executed in January 2025, work began on this project. This funding was used to develop a procurement process, release a request for quotes opportunity, select a technology vendor, and begin the assessment of laboratory testing facilities.

Regional Toll Revenue funds, in the amount of \$200,000, have been approved for the Vehicle Emissions Inspection and License Plate Project. The project's goal is to assess and identify potential instances of license plate fraud and the circumvention of vehicle emissions inspections within the 10-county nonattainment area. By leveraging license plate reading (LPR) cameras in collaboration with law enforcement partners, the project will collect and evaluate data to identify fraudulent or manipulated license plates. This initiative will help prevent fraud and the use of manipulated license plates. After the TxDOT funding agreement was executed in January 2025, project work commenced. This funding was used to

coordinate with a local law enforcement agency and a toll road authority to collect data and evaluate potential trends.

RTC Local funds, in the amount of \$200,000, has been received to support the Car Care Safety Integration Project. The goal of the project is to promote vehicle safety and develop partnerships with vendors to replace safety components in vehicles as needed. Work began in October 2024. This funding was used to develop a consultant scope of work and release a request for proposals for vendor services. Due to receiving no RFP applications, there was a lack of interested external parties to implement this project. The project was closed in the summer of 2025.

Texas Department of Transportation funding, in the amount of \$790,000, was received for the Regional Scrap Tire Abatement Program. This program will work to reduce illegal dumping and the presence of scrap tires in the North Central Texas region by implementing strategies to address challenges faced by the region through collaboration with local stakeholders. Work is multi-faceted in providing financial support to local stakeholders to improve availability of proper tire disposal options, increase awareness and education on the illegal dumping of tires, and in assisting local governments in improving local regulation and/or city ordinances as it relates to scrap tires.

NCTCOG received \$60,000,000 from the Environmental Protection Agency's Clean Heavy-Duty Vehicles Program to support the deployment of medium-and heavy-duty zero-emission vehicles (ZEVs) by providing rebates for the replacement of existing emitting vehicles with ZEVs and conducting workforce development and training activities. A call for projects will be issued to provide rebate awards for vehicles operating in or through the NCTCOG region.

NCTCOG received \$15,000,000 from the Federal Highway Administration (FHWA) Charging and Fueling Infrastructure (CFI) Community Program to deploy electric vehicle charging stations to fill gaps in the existing charging infrastructure network, and \$70,000,000 from the FHWA CFI Corridor Program to build a network of hydrogen refueling stations at five locations across the Texas Triangle.

NCTCOG received \$3,660,000 from the FHWA Electric Vehicle Charger Reliability and Accessibility Accelerator Program to repair, replace, or upgrade existing but non-operational electric vehicle chargers. Transportation Planning Funds, in the amount of \$200,000, were approved to further alternative fuel corridor planning, such as optimizing placement and utilization of fueling infrastructure for alternative fuel vehicles.

NCTCOG received \$1,500,000 from the Joint Office of Energy and Transportation to develop a plan to ensure that electric vehicle charging is resilient and reliable in the event of a grid outage in order to enable any critical operations performed by electric vehicles. Additional planning related to the intersection of the power grid and electric vehicle charging resilience and reliability will be supported through an agreement for \$1,400,000 in Regional Toll Revenue funds. Additional Surface Transportation Block Grant Program (STBG) funds were received to continue Air Quality Initiatives to conduct work aimed at improving air quality throughout the region.

Regional Toll Revenue, in the amount of \$4,000,000, have been approved to focus on ways to reduce the youth fatality rate associated with motor vehicle crashes in the Dallas-Fort Worth region. This project will take a prevention-based approach through the development of a peer bystandership intervention training program that would result in youth recognizing risky driving behaviors in their peers, understanding inhibitors to intervening, overcoming those inhibitors, and ultimately engaging in active bystander behaviors to prevent their peers from engaging in the behaviors most frequently associated with unsafe driving—distracted driving, driving under the influence of alcohol or other substances, excessive speed,

and not wearing a seatbelt. A three-year project consisting of program and curriculum development, program implementation and data collection, and program analysis and assessment.

Regional Toll Revenue, in the amount of \$250,000, have been approved to integrate and link software applications within the region to the 2026 FIFA World Cup application. Funding will be used to inventory existing software applications within the region, provide linkages to existing applications, and help draft the transportation components to include in the 2026 FIFA World Cup application.

Surface Transportation Block Grant Program funds, in the amount of \$2,500,000, have been received for the Work Zone Data Exchange initiative. This project aims to collect real-time road closure data and share it through a regional data exchange for public access, third-party applications, and autonomous vehicle integration. Seven cities were selected and approved to implement projects. Scopes of work and agreements were developed, and each city is in various stages of internal approvals. The overall objective of the federal Work Zone Data Exchange project is to make travel on public roads safer and more efficient through access to data on work zone activity. Additionally, the initiative will enhance regional traffic information and provide valuable insights into best practices for accurate data collection and dissemination amongst agencies.

Congestion Mitigation and Air Quality Improvement Program funds, in the amount of \$3,450,000, have been received for the Regional Traffic Signal Retiming Program. The program will use regional performance measures to prioritize corridors and implement traffic signal retiming to maximize existing signal capacity, improve arterial traffic flow, and reduce emissions from stop-and-go traffic. One or more consultants will be utilized to maintain the performance measures platform for regional traffic signal system evaluation, coordinate traffic signal improvement needs, and support implementation of signal retiming. The goal is to enhance mobility, improve travel time reliability, and achieve measurable air quality benefits across the region.

**Area Agency on Aging (AAA)** – The Aging program lost benefit from pandemic-relief legislation at the end of Fiscal Year 2024 and entered Fiscal Year 2025 with greater reliance on an Older Americans Act formula-based grant that remained flat, failing to keep pace with dramatic growth in the number of older North Central Texans. Further, it had to further reduce its budget mid-year as the Texas Health and Human Services Commission (HHSC) encountered a shortfall in matching funds for prior year carryover. In response to reduced funding, the Aging program eliminated two staff positions.

During Fiscal Year 2025, the Aging program was supported by the following revenue sources:

- Funding from HHSC in the amount of \$10,829,549 to administer Older Americans Act programs (e.g., nutrition, transportation, case management, and long-term care ombudsman) for North Central Texans aged 60 and over and their family caregivers.
- Funding from HHSC in the amount of \$317,211 to administer an Aging and Disability Resource Center. Through this program, Aging staff provide information and referral, respite, housing navigation, and options counseling services for North Central Texans who are older and/or have disabilities.
- Relocation funding in the amount of \$1,109,689 under contracts with Molina Health Care, United Health Care, and WellPoint to help nursing home residents return to the community.
- Funding from the Administration for Community Living (ACL) in the amount of \$148,949 to expand support for people with dementia and their family caregivers in a 28-county region.
- Funding from the Better Business Bureau in the amount of \$23,500 to educate Medicare beneficiaries about program fraud.



- Funding from the Texas Department of State Health Services in the amount of \$149,999 to increase local dementia supports.
- Funding from the Veterans Administration in the amount of \$528,236 to serve as an Aging and Disability Network Agency in support of the Veteran Directed Care program.

Collectively, Aging programs provided ongoing services to more than 10,000 North Central Texans.

### **Community Services**

***Criminal Justice Planning*** - During fiscal year 2025, the Criminal Justice Program focused on fulfilling the requirements of the Interlocal Cooperation Agreement between NCTCOG and the Office of the Governor's Public Safety Office (PSO). Staff provided technical and operational support to more than 100 agencies for over 165 criminal justice grant applications, conducted 11 grant application workshops, supported the Criminal Justice Policy Development Committee, oversaw strategic planning efforts, and completed additional activities required by the PSO.

***Training & Development Institute (TDI)***- Over the 2025 Fiscal Year, TDI successfully facilitated 98 individual courses for the region and state, including four Recurring Cohort Programs for Municipal Management Professionals in the Region. Of the courses offered this fiscal year, 7 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 78 participants successfully complete these 20-hour courses. TDI additionally hosted 27 Public Funds Investment Act training dates which are required for all public finance and investment officers in the State of Texas; 1,373 participants received their certificates of completion for this training course during the 2025 Fiscal Year through our participation. In cooperation with NCTCOG's Transportation Department, the TDI hosted six Traffic Incident Management Safety courses for First Responders & Managers, that consisted of 145 participants from a variety of agencies. Five of the courses were hosted at our NCTCOG offices, and one was hosted in Fort Worth at the Texas Dept. of Transportation training facility. In addition to the courses outlined above, the TDI facilitated and built out the course offerings in the areas of Public Works, Planning and Zoning, Leadership and Management Academies Best Practices, and ADA Compliance. The TDI staff additionally helps provide support when needed for special requests by NCTCOG departmental staff including providing requested training and/or project facilitation support to internal departments."

***Regional Law Enforcement Training (RPA)***- During FY25, the Police Academy conducted eight Basic Peace Officer Courses and graduated 291 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy submitted 160 training rosters for a total of 280,261 contact hours and 2,355 students to the Texas Commission on Law Enforcement. This included recruitment, in-service and satellite courses.

***Emergency Preparedness (EP): Regional Emergency Preparedness Member Program***: In FY25, the North Central Texas Regional Emergency Preparedness (EP) Program, managed by the Emergency Preparedness Department, collected \$503,500 in membership dues. Membership funds were used to meet stakeholder needs through advocacy, planning, training and exercise assistance, meeting coordination, regional program/project implementation and management, and multiple other support services. The NCTCOG EP Program is one of the largest and most effective emergency preparedness efforts in the United States. It facilitates collaborative planning, projects and programs that help to build both local and regional capabilities, which in turn enhances the protection of our north central Texas populations and critical infrastructure. Member dues are used to fund a diverse variety of services aimed at creating a stronger, safer region through lasting partnerships and proactive emergency preparedness initiatives. The overarching expense from this funding stream is organizational support. Deliverables are intended to embrace the needs of a wide spectrum of disciplines associated with emergency preparedness and management, including

public service, police, fire, emergency management, public works, transportation, special districts, emergency medical services, and others.

In FY25, 26 training courses, with 20-40 individuals attending each, were coordinated through NCTCOG Emergency Preparedness, providing our region a wide variety of training opportunities including many in preparation for special events planning and emergency response training focused on upcoming World Cup operations. In FY25, EP facilitated two regionally scoped exercises – Cyber/EOC/Fusion Exercise and the Regional Transportation MetroX Tabletop. Numerous jurisdictional/county/hospital/and flooding exercises were also supported by EP to include moulage, volunteering, evaluation and control, simcell support, and providing exercise supplies. The EP Department is able provide coordination such as this, and other identified services, while accomplishing regional goals and objectives that may not otherwise be met through the dues program.

FY26 member dues will directly support identified regional emergency preparedness goals, bring information and training to meet regional needs, and support standard functions such as free regional trainings, exercise support, working group facilitation, grant assistance and management, project facilitation and support; and advocacy services when appropriate. As a result, the EP Department is able provide these, and other identified services, while accomplishing regional goals and objectives that may not otherwise be met.

**Homeland Security Program:** The Homeland Security Grant Program (HSGP) consists of both the State Homeland Security Grant Program (SHSP) and the Urban Area Security Initiative (UASI) Grant Program. HSGP funds support thirty-two core capabilities across the five mission areas of prevention, protection, mitigation, response, and recovery. Expenditures close capability gaps identified in the Threat and Hazard Identification and Risk Assessment (THIRA), Stakeholder Preparedness Review (SPR), UASI Strategy, and After-Action Reports (AARs) from exercises or real-world events that have occurred within our region. Homeland Security funds have helped our region increase response capabilities by developing/updating plans, equipping special response teams, training first responders, and exercising emergency management and other special teams. In 2 FY25, the D/FW/A Urban Area received \$14,941,233 in GY2024 Urban Area Security Initiative (UASI) funds from the U.S. Department of Homeland Security (DHS). These funds were available for use beginning September 1, 2024, with 37.5% of the overall funding award, \$5,599,532.92 regionally, dedicated toward law enforcement activities. The Urban Area had to meet an overall 30% allocation of DHS funds identified in the following National Priority Areas (NPAs): Soft Targets/Crowded Places (no minimum percent), Intelligence and Information Sharing (no minimum percent), Domestic Violence Extremism (no minimum percent), Cyber Security (no minimum percent), Community Preparedness and Resilience (no minimum percent), and Election Security (3%). Once funds are received, allocations are awarded to regional projects, the three UASI core cities (Dallas, Fort Worth, and Arlington), four metro counties (Collin, Dallas, Denton, and Tarrant), and jurisdictions with a population of 100,000 within those counties.

Additionally, the region received \$ 1,372,500.00 from the GY2024 DHS State Homeland Security Program (SHSP) grant beginning September 1, 2024. Additionally, 35.16% of the SHSP award was dedicated toward law enforcement activities, totaling \$482,584.00. The state had to meet an overall 30% allocation of DHS funds identified in the following National Priority Areas (NPAs): Soft Targets/Crowded Places (no minimum percent), Intelligence and Information Sharing (no minimum percent), Domestic Violence Extremism (no minimum percent), Cyber Security (no minimum percent), Community Preparedness and Resilience (no minimum percent), and Election Security (3%). Funding from the SHSP Grant supports the implementation of State Homeland Security Strategies addressing the capability targets established in the regional Threat and Hazard Identification and Risk Assessment (THIRA). The Regional Emergency Preparedness Advisory Committee (REPAC) utilized regional working groups to create and submit projects to benefit the region. These projects are intended to close capability gaps and build new capabilities by

enhancing citizen preparedness in disaster events, providing equipment and training to regional special response teams, and fund regional full-scale training and exercise events. As a result of these funded projects, local governments throughout the region build on their capacity and enhance their ability to prevent, protect, mitigate, respond to, and recover from a terrorist incident or other catastrophic event.

**Collaborative Adaptive Sensing of the Atmosphere (CASA WX) Member Program:** The Collaborative Adaptive Sensing of the Atmosphere (CASA WX) program is a weather observation system paradigm based on a low power, low cost, overlapping network of radars capable of providing rapid, enhanced weather data. To support the weather radar system in the Dallas Fort Worth area, the EP Department continued to manage the CASA WX membership program, collecting membership dues from local jurisdictions totaling \$134,156. Membership dues go towards sustaining operational expenses of the radar network and CASA organizational support. Local jurisdictions that are members of the CASA WX program gain access to the CASA website, allowing them to see CASA WX radar data down to the neighborhood level with minute-to-minute updates. This information helps reduce uncertainty during weather events, enhances decision-making, and can potentially save lives and reduce damage to property. Organizational support includes coordination of the CASA WX Executive Council and in collaboration with the CASA researchers at the University of Massachusetts and engineers at Colorado State University.

#### **REGIONAL CATASTROPHIC PREPAREDNESS GRANT PROGRAM (RCPGP)**

The RCPGP was a new initiative for the NCTCOG EP department in FY25. This 3-year project has a performance period of Oct 1, 2024 – September 30, 2027. The award amount of \$1,492,902.00 over the 3-year period includes personnel costs, training, exercise, and planning activities. The goal of the project is to improve community resilience in the NCTCOG region by providing hands on support, knowledge, and empower our local emergency managers with the tools and resources needed to prepare their communities. Four new temporary staff were hired into the NCTCOG EP department in FY25 to implement grant initiatives. In FY25, the RCPGP team identified regional planning team representatives and conducted partner meetings and community preparedness programs for supporting jurisdictions. The team has also produced resilience kit pamphlets and public outreach materials based on input of our region of identified gaps.

**Information & Innovation Services (IIS)** - Information and Innovation Services supports internal and external activities through technology and information sharing. The department provides objective, consistent, and timely information, and analysis on development in the region for use in regional and local planning and economic development activities. The department also supports the internal computer systems as well as several local workforce centers.

**Data Sharing** – IIS promotes agency data programs and regional data sharing through open data platforms. These include an Open Data site (Regional Data Center), DFWMaps, and NCTCOG GIS. Featured on these portals are unique applications for interaction with various data layers as well downloadable data from multiple NCTCOG departments. In addition to developing many of the featured items, IIS provides the infrastructure support that powers these platforms.

**Unique Products** – IIS develops or acquires a variety of distinctive and high-value datasets based on the needs of agency departments and local governments. These include demographic data such as annual estimates of population and long-range, small-area demographic forecasts. IIS develops or maintains nearly 40 geospatial data layers including land use, city limits, and roads. Through the Spatial Data Cooperative Program (SDCP), IIS provides aerial imagery, digital elevation contours, and building footprints. The SDCP is supported by local government participants, but the data are also available for a nominal fee for anyone who needs them.



**Innovation** - IIS is committed to leveraging technology to improve quality and efficiency. IIS has been using machine learning for nearly a decade in demographic forecasting work and is taking advantage of AI for automation of tasks related to dataset development. Proposed future additional uses of technology include AI tools (deep learning models) in development of unique geospatial data layers.

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

The Workforce Development Board and staff of WSNCT work together to identify the priorities of the region and the role the organization plays in propelling the region forward. We are laser-focused on building economic prosperity, developing a sustainable and skilled workforce, and attracting additional employers to strengthen and bolster North Texas.

### **Child Care**

Quality child care is a vital foundation for workforce readiness and drives economic growth in our region by enabling parents to thrive professionally. As part of our Child Care Scholarship initiative, in FY25, we served an average of 7,600 children each day.

WSNCT has a team of Early Childhood Specialists who meet regularly with Early Learning Program (ELP) directors to coach and mentor the ELP staff members. WSNCT Early Childhood Specialists provide observations, suggestions, resources, and a support system for the programs as they work towards the Texas Rising Star (TRS) Assessment. The Early Childhood Specialists team provided more than 276 hours of professional development training to nearly 3,700 ELP staff, as well as more than 21,500 hours of mentoring and coaching to programs throughout our region.

Additional Child Care Quality milestones for FY25 include:

- \$226,842 in professional development scholarships and training opportunities were made available for early childhood education and child development. A total of 3,664 early learning educators participated in the opportunities provided.
- \$1,397,924 in grants were awarded for the purchase of equipment and materials to enhance learning environments. 588 Early Learning Programs received grants and additional support.
- \$4,636,073 in wage supplements were provided to 1,482 early learning educators. Participating programs were required to participate in business coaching with a business advisor to connect them with resources and best practices, including employee retention.
- 153 Child Development Associate (CDA) scholarships were provided to early childhood educators, of which 48 have completed their CDA course and are in the process of obtaining certification.
- 298 Early Learning Providers Texas Rising Star certified.

### **Career Pathways**

Developing a vibrant, diverse and sustainable workforce to meet the needs of regional employers is a priority for WSNCT. We support career seekers through our 11 workforce centers as well as through a number of special initiatives that target specific populations. Our workforce centers are strategically located throughout the 14-county service area, and each center provides support to career seekers and area employers through administration of workforce development programs, partnerships with community organizations, distribution of training funds and building connections with local area employers.

Our Adult Education and Literacy (AEL) program contracts with Collin College, Denton ISD, Navarro College, Paris Junior College, Weatherford Independent School District, and Workforce Solutions for Tarrant County to support our region to provide GED, HiSet, ESL and various trainings for upskilling.

In 2025, we also collaborated with Weatherford College on 10 co-branded, in-demand career “Pathways” flyers (*Business, Nursing, Healthcare, Computer Science, Public Safety, Industrial & Manufacturing, Counseling & Social Work, Education, Fine & Performing Arts, and bachelor’s degree concentrations*). The Pathways initiative is designed to better educate students on their education and career opportunities and remove roadblocks for students in their pursuit of higher education degrees and certificates.

WSNCT developed and launched online Data Dashboards for 24/7 access to interactive labor market and demographic information, county-level economic profiles, and career lattice data for in-demand occupations. The Career Lattice dashboard highlights some of the most in-demand occupations in our region, providing a comprehensive look across three levels: entry-level, mid-level, and senior-level. The lattice also indicates which occupations have apprenticeship programs in our region that provide training for individuals looking to gain skills for that career path. The Career Lattice empowers job seekers to make informed decisions about their professional journeys.

Our Summer Earn and Learn (SEAL) program gives students with disabilities the opportunity for meaningful work as a pathway to future careers. Through SEAL, the skills and interests of students ages 14 to 22 are matched with companies willing to provide work-based learning opportunities that could potentially lead to filling critical positions. FY25 outcomes include:

- 79 Students completed Work Readiness Training
- 107 Students were placed in Paid Work Experience
- 96 Completed at least five weeks of Paid Work Experience
- 62 Worksites participated in Summer Earn & Learn

### **Industry and Workforce Engagement**

Launched in 2025, our new Industry and Workforce Engagement targeted service delivery model places more business services staff in our Workforce Center locations across our 14-county region. This grassroots proximity to businesses fosters more agility in responding to employer needs, better in-demand industry alignment and a deeper understanding of each county’s economic and workforce environment. The local wisdom we gain is shared with our education partners and incorporated in our labor market information – including our Target Occupations List – that places powerful and actionable career path data in the hands of job seekers.

To help facilitate stronger post-secondary partnerships and more agile responses to industry needs, we held strategic meetings with 27 senior leaders from our region’s Universities and Community Colleges. Topics included employer-led skills development, dual-credit alignment, and stackable credentials for improved job seeker employability.

At the request of the Texas Workforce Commission, WSNCT convened a regional Economic Development Forum as a blueprint for other workforce boards to follow. The event, held at the beginning of FY25, attracted more than 160 economic developers, educators and workforce professionals from across North Texas to hear experts on the economy, share best practices and identify areas of opportunity for collaboration.

***Environment & Development (E&D)-Resource Conservation*** NCTCOG's Environment and Development Department has authorized an agreement with the Texas Council on Environmental Quality (TCEQ) for \$855,247 in funding from the U.S. Environmental Protection Agency (EPA) Municipal Solid Waste Program for solid waste materials management program assistance. In Fiscal Year (FY) 2025, NCTCOG assisted the TCEQ with activities that support regional solid waste materials management education and training, promote creation and expansion of materials management programs, measure regional waste reduction efforts, support innovative technologies for other waste, and promote collaborative public/private sector partnerships for sustainable materials management in North Central Texas. A new contract supporting circular purchasing of gently used governmental goods was established.

***Watershed Management – Water Quality Initiatives*** NCTCOG's Environment and Development Department has authorized an agreement with the Texas Council on Environmental Quality (TCEQ) for \$90,000 in funding from the U.S. Environmental Protection Agency (EPA) Water Quality Management Program (Clean Water Act Section 604 (b)) for planning and implementation of water quality management activities. In Fiscal Year (FY) 2025, NCTCOG assisted TCEQ with activities that support regional planning and activities that promote water quality improvements. Activities included tire cleanups, outreach and education efforts, and environmental training, creation and expansion of non-point source water quality management programs, measures of regional water quality improvements, establishing regional resource libraries such as the online on-site sanitary sewer system inventory, initiating regional efforts around urban forestry, supporting innovative technologies, and promoting collaborative public/private sector partnerships for sustainable water quality management in North Central Texas.

NCTCOG's Environment and Development Department has authorized an agreement with the Texas Council on Environmental Quality (TCEQ) for \$256,559 in funding from the U.S. Environmental Protection Agency (EPA) Impaired Watersheds (Total Maximum Daily Load, (TMDL) Program (b)) for water quality management in impaired watershed program assistance. In Fiscal Year (FY) 2025, NCTCOG assisted TCEQ with activities that support regional water quality management activities, outreach and education efforts, and environmental training, creation and expansion of non-point source water quality management programs, regional water quality improvements, and promoting collaborative public/private sector partnerships for sustainable water quality management in North Central Texas. New efforts under this funding include costing community meetings to update the regional TMDL I-plan to address bacteria.

***Watershed Management – Floodplain Management Initiatives*** NCTCOG's Environment and Development Department has authorized an agreement with the Federal Emergency Management Agency (FEMA) Cooperating Technical Partners Program and Communications Programs for \$92,433 to support efforts to continue conducting stakeholder engagement, data collection, modeling, and developing resources and tools for local governments to reduce flood risk and minimize downstream stormwater impacts. Primary efforts included continuing partnerships of federal, state, and local partners to document, organize, provide training for, and improve upon studies and mapping for flood hazard needs throughout the region; and supporting other regional collaborative efforts such as cooperative purchases, deployment of flood warning devices. Specific tasks included completing, hosting the L-273 four-day floodplain management course in partnership with FEMA and Texas Water Development Board, and hosting a Floodplain Seminar for Elected Officials and Municipal staff in coordination with the Community Rating System Regional Users Group.

In FY2025, the Environment & Development Department continued work with the Transportation Department on the multi-year Integrated Transportation and Stormwater Management Infrastructure (TSI) Study with \$6,270,000 in total funds authorized through a \$3,000,000 Texas Water Development Board

grant, \$2,970,000 in Surface Transportation Block Grant Program (STBG) funds from TxDOT, and \$300,000 in Regional Transportation Council (RTC) Local funds. The study is proactively integrating regional stormwater management, community development, transportation and environmental planning to address rapid urbanization and the increasing frequency/severity of extreme rainfall events, resulting in a transferable “roadmap” for addressing flood risk awareness and resiliency, across the region. This year’s efforts included developing standard operative procedures to use for modelling, completion of the Hydrologic and Hydraulic modelling in the Mary’s Creek pilot study area, and initiation of tasks for optimization of storage areas, flood warning systems, and stakeholder involvement.

Additionally, the NCTCOG continued efforts under an additional grant from the Texas General Land Office in the amount of \$3,973,930 to initiate similar TSI work in the North Study area, generally the portion of the Upper Trinity River basin above Denton. This year’s initiation included approval of interdepartmental agreements with the NCTCOG Transportation and Information & Innovation Services (IIIS) departments, as well as initiation of interagency agreements, including with the United States Army Corps of Engineers, Upper Trinity Regional Water District, University of Texas at Arlington, and Texas A&M AgriLife. Work primarily consisted of community input meetings, and hydrologic and hydraulic modelling of project area streams.

***Center for Development Excellence*** Efforts in FY 25 included implementation of the Semi-annual Celebrating Leadership In Development Excellence (CLIDE) Awards to seven award Recipients, during the NCTCOG’s 58<sup>th</sup> Annual General Assembly Meeting on Friday, June 13, 2025. The CLIDE Awards Program, created in 2003, recognizes public and private entities including cities, developers, architects, planners, and engineers to encourage innovative development projects and practices that will help accommodate expected growth and ensure sustainable North Texas for generations to come. With emphasis on the Principles of Development Excellence, the CLIDE Awards Program offers five categories for submissions, including: New Development; Redevelopment; Special Development; Raising Public Awareness; and Public Policy and Planning. Staff worked with a distinguished panel of jurors composed of nationally respected professionals in the fields of architecture, planning, public policy and development selected this year’s CLIDE Award winners.

NCTCOG’s Environment and Development Department with the Transportation Department has authorized an agreement with the State Energy Conservation Office (SECO) for \$400,000 (Split with each department attaining a budget of \$200,000 to support regional energy conservation program assistance. In Fiscal Year (FY) 2025, NCTCOG assisted SECO with activities that support regional energy management and conservation education and training, promote creation and expansion of related local policy(ies), promote collaborative public/private sector partnerships for energy management, support implementation of a regional Commercial Property Assessed Clean Energy (PACE) program, as well as the U.S. Department of Energy SOL Smart Program. The NCTCOG was awarded a SILVER designation from the US Department of Energy for ongoing efforts under this program.

Work continued under the FY 2023-funded Environmental Protection Agency Climate Pollution Reduction grant, as reported by the Transportation Department in the amount of \$1,000,000. In addition to robust stakeholder engagement, efforts included finalizing and submitting the DFW Air Quality Improvement – Priority Climate Action Plan and initiating efforts on a Comprehensive Air Quality Improvement Plan, as the final submittal under this funding. E&D has been working to finalize evaluation of actions within the Energy, Water, Wastewater and Waste Management, and Agriculture, Forestry and Land Use sectors of this planning effort.

## **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, 2025, provided no instance of material weaknesses in internal control or significant violations of applicable laws and regulations.

NCTCOG's annual budget assists management in analyzing financial activities during the fiscal year. The annual budget is reviewed and adopted by the Executive Board prior to the beginning of the fiscal year. The adopted annual budget limits expenditures for the General Fund. Any changes to the overall budget of the General Fund must be approved by the Executive Board. The individual grant contracts control expenditures within the Special Revenue Fund. Any necessary changes to the budget of grant contracts must be approved by the appropriate funding source. NCTCOG's fiscal year 2025 budget was approximately 83% 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 Pattillo, Brown & Hill, LLP 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 Texas Grant Management Standards to the Federal Transit Administration (NCTCOG's federal oversight agency). In addition, the state requires a single audit of the state funded grants.

### ***Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Central Texas Council of

Governments for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the twenty-fifth consecutive year that NCTCOG has achieved this prestigious award. To be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### ***Acknowledgments***

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

Acknowledgment is also given to the representatives of Pattillo, Brown & Hill, LLP for their invaluable assistance in producing the final document.

Todd Little  
Executive Director

Monte Mercer, CPA  
Deputy Executive Director

Randy Richardson, CPA  
Director of Administration



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**North Central Texas Council of Governments**

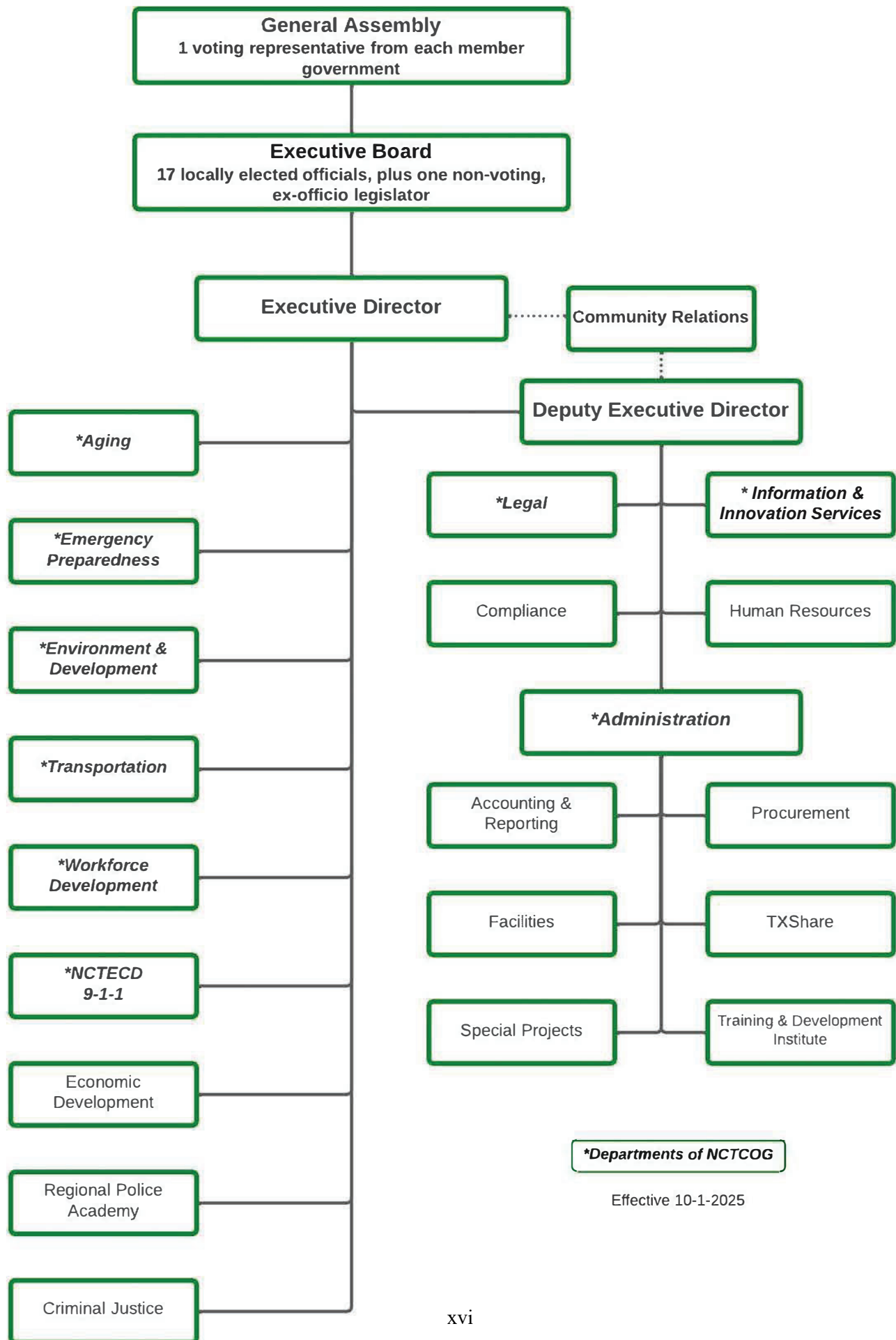
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morrill*

Executive Director/CEO

North Central Texas Council of Governments  
Organizational Chart





# NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

## 2025- 2026 EXECUTIVE BOARD

President  
**VICTORIA JOHNSON**  
Councilmember  
City of Burleson

Vice President  
**JENNIFER JUSTICE**  
Councilmember  
City of Richardson

Secretary-Treasurer  
**BRANDON J. HUCKABEE**  
County Judge  
Erath County

Past President  
**CHRIS HILL**  
County Judge  
Collin County

Director  
**CLAY JENKINS**  
County Judge  
Dallas County

Director  
**TIM O'HARE**  
County Judge  
Tarrant County

Director  
**CARA MENDELSON**  
Councilmember  
City of Dallas

Director  
**CARLOS FLORES**  
Mayor Pro Tem  
City of Fort Worth

Director  
**BOBBIE MITCHELL**  
Commissioner  
Denton County

Director  
**DAVID BRISTOL**  
Mayor  
Town of Prosper

Director  
**DARRELL HALE**  
Commissioner  
Collin County

Director  
**BOWIE HOGG**  
Councilmember  
City of Arlington

Director  
**KAMERON RABURN, PE**  
Mayor  
City of Ennis

Director  
**CHRISTOPHER BOEDEKER**  
County Judge  
Johnson County

Director  
**T.J. GILMORE**  
Mayor  
City of Lewisville

Director  
**RICK HORNE**  
Councilmember  
City of Plano

Director  
**BRANDON J. HUCKABEE**  
County Judge  
Erath County

Ex Officio Member  
**MITCH LITTLE**  
State Representative  
District 65

Executive Director  
**TODD LITTLE**

### ADMINISTRATIVE STAFF

Deputy Executive Director  
**Monte Mercer**

Director, Transportation  
**Michael Morris**

Director, Information & Innovation Services  
**Tim Barbee**

Director, Environment and Development  
**Susan Alvarez**

Director, Emergency Preparedness  
**Maribel Martinez**

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

Director, Regional NCT9-1-1  
**Christy Williams**

Director, Workforce Development  
**Phedra Redifer**

Director, Agency Administration  
**Randy Richardson**

## Mission Statement

**W**e 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 (235)**

**Counties (16)**

Collin  
Dallas  
Denton  
Ellis  
Erath  
Hood

Hunt  
Johnson  
Kaufman  
Navarro  
Palo Pinto  
Parker

Rockwall  
Somervell  
Tarrant  
Wise

**Cities (170)**

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

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

Kennedale  
Kerens  
Krugerville  
Krum  
Lake Bridgeport  
Lake Dallas  
Lake Worth  
Lakewood Village  
Lancaster  
Lavon  
Lewisville  
Little Elm  
Lowry Crossing  
Lucas  
Mabank  
Mansfield  
McKinney  
McLendon-Chisholm  
Melissa  
Mesquite  
Midlothian  
Milford  
Millsap  
Mineral Wells  
Murphy  
New Fairview  
New Hope  
Newark  
North Richland Hills  
Northlake  
Oak Point  
Ovilla  
Pantego  
Paradise  
Parker  
Pecan Hill  
Pilot Point  
Plano  
Poetry  
Ponder  
Princeton  
Prosper  
Quinlan  
Red Oak  
Reno

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MEMBER GOVERNMENTS (235)**

**Cities (171) - continued**

Rhome  
Richardson  
Richland Hills  
Rio Vista  
River Oaks  
Roanoke  
Rockwall  
Rowlett  
Royse City  
Runaway Bay  
Sachse  
Saginaw

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

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

**School Districts (20)**

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

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

Midlothian ISD  
Northwest ISD  
Plano ISD  
Rockwall ISD  
Terrell ISD  
Weatherford ISD

**Special Districts (29)**

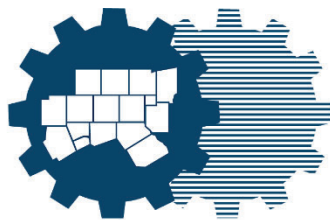
Acton Municipal Utility District  
Benbrook Water Authority  
Central Appraisal District of  
Johnson County  
Collin Central Appraisal  
District  
Collin College  
Dallas Area Rapid Transit  
Dallas College  
Dallas County Flood Control  
District #1  
Dallas County Park Cities  
Municipal Utility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

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

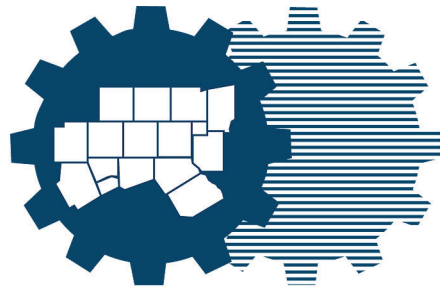
North Central Texas College  
North Texas Municipal Water  
District  
North Texas Tollway Authority  
Tarrant County College  
Tarrant Regional Water District  
Trinity Metro  
Trinity River Authority  
Trinity Valley Community  
College  
Trophy Club Municipal Utility  
District #1  
Weatherford College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



## **FINANCIAL SECTION**



**North Central Texas  
Council of Governments**



**North Central Texas  
Council of Governments**





## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of North Central Texas Council of Governments (the "Council"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Council as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Emphasis of Matter – Change in Accounting Principle**

As described in the notes to the financial statements, in fiscal year 2025 the Council implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

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

#### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque



## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

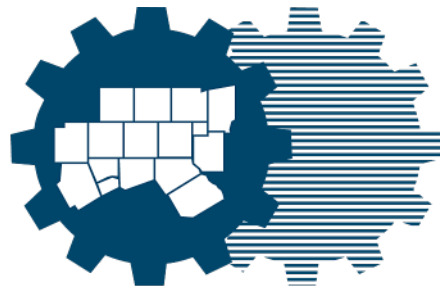
Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2026, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

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

Waco, Texas  
February 9, 2026



**North Central Texas  
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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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, 2025. 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 - xii of this report.

**Financial Highlights**

- NCTCOG's assets exceeded liabilities at the close of the most recent fiscal year by \$38,553,532 (net position). Of this amount \$15,670,287 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- Net position increased \$9,086,887 or 21%, in the current fiscal year comprised of a \$306,685 decrease in net capital assets and a \$9,393,572 increase in restricted and unrestricted funds.
- NCTCOG's governmental funds reported combined ending fund balances of \$39,151,203, an increase of \$9,400,948 or a 32% increase in comparison with the prior year. Of the total fund balance, approximately 50% is restricted for local transportation projects, 8% is restricted for grants, 7% is non-spendable, 27% is available for spending at the government's discretion (unassigned) and 8% is assigned for other agency projects.

**Overview of the Financial Statements**

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

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
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FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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The government-wide financial statements include information reported in the general, special revenue and proprietary funds as shown on pages 17 and 18 of this report, as well as the discretely presented component unit, NCT9-1-1.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The NCTCOG, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the NCTCOG can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The NCTCOG maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the special revenue fund, both of which are considered to be major funds. Individual sub fund data for the major special revenue governmental fund is provided in the form of *combining schedule* 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 19 and 21 of this report.

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

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

The *enterprise fund* is 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 23-25 of this report.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
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FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**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 27-50 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found on pages 51-53 of this report.

The combining schedule referred to earlier in connection with the major special revenue fund is presented immediately following the required supplementary information on pages 55-58 of this report.

**Government-wide Overall Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of NCTCOG, total assets exceeded liabilities by \$38,553,532 at the close of the most recent fiscal year. Following is a summary of the Government-wide Statement of Net Position:

**COMPARATIVE SCHEDULE OF NET POSITION  
September 30, 2025 and 2024**

	<b>Government Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current assets	\$ 242,362,964	\$ 222,889,761	\$ 32,146	\$ 202,341	\$ 242,395,110	\$ 223,092,102
Capital assets	22,162,609	23,784,869	-	-	22,162,609	23,784,869
<b>Total Assets</b>	<u>264,525,573</u>	<u>246,674,630</u>	<u>32,146</u>	<u>202,341</u>	<u>264,557,719</u>	<u>246,876,971</u>
Other liabilities	201,649,434	191,706,577	32,146	124,009	201,681,580	191,830,586
Long-term liabilities	24,322,607	25,294,149	-	-	24,322,607	25,294,149
<b>Total Liabilities</b>	<u>225,972,041</u>	<u>217,000,726</u>	<u>32,146</u>	<u>124,009</u>	<u>226,004,187</u>	<u>217,124,735</u>
Net position						
Net investment in capital assets	307,385	614,070	-	-	307,385	614,070
Restricted	22,575,860	15,349,878	-	-	22,575,860	15,349,878
Unrestricted	15,670,287	13,709,956	-	78,332	15,670,287	13,788,288
<b>Total Net Position</b>	<u>\$ 38,553,532</u>	<u>\$ 29,673,904</u>	<u>\$ -</u>	<u>\$ 78,332</u>	<u>\$ 38,553,532</u>	<u>\$ 29,752,236</u>

A portion of NCTCOG's net position, \$307,385 (1%), reflects its investment in capital assets (e.g., equipment). NCTCOG uses these assets to provide grant related services; they are restricted for specific use related to grant services; consequently, these assets are not available for future spending.

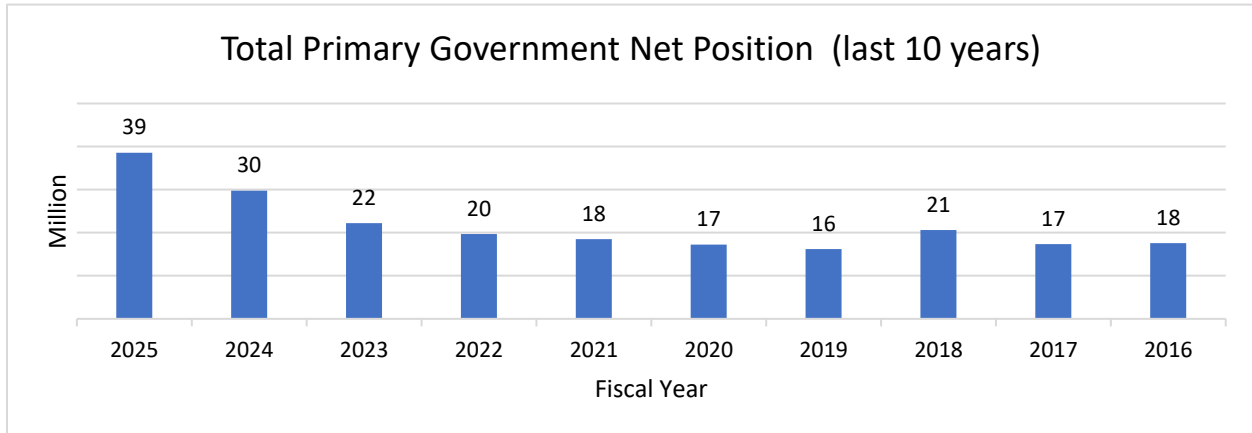
In addition, a portion of NCTCOG's net position, \$22,575,860 (59%) is restricted. Of this amount \$19,348,487 is for Regional Transportation Council approved projects related to transportation funded initiatives. The remaining \$3,227,373 is restricted to grants with limitations specified by the funding agencies.

\$15,670,287 (41%) is considered unrestricted and may be used to meet the government's ongoing obligations to creditors and for service implementation.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
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In FY25, the fund balance for Business Type Activities was fully depleted as a result of discontinuing the Shared Services Program. This change occurred following the transition of hosting and support services to Infor Cloudsuite.



**Governmental Activities.** For the year ended September 30, 2025, NCTCOG’s net position for governmental activities increased \$9,165,219 or 21%, in the current fiscal year comprised of \$306,685 decrease in net capital assets and \$9,471,904 increase in restricted and unrestricted funds. Following is a summary of the government-wide Statement of Activities:

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION  
September 30, 2025 and 2024**

	<b>Government Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Revenues</b>						
<b>Program revenues:</b>						
Federal administered grants	\$ 16,273,021	\$ 17,119,408	\$ -	\$ -	\$ 16,273,021	\$ 17,119,408
State administered grants	185,843,217	173,202,111	-	-	185,843,217	173,202,111
Local contracts and in-kind	35,547,806	34,426,716	-	1,270,716	35,547,806	35,697,432
<b>General revenues:</b>						
Membership dues	831,297	812,421	-	-	831,297	812,421
Interest income	672,326	808,900	-	-	672,326	808,900
Total revenues	<u>239,167,667</u>	<u>226,369,556</u>	<u>-</u>	<u>1,270,716</u>	<u>239,167,667</u>	<u>227,640,272</u>
<b>Expenses</b>						
Agency administration	10,206,651	9,761,460	-	-	10,206,651	9,761,460
Agency management	1,139,069	978,784	-	-	1,139,069	978,784
Area Agency on Aging	17,657,679	19,048,862	-	-	17,657,679	19,048,862
Community Service	2,017,404	1,809,572	-	-	2,017,404	1,809,572
Emergency preparedness	2,066,765	2,611,474	-	-	2,066,765	2,611,474
Environment and development	6,270,183	2,944,739	-	-	6,270,183	2,944,739
IIS local assistance	4,648,321	4,531,416	78,332	1,380,930	4,726,653	5,912,346
Transportation planning	57,519,708	56,735,799	-	-	57,519,708	56,735,799
Workforce development	128,476,669	120,350,026	-	-	128,476,669	120,350,026
Total expenses	<u>230,002,449</u>	<u>218,772,132</u>	<u>78,332</u>	<u>1,380,930</u>	<u>230,080,781</u>	<u>220,153,062</u>
Increase (decrease) in net position	9,165,219	7,597,424	(78,332)	(110,214)	9,086,887	7,487,210
Transfers	-	(1,538)	-	-	-	(1,538)
Increase (decrease) in net position	9,165,219	7,595,886	(78,332)	(110,214)	9,086,887	7,485,672
Net position - beginning (2024 restated)	29,388,313	22,078,018	78,332	210,719	29,466,645	22,288,737
Net position - ending	<u>\$ 38,553,532</u>	<u>\$ 29,673,904</u>	<u>\$ -</u>	<u>\$ 100,505</u>	<u>\$ 38,553,532</u>	<u>\$ 29,774,409</u>

Significant components of the net position activity are as follows:

Governmental activities total revenues increased \$12,798,111 or 6% in the current year. This increase is comprised of the following major components:

- Federal revenues decreased a net \$846,387 (-5%) in the current year, primarily comprised of the following:
  - \$1,353,565 decreased funding from the Environmental Protection Agency (EPA). Vehicle purchases under the Diesel Emissions Reductions Act (DERA) awards decreased by \$1M and staff expenditures decreased accordingly due to reduced efforts on the program. Also, there was a decrease in staff activities on the Climate Pollution Reduction Grants (CRPG) funds.
  - \$180,481 increased funding from the Department of Homeland Security (DHS). FEMA Cooperating Technical Partner (CTP) agreements ended in late FY24 and early FY25, causing a reduction in revenue of \$153K. The new Regional Catastrophic Grant added 333,942 in funding.
  - \$118,527 increased funding from the Department of Defense (DOD). The Agile Curriculum program was on hold for most of last year while we waited for an amendment, which increased

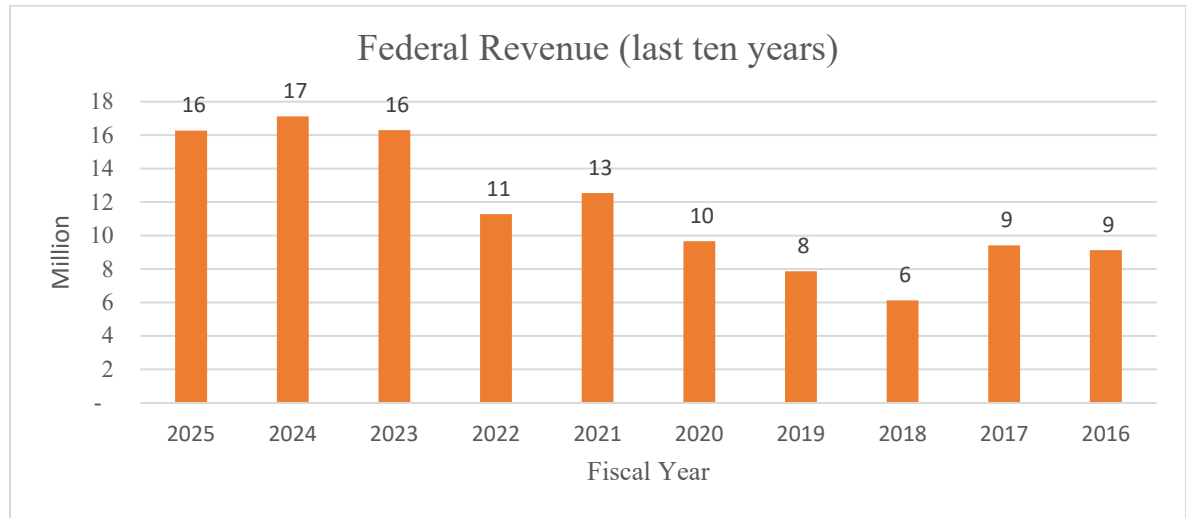


**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
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FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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FY25 expenditures by \$191K. The Joint Use Land Study (JULS) program ended in FY24, creating a decrease in year-over-year expenditures by \$73K.

- \$146,334 increased funding from the Department of Commerce (DOC). The Comprehensive Economic Development Strategy (CEDS) program had more activity this year.
- \$173,139 decreased funding from Health and Human Services (HHS) due to lower FY25 expenditures under the Administration for Community Living (ACL) grant supporting individuals with dementia and their families.
- 284,814 in additional funds from the Department of Transportation (DOT).

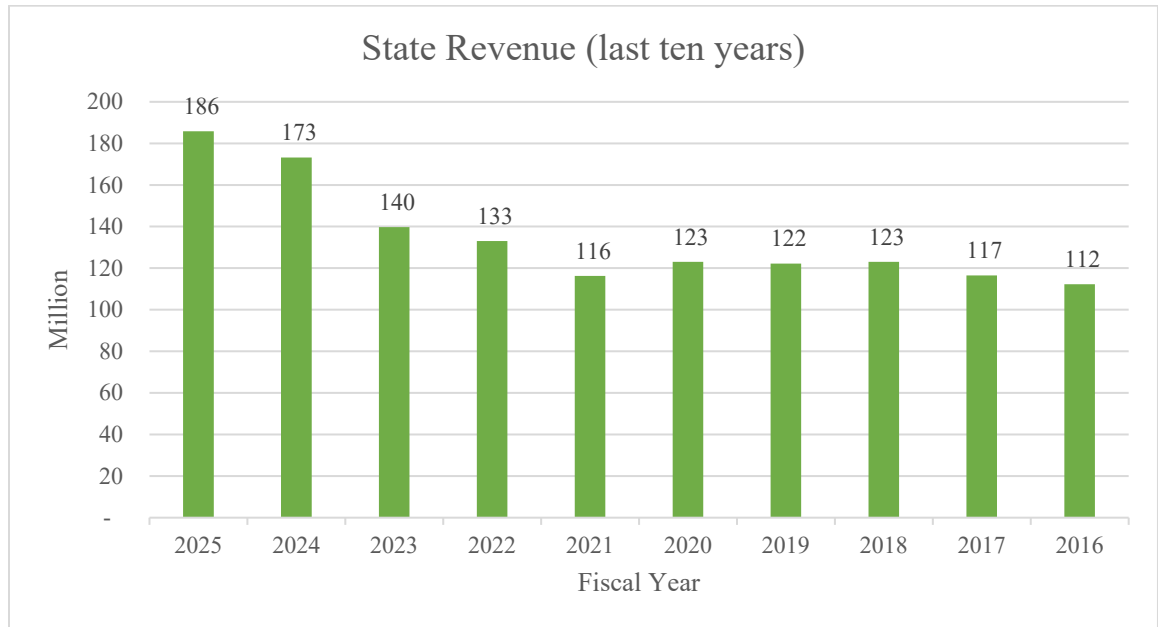


- State revenues increased a net \$12,641,106 (7%) in the current year, primarily comprised of the following:
  - \$9,226,403 increased funding from the Texas Workforce Commission (TWC), primarily related to the Child Care Development Fund (CCDF) and Workforce Innovation and Opportunity Act (WIOA) programs.
  - \$2,464,410 increased funding from the Texas Department of Transportation (TX DOT). Regional Toll Revenue (RTR) spending increased by \$1.3M in FY25 when compared to the previous year. Transportation Planning Funds (TPF) grant expenditures increased by \$1M in FY25. TPF award amounts generally increase every year.
  - \$1,622,901 increased funding from the Texas Commission on Environmental Quality (TCEQ) Solid Waste program expenditures increased by \$1.2M due to increased subrecipient costs. This is a recurring two-year award, and the costs generally higher in the second year due to subrecipient reimbursements. \$400K in increased Rider 7 costs. We received new funding in FY25 and were still spending the prior year award.
  - \$2,853,411 decreased funding from the Health and Human Services Commission (HHSC) is primarily due to the agency receiving only standard funding during FY25, with no additional pandemic relief as had been provided in each year since 2020.
  - \$675,828 decreased funding from the Office of the Governor (OOG), primarily due to the North Texas Interoperable Radio Network Infrastructure Project not having as much activity this year.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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- \$644,568 increased funding from the Texas Water Development Board (TWDB). This is related to the Transportation Stormwater Infrastructure (TSI) funding. Costs continue to increase as we enter the final year of the award. This was a 5-year award that will be finishing up in late 2026.
- \$2,039,165 increased funding from the Texas Government Land Office (TX GLO). This award started in late FY24, and it took several months to get all subrecipient agreements completed, therefore there were not many expenditures in FY24.



- In-Kind and Local revenue increased a net of \$1,121,090 (3%) in the current year, primarily comprised of the following:
  - \$206,228 increase related to DOD. We received several Community Noise Mitigation Program (CNMP) awards from the Department of Defense to replace windows in schools in the area during FY25.
  - \$1,986,879 decrease related to EPA. As mentioned above, Vehicle purchases under the Diesel Emissions Reductions Act (DERA) awards decreased by \$1M in FY24. This program has a large recipient match portion that also decreased accordingly.
  - \$672,971 decrease related to DOT. This is mostly due to the North Texas MOVES grant through FTA. DART and Trinity metro were providing their match portion prior to submitting reimbursement. This occurred mostly during FY24.
  - \$207,897 increase related to the Regional Police Academy which had a rise in both student volume and tuition during this year.
  - \$527,298 decrease related to TXDOT. The Regional Traffic Signal Retiming Program and GoCarma projects had large decreases in activity. Both programs had In-kind or local match participation.
  - There was a decrease of \$1,353,581 in the TWC childcare program, primarily because the amount of in-kind contributions collected in FY24 was higher than in FY25.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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- \$988,905 increase related to HHSC in-kind collected in FY25 exceeded the amount collected in FY24 because nutrition and transportation programs were not fully funded. As a result, unreimbursed meals and trips were recorded as in-kind contributions to these programs.
  - \$1,975,090 increase in Transportation. Increase in RTC local project expenditures. Mainly the Regional Transit Study (increased \$1.5M) and the Transit Mobility Plan (TMP) FIFA 2026 (increased \$400K)
  - \$768,545 increase in Other
    - Environment & Development (E&D) saw a \$178,607 increase in local revenue, primarily driven by heightened activity in projects such as SECO, Public Works, Building Codes, and Common Vision. Additional gains included a \$198,849 increase from TXShare revenues, \$356,240 from IIS regional data programs, and a combined \$758,034 increase from the AAA Managed Care Organization and Veterans Directed Care programs. The Training & Development Institute (TDI) also contributed with a \$130,911 increase.
    - These increases were offset by decreases in other areas: Workforce (WF) declined by \$475,507 primarily related to the Vocational Rehabilitation Summer Earn and Learn (SEAL) program, the Public Employee Benefits Cooperative (PEBC) by \$338,002, and Emergency Preparedness (EP) by \$43,473.
  - Investment Earnings increased \$1,422,965.
- General revenues decreased \$117,698 (14%) mostly due to less interest income.

Governmental activities total expenses increased \$11,230,317 or 5% in the current year. Key elements of the changes are as follows:

- Workforce Development increased \$8,126,642 or 7%, primarily related to the Child Care Development Fund (CCDF) and Workforce Innovation and Opportunity Act (WIOA) programs.
- Transportation expenses increased by a net of \$783,909 or 1% primarily due to increased staffing costs of \$1.5M, increased consultants cost of \$1.4M, increased advertising of \$840K, and decrease in In-Kind of \$3M
- Area Agency on Aging expenses decreased \$1,391,183 or 7% primarily due to decrease in funds expended on the nutrition program and in-home services; services which were expanded due to pandemic relief funding and required significant reduction when these funds were no longer available.
- Emergency Preparedness expenses decreased \$544,709 or 20%. This was mainly due to the North Texas Interoperable Radio Network Infrastructure Project having no passthrough expenditures this year.
- Agency administration expenses rose by \$445,191, representing a 5% increase, primarily driven by higher personnel costs and expanded contract services.
- Environment & development expenses increased \$3,325,444 or 113% largely due to an increase in consultant and subrecipient reimbursements on the TSI and Solid Waste projects mentioned above.
- Community Service expenses increased \$207,832 or 11%. This was primarily due to increased activity at the Regional Police Academy.

### **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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
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**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 \$39,151,203, an increase of \$9,400,947 in comparison with the prior year. Approximately 27% of this total amount \$10,646,037 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 \$11,252,091. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 5% of total governmental fund expenditures.

**General Fund.** The fund balance of NCTCOG's general fund increased by \$1,062,199 during the current fiscal year. This is mainly due to membership dues and interest income.

**Special Revenue Fund.** The fund balance of NCTCOG's special revenue fund increased by a net of \$8,338,749 during the current fiscal year primarily due to increases of \$874,852 for TXDOT programs, \$274,376 for other local agency projects, \$6,883,798 for transportation local programs, \$251,017 for the TXGLO CDBG Mitigation project and \$61,379 for TCEQ programs.

#### **General Fund Budgetary Highlights**

There were administrative adjustments made among functions that resulted in no net change in fund balance between the original and final budget. The net change in fund balance between the final budget and actual amounts resulted in an increase of \$1,057,449 which represents 12% of budgeted total current expenditures. The change is primarily due to increased interest revenue of \$272,326 due to higher interest income, reduction of various planned projects of \$1,181,793 as well as a \$83,045 increase in other financing sources offset by 498,626 less in the indirect cost allocation.

#### **Capital Asset and Long-Term Liability Administration**

**Capital assets.** The NCTCOG's net investment in capital assets as of September 30, 2025, and 2024 amounted to \$307,385 and \$614,070 (net of accumulated depreciation and amortization). The investment in capital assets includes equipment, furniture, leasehold improvements, capital leases and subscription-based information technology arrangements. Major capital assets events during the fiscal year include the purchase of \$332,361 in equipment, \$59,279 in furniture and \$1,175,935 in right to use leased assets. Detailed information on the NCTCOG's capital assets can be found in Note H on pages 43-44 of this report. Detailed information on the related debt and liabilities to these assets can be found in Note D (page 40), I and J (pages 45-49).

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

NCTCOG membership dues are calculated based on current population of governmental units as certified annually by NCTCOG. Per capita membership dues for fiscal year 2026 are estimated at \$854,423.

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NCTCOG is primarily funded by state and federal grants which fluctuate from year to year based on many factors including federal and state initiatives, demographics, and competitive grants awarded. Management reviews and makes the operational changes necessary to address these fluctuations. NCTCOG total estimated revenues and program expenses for fiscal year 2026 increased a net of \$76 million from fiscal year 2025.

- State and Federal Grant Changes – \$36.3 million net increase, primarily comprised of:
  - Transportation – \$31.9 million net increase, primarily comprised of:
    - Federal Transit Administration (FTA) – (\$14.0 million increase)
    - Environmental Protection Agency (EPA) – (\$10.1 million increase)
    - Federal Highway Administration (FHA) – (\$5.3 million increase)
    - United States Department of Defense (US DOD) – (\$3.2 million increase)
    - Texas Department of Transportation (TxDOT) – (\$643 thousand decrease)
  - Workforce – \$6.1 million net increase comprised of:
    - Texas Workforce Commission (TWC) – (\$6.1 million increase)
  - Area Agency on Aging – \$1.5 million net decrease comprised of:
    - Texas Health and Human Services (HHS) – (\$1.4 million decrease)
    - United States Department of Health and Human Services (US HHS) – (\$235 thousand decrease)
    - Department of State Health Services (DSHS) – (\$150 thousand increase)
  - Environment & Development – \$1.0 million net decrease, primarily comprised of:
    - Texas Commission on Environmental Quality (TCEQ) – (\$472 thousand decrease)
    - Texas Water Development Board (TWDB) – (\$284 thousand decrease)
    - General Land Office (GLO) – (\$172 thousand decrease)
    - Federal Emergency Management Agency (FEMA) – (\$81 thousand decrease)
  - Emergency Preparedness – \$659 thousand net increase, primarily comprised of:
    - Federal Emergency Management Agency (FEMA) – (\$470 thousand increase)
    - Governor's Office (OOG) – (\$185 thousand increase)
  - Community \ Program Services - \$120 thousand net increase, primarily comprised of:
    - Governor's Office (OOG) – (\$120 thousand increase) - RPA Justice Assistance Grant (JAG)
- Local Revenue – \$20.3 million net increase, primarily due to:
  - Transportation – (\$19.5 million increase)
    - Federation International Football Association (FIFA) World Cup – (\$16.2 million increase)
    - County Pilot Maintenance Programs: Denton & Johnson – (\$1.5 million increase)
    - Charging and Fueling Infrastructure (CFI) Community Grant: North Texas Equitable Electric Vehicle Infrastructure Project – (\$1.3 million increase)
  - Area Agency on Aging - (\$954 thousand increase)
    - Department of Veteran Affairs – (\$592 thousand increase)
    - Relocation Program - (\$173,000 thousand increase)

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

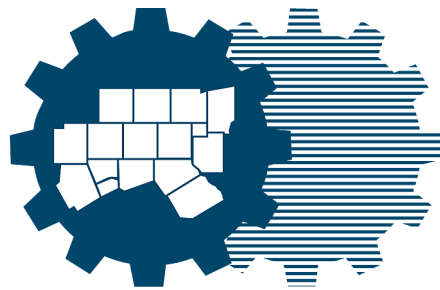
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- Environment and Development – (\$147 thousand increase)
    - Public Works – (\$69 thousand increase)
    - Common Vision Corridor Development Certificate (CDC) Permit – (\$44 thousand increase)
  - IIS - (\$752 thousand decrease)
    - Local funding related to the aerial photography (cyclical).
  - Community \ Program Services – (\$368 thousand increase)
    - Regional Police Academy (RPA) – (\$170 thousand increase) Projected increase in tuition rates for police academy cadets.
    - Training and Development Institute (TDI) – (\$55 thousand increase) Increase primarily due to additional class certification offerings as well as increases in enrollment in existing courses.
    - TXShare – (\$143 thousand increase) Projected increase in revenue sharing agreement with Sourcewell.
- In-Kind Match Funds – \$19.2 million net increase, primarily due to:
- Transportation – (\$19.3 million increase)
    - North Texas Moves: Regional Rail Information System and DART, Trinity Metro, Double Track – (\$11.6 million increase)
    - Clean Heavy-Duty Vehicle Program – (\$5.8 million increase)
    - EPA Diesel Emissions Reduction Act (DERA) – (2.1 million increase)
  - Area Agency on Aging – (\$209 thousand decrease)
    - Aging funds require a match of 10% - 25% and derive most of its match from nutrition provider's in-kind contributions. Due to the anticipated decrease in nutrition funding pass-through, it's projected that in-kind contributions will also decrease.

### **Requests for Information**

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

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



**North Central Texas  
Council of Governments**

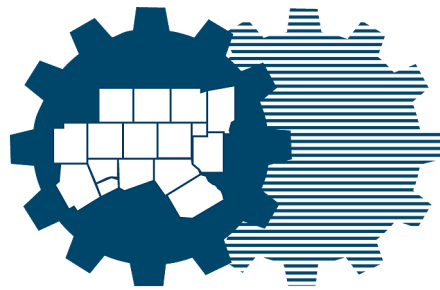
## **BASIC FINANCIAL STATEMENTS**

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

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

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





**North Central Texas  
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	NCT-911 Total
<b>Assets</b>				
Cash and cash equivalents	\$ 678,716	\$ -	\$ 678,716	\$ 221,213
Investments	205,700,033	-	205,700,033	22,472,516
Receivables	31,153,769	-	31,153,769	1,091,196
Internal balances	(32,146)	32,146	-	-
Due From Component Unit	1,306,817	-	1,306,817	-
Prepaid items	3,555,775	-	3,555,775	597,612
Capital assets, net of accumulated depreciation	22,162,609	-	22,162,609	4,998,925
<b>Total Assets</b>	<u>264,525,573</u>	<u>32,146</u>	<u>264,557,719</u>	<u>29,381,462</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	22,605,076	32,146	22,637,222	4,684
Unearned revenue	179,044,358	-	179,044,358	408,582
Due to Primary Government	-	-	-	1,306,817
Long-term liabilities				
Due within one year	3,680,740	-	3,680,740	543,347
Due in more than one year	20,641,867	-	20,641,867	253,650
<b>Total Liabilities</b>	<u>225,972,041</u>	<u>32,146</u>	<u>226,004,187</u>	<u>2,517,080</u>
<b>Net Position</b>				
Net investment in capital assets	307,385	-	307,385	4,201,928
Restricted for:				
Grants	3,227,373	-	3,227,373	-
Transportation projects	19,348,487	-	19,348,487	-
Unrestricted	15,670,287	-	15,670,287	22,662,454
<b>Total Net Position</b>	<u>\$ 38,553,532</u>	<u>\$ -</u>	<u>\$ 38,553,532</u>	<u>\$ 26,864,382</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

		Operating Grants and Contributions			Net (Expenses) Revenue and Change in Net Position			
					Primary Government			Component Unit
Functions/Programs	Expenses	Federal Funding	State/ State Admin Funding	Local Contracts and In-kind Contributions	Governmental Activities	Business Type Activities	Total	Total
<b>Primary Government:</b>								
<u>Governmental Activities:</u>								
Agency administration	\$ 10,206,651	\$ -	\$ -	\$ 1,699,660	\$ (8,506,991)	\$ -	\$ (8,506,991)	\$ -
Agency management	1,139,069	167,972	-	180,055	(791,042)	-	(791,042)	-
Area agency on aging	17,657,679	148,808	11,302,755	7,220,815	1,014,699	-	1,014,699	-
Community services	2,017,404	-	800,672	1,580,641	363,909	-	363,909	-
Emergency preparedness	2,066,765	333,942	1,336,749	605,003	208,929	-	208,929	-
Environment and development	6,270,183	100,099	5,456,550	1,366,807	653,273	-	653,273	-
IIS local assistance	4,648,321	-	-	1,316,492	(3,331,829)	-	(3,331,829)	-
Transportation planning	57,519,708	15,522,200	37,542,174	17,314,025	12,858,691	-	12,858,691	-
Workforce development	128,476,669	-	129,404,317	4,264,309	5,191,957	-	5,191,957	-
<b>Total Governmental Activities</b>	<b>\$ 230,002,449</b>	<b>\$ 16,273,021</b>	<b>\$ 185,843,217</b>	<b>\$ 35,547,806</b>	<b>\$ 7,661,596</b>	<b>\$ -</b>	<b>\$ 7,661,596</b>	<b>\$ -</b>
<u>Business-Type Activities:</u>								
Shared Service Center	78,332	-	-	-	-	(78,332)	(78,332)	-
<b>Total Primary Government</b>	<b>\$ 230,080,781</b>	<b>\$ 16,273,021</b>	<b>\$ 185,843,217</b>	<b>\$ 35,547,806</b>	<b>\$ 7,661,596</b>	<b>\$ (78,332)</b>	<b>\$ 7,583,264</b>	<b>\$ -</b>
<u>Component-Type Activities:</u>								
NCT9-1-1	15,620,885	-	5,769,670	15,636,675				5,785,460
<b>Total Component Unit</b>	<b>\$ 15,620,885</b>	<b>\$ -</b>	<b>\$ 5,769,670</b>	<b>\$ 15,636,675</b>				<b>\$ 5,785,460</b>
General Revenues:								
Membership dues					831,297	-	831,297	-
Interest income					672,326	-	672,326	915,433
Sale of General Capital Assets					-	-	-	47,563
Total general revenues					<b>\$ 1,503,623</b>	<b>\$ -</b>	<b>\$ 1,503,623</b>	<b>\$ 962,996</b>
Change in net position					9,165,219	(78,332)	9,086,887	6,748,456
Net position-beginning of year, as previously presented					29,673,904	78,332	29,752,236	20,115,926
Restatement					(285,591)	-	(285,591)	-
Net position-beginning of year, as restated					29,388,313	78,332	29,466,645	20,115,926
Net position-ending					<b>\$ 38,553,532</b>	<b>\$ -</b>	<b>\$ 38,553,532</b>	<b>\$ 26,864,382</b>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 610,460	\$ 68,256	\$ 678,716
Investments	17,452,113	188,247,920	205,700,033
Accounts receivable:			
Federal grants	-	7,019,739	7,019,739
State and local administered grants	-	22,648,938	22,648,938
Local grants	-	1,443,621	1,443,621
Other	40,151	-	40,151
Due from other funds	7,738,219	-	7,738,219
Due from component unit	1,306,817	-	1,306,817
Prepays	578,615	2,210,730	2,789,345
Other assets	4,096	-	4,096
<b>Total Assets</b>	<u>\$ 27,730,471</u>	<u>\$ 221,639,204</u>	<u>\$ 249,369,675</u>
<b>Liabilities</b>			
Accounts payable	\$ 15,166,600	\$ -	\$ 15,166,600
Accrued liabilities	106,592	6,096,598	6,203,190
Accrued payroll and employee benefits	1,204,725	-	1,204,725
Due to other funds	-	8,599,599	8,599,599
Unearned revenue	463	179,043,895	179,044,358
<b>Total Liabilities</b>	<u>16,478,380</u>	<u>193,740,092</u>	<u>210,218,472</u>
<b>Fund Balance</b>			
Nonspendable	582,711	2,210,730	2,793,441
Restricted for:			
Grants	-	3,227,373	3,227,373
Transportation projects	-	19,348,487	19,348,487
Assigned	-	3,135,865	3,135,865
Unassigned	10,669,380	(23,343)	10,646,037
<b>Total Fund Balance</b>	<u>11,252,091</u>	<u>27,899,112</u>	<u>39,151,203</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 27,730,471</u>	<u>\$ 221,639,204</u>	<u>\$ 249,369,675</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2025**

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

Total fund balance - total governmental funds (page 19)	\$39,151,203
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,162,609
Internal service funds are used by management to charge the cost of certain activities such as network services. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	1,570,210
Accrued interest payable on long-term debt	(7,883)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(24,322,607)</u>
Net position of governmental activities (page 17)	<u><u>\$38,553,532</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, 2025**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Federal grants	\$ -	\$ 16,273,021	\$ 16,273,021
State administered grants	-	185,843,217	185,843,217
Local administered grants	-	-	-
Membership dues	831,297	-	831,297
Local contributed cash	11,586	14,921,094	14,932,680
Interest income	672,326	7,795,502	8,467,828
Program income	-	229,016	229,016
In-kind	-	12,590,609	12,590,609
<b>Total Revenues</b>	<b>1,515,209</b>	<b>237,652,459</b>	<b>239,167,668</b>
<b>Expenditures</b>			
<b>Current:</b>			
Agency administration	6,604,989	4,289,432	10,894,421
Agency management	648,150	334,866	983,016
Area agency on aging	-	18,119,464	18,119,464
Community services	-	2,170,701	2,170,701
Emergency preparedness	-	2,231,453	2,231,453
Environment & development	128,071	6,433,292	6,561,363
Information & innovation services	125,231	5,062,182	5,187,413
Transportation planning	289,371	61,043,126	61,332,497
Workforce development	-	127,640,261	127,640,261
<b>Debt service</b>			
Interest	3,256	77,426	80,682
Financing principal	100,660	1,455,438	1,556,098
<b>Capital outlay</b>	<b>20,614</b>	<b>1,546,961</b>	<b>1,567,575</b>
	<b>7,920,342</b>	<b>230,404,602</b>	<b>238,324,944</b>
Indirect cost allocation	(7,342,064)	-	(7,342,064)
Indirect cost reimbursement	(34,478)	-	(34,478)
Contributions to indirect costs	(5,747)	-	(5,747)
<b>Total Expenditures</b>	<b>538,053</b>	<b>230,404,602</b>	<b>230,942,655</b>
<b>Excess of revenues over expenditures</b>	<b>977,156</b>	<b>7,247,857</b>	<b>8,225,013</b>
<b>Other financing sources (uses)</b>			
Transfers in	89,308	1,126,506	1,215,814
Transfers out	(24,879)	(1,190,935)	(1,215,814)
Leases (as lessee) and SBITA	20,614	1,155,321	1,175,935
<b>Total other financing sources and (uses)</b>	<b>85,043</b>	<b>1,090,892</b>	<b>1,175,935</b>
Net changes in fund balance	1,062,199	8,338,749	9,400,948
Fund balance - beginning	10,189,892	19,560,363	29,750,255
<b>Fund balance - ending</b>	<b>\$ 11,252,091</b>	<b>\$ 27,899,112</b>	<b>\$ 39,151,203</b>

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, 2025**

---

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

Net Change in Fund Balances-total governmental funds (page 21)	\$9,400,948
Financing principal	1,556,098
Current year change in accrued interest expense on long term debt	(581)
Lease and SBITAs issued	(1,175,935)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	1,567,575
The internal service funds are used by management to charge the costs of certain activities such as network service to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(52,470)
Current year changes in the long term liability for compensated absences do not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(58,442)
Depreciation /amortization expense on capital assets does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	<u>(2,071,974)</u>
Change in net position (page 18)	<u><u>\$9,165,219</u></u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2025**

---

	<b>Business TypeActivities</b> <b><u>Enterprise Fund</u></b>	<b>Governmental Activities</b> <b><u>Internal Service Fund</u></b>
<b>Assets</b>		
Accounts receivable	\$ -	\$ 660
Due from other funds	32,146	829,234
Prepays	-	762,334
<b>Total current assets</b>	<u>32,146</u>	<u>1,592,228</u>
Capital assets, net of accumulated depreciation	<u>-</u>	<u>15,434,715</u>
<b>Total assets</b>	<u>32,146</u>	<u>17,026,943</u>
<b>Current liabilities</b>		
Accounts payable	32,146	22,018
Due within one year: financed assets	-	2,192,555
<b>Total Current Liabilities</b>	<u>32,146</u>	<u>2,214,573</u>
<b>Noncurrent liabilities</b>		
Due in more than one year: financed assets	<u>-</u>	<u>14,205,398</u>
<b>Total liabilities</b>	<u>32,146</u>	<u>16,419,971</u>
<b>Net position</b>		
Net investment in capital assets	-	(963,238)
Unrestricted	-	1,570,210
<b>Total net position</b>	<u>\$ -</u>	<u>\$ 606,972</u>

See accompanying notes to the basic financial statements.



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

---

	<b>Business TypeActivities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Operating revenues</b>		
Service charges	\$ -	\$ 7,719,080
<b>Total operating revenues</b>	<u>-</u>	<u>7,719,080</u>
<b>Operating expenses</b>		
Personnel	-	1,764,510
Indirect	-	299,159
Contract services	-	248,478
Travel	-	13,228
Depreciation	-	2,141,013
Facilities	-	1,515,491
Other costs	78,332	1,535,393
<b>Total operating expenses</b>	<u>78,332</u>	<u>7,517,272</u>
<b>Operating income (loss)</b>	<u>(78,332)</u>	<u>201,808</u>
<b>Nonoperating expenses</b>		
Interest	-	254,278
<b>Total Nonoperating expenses</b>	<u>-</u>	<u>254,278</u>
<b>Change in net position</b>	(78,332)	(52,470)
<b>Net position - beginning</b>	<u>78,332</u>	<u>659,442</u>
<b>Net position - ending</b>	<u>\$ -</u>	<u>\$ 606,972</u>

See accompanying notes to the basic financial statements.

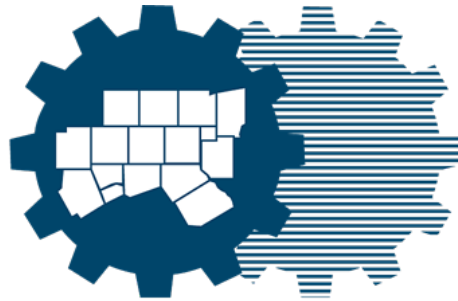
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Business TypeActivities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Cash flows from operating activities</b>		
Receipts from service charges	\$ 113,323	\$ 7,630,976
Payments to other funds for indirect and other costs	-	(299,159)
Payments to suppliers for goods and services	(113,323)	(3,341,237)
Payments to employees	-	(1,777,738)
<b>Net cash provided by (used in) operating activities</b>	<b>-</b>	<b>2,212,842</b>
<b>Cash flows from capital and related financing activities</b>		
Additions to capital assets	-	(81,894)
Payments on lease and subscription principal	-	(1,876,670)
Interest paid on financed assets	-	(254,278)
<b>Net cash provided (used) by capital financing activities</b>	<b>-</b>	<b>(2,212,842)</b>
<b>Net Increase 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>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (78,332)	\$ 201,808
Adjustment to reconcile operating income/ (loss) to Net cash provided by (used in) operating activities:		
Depreciation expense/amortization	-	2,141,013
Decrease/(Increase) in prepaid expenses	89,018	(41,911)
Decrease/(Increase) in accounts receivable	113,323	(660)
Decrease/(Increase) in due from other funds	(32,146)	(87,444)
(Decrease)/Increase in due to other funds	(124,009)	-
(Decrease)/Increase in accounts payable	32,146	36
<b>Net cash provided by (used in) operating activities</b>	<b>\$ -</b>	<b>\$ 2,212,842</b>
<b>Noncash capital and related financing activities</b>		
Assets recognized from subscription-based IT arrangement	\$ -	\$ 941,258

See accompanying notes to the basic financial statements.

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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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 seventeen (17) member Executive Board that is the policymaking and oversight body for the Council.

The financial reporting entity is determined in accordance with GASB. The North Central Texas Emergency Communications District (NCT9-1-1) is a discretely presented component unit and is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Discretely presented component unit.*

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

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

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

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

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

NCT-9-1-1  
P.O. Box 5888  
Arlington, TX, 76005

**2. Basis of Presentation**

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Fund Financial Statements:**

The Council segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements. There are no non-major fund categories in the Council's presentation.

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

***General Fund***

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

***Special Revenue Fund***

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. This fund includes Federal, State, State Administered, and Locally funded grants.

***Proprietary Fund Type***

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The Council has presented the following proprietary funds:

*Enterprise Fund* - accounts for charges to outside customers for full costs of services provided including City Net.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

The governmental fund types (General Fund and Special Revenue Fund) 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 liability is liquidated.

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

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

**Federal, State, and Local Grant Revenue**

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



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Unearned revenue arises when resources are received by NCTCOG, before it has a legal claim to them, as when grant money is received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when NCTCOG has a legal claim to the resources, the liability for the unearned revenue is removed from the balance sheet and revenue is recognized.

**Member Government Dues**

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

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

**Local Contributed Cash**

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

**In-Kind and Contributed Services**

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

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

**4. Compensated Absences**

Change in Accounting Principle:

During fiscal year 2025, the Council adopted the following new accounting guidance:

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Accordingly, the cumulative effect of the accounting change has been recognized in a restatement of beginning net position for the year ended September 30, 2025.

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

Based on full-time or part-time accrual rates employees may accrue, during the first five years of employment, up to ten (10) days of vacation leave per year. During the second five years of employment, an employee accrues up to fifteen (15) days per year, and after ten years of employment, up to twenty (20) days per year. The maximum unused vacation leave a full-time and eligible part-time employee may

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

accumulate is the number of days, which the employee would accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for reviewing the personnel manual. The liability for compensated absences (\$2,467,383 on September 30, 2025) 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.

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

**5. Investments**

The Council invests in authorized investment pools and funds. See Note B for details on investments.

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

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

**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)**

**6. Prepaid Items**

Prepaid balances are for payments made by the agency for which benefits extend beyond September 30, 2025. 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. Internal Transfers**

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

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

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

General and administrative costs are recorded in the General Fund as indirect costs in the accounting system and allocated to programs based upon a negotiated indirect cost rate. Indirect costs are defined by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200* as costs “(a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved.” NCTCOG’s indirect cost rate is based upon prior cost experience, documented by a cost allocation plan, and is approved by its cognizant agency. NCTCOG negotiates with the cognizant agency a provisional rate which is used for billing purposes during NCTCOG’s fiscal year. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is finalized with the cognizant agency.

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

**11. Transactions Between Funds**

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

**12. Capital Assets**

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

**13. Leases**

In accordance with GASB 87 leases are recognized as a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of a lease, the lease liability is measured based on the net present value of future lease payments using the incremental borrowing rate (IBR). Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**14. Subscription-Based Information Technology Arrangements**

In accordance with GASB 96 Subscription-Based Information Technology Arrangements are recognized as a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. At the commencement of a subscription arrangement, the liability is measured based on the net present value of future payments using the incremental borrowing rate (IBR). Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

**15. Risk Management**

NCTCOG is exposed to various risks of loss related to torts; theft or, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. NCTCOG maintains workers' compensation and other risks of loss coverage through commercial insurance carriers. NCTCOG's management believes such coverage is sufficient to preclude any significant uninsured losses. There were

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

no significant reductions in insurance coverage from coverage in the prior year. There were no insurance settlements which exceeded insurance coverage in any of the past three years.

NCTCOG) participates in the Texas Municipal League Intergovernmental Risk Pool (TML-IRP), which provides workers' compensation, general liability, and property insurance coverage. Annual contributions to the pool are determined by TML-IRP management. Cybersecurity coverage is provided through Great American Insurance Group, and a fidelity bond is maintained through Texas Insurance.

In 2025, NCTCOG paid \$199,829 for insurance coverage.

**16. 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.

**17. Nature and Purpose of Restrictions and Assignment of Fund Balance**

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

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

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

*Nonspendable fund balance* – represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.

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

*Assigned fund balance* – includes fund balance amounts that are self-imposed by NCTCOG to be used for a particular purpose and comprises amounts intended to be used by the Council for specific purposes and

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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. The general fund is the only fund that reports a positive unassigned fund balance amount.

*Unrestricted fund balance* - total of committed fund balance, assigned fund balance, and unassigned fund balance. To ensure the continuance of sound financial management of public resources, a portion 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.

**18. Implementation of New Accounting Standards.**

**Change in Accounting Principle**

During fiscal year 2025, the Council implemented GASB Statement No. 101, Compensated Absences. The adoption of this standard resulted in the recognition of additional liabilities for compensated absences. The cumulative effect of the accounting change decreased beginning net position by \$285,591 in the governmental activities.

**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)**

The restatement of beginning net position as follows:

	September 30, 2024	Accounting Change	September
	As Previously	GASB 101	30, 2024
	Reported	Implementation	As Restated
Governmental activities	\$29,673,904	(\$285,591)	\$29,388,313

**19. Significant Forthcoming Standards.**

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

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

**NOTE B - CASH AND INVESTMENTS**

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

The Public Funds Act contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things it requires the NCTCOG to adopt, implement and publicize an investment policy. That policy must address the following areas:

- (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes and the NCTCOG’s investment policy authorized the NCTCOG to invest in the following investments as summarized in the table below:

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**NOTE B - CASH AND INVESTMENTS (continued)**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
US Treasury Securities	< 2 years	100.00%	none
US Agencies and Instrumentalities	< 2 years	85.00%	none
Certificates of Deposits	< 2 years	100.00%	none
Repurchase Agreements	< 120 days	20.00%	none
Money Market Mutual Funds	< 2 years	50.00%	none
Local Government Investment Pools	< 2 years	100.00%	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, 2025, are classified in the accompanying financial statements as follows:

**Statement of Net Position:**

Primary Government

Total Cash and Investments	\$ <u>206,378,749</u>
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Cash and Investments as of September 30, 2025 consist of the following

Deposits with Financial Institutions	\$ 678,716
Investments	<u>205,700,033</u>
Total Cash and Investments	\$ <u>206,378,749</u>

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

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

**3. Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE B - CASH AND INVESTMENTS (continued)**

Presented below is the fair value, weighted average maturity, minimum rating required by (where applicable) the Public Funds Investment Act, NCTCOG's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Net Asset Value</u>	<u>Weighted Average Maturity (Days)</u>
Primary Government		
TexPool	\$37,860,213	102
Logic	550	72
TexStar	167,839,270	105
	<u>\$205,700,033</u>	<u>104</u>

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

As of September 30, 2025, NCTCOG, did not invest in any securities which are highly sensitive to interest rate fluctuations.

Following the criteria for GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, TexPool, TexStar and LOGIC value portfolio assets at net asset value per share, which approximates fair value.

**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, 2025, other than external investment pools, NCTCOG did not have 5% or more of its investments with any one issuer.

**5. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The Public Funds Investment Act and NCTCOG's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits or investment other than the following provision for deposits: The Public Funds Collateral Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must always equal at least the bank balance less FDIC insurance. On September 30, 2025, all the Council's deposits had a carrying amount of \$678,716 and a bank ledger balance of \$1,016,051. Pledged Collateral of \$1,118,870 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
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**NOTE B - CASH AND INVESTMENTS (continued)**

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

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

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

**6. Investment in Local Government Investment Pools**

NCTCOG is a voluntary participant in various investment pools organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible entities of the State of Texas to jointly invest their funds in permitted investments. NCTCOG's investments in local government investment pools include TexPool, TexStar, and Logic. These pools operate in full compliance with the Public Funds Investment Act.

**NOTE C – FEDERAL AND STATE ADMINISTERED GRANT RECEIVABLES**

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

**NOTE D – CHANGES IN LONG-TERM LIABILITIES**

A summary of long-term liability transactions for the year ended September 30, 2025, is presented below. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been presented.

	Balance September 30,2024	Increases	Decreases	Balance September 30,2025	Due Within One Year
Compensated absences	\$2,408,941	\$356,649	\$298,207	\$2,467,383	\$242,879
Leases	22,977,460	710,429	3,010,646	20,677,243	3,012,342
Subscriptions	193,339	1,406,764	422,122	1,177,981	425,519
Total	<u>\$25,579,740</u>	<u>\$2,473,842</u>	<u>\$3,730,975</u>	<u>\$24,322,607</u>	<u>\$3,680,740</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE E – DEFERRED COMPENSATION PLAN**

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. As of April 2025, Empower 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.

Prior to April 2025 Mission Square administered the plan and Part-time employees were required to participate. Part-time employees contributed \$23,890 during 2025 and the Council contributed \$13,119 as the employer's match of 3.75% of gross salaries. Part-time employees were 100% vested in the plan from the first contribution.

Beginning in April 2025 this plan is optional with no employer match.

**NOTE F – RETIREMENT PLAN**

As of April 2025, Empower administers the Council's 401(a) retirement plan. This is a defined contribution plan that provides retirement benefits to all employees. For all eligible employees (excluding interns), the Council contributed \$4,427,020 during fiscal year 2025, equal to 12% of eligible employees' gross salaries. Participating employees contributed an additional \$2,213,510, equal to 6% of gross salaries. The Council's total payroll for the year was \$37,747,812, of which \$36,891,810 was covered by the plan. Employees become 40% vested in the Council's contributions after three full years of employment, with an additional 15% vesting for each subsequent full year. Full vesting occurs after seven years of employment.

Interns also participate in the 401(a) plan but have no vesting schedule for employer contributions. These part-time employees are 100% vested from the first contribution. For fiscal year 2025, the Council contributed \$8,186, equal to 3.75% of interns' gross salaries totaling \$218,047. Participating interns contributed an equal amount of \$8,186, also equal to 3.75% of gross salaries.

The retirement plan was established under the authority of the Council Executive Board, which retains the right to amend or terminate the plan and/or contribution requirements at any time.

**NOTE G – INTERNAL TRANSACTIONS AND TRANSFERS**

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

The following is a summary of interfund transfers for the year ended September 30, 2025:

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE G – INTERNAL TRANSACTIONS AND TRANSFERS (continued)**

**Transfers- In/Out Other Funds:**

<u>Transfer- In</u>	<u>Transfer- Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Fund	\$ 84,675	Recovery of depreciation
General Fund	Special Revenue Fund-Local	4,642	Match Dollars
Special Revenue Fund	General Fund	24,878	Match Dollars
Special Revenue Fund-Local	Special Revenue Fund-Local	69,136	Local funded projects
Special Revenue Fund-State/Federal	Special Revenue Fund-State/Federal	317,353	Match Dollars
Special Revenue Fund	Special Revenue Fund-Foundation	47,007	Match Dollars
Special Revenue Fund-Local	Special Revenue Fund-State/Federal	426,850	Local funded projects
Special Revenue Fund-State/Federal	Special Revenue Fund-Local	241,273	Match Dollars
	<b>Total</b>	<u>\$ 1,215,814</u>	

**Due To/From Other Funds:**

	<u>Due From</u>	<u>Due To</u>	<u>Due From Component Unit</u>	
General Fund	\$ 7,738,219	\$ -	Accounts Payable	\$ 910,294
Special Revenue Fund	-	8,599,599	Salaries & Benefits Payable	325,678
Enterprise Fund	32,146	-	Other Payables & Allocations	70,845
Internal Service Fund	829,234	-		
<b>Total</b>	<u>\$ 8,599,599</u>	<u>\$ 8,599,599</u>	<b>Total</b>	<u>\$ 1,377,662</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, 2025**

**NOTE H - CAPITAL ASSETS**

A summary of changes in the governmental activities capital assets for the year ended September 30, 2025, follows:

<b><u>Governmental activities:</u></b>	Balance September 30,2024	Increases	Decreases	Balance September 30,2025
<b><u>General Capital Assets</u></b>				
Capital assets being depreciated:				
Equipment	\$2,583,700	\$332,361	(\$494,734)	\$2,421,327
Furniture	309,744	59,279	-	369,023
Leasehold improvements	1,683,012	-	-	1,683,012
Right-to-use leased equipment	156,890	-	-	156,890
Right-to-use leased buildings	9,222,415	710,429	(213,770)	9,719,074
Right-to-use subscription	668,345	465,506	(111,755)	1,022,096
Total capital assets being depreciated	<u>14,624,106</u>	<u>1,567,575</u>	<u>(820,259)</u>	<u>15,371,422</u>
Accumulated depreciation/amortization				
Equipment	2,070,546	345,686	(494,734)	1,921,498
Furniture	239,839	27,083	-	266,922
Leasehold improvements	1,092,709	69,831	-	1,162,540
Right-to-use leased equipment	52,022	29,775	-	81,797
Right-to-use leased buildings	3,762,918	1,387,307	(213,770)	4,936,455
Right-to-use subscription	173,780	212,292	(111,755)	274,317
Total accumulated depreciation/amortization	<u>7,391,814</u>	<u>2,071,974</u>	<u>(820,259)</u>	<u>8,643,529</u>
Total governmental funds capital assets, net	<u>7,232,292</u>	<u>(504,399)</u>	<u>-</u>	<u>6,727,893</u>
<b><u>Internal Service Fund Capital Assets</u></b>				
Capital assets being depreciated:				
Equipment	367,524	81,894	(161,651)	287,767
Right-to-use-leased buildings	21,827,739	-	-	21,827,739
Right-to-use subscription	574,374	941,258	(170,810)	1,344,822
Furniture	-	-	-	-
Leasehold improvements	25,658	-	-	25,658
Total capital assets being depreciated	<u>22,795,295</u>	<u>1,023,152</u>	<u>(332,461)</u>	<u>23,485,986</u>
Accumulated depreciation/amortization				
Equipment	325,066	61,927	(161,651)	225,342
Right-to-use-leased buildings	5,694,192	1,898,064	-	7,592,256
Right-to-use subscription	207,974	179,866	(170,810)	217,030
Leasehold improvements	15,486	1,156	-	16,642
Total accumulated depreciation/amortization	<u>6,242,718</u>	<u>2,141,013</u>	<u>(332,461)</u>	<u>8,051,270</u>
Total governmental funds capital assets, net	<u>16,552,577</u>	<u>(1,117,861)</u>	<u>-</u>	<u>15,434,716</u>
<b>Governmental activities capital assets, net</b>	<u>\$23,784,869</u>	<u>(\$1,622,260)</u>	<u>-</u>	<u>\$22,162,609</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE H CAPITAL ASSETS (continued)**

Capital assets, which include buildings, furniture, equipment, and subscriptions are reported in the applicable governmental, business-type, or component unit columns in the government-wide financial statements. Capital assets are recorded at historical cost, except for right-to-use lease or subscription assets, the measurement of which is discussed later in Note I. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are defined by the Council as assets with an estimated useful life in excess of two years and an initial, individual value greater than the thresholds below based on the type of asset:

<u><b>Class of Asset</b></u>	<u><b>Threshold</b></u>
Equipment	\$5,000
Furniture	5,000
Leasehold Improvements	5,000
Right to use leased assets	50,000
Right to use subscription arrangements	100,000

Additionally, the Council's policy is to capitalize groups of assets, regardless of the individual cost of the item, when a purchase by a single department for similar items (computers, servers, desks, etc) has a total cost in excess of \$50,000.

Depreciation/amortization has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Equipment	3 years
Furniture	5 years
Leasehold Improvements	Length of remaining lease
Right-to-use assets	Shorter of length of remaining contract or useful life

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

<b>Governmental Activities:</b>	
Agency administration	\$151,080
Agency management	329
Community services-Aging	5,710
Community services-CJD	28,330
Emergency preparedness	2,288
Environment & development	3,605
IIS local assistance	17,466
Transportation planning	130,521
Workforce development	1,732,644
Internal service fund	2,141,013
<b>Total depreciation/amortization expense - governmental activities</b>	<b>\$4,212,986</b>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE I – LEASES**

As of September 30, 2025, The North Central Texas Council of Governments, had 17 active leases. The leases have payments that range from \$3,877 to \$147,914 per month and interest rates that range from 0.328% to 2.885%. As of September 30, 2025, the total combined value of the lease liability is \$20,677,242, the total combined value of the short-term lease liability is \$3,012,342. The combined value of the right to use asset, as of September 30, 2025, of \$31,703,703 with accumulated amortization of \$12,610,508 is included within the Lease Class activities table found below.

**Amount of Lease Assets by Major Classes of Underlying Asset**

As of Fiscal Year-end			
<u>Asset Class</u>		<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Buildings	\$	31,546,813	\$ 12,528,711
Equipment		156,890	81,797
Total Leases	\$	31,703,703	\$ 12,610,508

**Principal and Interest Requirements to Maturity**

<u>Fiscal Year</u>	<u>Internal Service Fund Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2026	\$1,767,040	\$225,942	\$1,992,982
2027	1,858,596	198,323	2,056,919
2028	1,952,832	169,287	2,122,119
2029	2,049,776	138,793	2,188,569
2030	2,149,528	106,799	2,256,327
2031 - 2033	5,818,483	116,805	5,935,288
Total Principal Payments	<u>\$15,596,255</u>		
Total Remaining Liability	<u>\$15,596,255</u>		

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE I – LEASES (continued)**

Fiscal Year	Governmental Activities		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2026	\$1,283,101	\$65,880	\$1,348,981
2027	941,635	49,364	990,998
2028	856,978	35,644	892,622
2029	718,099	24,132	742,231
2030	691,939	13,312	705,251
2031 - 2033	<u>589,236</u>	<u>4,064</u>	<u>593,300</u>
Total Principal Payments	<u><u>\$5,080,988</u></u>		
Total Remaining Liability	<u><u>\$5,080,988</u></u>		

**Activity (Rollforward Schedules)**

INTERNAL SERVICE FUND ACTIVITIES:	Balance as of		Balance as of	
	October 1, 2024	Additions	Reductions	September 30, 2025
Lease Liability				
Buildings				
600 Six Flags Drive, Centerpoint III	\$4,939,913	\$ -	\$481,166	\$ 4,458,747
616 Six Flags Drive, Centerpoint II	9,648,819	-	936,609	8,712,210
616 Six Flags Drive, Centerpoint I	<u>2,685,610</u>	<u>-</u>	<u>260,312</u>	<u>2,425,298</u>
Total Building Lease Liability	<u><u>\$17,274,342</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,678,087</u></u>	<u><u>\$ 15,596,255</u></u>



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE I – LEASES (continued)**

<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of October 1, 2024	Additions	Reductions	Balance as of September 30, 2025
Lease Liability				
Buildings				
Granbury	\$59,597	\$ -	\$51,069	\$8,528
Terrell	140,506	-	104,933	35,573
Cleburne	317,338	-	112,846	204,492
Stephenville	95,137	-	56,947	38,190
McKinney	407,824	-	180,449	227,375
Greenville - New	-	335,671	37,433	298,238
Greenville - Old	73,564	-	73,564	-
Centerpoint I	41,956	-	29,439	12,517
Plano	100,349	374,758	61,222	413,885
Denton	3,193,810	-	440,291	2,753,519
Weatherford	1,161,719	-	153,784	1,007,935
Total Building Lease Liability	\$5,591,800	\$710,429	\$1,301,977	\$5,000,252
Equipment				
Xerox Copier, Centerpoint Buildings	\$20,191	\$ -	\$5,897	\$14,294
Xerox Copiers, Workforce Centers	91,127	-	24,685	66,442
Total Equipment Lease Liability	\$111,318	\$ -	\$30,582	\$80,736
Total Lease Liability	\$5,703,118	\$710,429	\$1,332,559	\$5,080,988

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

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**NOTE J – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

As of September 30, 2025, the North Central Texas Council of Governments, had 8 active subscriptions. The subscriptions have payments that range from \$36,000 to \$228,884 and interest rates that range from 0.298% to 3.378%. As of September 30, 2025, the total combined value of the subscription liability is \$1,177,981, and the total combined value of the short-term subscription liability is \$425,519. The combined value of the right to use asset, as of September 30, 2025, of \$2,366,918 with accumulated amortization of \$491,347 is included within the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software Subscriptions	\$ 2,366,918	\$ 491,347

Principal and Interest Requirements to Maturity

<u>Fiscal Year</u>	<u>Internal Service Fund Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2026	\$ 297,816	\$ 9,041	\$ 306,857
2027	308,018	14,175	322,193
2028	195,867	5,112	200,979
Total Principal Payments	<u>\$ 801,701</u>		
Total Remaining Liability	<u>\$ 801,701</u>		

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2026	\$ 127,704	\$ 6,137	\$ 133,841
2027	128,259	7,269	135,528
2028	44,892	3,237	48,129
2029	36,733	2,035	38,768
2030	38,693	1,044	39,737
Total Principal Payments	<u>\$ 376,281</u>		
Total Remaining Liability	<u>\$ 376,281</u>		

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE J – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**  
**(continued)**

Activity (Rollforward Schedules)

<b>INTERNAL SERVICE FUND ACTIVITIES:</b>	Balance as of			Balance as of
	October 1, 2024	Additions	Reductions	September 30, 2025
Subscription Liability				
Software				
Arc GIS Desktop - New Contract	\$ -	\$535,974	\$ -	\$535,974
Arc GIS Desktop	59,026	-	59,026	-
Digital Line Unlimited Standard	-	405,284	139,557	265,727
Total Software Subscription Liability	\$59,026	\$941,258	\$198,583	\$801,701

<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of			Balance as of
	October 1, 2024	Additions	Reductions	September 30, 2025
Subscription Liability				
Software				
Arc GIS Desktop - New Contract	\$ -	\$27,486	\$ -	\$27,486
Arc GIS Desktop	3,027	-	3,027	-
BidNet	96,921	-	96,921	-
Digital Line Unlimited Standard	-	259,116	89,225	169,891
TR- Media Valet - New	-	178,904	-	178,904
TR-Media Valet - Old	34,366	-	34,366	-
Total Software Subscription Liability	\$134,314	\$465,506	\$223,539	\$376,281

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE K – FUND BALANCE**

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

**DETAILED FUND BALANCE DISCLOSURE**

	General Fund		Major Special Revenue							Governmental Funds	
		FEMA	Local	TCEQ	TDA	TXDOT	TX GLO	LACF	CFOHIO	Total	TOTAL
<b>Fund balances:</b>											
Non spendable:											
Prepays	\$ 578,615	\$ -	\$ 2,210,078	\$ 454	\$ -	\$ 198	\$ -	\$ -	\$ -	\$ 2,210,730	2,789,345
Inventory	4,096	-	-	-	-	-	-	-	-	-	4,096
Restricted:											
Grants	-	48	-	107,282	2,286	2,781,184	334,816	-	1,757	\$ 3,227,373	3,227,373
Local Transportation	-	-	19,348,487	-	-	-	-	-	-	\$ 19,348,487	19,348,487
Assigned:											
Shared Services Initiatives	-	-	751,567	-	-	-	-	-	-	\$ 751,567	751,567
*Other	-	-	2,384,298	-	-	-	-	-	-	\$ 2,384,298	2,384,298
Unassigned	10,669,380	-	-	-	-	-	-	(23,343)	-	(23,343)	10,646,037
<b>Total fund balances</b>	<b>\$ 11,252,091</b>	<b>\$48</b>	<b>\$24,694,430</b>	<b>\$107,736</b>	<b>\$2,286</b>	<b>\$2,781,382</b>	<b>\$334,816</b>	<b>(\$23,343)</b>	<b>\$1,757</b>	<b>\$27,899,112</b>	<b>\$ 39,151,203</b>

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

**NOTE L – CONTINGENCIES**

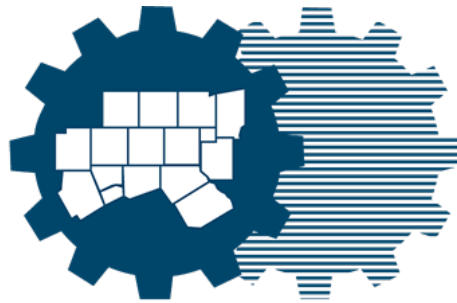
The Council contracts with other governments or local agencies to perform the specific services set forth in the grant agreements. The Council disburses grant funds to the agencies based on monthly expenditure and performance reports received from each agency.

Subrecipients are required to have an annual independent audit. The Council requires each agency to submit a copy of the audit reports. If such audits disclose expenditures not in accordance with terms of the grants, the grantor agency could disallow the costs and require reimbursement of the disallowed costs either from the Council or the delegate agency. The Council generally has the right of recovery from the subrecipients.

For the year ended September 30, 2025, agency costs of various amounts were disbursed for which the audits have not been received. Based on prior experience, management believes that the Council will not incur significant losses from possible grant disallowances.

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

## **REQUIRED SUPPLEMENTARY INFORMATION**



**North Central Texas  
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
BUDGETARY COMPARISON-GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Budgeted Amounts</b>		<b>Budget Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Member dues	\$ 831,697	\$ 831,697	\$ 831,297	\$ (400)
Local contributed cash	22,500	22,500	11,586	(10,914)
Interest Income	400,000	400,000	672,326	272,326
Total revenues	1,254,197	1,254,197	1,515,209	261,012
<b>Expenditures</b>				
Current:				
Agency administration	6,474,942	6,474,942	6,327,617	147,325
Agency management	1,283,223	1,283,223	648,183	635,040
Public affairs	260,933	260,933	187,272	73,661
IIS local assistance	264,167	264,167	217,861	46,306
Environment & development	140,000	140,000	128,239	11,761
Transportation planning	368,125	368,125	289,396	78,729
Debt Service				
Interest	3,500	3,500	3,256	244
Financing principal	110,000	110,000	100,659	9,341
Capital outlay	200,000	200,000	20,614	179,386
	9,104,890	9,104,890	7,923,097	1,181,793
Indirect cost allocation	(7,840,693)	(7,840,693)	(7,342,067)	(498,626)
Contributions to indirect costs	(10,000)	(10,000)	(40,225)	30,225
Total expenditures	1,254,197	1,254,197	540,805	713,392
Excess (deficiencies) of revenues				
Over/(under) expenditures	-	-	974,404	974,404
<b>Other financing sources (uses)</b>				
Transfers in	-	-	89,307	89,307
Transfers out	-	-	(24,878)	(24,878)
Leases (as lessee)	-	-	20,614	20,614
Charge for use of assets	153,300	95,000	87,426	(7,574)
Indirect allocation to special revenue fund	(145,635)	(90,250)	(84,674)	5,576
Total other financing sources (uses)	7,665	4,750	87,795	83,045
Net changes in fund balances	7,665	4,750	1,062,199	1,057,449
Fund balances - beginning	7,048,472	7,078,822	10,189,892	3,111,070
<b>Fund balances - ending</b>	<b>\$ 7,056,137</b>	<b>\$ 7,083,572</b>	<b>\$ 11,252,091</b>	<b>\$ 4,168,519</b>

See accompanying notes to the required supplemental information.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2025**

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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 financing sources (uses) in the amounts of the current year equipment usage charge. After this adjustment is made through the transfers in (out), the net changes in budget basis versus GAAP basis are the same.

General Fund

Total Net Expenditures (GAAP Basis)	\$	538,053
Plus charge for use of assets		87,426
cost allocated to special revenue fund		<u>(84,674)</u>
Total expenditures (budget basis)	\$	<u>540,805</u>
Total Other Sources (GAAP Basis)	\$	85,043
Plus charge for use of assets		87,426
Less: Use of assets recovered through indirect		
cost allocated to Special Revenue Fund		<u>(84,674)</u>
Total other sources (budget basis)	\$	<u>87,795</u>



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2025**

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**Note B: Budgetary Controls**

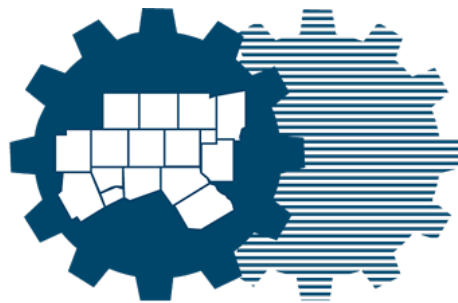
NCTCOG follows these procedures in establishing the General Fund budgetary data reflected in the basic financial statements:

- 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 Fund
- d. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for depreciation. Budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis.
- e. Appropriations for the General Fund lapse at the end of the fiscal year.
- f. Expenditures cannot legally exceed appropriations at the fund level. Expenditures are monitored by the Department of Administration. When expenditures are required for functions that have not been budgeted, authorization to incur the expenditures is requested from NCTCOG's Executive Board by resolution during its regular monthly meetings.
- g. The Executive Director is authorized to transfer budgeted amounts between programs; however, NCTCOG's Executive Board would approve any revisions, which would increase total expenditures.



**North Central Texas  
Council of Governments**

## **OTHER SUPPLEMENTAL INFORMATION**



**North Central Texas  
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Federal Funds Total</b>	<b>State and Locally Administered Total</b>	<b>Combined Total</b>
<b>Revenues</b>			
Federal Grants/Contracts	\$ 16,273,021	\$ -	\$ 16,273,021
State Grants & Contracts	-	185,843,217	185,843,217
Local Contracts	397,178	14,523,916	14,921,094
In-Kind	3,981,902	8,608,707	12,590,609
Program Income	-	229,016	229,016
Interest	-	7,795,502	7,795,502
<b>Total Revenues</b>	<u>20,652,101</u>	<u>217,000,358</u>	<u>237,652,459</u>
<b>Expenditures</b>			
Current:			
Agency Administration	18,865	4,270,567	4,289,432
Agency Management	334,541	325	334,866
Community Service	-	2,170,701	2,170,701
Area Agency On Aging	179,411	17,940,053	18,119,464
Emergency Preparedness	354,277	1,877,176	2,231,453
Environment & Development	162,092	6,271,200	6,433,292
Information & Innovation Services	-	5,062,182	5,062,182
Transportation	19,511,237	41,531,889	61,043,126
Workforce Development	-	127,640,261	127,640,261
Debt Service:			
Interest	-	77,426	77,426
Lease Financing Principal	-	1,455,438	1,455,438
Capital Outlay	-	1,546,961	1,546,961
<b>Total Expenditures</b>	<u>20,560,423</u>	<u>209,844,179</u>	<u>230,404,602</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>91,678</u>	<u>7,156,179</u>	<u>7,247,857</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In - Projects	326,290	800,216	1,126,506
Transfers Out - Projects	(418,367)	(772,568)	(1,190,935)
Leases (As Lessee)	-	1,155,321	1,155,321
<b>Total Other Financing Sources (Uses)</b>	<u>(92,077)</u>	<u>1,182,969</u>	<u>1,090,892</u>
<b>Net Change In Fund Balance</b>	<u>(399)</u>	<u>8,339,148</u>	<u>8,338,749</u>
<b>Fund Balances-Beginning</b>	<u>447</u>	<u>19,559,916</u>	<u>19,560,363</u>
<b>Fund Balance-Ending</b>	<u>\$ 48</u>	<u>\$ 27,899,064</u>	<u>\$ 27,899,112</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-FEDERAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2025**

	FEDERAL FUNDS							
	DOD	EPA	DHS	DOE	DOT	DOC	HHS	TOTAL
<b>Revenues</b>								
Federal Grants/Contracts	\$ 224,491	\$ 603,030	\$ 434,039	\$ 126,076	\$ 14,568,609	\$ 167,970	\$ 148,806	16,273,021
Local Contracts	226,445	-	-	2,500	168,233	-	-	397,178
In-Kind	-	717,052	-	-	3,058,594	167,970	38,286	3,981,902
<b>Total Revenues</b>	<u>450,936</u>	<u>1,320,082</u>	<u>434,039</u>	<u>128,576</u>	<u>17,795,436</u>	<u>335,940</u>	<u>187,092</u>	<u>20,652,101</u>
<b>Expenditures</b>								
Agency Administration	-	-	4,936	-	-	1,100	12,829	18,865
Agency Management	-	-	-	-	-	334,541	-	334,541
Area Agency On Aging	-	-	-	-	-	-	179,411	179,411
Emergency Preparedness	-	-	333,342	20,935	-	-	-	354,277
Environment & Development	-	55,346	106,746	-	-	-	-	162,092
Transportation	42,549	1,264,467	-	128,986	18,074,696	-	539	19,511,237
<b>Total Expenditures</b>	<u>42,549</u>	<u>1,319,813</u>	<u>445,024</u>	<u>149,921</u>	<u>18,074,696</u>	<u>335,641</u>	<u>192,779</u>	<u>20,560,423</u>
Excess/(Deficiencies) Of Revenues	408,387	269	(10,985)	(21,345)	(279,260)	299	(5,687)	91,678
Over/(Under) Expenditures								
<b>Other Financing Sources (Uses)</b>								
Transfers In - Projects	2,698	-	11,044	24,043	282,668	-	5,837	326,290
Transfers Out - Projects	(411,085)	(269)	(458)	(2,698)	(3,408)	(299)	(150)	(418,367)
Leases (As Lessee)	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(408,387)</u>	<u>(269)</u>	<u>10,586</u>	<u>21,345</u>	<u>279,260</u>	<u>(299)</u>	<u>5,687</u>	<u>(92,077)</u>
<b>Net Change In Fund Balance</b>	-	-	(399)	-	-	-	-	(399)
<b>Fund Balances-Beginning</b>	-	-	447	-	-	-	-	447
<b>Fund Balance-Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>48</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-STATE AND LOCALLY**  
**ADMINISTERED-YEAR ENDED SEPTEMBER 30, 2025**

	STATE AND LOCALLY ADMINISTERED FUNDS									
	OOG	TDA	TWC	TCEQ		TX WDB		TX DOT	LOCAL	
				Transportation	Other				Transportation	Other
<b>Revenues</b>										
State Grants & Contracts	\$ 2,137,421	\$21,576	\$ 129,404,430	\$ 538,249	\$ 2,094,606	\$ 1,162,105	\$ 36,899,014	-	\$ -	-
Local Contracts	784,759	-	-	-	-	-	-	4,773,222	-	8,880,141
In-Kind	-	-	2,942,917	-	-	-	550,000	-	-	3,309
Program Income	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	63,289	-	879,701	6,852,512	-	-
<b>Total Revenues</b>	<b>2,922,180</b>	<b>21,576</b>	<b>132,347,347</b>	<b>538,249</b>	<b>2,157,895</b>	<b>1,162,105</b>	<b>38,328,715</b>	<b>11,625,734</b>	<b>8,883,450</b>	
Agency Administration	76,422	-	1,173,331	-	22,337	2,074	2,074	801,683	-	1,910,126
Agency Management	-	-	-	-	-	-	-	-	-	325
Area Agency On Aging	-	-	-	-	-	-	-	47	-	1,351,034
Community Service	1,516,409	-	-	-	-	-	-	-	-	654,292
Emergency Preparedness	1,312,254	-	-	-	-	5,012	5,012	-	-	554,898
Environment & Development	-	8,373	-	-	2,066,018	1,089,546	88,015	-	-	1,170,674
Information & Innovation Services	-	-	3,093,799	-	-	5,954	671,695	-	-	1,289,290
Transportation	-	-	38,271	538,204	7,054	59,519	36,350,097	4,110,407	-	145,424
Workforce Development	-	-	126,327,548	-	-	-	-	-	-	1,312,713
<b>Debt Services</b>										
Interest	-	-	77,097	-	-	-	-	303	-	26
Lease Financing Principal	-	-	1,417,367	-	-	-	-	37,314	-	757
<b>Capital Outlay</b>	-	-	1,176,293	-	-	-	-	344,375	-	26,293
<b>Total Expenditures</b>	<b>2,905,085</b>	<b>8,373</b>	<b>133,303,706</b>	<b>538,204</b>	<b>2,095,409</b>	<b>1,162,105</b>	<b>37,116,893</b>	<b>5,294,129</b>	<b>8,415,852</b>	
Excess/(Deficiencies) Of Revenues	17,095	13,203	(956,359)	45	62,486	-	1,211,822	6,331,605	-	467,598
Over/(Under) Expenditures										
<b>Other Financing Sources (Uses)</b>										
Transfers In - Projects	1,519	-	3,500	-	-	-	61	438,392	-	116,905
Transfers Out - Projects	(18,614)	(10,917)	(16,686)	(45)	(1,107)	-	(337,031)	(65,104)	-	(316,998)
Leases (As Lessee)	-	-	969,545	-	-	-	-	178,905	-	6,871
<b>Total Other Financing Sources (Uses)</b>	<b>(17,095)</b>	<b>(10,917)</b>	<b>956,359</b>	<b>(45)</b>	<b>(1,107)</b>	<b>-</b>	<b>(336,970)</b>	<b>552,193</b>	<b>(193,222)</b>	
<b>Net Change In Fund Balance</b>	<b>-</b>	<b>2,286</b>	<b>-</b>	<b>-</b>	<b>61,379</b>	<b>-</b>	<b>874,852</b>	<b>6,883,798</b>	<b>274,376</b>	
<b>Fund Balances-Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268</b>	<b>46,089</b>	<b>-</b>	<b>1,906,530</b>	<b>13,517,514</b>	<b>4,018,742</b>	
<b>Fund Balance-Ending</b>	<b>\$ -</b>	<b>2,286</b>	<b>\$ -</b>	<b>\$ 268</b>	<b>\$ 107,468</b>	<b>\$ -</b>	<b>\$ 2,781,382</b>	<b>20,401,312</b>	<b>\$ 4,293,118</b>	

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-STATE AND LOCALLY**  
**ADMINISTERED-YEAR ENDED SEPTEMBER 30, 2025**

	STATE AND LOCALLY ADMINISTERED FUNDS (continued)								
	DSHS	TX GLO	CFOHIO	HHSC	IREC	COA TX	LACF	GTI	TOTAL
<b>Revenues</b>									
State Grants & Contracts	\$ 155,974	\$ 2,178,258	\$ -	\$ 11,146,761	\$ 29,461	\$ 56,333	\$ 2,800	\$ 16,229	185,843,217
Local Contracts	-	-	-	-	29,461	56,333	-	-	14,523,916
In-Kind	-	-	-	5,112,481	-	-	-	-	8,608,707
Program Income	-	-	-	229,016	-	-	-	-	229,016
Interest	-	-	-	-	-	-	-	-	7,795,502
<b>Total Revenues</b>	155,974	2,178,258	-	16,488,258	58,922	112,666	2,800	16,229	217,000,358
Agency Administration	5,089	2,742	-	274,689	-	-	-	-	4,270,567
Agency Management	-	-	-	-	-	-	-	-	325
Area Agency On Aging	150,652	-	-	16,438,320	-	-	-	-	17,940,053
Community Service	-	-	-	-	-	-	-	-	2,170,701
Emergency Preparedness	-	-	-	-	-	-	-	-	1,877,176
Environment & Development	-	1,848,574	-	-	-	-	-	-	6,271,200
Information & Innovation Services	-	1,283	-	161	-	-	-	-	5,062,182
Transportation	-	74,280	-	3,779	61,004	112,531	15,109	16,210	41,531,889
Workforce Development	-	-	-	-	-	-	-	-	127,640,261
<b>Debt Services</b>									
Interest	-	-	-	-	-	-	-	-	77,426
Lease Financing Principal	-	-	-	-	-	-	-	-	1,455,438
<b>Capital Outlay</b>	-	-	-	-	-	-	-	-	1,546,961
<b>Total Expenditures</b>	155,741	1,926,879	-	16,716,949	61,004	112,531	15,109	16,210	209,844,179
Excess/(Deficiencies) Of Revenues	233	251,379	-	(228,691)	(2,082)	135	(12,309)	19	7,156,179
Over/(Under) Expenditures									
<b>Other Financing Sources (Uses)</b>									
Transfers In - Projects	-	-	-	233,917	2,155	-	3,767	-	800,216
Transfers Out - Projects	(233)	(362)	-	(5,226)	(73)	(135)	(18)	(19)	(772,568)
Leases (As Lessee)	-	-	-	-	-	-	-	-	1,155,321
				-					
<b>Total Other Financing Sources (Uses)</b>	(233)	(362)	-	228,691	2,082	(135)	3,749	(19)	1,182,969
<b>Net Change In Fund Balance</b>	-	251,017	-	-	-	-	(8,560)	-	8,339,148
<b>Fund Balances-Beginning</b>	-	83,799	1,757	-	-	-	(14,783)	-	19,559,916
<b>Fund Balance-Ending</b>	\$ -	\$ 334,816	\$ 1,757	\$ -	\$ -	\$ -	\$ (23,343)	\$ -	27,899,064



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2025**

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	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 3,171,406	\$ 3,280,262
Benefits	<u>1,470,515</u>	<u>1,535,264</u>
Indirect personnel	4,641,921	4,815,526
Legal	7,660	20,000
Audit	109,700	147,700
Contract services	700,951	704,317
Travel	26,291	33,000
Equipment use fee	87,427	95,000
Consumable supplies	168,177	233,200
Insurance & bonding	89,847	100,000
Rent	618,784	645,750
Printing & publications	12,490	25,000
Equipment rental	7,425	13,200
Advertising	977	4,000
Maintenance & repairs	202,986	205,000
Employee recruitment	4,914	7,500
Communications	11,563	18,000
Postage	5,960	8,000
Subscriptions & dues	349,885	410,000
Other	<u>335,334</u>	<u>365,500</u>
TOTAL	7,382,292	7,850,693
Less: Contributions to Indirect costs	<u>(40,225)</u>	<u>(10,000)</u>
NET INDIRECT COSTS	<u>\$ 7,342,067</u>	<u>\$ 7,840,693</u>

Indirect costs rate computations:

Net indirect costs	\$ <u>7,342,067</u>	\$ <u>7,840,693</u>
Direct salaries & benefits - all funds	\$ 43,305,208 = 16.95%	\$ 44,293,795 = 17.70%

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF EMPLOYEE BENEFITS - ALL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2025**

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<b>Full Time Benefits Programs</b>	<b>Actual</b>	<b>Projected</b>
Medicare insurance	\$ 522,611	\$ 543,754
Medical insurance	5,387,085	5,448,984
Worker's compensation	81,041	78,514
Flexible benefit plan	9,121	11,641
Life & disability insurance	234,926	245,831
Other benefits	61,464	97,000
Unemployment insurance	31,693	6,970
Retirement	3,990,706	4,100,000
Vacation	2,058,333	1,985,299
Sick leave	886,196	994,465
Holiday leave	1,842,639	1,845,018
Other leave	71,165	177,406
	<u>15,176,980</u>	<u>15,534,882</u>
<b>TOTAL</b>	<b>\$ <u>15,176,980</u></b>	<b>\$ <u>15,534,882</u></b>

Employee benefits rate computations:

Total full-time benefits	\$ <u>15,176,980</u>	\$ <u>15,534,882</u>
Total regular salaries	\$ 32,406,664 = 46.83%	\$ 32,497,847 = 47.80%

Total personnel costs recap:

Salaries	\$ 32,406,664	\$ 32,497,847
Benefits	<u>15,176,980</u>	<u>15,534,882</u>
 Personnel - NCTCOG	 <u>\$ 47,583,644</u>	 <u>\$ 48,032,729</u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST  
LIMITATION TEST  
FISCAL YEAR 2025 ACTUAL  
OCTOBER 1, 2024-SEPTEMBER 30, 2025**

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<b>Total Indirect Costs</b>	<b>\$ 7,342,067</b>		
<b>Expenditures:</b>			
General Fund	7,920,342		
Special Revenue Fund	230,314,117		
NCT9-1-1	15,927,728		
Internal Service Fund	7,517,272		
Enterprise Fund	78,332		
Interdepartmental Transfers for Direct Charges and Indirect Costs	( 15,061,147)		
<b>Total Expenditures</b>	246,696,644	=	<b>3.0%</b>
<b>Less:</b>			
Pass-Through Funds <sup>(1)</sup>	( 110,569,203)		
In-Kind Expenditures	( 12,590,609)		
Contract Services	( 34,022,606)		
Contract Services NCT9-1-1	( 3,114,832)		
Capital Expenditures	( 1,567,575)		
Capital Expenditures NCT9-1-1	( 2,554,769)		
<b>Adjusted Expenditures</b>	82,277,050	=	<b>8.9%</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 30,2025**

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	<u>Totals</u>
<b>Capital Assets</b>	
Equipment	\$ 2,865,984
Buildings	31,546,813
Subscriptions	2,366,918
Furniture	369,023
Leasehold improvements	<u>1,708,670</u>
<b>Total capital assets</b>	<u><u>38,857,408</u></u>
 <b>Sources</b>	
NCTCOG	
Equipment	701,928
Buildings	21,827,738
Subscriptions	1,551,727
Furniture	76,681
Leasehold improvements	910,798
	25,068,872
Grant Funded	
Equipment	2,164,056
Buildings	9,719,075
Subscriptions	815,191
Furniture	292,342
Leasehold improvements	<u>797,872</u>
	13,788,536
Less: Internal Service fund assets	<u>23,485,986</u>
<b>Total general capital assets</b>	<u><u>15,371,422</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY**  
**AS OF SEPTEMBER 30,2025**

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	<b><u>Totals</u></b>
<b>Capital Assets</b>	
Community services	\$ 106,435
Emergency preparedness	41,460
Environment & development	17,616
Local and administrative	23,997,039
Information & innovation services	1,693,629
Transportation planning	811,015
Workforce development	12,190,214
Total Capital Assets	<u>38,857,408</u>
Less: Internal Service Fund	<u>23,485,986</u>
Total General Capital Assets	<u>\$ 15,371,422</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY**  
**AS OF SEPTEMBER 30,2025**

**Capital Assets**

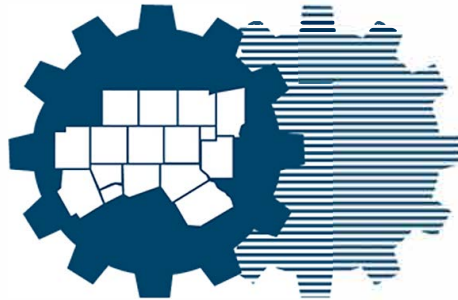
	<u>2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>2025</u>
Community services	\$ 106,435	\$ -	\$ -	\$ 106,435
Emergency preparedness	41,460	-	-	41,460
Environment & development	17,616	-	-	17,616
Local and administrative	23,997,039	-	-	23,997,039
Information & innovation services	964,791	1,070,059	341,221	1,693,629
Transportation planning	569,635	344,375	102,995	811,015
Workforce development	<u>11,722,425</u>	<u>1,176,293</u>	<u>708,504</u>	<u>12,190,214</u>
 Total capital assets	 37,419,401	 2,590,727	 1,152,720	 38,857,408
 Less: Internal service fund	 <u>22,795,295</u>	 <u>1,023,152</u>	 <u>332,461</u>	 <u>23,485,986</u>
 Total general capital assets	 \$ <u><u>14,624,106</u></u>	 \$ <u><u>1,567,575</u></u>	 \$ <u><u>820,259</u></u>	 \$ <u><u>15,371,422</u></u>



## **STATISTICAL SECTION**



**North Central Texas  
Council of Governments**



**North Central Texas  
Council of Governments**



## **STATISTICAL SECTION (UNAUDITED)**

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

### **Contents**

### **Table #s**

#### **Financial Trends**

**1, 2, 3 & 4**

These schedules contain trend information to help the reader understand how NCTCOG's financial performance and well-being have changed over time.

#### **Revenue Capacity**

**5**

All of NCTCOG's significant revenue is provided by other governments. It does not impose any taxes or charge any significant fees of its own. These tables contain information to help the reader assess NCTCOG's most significant local revenue sources.

#### **Debt Capacity**

**6**

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

#### **Demographic and Economic Indicators**

**7 & 8**

These schedules offer demographic and economic indicators to help the reader understand the environment within which NCTCOG's financial activities take place.

#### **Operating Information**

**9 & 10**

These schedules contain service data to help the reader understand how the information in NCTCOG's financial report relates to the services NCTCOG provides and the resources it utilizes to provide these services.

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years (Accrual Basis of Accounting-Unaudited)**

	<b>Fiscal Year</b>			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Governmental activities				
Net investment in capital assets	\$ 307,385	\$ 614,070	\$ 221,830	\$ 919,211
Restricted	22,575,860	15,349,878	9,021,266	7,316,656
Unrestricted	15,670,287	13,709,956	12,834,922	11,229,899
Total governmental activities net position	<u>\$ 38,553,532</u>	<u>\$ 29,673,904</u>	<u>\$ 22,078,018</u>	<u>\$ 19,465,766</u>
Business-type activities				
Net investment in capital assets	-	-	-	-
Unrestricted	-	78,332	100,505	210,719
Total business-type activities net position	<u>\$ -</u>	<u>\$ 78,332</u>	<u>\$ 100,505</u>	<u>\$ 210,719</u>
Primary government				
Net investment in capital assets	\$ 307,385	\$ 614,070	\$ 221,830	\$ 919,211
Restricted	22,575,860	15,349,878	9,021,266	7,316,656
Unrestricted	15,670,287	13,788,288	12,935,427	11,440,618
Total primary governmental net position	<u>\$ 38,553,532</u>	<u>\$ 29,752,236</u>	<u>\$ 22,178,523</u>	<u>\$ 19,676,485</u>

**Source:** Annual Comprehensive Financial Report

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years (Accrual Basis of Accounting-Unaudited)**

**Table 1**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 1,326,876	\$ 1,542,292	\$ 1,150,206	\$ 6,488,405	\$ 4,848,728	\$ 5,805,480
6,988,735	7,201,769	6,816,436	6,124,568	5,924,051	5,649,654
9,882,662	8,303,277	8,056,921	7,898,500	6,496,927	6,038,512
<u>\$ 18,198,273</u>	<u>\$ 17,047,338</u>	<u>\$ 16,023,563</u>	<u>\$ 20,511,473</u>	<u>\$ 17,269,706</u>	<u>\$ 17,493,646</u>
-	-	-	728	21,997	53,520
264,720	175,974	134,012	87,519	44,713	17,040
<u>\$ 264,720</u>	<u>\$ 175,974</u>	<u>\$ 134,012</u>	<u>\$ 88,247</u>	<u>\$ 66,710</u>	<u>\$ 70,560</u>
\$ 1,326,876	\$ 1,542,292	\$ 1,150,206	\$ 6,489,133	\$ 4,870,725	\$ 5,859,000
6,988,735	7,201,769	6,816,436	6,124,568	5,924,051	5,649,654
10,147,382	8,479,251	8,190,933	7,986,019	6,541,640	6,055,552
<u>\$ 18,462,993</u>	<u>\$ 17,223,312</u>	<u>\$ 16,157,575</u>	<u>\$ 20,599,720</u>	<u>\$ 17,336,416</u>	<u>\$ 17,564,206</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years (Accrual Basis of Accounting-Unaudited)**

	<b>Fiscal Year</b>			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Expenses</b>				
Governmental activities:				
Agency administration	\$ 10,206,651	\$ 9,761,460	\$ 8,977,018	\$ 8,534,517
Agency management	1,139,069	978,784	1,140,322	1,006,989
* Area agency on aging	17,657,679	19,048,862	17,078,521	14,431,784
Community services	2,017,404	1,809,572	1,703,370	1,409,757
* 9-1-1 Planning	-	-	-	-
Emergency preparedness	2,066,765	2,611,474	1,750,743	1,936,861
Environment and development	6,270,183	2,944,739	3,322,555	3,083,689
IIS local assistance	4,648,321	4,531,416	4,571,140	3,325,267
Transportation planning	57,519,708	56,735,799	53,213,409	47,936,945
Workforce development	128,476,669	120,350,026	87,834,936	85,784,428
Total governmental activities expenses	<u>230,002,449</u>	<u>218,772,132</u>	<u>179,592,014</u>	<u>167,450,237</u>
Business-type activities:				
Shared service center	78,332	1,110,065	1,380,930	1,364,330
Total business-type activities expenses	<u>78,332</u>	<u>1,110,065</u>	<u>1,380,930</u>	<u>1,364,330</u>
Total primary government expenses	<u>230,080,781</u>	<u>219,882,197</u>	<u>180,972,944</u>	<u>168,814,567</u>
<b>Program revenues</b>				
Governmental activities:				
Operating grants:				
Agency management	167,972	21,624	102,179	292,677
* Area agency on aging	11,451,563	14,323,429	13,870,915	11,409,319
Community Service	800,672	678,750	854,314	718,717
* 9-1-1 Planning	-	-	-	-
Emergency preparedness	1,670,691	2,154,465	1,557,128	1,436,501
Environment and development	5,556,649	1,801,266	2,389,280	2,048,151
Transportation planning	53,064,374	51,164,066	48,842,713	43,221,236
Workforce development	129,404,317	120,177,919	88,414,186	85,148,508
Local grants and contributions	35,547,806	28,054,179	22,618,012	23,311,622
Total governmental activities program revenues	<u>237,664,044</u>	<u>218,375,698</u>	<u>178,648,727</u>	<u>167,586,731</u>
Business-type activities:				
Charges for services:				
Shared service center	-	1,086,354	1,270,716	1,249,731
Total business-type activities program revenues	<u>-</u>	<u>1,086,354</u>	<u>1,270,716</u>	<u>1,249,731</u>
Total primary government program revenues	<u>237,664,044</u>	<u>219,462,052</u>	<u>179,919,443</u>	<u>168,836,462</u>
<b>Net (expenses) revenue</b>				
Governmental activities	7,661,596	(396,434)	(943,287)	136,493
Business-type activities	(78,332)	(23,711)	(110,214)	(114,599)
Total primary government net expenses	<u>7,583,264</u>	<u>(420,145)</u>	<u>(1,053,501)</u>	<u>21,894</u>
<b>General revenues</b>				
<b>and other changes in net position</b>				
Governmental activities:				
Membership fees	831,297	812,421	796,303	767,990
Interest on investments	672,326	7,181,437	2,759,236	423,608
Transfers in (out)	-	(1,538)	-	(60,598)
** Special item	-	-	-	-
Total governmental activities	<u>1,503,623</u>	<u>7,992,320</u>	<u>3,555,539</u>	<u>1,131,000</u>
Business-type activities:				
Transfers in (out)	-	1,538	-	60,598
Total business-type activities	<u>-</u>	<u>1,538</u>	<u>-</u>	<u>60,598</u>
Total primary government	<u>1,503,623</u>	<u>7,993,858</u>	<u>3,555,539</u>	<u>1,191,598</u>
<b>Change in net position</b>				
Governmental activities	9,165,219	7,595,886	2,612,252	1,267,493
Business-type activities	(78,332)	(22,173)	(110,214)	(54,001)
Total Change in net position	<u>9,086,887</u>	<u>7,573,713</u>	<u>2,502,038</u>	<u>1,213,492</u>

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
CHANGES IN NET POSITION**

**Last Ten Fiscal Years (Accrual Basis of Accounting-Unaudited)**

**Table 2**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 7,908,178	\$ 7,582,566	\$ 8,204,880	\$ 7,852,410	\$ 7,410,029	\$ 7,126,021
1,169,150	1,278,501	1,394,848	885,791	802,210	641,576
12,680,904	12,754,861	16,739,462	16,601,140	15,557,099	15,727,538
1,451,305	1,266,452	1,361,640	1,364,502	1,140,500	1,089,685
-	-	5,903,968	14,423,825	8,056,787	7,937,736
1,708,521	2,806,164	3,457,062	4,434,937	2,926,935	3,814,764
3,822,302	2,799,729	4,349,585	2,212,906	3,293,253	2,554,177
4,002,173	3,493,105	3,674,309	2,704,069	4,847,837	3,121,551
44,451,924	40,638,495	42,090,520	38,551,550	44,387,187	40,574,850
67,559,454	84,339,773	69,845,277	61,478,270	60,308,475	60,257,318
144,753,911	156,959,646	157,021,551	150,509,400	148,730,312	142,845,216
1,303,206	1,327,119	1,435,971	1,445,222	1,354,760	1,560,006
1,303,206	1,327,119	1,435,971	1,445,222	1,354,760	1,560,006
146,057,117	158,286,765	158,457,522	151,954,622	150,085,072	144,405,222
225,333	96,372	31,216	104,093	8,631	47,526
9,776,719	8,568,158	7,846,815	7,460,116	7,878,659	8,166,710
805,373	740,503	862,656	976,123	965,583	1,010,092
-	-	8,848,567	16,926,172	9,844,978	11,634,747
1,386,785	1,421,866	2,273,508	2,757,243	2,039,596	2,426,230
2,566,078	1,385,954	2,748,162	960,517	2,387,730	1,318,498
43,306,463	35,855,717	37,524,433	38,464,100	43,518,006	37,874,414
70,734,818	84,671,870	69,910,835	61,521,158	59,606,274	59,051,999
16,344,089	23,983,472	28,307,953	22,945,328	21,255,533	23,553,737
145,145,658	156,723,912	158,354,145	152,114,850	147,504,990	145,083,953
1,371,952	1,369,081	1,445,236	1,440,309	1,314,460	1,474,969
1,371,952	1,369,081	1,445,236	1,440,309	1,314,460	1,474,969
146,517,610	158,092,993	159,799,381	153,555,159	148,819,450	146,558,922
391,747	(235,734)	1,332,594	1,605,450	(1,225,322)	2,238,737
68,746	41,962	9,265	(4,913)	(40,300)	(85,037)
460,493	(193,772)	1,341,859	1,600,537	(1,265,622)	2,153,700
752,591	734,911	722,858	708,243	697,285	685,727
26,597	524,598	1,665,142	954,524	340,547	110,440
(20,000)	-	(63,075)	(26,450)	(36,450)	(26,450)
-	-	(8,145,429)	-	-	-
759,188	1,259,509	(5,820,504)	1,636,317	1,001,382	769,717
20,000	-	36,500	26,450	36,450	26,450
20,000	-	36,500	26,450	36,450	26,450
779,188	1,259,509	(5,784,004)	1,662,767	1,037,832	796,167
1,150,935	1,023,775	(4,487,910)	3,241,767	(223,940)	3,008,454
88,746	41,962	45,765	21,537	(3,850)	(58,587)
1,239,681	1,065,737	(4,442,145)	3,263,304	(227,790)	2,949,867

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years (Modified Accrual Basis of Accounting-Unaudited)**

	<b>Fiscal Year</b>			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
General Fund				
Non Spendable:				
Non spendable	\$ 582,711	\$ 627,676	\$ 22,796	\$ 16,206
Spendable:				
Assigned	-	-	-	-
Unassigned	10,669,380	9,562,216	8,998,911	7,810,437
Total General Fund	<u>\$ 11,252,091</u>	<u>\$ 10,189,892</u>	<u>\$ 9,021,707</u>	<u>\$ 7,826,643</u>
Non Spendable:				
Non spendable	\$ 2,210,730	\$ 399,047	\$ 535,564	\$ 260,035
Spendable:				
Restricted for grants	3,227,373	2,024,107	1,434,575	1,044,273
Restricted for local transportation	19,348,487	13,325,771	7,586,691	6,272,383
Assigned	3,135,865	3,811,438	3,672,606	3,352,107
Unassigned	(23,343)	-	-	-
Total all other governmental funds	<u>\$ 27,899,112</u>	<u>\$ 19,560,363</u>	<u>\$ 13,229,436</u>	<u>\$ 10,928,798</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**

**FUND BALANCES, GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years (Modified Accrual Basis of Accounting-Unaudited)**

**Table 3**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 104,124	\$ 125,792	\$ 60,316	\$ 104,680	\$ 57,469	\$ 40,417
-	344,087	-	-	-	-
7,258,184	6,547,298	6,924,202	6,763,649	6,426,703	6,156,230
<u>\$ 7,362,308</u>	<u>\$ 7,017,177</u>	<u>\$ 6,984,518</u>	<u>\$ 6,868,329</u>	<u>\$ 6,484,172</u>	<u>\$ 6,196,647</u>
\$ 254,157	\$ 74,486	\$ 322,851	\$ 748,494	\$ 124,116	\$ 93,484
904,630	900,069	802,476	699,983	719,573	574,167
6,084,105	6,301,700	6,013,960	5,424,585	5,204,478	5,075,487
2,695,419	2,031,400	1,383,590	354,764	285,208	318,268
-	-	-	-	-	-
<u>\$ 9,938,311</u>	<u>\$ 9,307,655</u>	<u>\$ 8,522,877</u>	<u>\$ 7,227,826</u>	<u>\$ 6,333,375</u>	<u>\$ 6,061,406</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>				
Federal grants	\$ 16,273,021	\$ 17,119,408	\$ 16,301,470	\$ 11,278,841
State administered grants	185,843,217	173,202,111	139,729,245	132,997,272
* Local administered grants	-	-	-	-
Membership dues	831,297	812,421	796,303	767,990
Local contributed cash	14,932,680	11,950,388	12,189,182	11,753,216
In-Kind	12,590,609	15,830,729	10,160,395	11,280,633
Program income	229,016	273,062	268,435	276,769
Interest income	8,467,828	7,181,437	2,759,236	423,608
Total revenues	<u>239,167,668</u>	<u>226,369,556</u>	<u>182,204,266</u>	<u>168,778,329</u>
<b>Expenditures</b>				
Current:				
Agency administration	10,894,421	10,447,717	9,399,123	9,099,867
Agency management	983,016	792,233	1,137,116	1,058,962
Community services	2,170,701	1,965,465	1,829,538	1,540,291
** Area agency on aging	18,119,464	19,526,126	17,474,614	14,827,524
*** 9-1-1 planning	-	-	-	-
Emergency preparedness	2,231,453	2,762,747	1,888,338	2,055,196
Environment & development	6,561,363	3,186,633	3,507,996	3,292,365
Information & innovation services	5,187,413	5,073,887	5,002,021	3,766,499
Transportation planning	61,332,497	60,212,067	56,220,371	51,118,788
Workforce development	127,640,261	119,659,460	86,942,985	85,062,880
**** Debt service				
Interest expense	80,682	89,942	100,988	82,732
Lease financing principal	1,556,098	1,497,137	1,416,994	1,202,895
Capital outlay	1,567,575	1,065,251	746,368	1,885,804
	<u>238,324,944</u>	<u>226,278,665</u>	<u>185,666,452</u>	<u>174,993,803</u>
Indirect cost allocation	(7,342,064)	(7,119,486)	(6,469,693)	(6,113,167)
Contributions to indirect costs	(40,225)	(41,265)	(31,082)	(21,463)
Total expenditures	<u>230,942,655</u>	<u>219,117,914</u>	<u>179,165,677</u>	<u>168,859,173</u>
Excess of revenues over expenditures	8,225,013	7,251,642	3,038,589	(80,844)
Other Financing Sources and (Uses)				
Transfers in	1,215,814	704,893	1,046,114	236,269
Transfers out	(1,215,814)	(706,431)	(1,046,114)	(296,866)
Leases (as lessee)	1,175,935	248,975	457,146	1,596,263
Total other financing sources (uses)	<u>1,175,935</u>	<u>247,437</u>	<u>457,146</u>	<u>1,535,666</u>
Net change in fund balance	<u>\$ 9,400,948</u>	<u>\$ 7,499,079</u>	<u>\$ 3,495,735</u>	<u>\$ 1,454,822</u>
Debt service as a percentage of noncapital expenditures	0.70%	0.70%	0.83%	0.75%

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

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

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

\*\*\*\*GASB 87 and 96



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years (Modified Accrual Basis of Accounting-Unaudited)**

**Table 4**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 12,541,382	\$ 9,665,896	\$ 7,867,231	\$ 6,122,920	\$ 9,417,021	\$ 9,130,586
116,230,240	123,057,730	122,167,014	122,996,621	116,521,194	112,250,105
29,947	16,814	11,947	49,981	311,242	149,525
752,591	734,911	722,858	708,243	697,285	685,727
10,740,753	9,769,285	11,883,148	7,862,199	7,032,388	7,212,111
5,437,434	13,990,073	16,081,552	14,768,786	13,838,816	15,901,151
165,902	224,114	343,253	314,343	384,331	440,475
26,597	524,598	1,665,142	954,524	340,547	110,440
<u>145,924,846</u>	<u>157,983,421</u>	<u>160,742,145</u>	<u>153,777,617</u>	<u>148,542,824</u>	<u>145,880,120</u>
8,510,295	8,848,655	8,420,241	8,297,167	7,626,153	7,427,418
1,211,093	1,294,516	1,407,127	927,382	821,879	663,102
1,552,097	1,327,938	1,446,168	1,457,306	1,180,134	1,150,646
13,040,536	13,064,008	17,046,773	16,923,077	15,691,248	15,911,917
-	-	5,842,660	12,120,927	8,230,234	8,163,109
1,823,853	2,952,309	3,609,118	4,594,979	2,997,823	3,909,795
4,059,455	2,988,871	4,520,625	2,390,973	3,374,010	2,678,049
4,418,873	3,850,291	4,126,173	3,085,187	5,035,633	3,382,440
47,577,664	43,080,787	44,377,829	40,975,838	45,519,190	42,021,853
68,146,169	84,824,493	70,289,424	61,961,130	60,598,233	60,614,440
-	-	-	-	-	-
-	-	-	-	-	-
<u>158,093</u>	<u>762,959</u>	<u>3,777,855</u>	<u>4,963,607</u>	<u>1,739,299</u>	<u>4,212,490</u>
<u>150,498,128</u>	<u>162,994,827</u>	<u>164,863,993</u>	<u>157,697,573</u>	<u>152,813,836</u>	<u>150,135,259</u>
(5,555,948)	(5,820,026)	(5,582,753)	(5,199,871)	(4,851,794)	(4,456,006)
<u>(13,121)</u>	<u>(8,817)</u>	<u>(13,410)</u>	<u>(25,143)</u>	<u>(15,161)</u>	<u>(14,706)</u>
<u>144,929,059</u>	<u>157,165,984</u>	<u>159,267,830</u>	<u>152,472,559</u>	<u>147,946,880</u>	<u>145,664,547</u>
995,787	817,437	1,474,315	1,305,058	595,944	215,573
683,266	612,298	126,583	283,218	886,189	412,599
(703,266)	(612,298)	(189,658)	(309,668)	(922,639)	(439,049)
-	-	-	-	-	-
<u>(20,000)</u>	<u>-</u>	<u>(63,075)</u>	<u>(26,450)</u>	<u>(36,450)</u>	<u>(26,450)</u>
<u>\$ 975,787</u>	<u>\$ 817,437</u>	<u>\$ 1,411,240</u>	<u>\$ 1,278,608</u>	<u>\$ 559,494</u>	<u>\$ 189,123</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**REVENUES BY SOURCE**  
**Last Ten Fiscal Years (Unaudited)**

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<b>Fiscal Year</b>	<b>LOCAL</b>					
	<b>Member Dues</b>	<b>Interest (1)</b>	<b>Contributions (1)</b>	<b>In-Kind</b>	<b>Program</b>	<b>Total</b>
2025	\$ 831,297	\$ 8,467,828	\$ 14,932,680	\$ 12,590,609	\$ 229,016	\$ 37,051,430
2024	812,421	7,181,437	11,950,388	15,830,729	273,062	36,048,037
2023	796,303	2,759,236	12,189,182	10,160,395	268,435	26,173,551
2022	767,990	423,608	11,753,216	11,280,633	276,769	24,502,216
2021	752,591	26,597	10,740,753	5,437,434	165,902	17,123,277
2020	734,911	524,598	9,769,285	13,990,073	224,114	25,242,981
2019	722,858	1,665,142	11,883,148	16,081,552	343,253	30,695,953
2018	708,243	954,524	7,862,199	14,768,786	314,343	24,608,095
2017	697,285	340,547	7,032,388	13,838,816	384,331	22,293,366
2016	685,727	110,440	7,212,111	15,901,151	440,475	24,349,904

**Notes:** (1) Includes general and special revenue

\*In 2016 NCTCOG began the breakout of local administered grants from local contributions

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**REVENUES BY SOURCE**  
**Last Ten Fiscal Years (Unaudited)**

**Table 5**

	GRANTS			GRAND
*Local	State	Federal	Total	TOTAL
\$ -	\$ 185,843,217	\$ 16,273,021	\$ 202,116,238	\$ 239,167,668
-	173,202,111	17,119,408	190,321,519	226,369,556
-	139,729,245	16,301,470	156,030,715	182,204,266
-	132,997,272	11,278,841	144,276,113	168,778,329
29,947	116,230,240	12,541,382	128,801,569	145,924,846
16,814	123,057,730	9,665,896	132,740,440	157,983,421
11,947	122,167,014	7,867,231	130,046,192	160,742,145
49,981	122,996,621	6,122,920	129,169,522	153,777,617
311,242	116,521,194	9,417,021	126,249,457	148,542,824
149,525	112,250,105	9,130,586	121,530,216	145,880,120

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years (Unaudited)**

**Table 6**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Debt to Personal- Income-Ratio <sup>(1)</sup></b>	<b>Total Debt per Capita <sup>(1)</sup></b>
	<b>Leases</b>	<b>Subscriptions</b>	<b>Total Debt</b>		
2025	\$ 20,677,243	\$ 1,177,981	\$ 21,855,224	3.4571%	\$ 2.51
2024	22,977,460	193,339	23,170,799	3.7676%	2.73
2023	25,837,646	293,746	26,131,392	4.3499%	3.15
2022	27,262,503	-	27,262,503	4.8392%	3.37
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-

**Notes:** (1) Personal income and per capita are disclosed on Demographic and Economic Statistics table.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years (Unaudited)**

**Table 7**

Year	Estimated State of Texas Population <sup>a</sup>	Estimated Regional 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>
2025	31,669,507	8,718,500 *	\$632,178,390 *	\$82,695	1,470,917	4.2%
2024	31,290,831	8,481,512 *	614,994,386 *	78,703	1,463,520	3.9%
2023	30,727,890	8,284,892	600,737,499	74,416	1,458,368	3.6%
2022	30,113,488	8,097,180	563,368,616	70,493	1,441,135	3.8%
2021	29,570,351	7,939,600	526,077,181	66,727	1,420,331	3.9%
2020	29,239,570	7,831,768	470,783,274	61,554	1,452,149	7.1%
2019	28,995,881	7,556,910	448,420,510	58,725	1,434,859	3.1%
2018	28,628,666	7,395,780	424,650,728	55,886	1,425,257	3.2%
2017	28,295,273	7,255,690	395,002,697	52,995	1,405,496	3.4%
2016	27,914,410	7,129,550	369,242,759	51,099	1,379,534	4.0%

**Sources:** <sup>a</sup>RIS. Each year the entire time series is updated.

<sup>b</sup>Dallas-Fort Worth-Arlington, Tx Metropolitan Statistical Area; bea.gov

<sup>c</sup>Texas Education Agency

<sup>d</sup>Bureau of Labor Statistics; bls.gov

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

**Other:** \* - Approximation only, as information not published yet

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

**Table 8**

2025			2016		
Employer <sup>a</sup>	Employees	Percentage of Total NCTCOG Employment	Employer <sup>a</sup>	Employees	Percentage of Total NCTCOG Employment
American Airlines Group Inc.	30,000	0.67%	Wal-Mart Stores Inc.	34,000	0.94%
Texas Health Resources	29,000	0.65%	American Airlines Group Inc.	27,000	0.74%
Wal-Mart Stores Inc.	25,534	0.57%	Texas Health Resources	22,296	0.61%
Lockheed Martin	24,000	0.54%	Dallas Independent School District	19,740	0.54%
Baylor Scott & White Health	23,865	0.54%	Baylor Scott & White Health	16,500	0.45%
Dallas Independent School District	23,000	0.52%	Lockheed Martin Aeronautics Co.	13,750	0.38%
University of Texas Southwestern Medical Center	22,721	0.51%	Bank of America	13,500	0.37%
JPMorganChase	18,500	0.42%	City of Dallas	13,336	0.37%
Medical City Healthcare	17,000	0.38%	UT Southwestern Medical Center	13,018	0.36%
UNT Health Fort Worth	14,171	0.32%	Texas Instruments Inc.	13,000	0.36%
Total	227,791	5.12%		186,140	5.12%
Total NCTCOG Region Employees <sup>b</sup>	4,450,086		Total NCTCOG Region Employees <sup>b</sup>	3,634,528	

**Source:** <sup>a</sup> Dallas Business Journal, Book of Lists 2025; NCTCOG

<sup>b</sup> LAUS (Bureau of Labor Statistics)

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

<sup>b</sup> Bureau of Economic Analysis (W&S)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**FULL-TIME EQUIVALENT AGENCY EMPLOYEES BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years (Unaudited)**

**Table 9**

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Agency Management	6	4	4	4	4	4	3	3	3	3
Agency Administration	51	51	51	50	50	48	48	46	45	44
*Area Agency on Aging	29	32	30	28	24	24	24	24	21	22
Community Services	10	10	10	9	9	9	9	8	8	7
**9-1-1 Planning/(NCT9-1-1)	33	33	33	33	33	33	33	32	26	24
Emergency Preparedness	7	7	7	6	10	12	12	12	11	11
Environment & Development	16	16	16	15	15	14	14	14	13	13
***Public Affairs	-	2	2	2	2	2	2	2	2	2
Information & Innovation Services	35	35	35	35	35	35	35	35	35	29
Transportation	204	195	193	184	176	167	169	166	161	158
Workforce Development	58	55	55	50	48	48	44	37	40	40
Total	<u>449</u>	<u>440</u>	<u>436</u>	<u>416</u>	<u>406</u>	<u>396</u>	<u>393</u>	<u>379</u>	<u>365</u>	<u>353</u>

**Source:** Agency Annual Fiscal Program

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

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

\*\*\*Public Affairs moved under Agency Administration in 2025.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years (Unaudited)**

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Function/Program	Fiscal Year			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
*Area agency on aging	\$ -	\$ -	\$ -	\$ -
**9-1-1 planning	-	-	-	-
Community services	106,435	106,435	98,492	14,646
Emergency preparedness	41,460	41,460	41,460	233,852
Environment & development	17,616	17,616	17,616	25,639
Local and administrative	23,997,039	23,997,039	23,923,933	21,731,475
Information & innovation services	1,693,629	964,791	728,256	647,433
Transportation planning	811,015	569,635	457,565	390,898
Workforce development	11,722,425	11,722,425	11,233,398	9,962,244
Enterprise fund	-	-	-	-

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

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



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years (Unaudited)**

**Table 10**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ -	\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063
-	-	-	13,034,335	8,291,207	6,747,587
-	65,790	65,790	65,790	65,790	65,790
233,852	271,949	271,949	271,949	262,583	262,583
25,639	110,290	110,290	110,290	110,290	110,290
1,848,018	1,824,996	1,824,996	1,330,459	1,305,119	1,296,232
1,298,970	1,528,166	1,528,166	1,983,373	1,983,373	1,818,749
790,914	1,482,432	1,482,432	1,329,239	1,310,706	1,307,581
2,146,782	3,637,483	3,637,483	4,145,950	3,959,340	3,829,235
-	7,483,991	7,483,991	7,483,991	7,483,991	7,483,991