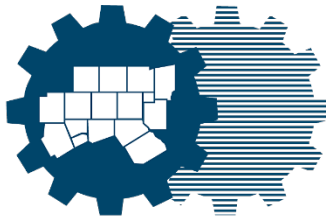




ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2024



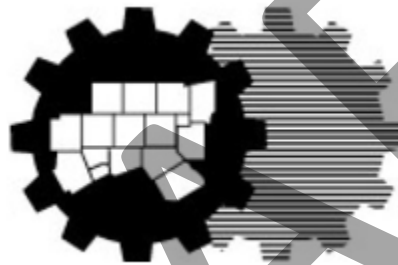
**North Central Texas
Council of Governments**



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

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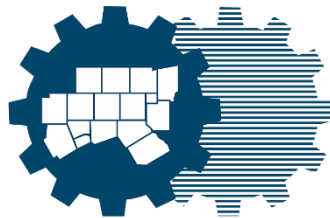
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INTRODUCTORY SECTION



**North Central Texas
Council of Governments**



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DRAFT



North Central Texas Council of Governments

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

February 27, 2025

Members of the Executive Board:

The Annual Comprehensive Financial Report of the North Central Texas Council of Governments (NCTCOG, ‘the Council’ or ‘the Agency’) for the fiscal year ended September 30, 2024, is hereby submitted. This report was prepared for the Agency by NCTCOG’s Department of Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of NCTCOG as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Council’s financial affairs have been included.

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

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

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

Organizational Profile

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

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

The Agency is an organization of, by, and for local governments. Its purpose is to strengthen both the individual and collective power of local governments – and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to assist in the implementation of those decisions. The NCTCOG is governed by a general assembly composed of one voting representative from each of the 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 7 million, which is larger than 37 states, and an area of nearly 12,800 square miles, which is larger than nine states. NCTCOG’s 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 196,620 persons during 2024 for a January 1, 2025 total estimated population of 8.5 million.

The October 2024 unadjusted unemployment rate for the 16 county NCTCOG region was 3.9%, which was below the Texas rate of 4.1% as well as the national figure of 4.1%.

Despite the economic concerns of the last few years, NCTCOG expects there to be more than 10 million people and over 7 million jobs in the area by 2040. The Region’s relatively low cost of living, central location, transportation hubs, good business climate, favorable weather, and quality schools make it a competitive area nationally for business relocations. Migration, both from within the U.S. and internationally, is expected to continue to drive growth in North Central Texas well into the future.

New Initiatives

Transportation (TR)- NCTCOG received \$4,000,000 from the Federal Highway Administration Safe Streets and Roadways for All (SS4A) grant program to advance planning in high-injury corridors identified within the Regional Roadway Safety Plan and Pedestrian Safety Action Plan. This planning will include supplemental in-depth planning/data collection and demonstration projects. Road Safety Audits will be conducted and Safe Routes to School plans will be completed as part of this process. Through this study, safety improvements will be prioritized to assist in efficiently and effectively allocating already approved funding for transportation safety improvements. During FY2024, staff initiated review of corridors to conduct roadway safety audits and subsequently performed analysis of the corridors to identify nearby schools to conduct safe routes to school (SRTS) plans. Initial coordination occurred with city representatives to confirm the identified corridors and schools are appropriate for further study. A consultant scope of work was developed and a request for proposals for consultant services was released.

In February 2024, the Regional Transportation Council (RTC) approved \$500,000 in RTC Local funds to support an economic development plan for the State Highway 10 (Hurst Boulevard) Corridor in the City of Hurst. The plan will determine the best zoning and land use, reduce environmental impacts, complement transit-oriented development at Trinity Lakes Station, and review associated trail connections. This funding will be used to conduct data collection, community engagement, an economic development market study, and analysis of multiple datasets. The goal of the project is to create recommendations for land use and transportation policies and projects to spur corridor redevelopment.

On October 31, 2024, NCTCOG was awarded \$800,000 in grant funding (matched with \$200,000 RTC Local) from the Federal Transit Administration's Fiscal Year 2024 Pilot Program for Transit-Oriented Development (TOD) Planning for a Trinity Railway Express (TRE) Corridor TOD Strategic Plan. The goal of this two-year planning initiative is to create recommendations for the cities and transit agencies to use in supporting increased TOD on the TRE corridor. The strategic focus areas include studying bicycle and pedestrian connection improvements to the stations, planning for land redevelopment at each station based on market demand, and evaluation of funding or financing options to implement TOD. The study area is the half-mile radius of seven TRE stations: Trinity Lakes, Bell, CentrePort/DFW Airport, West Irving, Downtown Irving/Heritage Crossing, Medical/Market Center, and Victory. The planning will be closely coordinated with the Cities of Fort Worth, Irving, and Dallas, and Dallas Area Rapid Transit and Trinity Metro transportation agencies.

In April 2024, the RTC approved \$3,000,000 in RTC local funding to support the Transportation Department's efforts with pursuing competitive federal awards for the region. Activities include application development, grant management, compliance monitoring, performance measures, and oversight. Funding has been used to support the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Four Stations Project, Electric Vehicle Charger Reliability and Accessibility Accelerator (EVC RAA) Project, Texas Hydrogen and Electric Freight Infrastructure Project (Tx-HEFTI) and North Texas Equitable Electric Vehicle Infrastructure Project (NTx-EEVI). These funds are also available for staff assistance to RTC-directed projects not supported through other funding sources.

NCTCOG received a Surface Transportation Block Grant of \$1,000,000 in May to begin work on the McKinney Passenger Rail Line study, a project approved by the Regional Transportation Council in October 2022. This project will update previous studies looking at feasibility, costs, and demand for passenger rail in the corridor from Plano to McKinney and will examine the possibility of extending the corridor as far north as Anna. Early work on the project included an inventory of existing conditions at the proposed station locations and an analysis of forecasted trip origins and destinations along the corridor to identify potential markets and riders of the planned line.

NCTCOG was awarded a grant of \$500,000 from the Federal Railroad Administration (FRA) to enter into Step 1 of the Corridor ID Program for the proposed Fort Worth-Houston high-speed rail corridor. Step 1 of this program focuses on the development of the statement of work, budget, and schedule that will be used to prepare a Service Development Plan for the corridor, a follow-on step of the program. Transportation Department staff worked closely with FRA to build a project management plan and initiate these work tasks in FY2024, including preparations to procure consultant assistance in FY2025.

The NCTCOG Transportation Department received approval for two amendments to the consultant contract for the Dallas-Fort Worth High-Speed Transportation Connections Study in FY2024. The project contract utilizes Federal Transit Administration (FTA) funding and was first initiated in 2020. The first contract amendment in FY2024, in the amount of \$1,099,657, was approved by the NCTCOG Executive Board on January 25, 2024, to support tunneling expertise and development of alternative alignments in coordination with stakeholders to advance the National Environmental Policy Act (NEPA) process. The second amendment, adding \$1,650,343 to the contract, was approved by the Executive Board on September 26,

2024, and will enable advanced engineering and stakeholder engagement for a western alignment alternative near downtown Dallas. This work is ongoing and remains necessary to continue progress toward completion of preliminary engineering and a Finding of No Significant Impact for this project.

Transportation Planning Funds (TPF) in the amount of \$200,000 were received to migrate existing website content from previously independent systems into a secure, multi-site, common development and deployment web-based platform. This migration aims to improve the security, development framework, efficient management and delivery of content designed for external audiences. Activities under this funding include discovering and prioritizing public content related to NCTCOG education projects, public outreach campaigns, public service announcement programs, and project purpose summaries. After a bid process to select a consultant within the TPF funding requirements, a series of discovery sessions will be conducted to define content and project delivery goals.

NCTCOG received \$5,000,000 from the Federal Highway Administration Safe Streets and Roadways for All (SS4A) grant program to advance planning for crossing guard implementation on high-injury corridors identified in the Regional Roadway Safety Plan and Pedestrian Safety Action Plan. This project will include in-depth data collection, review of existing conditions and challenges, development of safety recommendations, development of a crossing guard regional model, and driver awareness technology application demonstration projects in school zones. During FY2024, staff developed a draft funding agreement and scope of work.

Funding in the amount of \$281,250 was received from the Texas Commission on Environmental Quality for the Rider 7 Ozone Local Air Quality Planning Grant. The work under this grant will conduct non-regulatory monitoring work in Hood County to evaluate ozone, nitrogen oxide, and volatile organic compound pollution levels as well as meteorological data at the respective monitoring sites. These monitoring activities will support the State Implementation Plan (SIP) by assisting to determine the origin of ozone and ozone precursor emissions, transport patterns, future ozone forecasting, and the need for modeling exercises conducted during SIP development. These activities will also aid in air quality planning efforts by helping understand area boundaries, illustrating the need and urgency of future air quality programs and initiatives, and the importance of air monitoring network design.

Funding in the amount of \$488,995 was received from the Texas Commission on Environmental Quality for the Rider 7 PM2.5 Local Air Quality Planning Grant. The work under this grant will conduct non-regulatory monitoring work in Dallas, Ellis, and Tarrant Counties to evaluate fine particulate matter (PM2.5) pollution levels as well as meteorological data at the respective monitoring sites. These monitoring activities will support the State Implementation Plan (SIP) by assisting in determining the origin of PM2.5, transport patterns, future PM2.5 forecasting, and the need for modeling exercises conducted during SIP development. These activities will also aid in air quality planning efforts by helping understand area boundaries, illustrating the need and urgency of future air quality programs and initiatives, and the importance of air monitoring network design.

Area Agency on Aging (AAA) – The Aging program continued to benefit from pandemic-relief legislation that increased funding for its Area Agency on Aging (NCTAAA) and Aging and Disability Resource Center (NCTADRC). Specifically, it expended \$3,998,265 in funding from the American Rescue Plan Act (ARPA), CDC Vaccine and No Wrong Door (NWD) Vaccine during Fiscal Year 2024. These funding sources allowed the NCTAAA to expand its core services (including home-delivered meals and transportation) and to engage in greater outreach to raise awareness of program services and the importance of receiving COVID vaccinations.

In addition to pandemic-relief funding, the Aging program was supported by the following revenue sources:

- Funding for the NCTAAA from Texas Health and Human Services (HHSC) in the amount of \$9,724,185 to administer social service 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 for the NCTADRC from HHSC in the amount of \$404,271 to provide information and referral, respite, housing navigation, and options counseling services for North Central Texans who are older and/or have disabilities.
- Relocation funding in the amount of \$889,458 under contracts with Molina Health Care, United Health Care, and WellPoint to help nursing home residents return to the community.
- A \$1M three-year competitive national grant from the Administration for Community Living (ACL) to expand support for people with dementia and their family caregivers in a 28-county region. New services include dementia education for caregivers and individualized consultation to help them better care for their loved ones with dementia and themselves.
- Senior Medicare Patrol: A \$23,500 subgrant from the Better Business Bureau to educate Medicare beneficiaries about program fraud.
- Revenues in the amount of \$12,099 under a contract with the Veterans Administration to administer the Veteran Directed Care program.

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

Community Services

Criminal Justice Planning - During Fiscal Year 2024 the Criminal Justice Program focused its efforts on meeting requirements set forth in the Interlocal Cooperation Agreement between NCTCOG and the Office of the Governor's Public Safety Office (PSO). Staff provided technical and operational assistance to more than 100 agencies for over 150 criminal justice grant applications; conducted 11 grant application workshop sessions; provided oversight to the Criminal Justice Policy Development Committee, oversaw strategic planning efforts; and carried out other tasks that met administrative requirements of the PSO.

Training & Development Institute (TDI)- Over the 2024 Fiscal Year, TDI successfully facilitated 78 individual courses for the region and state, including three Recurring Cohort Programs for Municipal Management Professionals in the Region. Of the courses offered this fiscal year, 8 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 79 participants successfully complete these 20-hour courses. TDI additionally hosted 33 Public Funds Investment Act training dates which are required for all public finance and investment officers in the State of Texas; 1,380 participants received their certificates of completion for this training course during the 2024 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 155 participants from a variety of agencies. Five of the courses were hosted at our NCTCOG offices, and one was hosted in Rockwall at the Rockwall County Courthouse. 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) - From 9.1.2023 to 8.31.2024, the Regional Police Academy conducted eight Basic Peace Officer Courses and graduated 200 new law enforcement officers from

throughout the NCTCOG region. The Regional Police Academy submitted 153 training rosters for a total of 201,240 contact hours and 2,186 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 FY24, the North Central Texas Regional Emergency Preparedness (EP) Program, managed by the Emergency Preparedness Department, collected \$485,000 in membership dues. Membership funds were used to meet stakeholder needs through advocacy, planning, training and exercise assistance, meeting coordination, regional program/project implementation and management, and multiple other support services. The NCTCOG 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. FY2025 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 FY2025, the D/FW/A Urban Area will receive approximately \$14,941,233 in GY2024 Urban Area Security Initiative (UASI) funds from the U.S. Department of Homeland Security (DHS). These funds are 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 SHSP grant funds from the DHS. These funds will be expended, 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 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 GY2024 SHSP Grant supports the implementation of State Homeland Security Strategies

addressing the capability targets established in the regional THIRA. The Regional Emergency Preparedness Advisory Committee (REPAC) utilized regional working groups to create and submit projects to benefit the region. These projects are intended to close capability gaps and build new capabilities by enhancing citizen preparedness in disaster events, providing equipment and training to regional special response teams, and fund regional full-scale training and exercise events. As a result of these funded projects, local governments throughout the region build on their capacity and enhance their ability to prevent, protect, mitigate, respond to, and recover from a terrorist incident or other catastrophic event.

Mitigation Program: The EP Mitigation program has undergone some transition due to mitigation grants to create update multijurisdictional, multi-hazard mitigation plans coming to an end of performance period and three Federal Emergency Management Agency (FEMA) grant projects applied for in FY22 did not get accepted for funding. EP has one mitigation staff member contracted through a staffing agency to handle mitigation issues only as needed. In FY2024, the Emergency Preparedness Department finalized TDEM approved PDM-FY19-008 and PDM-FY19-009 Hazard Mitigation Plan (HMP) updates for Ellis, Navarro, Johnson, Somervell, and Wise Counties HMPs, and secured FEMA Approval Pending Adoption (APA) status.

Collaborative Adaptive Sensing of the Atmosphere (CASA WX) Member Program: The Collaborative Adaptive Sensing of the Atmosphere (CASA WX) program is a weather observation system paradigm based on a low power, low cost, overlapping network of radars capable of providing rapid, enhanced weather data. To support the weather radar system in the Dallas Fort Worth area in 2024, the EP Department continued to manage the CASA WX membership program, collecting membership dues from local jurisdictions totaling \$138,375. 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.

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

Focus on Efficiency - NCTCOG departments, local governments, and others find data from RIS programs indispensable for their planning and decision-making activities. RIS is exploring ways to leverage additional data, methods, and tools to increase automation and reduce the need for manual intervention in dataset development. Enhanced methods can also help improve data quality and facilitate more frequent updates.

Focus on Customer Needs - The Spatial Data Cooperative Program provides local governments and other participants with high-quality digital imagery and related products. This initiative provides cost-savings for not just the initial participants, but for anyone who purchases products available through the program. In response to customer needs, RIS added a recurring imagery service option to the program and is continuously looking for other ways to add value for customers. Digital elevation contours and attributed building footprints are examples of innovative and unique products. RIS also improved the purchase site, through which non-participants can acquire the data, and replaced the blanket processing fee with a scaled fee.

Focus on Innovation -RIS recently added machine learning capabilities to its suite of competencies. The applications have focused on work for Demographic Forecasting. However, RIS is exploring the potential expansion of AI, including machine learning and deep learning, to other programs such as the Small Area Estimates program and geospatial layer development.

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 FY24, we served an average of 8,127 children each day.

WSNCT has a team of Early Childhood Specialists who meet regularly with Early Learning Program (ELP) directors and coach and mentor the ELP staff members. WSNCT Early Childhood Specialists provide observations, suggestions, resources, and a support system for the programs as they participate in the program and work towards the Texas Rising Star (TRS) Assessment. The Early Childhood Specialists team also provided more than 230 hours of professional development training to nearly 3,000 ELP staff, as well as more than 19,500 hours of mentoring and coaching to programs throughout our region.

Additional Child Care Quality milestones for FY24 include:

- \$264,786 in professional development scholarships and training opportunities were made available for early childhood education and child development. A total of 981 early learning educators participated in the opportunities provided.
- \$738,730 in grants were awarded for the purchase of equipment and materials to enhance learning environments. 240 Early Learning Programs received grants and additional support.
- \$267,000 in grants were awarded for the purchase of curricula and training for 209 early learning program staff.
- \$960,170 in wage supplements were provided to 1,921 early learning educators. Participating programs were required to participate in business coaching with a business advisor to connect them with resources to support their business practices, including employee retention.
- 289 Child Development Associate (CDA) scholarships were provided to early childhood educators, of which 44 have completed their CDA course and are in the process of obtaining certification. 15 early childhood educators received additional scholarships the previous year, completed their CDA certification, and were awarded stipends.

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 12 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.

The WSNCT Target Occupations List (TOL) identifies high-growth, high-demand occupations that pay a living wage or greater based on several economic indicators, industry, education, and community feedback, as well as local wisdom. We evolved our selection methodology to broaden the scope of occupations that specifically address the “middle skills” gap – occupations that require a high school diploma (or equivalent) and some additional training, but less than a four-year college degree. The current WSNCT TOL is now more equitable and provides a wider variety of career pathways to in-demand and well-paying jobs.

Our Teacher Externship program helps school districts and their educators connect more meaningfully with local employers while also bringing workforce and occupational perspectives back to students in the classroom. This year, 151 teachers spent several days on location with employers to gain valuable information on current workplace practices, requirements, tools, trends, and skills. Armed with this information, teachers created lesson plans that are preparing more than 23,200 middle and high school students for futures in a myriad of local professions and career opportunities.

WSNCT Youth Career Exploration Events are held annually and are region-wide, bridging the gap between students/youth, and Industry. At these events, employers, community colleges and universities, community organizations, and military branches gather to network with youth from across the region. In FY24, WSNCT provided grants to Collin College Technical Campus, TEXO Foundation, Weatherford College, and Stephenville Economic Development Authority to deliver hands-on career exploration opportunities to 2,100+ students across the region. Students interacted with employers that offer various high-demand career opportunities and learned about the training and technical skills required for those jobs. Students also practiced networking and employability skills that are essential for career success.

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. FY24 outcomes include:

- 294 Students completed Work Readiness Training
- 292 Students were placed in Paid Work Experience
- 229 Completed at least five weeks of Paid Work Experience
- 165 Worksites participated in Summer Earn & Learn

Workforce and Industry Engagement

In 2024, WSNCT continued hosting Accelerator Sessions to connect with our county-level partners to better assess how we can more effectively leverage our services to meet local needs. We held four meetings with counties (or cluster of counties with similar demographics and workforce challenges) throughout our region that brought together dozens of our Chief Elected Officials, Economic Development Corporations, Chambers, Colleges, School District representatives and Community partners. The in-depth conversations and resulting working sessions allowed us to meet pressing local workforce demands as well as sharpen the focus of our Sector Partnership initiative from a regional perspective to one that is customized to meet specific industry challenges in each county. These sector partnerships bring together business leaders, educational partners and community-based organizations to generate solutions to near- and long-term workforce challenges. Accelerator Sessions strengthen and expand our impact making us more effective in implementing our strategic plan and attaining the goals set within.

Registered Apprenticeship Programs (RAPs) continue to garner attention. Through this training model, employers can train new and existing employees to the exact specifications needed. In turn, workers gain new skills and certifications that can propel them forward in their careers. There are 68 RAPs in North Central Texas. WSNCT's partnership with the U.S. Department of Labor allows us to work with employers through the apprenticeship program development and registration process, making it simple and rewarding for both employers and their workers.

In FY24, we collaborated with our education, industry, and community partners to support grant applications for projects and programs that support our mutual goals in building a robust and skilled workforce. As of January 2025, collaboration with our partners brought funding awards totals in these categories:

- Skills Development Fund Grants: \$1,969,950
- Education and Training Grants: \$5,996,848

FY24 WSNCT Statistics At A Glance

Employers Served – 9,800+

Career Seekers Served – 87,000+

Average Number of Children Served Per Day Through Child Care Scholarships – 8,127

Hiring Events

- In Person – 200
- Career Seekers Attending Hiring Events – 8,562
- Employers Attended – 1,059

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

Factors Affecting Financial Condition

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

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

As part of NCTCOG's single audit, tests are made to determine the adequacy of internal control including that portion related to federal financial assistance programs, as well as to determine that NCTCOG has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended September 30, 2024, 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 2024 budget is approximately 85% 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, 2023. This was the twenty-fourth 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.

Mike Eastland
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

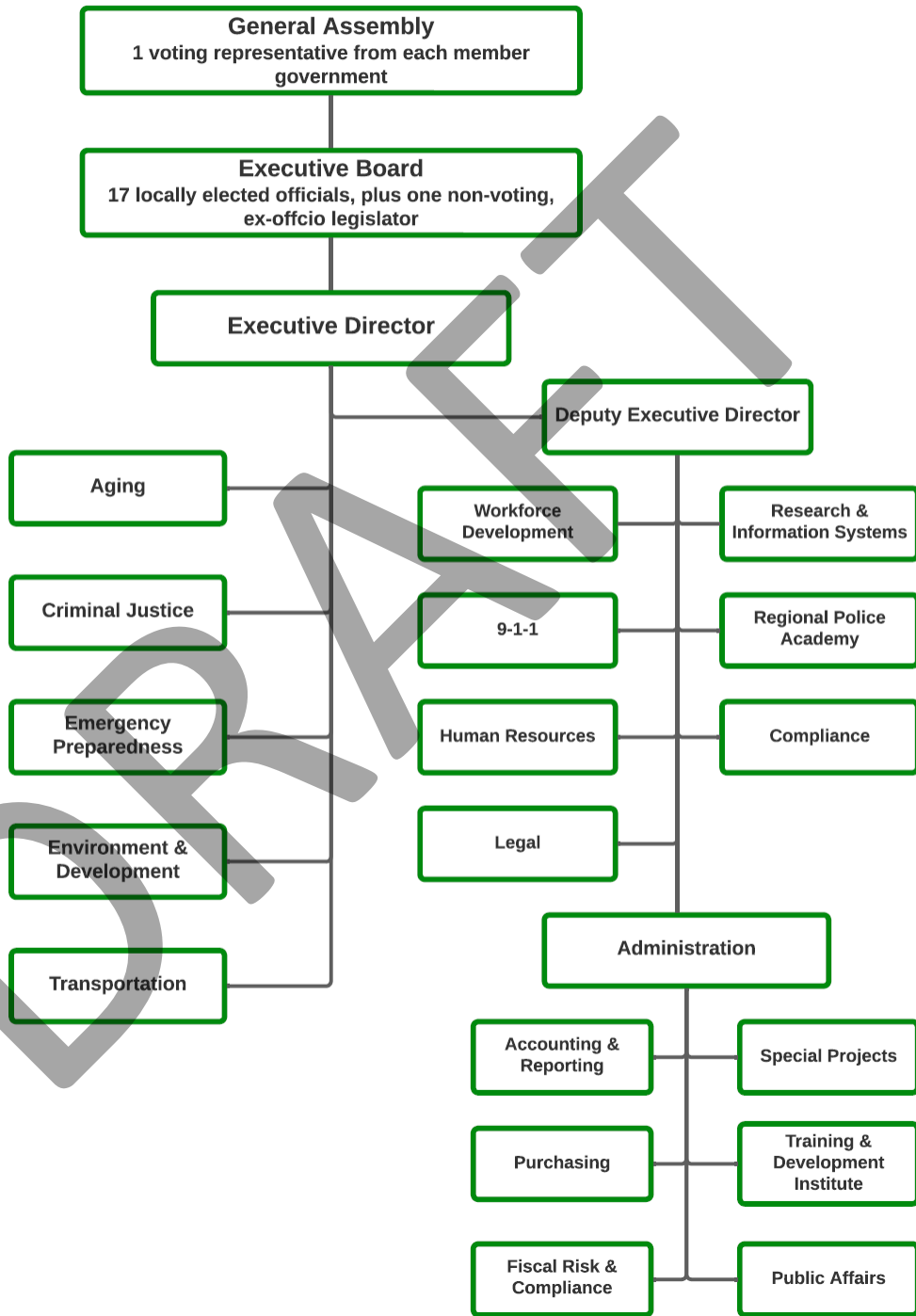
September 30, 2023

Christopher P. Morrill

Executive Director/CEO

Organizational Chart

North Central Texas Council of Governments



NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
2024- 2025 EXECUTIVE BOARD

President
CHRIS HILL
County Judge
Collin County

Vice President
VICTORIA JOHNSON
Councilmember
City of Burleson

Secretary-Treasurer
JENNIFER JUSTICE
Councilmember
City of Richardson

Past President
BILL HEIDEMANN
Mayor
City of Corinth

Director
CLAY JENKINS
County Judge
Dallas County

Director
TIM O'HARE
County Judge
Tarrant County

Director
CARA MENDELSON
Councilmember
City of Dallas

Director
CARLOS FLORES
Councilmember
City of Fort Worth

Director
BOBBIE MITCHELL
Commissioner
Denton County

Director
DAVID BRISTOL
Mayor
Town of Prosper

Director
TODD LITTLE
County Judge
Ellis County

Director
BOWIE HOGG
Councilmember
City of Arlington

Director
KAMERON RABURN, PE
Mayor
City of Ennis

Director
NICK STANLEY
Mayor
City of Aledo

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
VICTORIA NEAVE CRIADO
State Representative
District 107

Executive Director
MIKE EASTLAND

ADMINISTRATIVE STAFF

Deputy Executive Director
Monte Mercer

Director, Transportation
Michael Morris

Director, Research and Information Services
Tim Barbee

Director, Environment and Development
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

Executive Director, Public Employee Benefits
Cooperative
Dolores Lewis

Mission Statement

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

North Central Texas Council of Governments



Values:

REGIONALISM

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

GOVERNANCE

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

SERVICE

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

EMPLOYEES

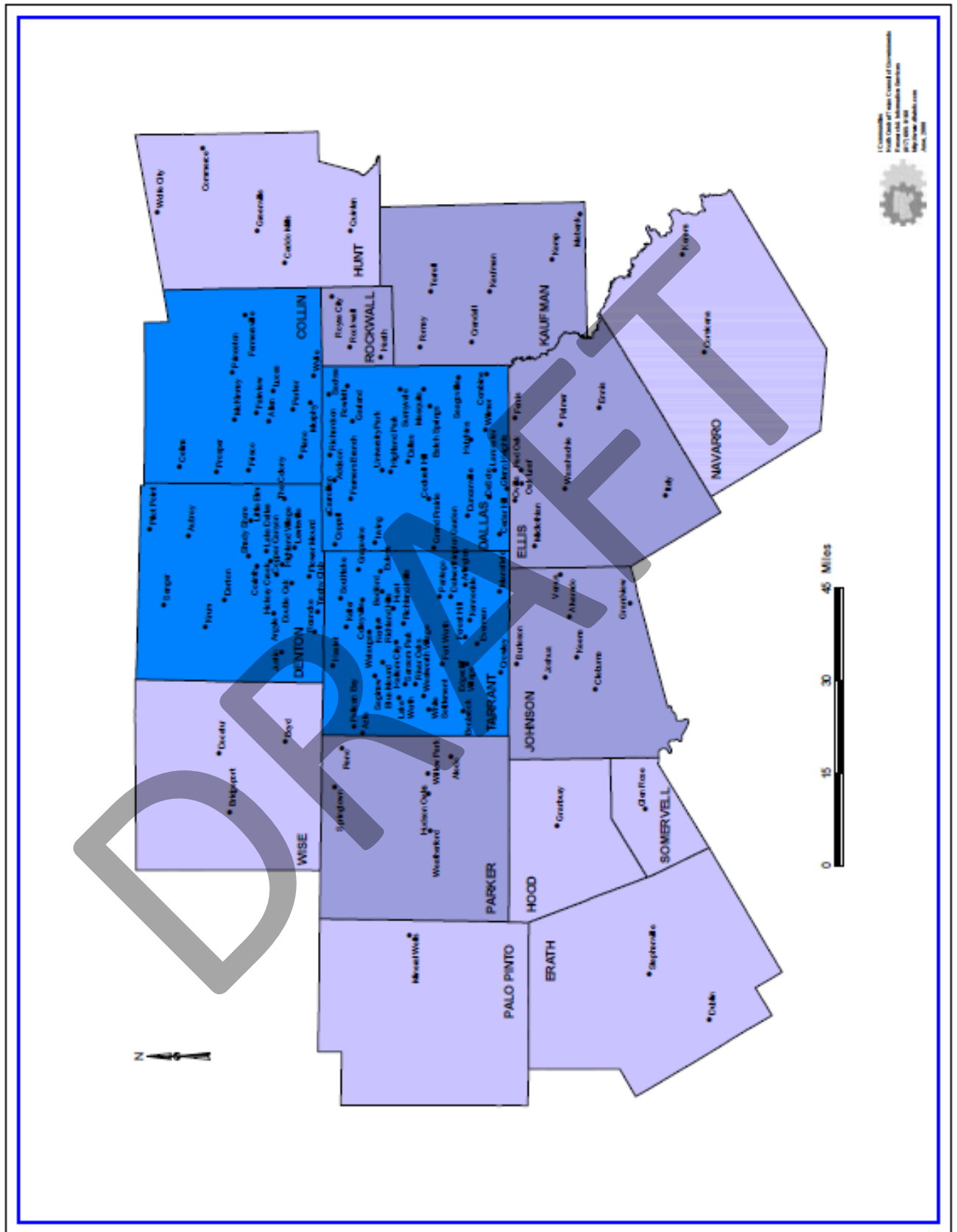
We value our employees and respect both individual excellence and dedicated teamwork. We support the principles of professional development, fair and consistent personnel practices, and competitive compensation.

ETHICS

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

INNOVATION

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



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (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 Timbers
Crowley
Dallas
Dalworthington Gardens
Decatur
Denton
DeSoto
Dish

Double Oak
Dublin
Duncanville
Edgecliff Village
Ennis
Euleless
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
Ponder
Princeton
Prosper
Quinlan
Red Oak
Reno
Rhome

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

Cities (170) - continued

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)

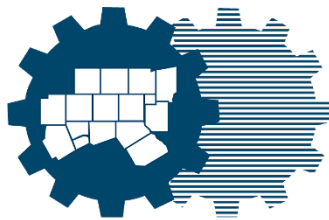
Acton Municipal Utility District
Benbrook Water and Sewer Authority
Central Appraisal District of Johnson County
Collin Central Appraisal District
Collin College
Dallas Area Rapid Transit
Dallas College
Dallas County Flood Control District #1
Dallas County Park Cities Municipal Utility District
Dallas County Utility & 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 County Regional Water District
Trinity Metro
Trinity River Authority
Trinity Valley Community College
Trophy Club Municipal Utility District #1
Weatherford College
Wise County Water Control & 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, 2024, 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, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2024 the Council adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2025, 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 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.

Waco, Texas
[REDACTED], 2025



**North Central Texas
Council of Governments**

DRAFT

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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, 2024. 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 \$29,752,236 (net position). Of this amount \$13,788,288 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- Net position increased \$7,573,713 or 34%, in the current fiscal year comprised of a \$392,240 increase in net capital assets and a \$7,203,646 increase in restricted and unrestricted funds.
- NCTCOG's governmental funds reported combined ending fund balances of \$29,750,255, an increase of \$7,499,079 or a 34% increase in comparison with the prior year. Of the total fund balance, approximately 45% is restricted for local transportation projects, 7% is restricted for grants, 3% is non-spendable, 32% is available for spending at the government's discretion (unassigned) and 13% 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
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

The government-wide financial statements include information reported in the general, special revenue and proprietary funds as shown on pages 13 and 14 of this report, as well as the discretely presented component unit, 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 15 and 17 of this report.

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-45 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 47-49 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 51-54 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 \$ 29,752,236 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, 2024 and 2023**

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 222,889,761	\$ 99,608,537	\$ 202,341	\$ 100,505	\$ 223,092,102	\$ 99,709,042
Capital assets	23,784,869	26,353,220	-	-	23,784,869	26,353,220
Total Assets	<u>246,674,630</u>	<u>125,961,757</u>	<u>202,341</u>	<u>100,505</u>	<u>246,876,971</u>	<u>126,062,262</u>
Other liabilities	195,279,091	79,042,303	124,009	-	195,403,100	79,042,303
Long-term liabilities	21,845,644	24,841,436	-	-	21,845,644	24,841,436
Total Liabilities	<u>217,124,735</u>	<u>103,883,739</u>	<u>124,009</u>	<u>-</u>	<u>217,248,744</u>	<u>103,883,739</u>
Net position						
Net investment in capital assets	614,070	221,830	-	-	614,070	221,830
Restricted	15,349,878	9,021,266	-	-	15,349,878	9,021,266
Unrestricted	13,709,956	12,834,922	78,332	100,505	13,788,288	12,935,427
Total Net Position	<u>\$ 29,673,904</u>	<u>\$ 22,078,018</u>	<u>\$ 78,332</u>	<u>\$ 100,505</u>	<u>\$ 29,752,236</u>	<u>\$ 22,178,523</u>

A portion of NCTCOG's net position, \$614,070 (2%) 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, \$15,349,878 (52%) is restricted. Of this amount \$13,325,771 is for Regional Transportation Council approved projects related to transportation funded initiatives. The remaining \$2,024,107 is restricted to grants with limitations specified by the funding agencies.

\$13,788,288 (46%) is considered unrestricted and may be used to meet the government's ongoing obligations to creditors and for service implementation.

Governmental Activities. For the year ended September 30, 2024, NCTCOG's net position for governmental activities increased \$7,595,886 or 34%, in the current fiscal year comprised of \$392,240

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

increase in net capital assets and \$7,203,646 increase in restricted and unrestricted funds. Following is a summary of the government-wide Statement of Activities:

**COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION
September 30, 2024 and 2023**

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program revenues:						
Federal administered grants	\$ 17,119,408	\$ 16,301,470	\$ -	\$ -	\$ 17,119,408	\$ 16,301,470
State administered grants	173,202,111	139,729,245	-	-	173,202,111	139,729,245
Local contracts and in-kind	28,054,179	22,618,012	1,086,354	1,270,716	29,140,533	23,888,728
General revenues:						
Membership dues	812,421	796,303	-	-	812,421	796,303
Interest income	7,181,437	2,759,236	-	-	7,181,437	2,759,236
Total revenues	<u>226,369,556</u>	<u>182,204,266</u>	<u>1,086,354</u>	<u>1,270,716</u>	<u>227,455,910</u>	<u>183,474,982</u>
Expenses						
Agency administration	9,761,460	8,977,018	-	-	9,761,460	8,977,018
Agency management	978,784	1,140,322	-	-	978,784	1,140,322
Area Agency on Aging	19,048,862	17,078,521	-	-	19,048,862	17,078,521
Community Service	1,809,572	1,703,370	-	-	1,809,572	1,703,370
Emergency preparedness	2,611,474	1,750,743	-	-	2,611,474	1,750,743
Environment and development	2,944,739	3,322,555	-	-	2,944,739	3,322,555
RIS local assistance	4,531,416	4,571,140	1,110,065	1,380,930	5,641,481	5,952,070
Transportation planning	56,735,799	53,213,409	-	-	56,735,799	53,213,409
Workforce development	120,350,026	87,834,936	-	-	120,350,026	87,834,936
Total expenses	<u>218,772,132</u>	<u>179,592,014</u>	<u>1,110,065</u>	<u>1,380,930</u>	<u>219,882,197</u>	<u>180,972,944</u>
Increase (decrease) in net position	<u>7,597,424</u>	<u>2,612,252</u>	<u>(23,711)</u>	<u>(110,214)</u>	<u>7,573,713</u>	<u>2,502,038</u>
Transfers	(1,538)	-	1,538	-	-	-
Increase (decrease) in net position	<u>7,595,886</u>	<u>2,612,252</u>	<u>(22,173)</u>	<u>(110,214)</u>	<u>7,573,713</u>	<u>2,502,038</u>
Net position - beginning	<u>22,078,018</u>	<u>19,465,766</u>	<u>100,505</u>	<u>210,719</u>	<u>22,178,523</u>	<u>19,676,485</u>
Net position - ending	<u>\$ 29,673,904</u>	<u>\$ 22,078,018</u>	<u>\$ 78,332</u>	<u>\$ 100,505</u>	<u>\$ 29,752,236</u>	<u>\$ 22,178,523</u>

Significant components of the net position activity are as follows:

Governmental activities total revenues increased \$44,165,290 or 24% in the current year. This increase is comprised of the following major components:

- Federal revenues increased a net \$817,938 (5%) in the current year, primarily comprised of the following:
 - \$1,180,763 increased funding from the Environmental Protection Agency (EPA) due to increased reimbursement for vehicle replacements in the Diesel Emissions Reduction Act (DERA) program.
 - \$245,057 decreased funding from the Department of Homeland Security (DHS)
 - \$238,862 decreased funding from the Department of Defense (DOD) due to billings on the Agile Curriculum program suspended pending execution of amendment to extend period of performance.
 - \$88,155 increased funding from the Department of Energy (DOE) because the Clean Cities Coalition Network activities increased. The grant started 4/01/2023 and was only active for 6 months of the prior fiscal year.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

- \$80,553 decreased funding from the Department of Commerce (DOC)
 - \$13,048 decreased funding from Health and Human Services (HHS) due to reduction of total FY2024 expenditure related to grant from the Administration of Community Living (ACL) for people with dementia and their families.
- State revenues increased a net \$33,472,866 (24%) in the current year, primarily comprised of the following:
- \$31,763,841 increased funding from the Texas Workforce Commission (TWC), primarily related to an increase in funding for the child care direct care and child care local match grants.
 - \$1,031,149 increased funding from the Texas Department of Transportation (TX DOT) due mostly to the increase in expenditure on the Regional Air Quality Initiatives grant which began incurring charges in FY24.
 - \$800,989 decreased funding from the Texas Commission on Environmental Quality (TCEQ) due to decreased costs in the Solid Waste program for FY24. Most of the large pass-through costs do not come through until the second year of the biennium, which will be FY25.
 - \$464,250 increased funding from the Health and Human Services Commission (HHSC), primarily related to increase for programs utilizing pandemic relief funding (American Rescue Plan and Expanding the Public Health Workforce to avoid loss at expiration date of September 30, 2024).
 - \$454,557 increased funding from the Office of the Governor (OOG) mainly due to the addition of the Statewide Emergency Radio Infrastructure (SERI) grant.
 - \$372,626 increased funding from the Texas Water Development Board (TX WDB) because consultant activity has increased in FY24. Most of FY23 was spent procuring consultants.
 - \$139,093 increased funding from the Texas Government Land Office (TX GLO). This funding for the TSI (Transportation Stormwater Infrastructure) -North project started in FY24.
- In-Kind and Local revenue increased a net \$5,436,167 (24%) in the current year, primarily comprised of the following:
- \$1,630,090 increase related to EPA related to increased reimbursement for vehicle replacements in the DERA program. This program has a large recipient contribution.
 - \$3,193,347 increase related to DOT due to DART and Trinity Metro match contributions for the N. Texas MOVES (Multimodal Operations, Velocity, Efficiency and Safety) program.
 - \$2,334,518 decrease related to TXDOT Go Carma US75 project. The consultant provided most of the match at the beginning of their contract in previous fiscal years, decreasing in FY24.
 - \$1,418,379 increase related to TWC and the childcare program. In-kind collected in FY 2024 exceeded the amount collected in FY 2023 due to increased match requirements from TWC.
 - \$1,093,423 increase related to HHSC. In-kind collected in FY2024 exceeded the amount collected in FY2024 due to not fully funding nutrition and transportation programs; unreimbursed meals and trips are recorded as in-kind to the programs.
 - \$1,183,491 decrease in Transportation largely due to the one-time contribution during FY23 in the amount of \$1,895,000 to the Medal of Honor Museum. Other local initiatives began in FY24 such as Regional Transit Study with expenditures of \$420,444.
 - \$515,304 increase in Other
 - E&D increased 208,897 due mostly to an increase in activities under the Regional Public Works and Stormwater programs.
 - There was also an increase of \$257,138 in Regional Data.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

- General revenues increased \$4,438,319 (162%) almost entirely due to higher interest income, due to higher rates.

Governmental activities total expenses increased \$39,180,112 or 22% in the current year. Key elements of the changes are as follows:

- Workforce Development increased \$32,515,084 or 37%. Most of the increase is related to an increase in funding for the childcare program and related matching funds.
- Transportation expenses increased by a net of \$3,522,390 or 7% when compared with 2023 mostly due to the increase match provided on the North Texas MOVES project as well as the purchase of buses under the FTA 5339 grant program.
- Area Agency on Aging expenses increased \$1,970,341 or 12%, primarily related to the increase in funds expended on the nutrition program, In-home Services and Evidence Based Intervention programs.
- Emergency Preparedness expenses increased \$860,731 or 49%, mainly due to the addition of the Statewide Emergency Radio Infrastructure (SERI) grant.
- Agency administration increased \$784,442 or 9%. This was due to increased amortization on leases and subscription assets.
- Environment & development expenses decreased \$377,816 or 11% when compared to 2023 due to decreased costs in the Solid Waste program for FY24. Most of the large pass-through costs do not come through until the second year of the biennium, which will be FY25. Several FEMA grants ended throughout the year that were active during the entire previous fiscal year.
- Community Service expenses increased \$106,202 or 6%. This was mainly due to increased activity in the Regional Police Academy as well as the addition of the Government Treasurers' Organization of Texas (GTOT)

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the NCTCOG's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the NCTCOG's financial requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the NCTCOG's governmental funds reported combined ending fund balances of \$29,750,255, an increase of \$7,499,079 in comparison with the prior year. Approximately 32% of this total amount \$9,562,216 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 \$10,189,892. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 4% of total governmental fund expenditures.

General Fund. The fund balance of NCTCOG's general fund increased by \$1,168,152 during the current fiscal year. This is mainly due to membership dues and interest income.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Special Revenue Fund. The fund balance of NCTCOG’s special revenue fund increased by a net of \$6,330,927 during the current fiscal year primarily due to increases of \$602,504 for TXDOT programs, \$27,892 for other local agency projects and \$5,717,103 for transportation local programs, as well as an \$83,799 increase from the TXGLO offset by a \$15,463 decrease in (TCEQ) and \$71,882 for FEMA 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 \$1,168,152 which represents 14% of budgeted total current expenditures. The change is primarily due to increased interest revenue of \$508,900 due to higher interest rates, savings on various projects of \$444,790 as well as a \$203,865 increase in other financing sources.

Capital Asset and Long-Term Liability Administration

Capital assets. The NCTCOG’s net investment in capital assets as of September 30, 2024, and 2023 amounted to \$614,070 and \$221,830 (net of accumulated depreciation and amortization). This 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 \$402,948 in equipment, \$86,465 in furniture and \$862,488 in right to use leased assets. Detailed information on the NCTCOG’s capital assets can be found in Note G on pages 38-39 of this report. Detailed information on the related debt to these assets can be found in Note D (page 36), I and J (pages 40-44).

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 2025 are estimated at \$831,697.

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 2025 increased a net of \$32.9 million from fiscal year 2024.

- Major state and federal program net increase in funding of \$29.0 million mainly comprised of:
 - Workforce – \$12.2 million net increase comprised of:
 - Texas Workforce Commission (TWC) – (\$12.2 million increase)
 - Transportation – \$18.6 million net increase, primarily comprised of:
 - Federal Transit Administration (FTA) – (\$2.7 million increase)
 - Federal Highway Administration (FHWA) – (\$12.1 million increase)
 - Texas Department of Transportation (TXDOT) – (\$6.7 million increase)
 - Environmental Protection Agency (EPA) – (\$4 million decrease)
 - Area Agency on Aging – \$3.7 million net decrease comprised of:
 - Texas Health and Human Services (HHS) – (\$3.7 million decrease)

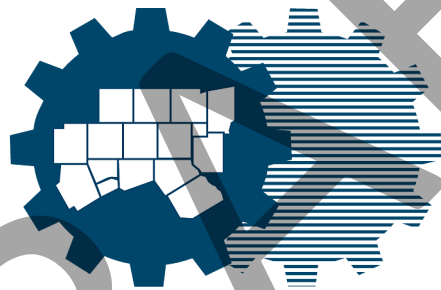
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

- Environment & Development – \$1.2 million net increase, primarily comprised of:
 - General Land Office (GLO) – (\$860 thousand increase)
 - Texas Water Development Board (TWDB) – (\$302 thousand increase)
 - Texas Commission on Environmental Quality (TCEQ) – (\$543 thousand increase)
 - Federal Emergency Management Agency (FEMA) - (\$420 thousand decrease)
- Emergency Preparedness – \$535 thousand net increase, primarily comprised of:
 - Governor's Office – (\$535 thousand increase)
- Local Contracts & Other Revenue – \$2.9 million net increase, primarily due to:
 - Transportation – (\$3.4 million increase)
 - Research and Information Services – (\$836 thousand decrease)
- In-Kind Match Funds – \$1 million net increase, primarily due to:
 - Transportation – (\$1 million net increase)

Requests for Information

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

The 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**

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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

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**North Central Texas
Council of Governments**

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	NCT-911 Total
Assets				
Cash and cash equivalents	\$ 469,089	\$ -	\$ 469,089	\$ 1,004,978
Investments	186,390,824	-	186,390,824	20,102,082
Receivables	32,219,283	113,323	32,332,606	1,517,411
Due From Component Unit	2,063,418	-	2,063,418	-
Prepaid items	1,747,147	89,018	1,836,165	328,253
Capital assets, net of accumulated depreciation	23,784,869	-	23,784,869	5,050,443
Total Assets	<u>246,674,630</u>	<u>202,341</u>	<u>246,876,971</u>	<u>28,003,167</u>
Liabilities				
Accounts payable and accrued expenses	19,990,041	-	19,990,041	6,197
Unearned revenue	171,840,545	-	171,840,545	5,375,186
Internal balances	(124,009)	124,009	-	-
Due to Primary Government	-	-	-	2,063,418
Long-term liabilities				
Due within one year	3,448,505	-	3,448,505	243,571
Due in more than one year	21,845,644	-	21,845,644	198,869
Total Liabilities	<u>217,000,726</u>	<u>124,009</u>	<u>217,124,735</u>	<u>7,887,241</u>
Net Position				
Net investment in capital assets	614,070	-	614,070	4,608,003
Restricted for:				
Grants	2,024,107	-	2,024,107	-
Transportation projects	13,325,771	-	13,325,771	-
Unrestricted	13,709,956	78,332	13,788,288	15,507,923
Total Net Position	<u>\$ 29,673,904</u>	<u>\$ 78,332</u>	<u>\$ 29,752,236</u>	<u>\$ 20,115,926</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, 2024**

Functions/Programs	Expenses	Operating Grants and Contributions			Charges for Services	Net (Expenses) Revenue and Change in Net Position			Component Unit Total
		Federal Funding	State/ State Admin Funding	Local Contracts and In-kind Contributions		Primary Government		Total	
						Governmental Activities	Business Type Activities		
Primary Government:									
<u>Governmental Activities:</u>									
Agency administration	\$ 9,761,460	\$ -	\$ -	\$ 1,838,833	\$ -	\$ (7,922,627)	\$ -	\$ (7,922,627)	\$ -
Agency management	978,784	21,624	-	30,785	-	(926,375)	-	(926,375)	-
Area Agency on Aging	19,048,862	321,943	14,001,486	5,524,930	-	799,497	-	799,497	-
Community services	1,809,572	-	678,750	1,240,842	-	110,020	-	110,020	-
Emergency preparedness	2,611,474	-	2,154,465	648,511	-	191,502	-	191,502	-
Environment and development	2,944,739	253,556	1,547,710	1,121,924	-	(21,549)	-	(21,549)	-
RIS local assistance	4,531,416	-	-	960,255	-	(3,571,161)	-	(3,571,161)	-
Transportation planning	56,735,799	16,522,285	34,641,781	10,608,594	-	5,036,861	-	5,036,861	-
Workforce development	120,350,026	-	120,177,919	6,079,505	-	5,907,398	-	5,907,398	-
Total Governmental Activities	\$ 218,772,132	\$ 17,119,408	\$ 173,202,111	\$ 28,054,179	\$ -	\$ (396,434)	\$ -	\$ (396,434)	\$ -
<u>Business-Type Activities:</u>									
Shared Service Center	1,110,065	-	-	-	1,086,354	-	(23,711)	(23,711)	-
Total Primary Government	\$ 219,882,197	\$ 17,119,408	\$ 173,202,111	\$ 28,054,179	\$ 1,086,354	\$ (396,434)	\$ (23,711)	\$ (420,145)	\$ -
<u>Component-Type Activities:</u>									
NCT9-1-1	12,887,879	-	10,685,988	12,875,049	-	-	-	-	10,673,158
Total Component Unit	\$ 12,887,879	\$ -	\$ 10,685,988	\$ 12,875,049	\$ -	\$ -	\$ -	\$ -	\$ 10,673,158
General Revenues:									
Membership dues						812,421	-	812,421	-
Interest income						7,181,437	-	7,181,437	596,171
Transfer in (out)						(1,538)	1,538	-	-
Total general revenues and transfers						\$ 7,992,320	\$ 1,538	\$ 7,993,858	\$ 596,171
Change in net position						7,595,886	(22,173)	7,573,713	11,269,329
Net position-beginning						22,078,018	100,505	22,178,523	8,846,597
Net position-ending						\$ 29,673,904	\$ 78,332	\$ 29,752,236	\$ 20,115,926

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 314,425	\$ 154,664	\$ 469,089
Investments	13,857,360	172,533,464	186,390,824
Accounts receivable:			
Federal grants	-	3,728,663	3,728,663
State and local administered grants	-	25,280,235	25,280,235
Local grants	-	3,155,084	3,155,084
Other	55,301	-	55,301
Due from other funds	9,327,960	-	9,327,960
Due from component unit	2,063,418	-	2,063,418
Prepays	623,928	399,047	1,022,975
Other assets	3,748	-	3,748
Total Assets	<u>\$ 26,246,140</u>	<u>\$ 205,251,157</u>	<u>\$ 231,497,297</u>
Liabilities			
Accounts payable	\$ 14,924,891	\$ -	\$ 14,924,891
Accrued liabilities	92,904	3,904,764	3,997,668
Accrued payroll and employee benefits	1,038,197	-	1,038,197
Due to other funds	-	9,945,741	9,945,741
Unearned revenue	256	171,840,289	171,840,545
Total Liabilities	<u>16,056,248</u>	<u>185,690,794</u>	<u>201,747,042</u>
Fund Balance			
Nonspendable	627,676	399,047	1,026,723
Restricted for:			
Grants	-	2,024,107	2,024,107
Transportation projects	-	13,325,771	13,325,771
Assigned	-	3,811,438	3,811,438
Unassigned	9,562,216	-	9,562,216
Total Fund Balance	<u>10,189,892</u>	<u>19,560,363</u>	<u>29,750,255</u>
Total Liabilities and Fund Balance	<u>\$ 26,246,140</u>	<u>\$ 205,251,157</u>	<u>\$ 231,497,297</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, 2024**

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

Total fund balance - total governmental funds (page 15)	\$29,750,255
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,784,869
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.	1,440,232
Accrued interest payable on long-term debt	(7,303)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(25,294,149)</u>
Net position of governmental activities (page 13)	<u><u>\$29,673,904</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, 2024

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues			
Federal grants	\$ -	\$ 17,119,408	\$ 17,119,408
State administered grants	-	173,202,111	173,202,111
Membership dues	812,421	-	812,421
Local contributed cash	11,550	11,938,838	11,950,388
Interest income	808,900	6,372,537	7,181,437
Program income	-	273,062	273,062
In-kind	-	15,830,729	15,830,729
Total Revenues	<u>1,632,871</u>	<u>224,736,685</u>	<u>226,369,556</u>
Expenditures			
Current:			
Agency administration	6,330,309	4,117,408	10,447,717
Agency management	750,991	41,242	792,233
Area agency on aging	-	19,526,126	19,526,126
Community services	15,558	1,949,907	1,965,465
Emergency preparedness	-	2,762,747	2,762,747
Environment & development	133,670	3,052,963	3,186,633
Research & information services	141,302	4,932,585	5,073,887
Transportation	207,249	60,004,818	60,212,067
Workforce development	-	119,659,460	119,659,460
Debt service			
Interest	287	89,655	89,942
Financing principal	53,715	1,443,422	1,497,137
Capital outlay			
	199,121	866,130	1,065,251
	<u>7,832,202</u>	<u>218,446,463</u>	<u>226,278,665</u>
Indirect cost allocation	(7,119,486)	-	(7,119,486)
Indirect cost reimbursement	(32,144)	-	(32,144)
Contributions to indirect costs	(9,121)	-	(9,121)
Total Expenditures	<u>671,451</u>	<u>218,446,463</u>	<u>219,117,914</u>
Excess of revenues over expenditures	<u>961,420</u>	<u>6,290,222</u>	<u>7,251,642</u>
Other financing sources (uses)			
Transfers in	86,018	618,875	704,893
Transfers out	(26,207)	(680,224)	(706,431)
Leases (as lessee)	146,921	102,054	248,975
Total other financing sources and (uses)	<u>206,732</u>	<u>40,705</u>	<u>247,437</u>
Net changes in fund balance	1,168,152	6,330,927	7,499,079
Fund balance - beginning	<u>9,021,740</u>	<u>13,229,436</u>	<u>22,251,176</u>
Fund balance - ending	<u>\$ 10,189,892</u>	<u>\$ 19,560,363</u>	<u>\$ 29,750,255</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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

Net Change in Fund Balances-total governmental funds (page 17)	\$7,499,079
Financing principal	1,497,137
Current year change in accrued interest expense on long term debt	1,340
Lease issued	(248,975)
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.	1,065,251
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.	(277,497)
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.	(76,938)
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>(1,863,511)</u>
Change in net position (page 14)	<u><u>\$7,595,886</u></u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business Type Activities	Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Assets		
Accounts receivable	\$ 113,323	\$ -
Due from other funds	-	741,790
Prepays	<u>89,018</u>	<u>720,424</u>
Total current assets	202,341	1,462,214
Capital assets, net of accumulated depreciation	<u>-</u>	<u>16,552,577</u>
Total assets	<u>202,341</u>	<u>18,014,791</u>
Current liabilities		
Accounts payable	-	21,982
Due to other funds	124,009	-
Due within one year: financed assets	<u>-</u>	<u>1,737,115</u>
Total Current Liabilities	124,009	1,759,097
Noncurrent liabilities		
Due in more than one year: financed assets	<u>-</u>	<u>15,596,252</u>
Total liabilities	<u>124,009</u>	<u>17,355,349</u>
Net position		
Net investment in capital assets	-	(780,790)
Unrestricted	<u>78,332</u>	<u>1,440,232</u>
Total net position	<u>\$ 78,332</u>	<u>\$ 659,442</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, 2024**

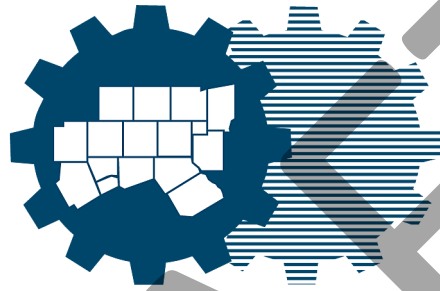
	Business Type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Fund</u>
Operating revenues		
Service charges	\$ <u>1,086,354</u>	\$ <u>7,289,903</u>
Total operating revenues	<u>1,086,354</u>	<u>7,289,903</u>
Operating expenses		
Personnel	3,798	1,607,591
Indirect	654	276,921
Contract services	513,659	296,841
Travel	-	10,892
Depreciation	-	2,064,685
Facilities	-	1,521,991
Other costs	<u>591,954</u>	<u>1,511,517</u>
Total operating expenses	<u>1,110,065</u>	<u>7,290,438</u>
Operating income (loss)	<u>(23,711)</u>	<u>(535)</u>
Nonoperating expenses		
Interest	<u>-</u>	<u>276,962</u>
Total Nonoperating expenses	<u>-</u>	<u>276,962</u>
Transfers in	<u>1,538</u>	<u>-</u>
Change in net position	(22,173)	(277,497)
Net position - beginning	<u>100,505</u>	<u>936,939</u>
Net position - ending	<u>\$ 78,332</u>	<u>\$ 659,442</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, 2024**

	Business Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Cash flows from operating activities		
Receipts from service charges	\$ 987,751	\$ 7,796,282
Payments to other funds for indirect and other costs	(654)	(276,921)
Payments to suppliers for goods and services	(984,837)	(3,616,890)
Payments to employees	(3,798)	(1,618,483)
Net cash provided by (used in) operating activities	<u>(1,538)</u>	<u>2,283,988</u>
Cash Flows from Noncapital Financing Activities		
Transfers in	1,538	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,538</u>	<u>-</u>
Cash flows from capital and related financing activities		
Additions to capital assets	-	(294,594)
Payments on lease principal	-	(1,712,432)
Interest paid on financed assets	-	(276,962)
Net cash provided (used) by capital financing activities	<u>-</u>	<u>(2,283,988)</u>
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents-Beginning of Year	-	-
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	(23,711)	(535)
Adjustment to reconcile operating income/ (loss) to Net cash provided by (used in) operating activities:		
Depreciation expense/amortization	-	2,064,685
Increase in prepaid expenses	(3,233)	(280,170)
(Increase) in accounts receivable	(110,002)	1,041
Decrease (Increase) in due from other funds	11,399	505,338
Decrease (Increase) in due to other funds	124,009	-
Increase in accounts payable	-	(6,371)
Net cash provided by (used in) operating activities	<u>\$ (1,538)</u>	<u>\$ 2,283,988</u>

See accompanying notes to the basic financial statements.



**North Central Texas
Council of Governments**

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

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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 shared services and the Training and Development Institute (TDI).

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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. Leave Policies

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

Based on full-time or part-time accrual rates employees may accrue, during the first five years of employment, up to ten (10) days of vacation leave per year. During the second five years of employment, an employee accrues up to fifteen (15) days per year, and after ten years of employment, up to twenty (20) days per year. The maximum unused vacation leave a full-time and eligible part-time employee may accumulate is the number of days, which the employee would accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for reviewing the personnel manual. The liability for accumulated vacation (\$2,123,350 on September 30, 2024) for governmental fund types, which represents normal accumulations, has been recorded. The current portion of accrued vacation pay, which would be liquidated with expendable available resources, is not material.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

The Council's sick leave policy permits the accumulation of ten (10) sick days per year up to a maximum of 90 days. Employees are not paid for unused sick days upon termination of employment.

Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave.

The General Fund is typically used to liquidate the liability for compensated absences. Long-term accrued compensated absences are not expected to be liquidated with expendable available financial resources and are not reported in the governmental fund financial statements.

5. Investments

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

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

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

6. Prepaid Items

Prepaid balances are for payments made by the agency for which benefits extend beyond September 30, 2024. 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.

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

8. State Administered Grants

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

9. Internal Transfers

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

10. Allocation of Employee Benefits and Indirect Costs

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

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

11. Transactions Between Funds

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

12. Capital Assets

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

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

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

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

As claims arise, they are submitted to and paid by TML-IRP. During 2024, the Council contributed \$264,422 to the fund for this insurance coverage. There were no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the year ended September 30, 2024.

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

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

Effective for fiscal year 2024 reporting the Council adopted the following new accounting guidance:

The GASB has amended the existing standards regarding capitalization thresholds for assets. The amended guidance for the capitalization threshold comes from GASB Implementation Guide 2021-1, Question 5.1. Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant.

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62, was adopted effective October 1, 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

19. Significant Forthcoming Standards.

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. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2024**

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

GASB Statement No. 102, Certain Risk Disclosures – The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

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.

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:

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE B - CASH AND INVESTMENTS (continued)

Cash and investments as of September 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government

Total Cash and Investments	\$ <u>186,859,913</u>
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Cash and Investments as of September 30, 2024 consist of the following

Deposits with Financial Institutions	\$ 469,089
Investments	<u>186,390,824</u>
Total Cash and Investments	\$ <u>186,859,913</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.

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	\$25,782,388	88
Logic	525	79
TexStar	<u>160,607,911</u>	<u>67</u>
	<u>\$186,390,824</u>	<u>70</u>

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE B - CASH AND INVESTMENTS (continued)

As of September 30, 2024, 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, 2024, other than external investment pools, NCTCOG did not have 5% or more of its investments with any one issuer.

5. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The Public Funds Investment Act and NCTCOG's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits or investment other than the following provision for deposits: The Public Funds Collateral Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must always equal at least the bank balance less the FDIC insurance. On September 30, 2024, all the Council's deposits had a carrying amount of \$469,089 and a bank ledger balance of \$1,928,131. Pledged Collateral of \$2,123,427 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE B - CASH AND INVESTMENTS (continued)

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, 2024, is presented below. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented.

	Balance September 30, 2023	Increases	Decreases	Balance September 30, 2024	Due Within One Year
Accrued Vacation	\$ 2,046,413	\$ 315,732	\$ 238,795	\$ 2,123,350	\$ 242,824
Leases	25,837,644	102,054	2,962,238	22,977,460	3,012,342
Subscription Arrangements	293,747	146,921	247,329	193,339	193,339
Total	<u>\$ 28,177,804</u>	<u>\$ 564,707</u>	<u>\$ 3,448,362</u>	<u>\$ 25,294,149</u>	<u>\$ 3,448,505</u>

NOTE E – DEFERRED COMPENSATION PLAN

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

The Council also contributes to a Section 457 deferred compensation plan for part-time employees. This plan is also administered by Mission Square. Part-time employees contributed \$35,536 during 2024. The Council contributed a matching \$29,860 as the employer’s match, 3.75% of gross salaries. Part-time employees are 100% vested in the plan from the first contribution.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE F – INTERNAL TRANSACTIONS AND TRANSFERS

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

The following is a summary of interfund transfers for the year ended September 30, 2024:

Transfers- In/Out Other Funds:

<u>Transfer- In</u>	<u>Transfer- Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Fund	\$ 80,075	Recovery of depreciation
General Fund	Special Revenue Fund	5,943	Local match dollars
Special Revenue Fund	General Fund	26,207	Local match dollars
Enterprise Fund	Special Revenue Fund-Local	1,538	Local match dollars
Special Revenue Fund-Local	Special Revenue Fund-Local	37,614	Local funded projects
Special Revenue Fund-State/Federal	Special Revenue Fund-State/Federal	10,248	Match Dollars
Special Revenue Fund	Special Revenue Fund-Foundation	1,750	Local match dollars
Special Revenue Fund-Local	Special Revenue Fund-State/Federal	504	Local funded projects
Special Revenue Fund-State/Federal	Special Revenue Fund-Local	542,552	Match Dollars
	Total	<u>\$ 706,431</u>	

Due To/From Other Funds:

	<u>Due From</u>	<u>Due To</u>		
General Fund	\$ 9,327,960	\$ -	<u>Due From Component Unit</u>	
Special Revenue Fund	-	9,945,741	Accounts Payable	476,115
Enterprise Fund	-	124,009	Salaries & Benefits Payable	320,425
Internal Service Fund	741,790	-	Other Payables & Allocations	<u>1,266,878</u>
Total	<u>\$10,069,750</u>	<u>\$10,069,750</u>	Total	<u>\$ 2,063,418</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, 2024

NOTE G – CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended September 30, 2024, follows:

Governmental activities:

	Balance September 30, 2023	Increases	Decreases	Balance September 30, 2024
<u>General Capital Assets</u>				
Capital assets being depreciated:				
Equipment	2,453,536	390,088	(259,925)	2,583,699
Furniture	223,279	86,465	-	309,744
Leasehold improvements	1,692,328	7,943	(17,258)	1,683,013
Right-to-use leased equipment	156,890	-	-	156,890
Right-to-use leased buildings	9,226,312	102,054	(105,951)	9,222,415
Right-to-use subscription	189,645	478,700	-	668,345
Total capital assets being depreciated	<u>13,941,990</u>	<u>1,065,250</u>	<u>(383,134)</u>	<u>14,624,106</u>
Accumulated depreciation/amortization				
Equipment	2,066,848	263,623	(259,925)	2,070,546
Furniture	223,279	16,560	-	239,839
Leasehold improvements	1,028,136	81,831	(17,258)	1,092,709
Right-to-use leased equipment	22,248	29,774	-	52,022
Right-to-use leased buildings	2,495,679	1,373,190	(105,951)	3,762,918
Right-to-use subscription	75,247	98,533	-	173,780
Total accumulated depreciation/amortization	<u>5,911,437</u>	<u>1,863,511</u>	<u>(383,134)</u>	<u>7,391,814</u>
Total governmental funds capital assets, net	<u>8,030,553</u>	<u>(798,261)</u>	<u>-</u>	<u>7,232,292</u>
<u>Internal Service Fund Capital Assets</u>				
Capital assets being depreciated:				
Equipment	412,723	12,860	(58,059)	367,524
Right-to-use-leased buildings	21,827,739	-	-	21,827,739
Subscription-based information technology arrangements	292,640	281,734	-	574,374
Leasehold improvements	25,658	-	-	25,658
Total capital assets being depreciated	<u>22,558,760</u>	<u>294,594</u>	<u>(58,059)</u>	<u>22,795,295</u>
Accumulated depreciation/amortization				
Equipment	325,156	57,969	(58,059)	325,066
Right-to-use-leased buildings	3,796,128	1,898,064	-	5,694,192
Subscription-based information technology arrangements	101,121	106,853	-	207,974
Leasehold improvements	13,688	1,798	-	15,486
Total accumulated depreciation/amortization	<u>4,236,093</u>	<u>2,064,684</u>	<u>(58,059)</u>	<u>6,242,718</u>
Total governmental funds capital assets, net	<u>18,322,667</u>	<u>(1,770,090)</u>	<u>-</u>	<u>16,552,577</u>
Governmental activities capital assets, net	<u>26,353,220</u>	<u>(2,568,351)</u>	<u>-</u>	<u>23,784,869</u>

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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE G CAPITAL ASSETS (continued)

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:

Class of Asset	Threshold
Equipment	\$ 5,000
Furniture	5,000
Leasehold Improvements	5,000
Right to use leased assets	50,000
Right to use subscriptions	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:

Governmental Activities:	
Agency administration	94,713
Agency management	38
Community services-Aging	5,926
Community services-CJD	26,059
Emergency preparedness	2,141
Environment & development	3,057
RIS local assistance	10,714
Transportation planning	124,472
Workforce development	1,596,391
Internal service fund	2,064,684
Total depreciation/amortization expense - governmental activities	<u><u>3,928,195</u></u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE H – RETIREMENT PLAN

Mission Square administers the Council’s 401(a) retirement plan. It is a defined contribution retirement plan, which provides retirement benefits for all eligible employees. The Council contributed an amount of \$4,197,188 during fiscal year 2024 equal to twelve percent (12%) of the eligible full-time employees' gross salaries. Participating employees also contributed an amount of \$2,098,594 during 2024 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$ 36,082,673 including \$34,976,574 payroll covered by the plan. Employees become 40 percent (40%) vested in the Council's contributions after three full years of employment. An additional 15 percent (15%) is vested for each additional full year of employment. An employee becomes fully vested after seven years of employment. The Council’s retirement plan was formed under the authority of the Council Executive Board and the Executive Board has the authority to amend/or terminate the retirement plan and/or contribution requirements at any time.

NOTE I – LEASES

As of September 30, 2024, The North Central Texas Council of Governments, had 17 active leases. The leases have payments that range from \$932 to \$145,014 per month and interest rates that range from 0.328% to 2.610%. As of September 30, 2024, the total combined value of the lease liability is \$22,977,460, 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, 2024, of \$31,207,044 with accumulated amortization of \$9,509,132 is included within the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	\$ 31,050,154	\$ 9,457,110
Equipment	156,890	52,022
Total Leases	\$ 31,207,044	\$ 9,509,132

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I – LEASES (continued)

Principal and Interest Requirements to Maturity

Fiscal Year	Internal Service Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 1,678,090	\$ 252,185	\$ 1,930,275
2026	1,767,037	225,941	1,992,978
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 - 2033	7,968,011	223,604	8,191,615
Total Principal Payments	\$ 17,274,342		
Total Remaining Liability	\$ 17,274,342		

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 1,334,252	\$ 70,386	\$ 1,404,638
2026	1,030,793	54,835	1,085,628
2027	786,987	41,537	828,524
2028	651,638	31,184	682,822
2029	648,057	22,174	670,231
2030 - 2033	1,251,391	17,161	1,268,552
Total Principal Payments	\$ 5,703,118		
Total Remaining Liability	\$ 5,703,118		

Activity (Rollforward Schedules)

INTERNAL SERVICE ACTIVITIES:	Balance as of October 1, 2023	Additions	Reductions	Balance as of September 30, 2024
Lease Liability				
Buildings				
600 Six Flags Drive, Centerpoint III	\$ 5,396,575	\$ -	\$ 456,662	\$ 4,939,913
616 Six Flags Drive, Centerpoint II	10,537,068	-	888,249	9,648,819
616 Six Flags Drive, Centerpoint I	2,932,392	-	246,782	2,685,610
Total Building Lease Liability	\$ 18,866,035	\$ -	\$ 1,591,693	\$ 17,274,342
Total Lease Liability	\$ 18,866,035	\$ -	\$ 1,591,693	\$ 17,274,342

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I – LEASES (continued)

GOVERNMENTAL ACTIVITIES:	Balance as of		Additions		Reductions		Balance as of	
	October 1, 2023						September 30, 2024	
Lease Liability								
Buildings								
1030 E. Highway 377, Granbury	\$	4,264	\$	102,054	\$	46,721	\$	59,597
109 Tejas Dr, Terrell		256,592		-		116,086		140,506
202 Hyde Park, Cleburne		427,361		-		110,023		317,338
2165 West South Loop, Stephenville		151,680		-		56,543		95,137
291 W.Eldorado Parkway, McKinney		586,994		-		179,169		407,825
624 Six Flags Drive Suite 226, Centerpoint I		70,280		-		28,325		41,955
Greenville Exchange Building, Greenville		179,126		-		105,562		73,564
Jupiter North Technology Park, Plano		217,415		-		117,066		100,349
Stonehill Center, Denton		3,623,181		-		429,371		3,193,810
Workforce and Emerging Technologies Buildings, Weatherford		1,313,508		-		151,789		1,161,719
Total Building Lease Liability	\$	6,830,401	\$	102,054	\$	1,340,655	\$	5,591,800
Equipment								
Xerox Copier - C8155, Centerpoint Buildings	\$	25,954	\$	-	\$	5,763	\$	20,191
Xerox Copiers - C8145, Workforce Centers		115,254		-		24,127		91,127
Total Equipment Lease Liability	\$	141,208	\$	-	\$	29,890	\$	111,318
Total Lease Liability	\$	6,971,609	\$	102,054	\$	1,370,545	\$	5,703,118

The council had no encumbrances during 2024.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE J – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

As of September 30, 2024, the North Central Texas Council of Governments, had 6 active subscriptions. The subscriptions have payments that range from \$34,468 to \$279,434 and interest rates that range from 0.298% to 3.378%. As of September 30, 2024, the total combined value of the subscription liability is \$193,339, and the total combined value of the short-term subscription liability is \$96,418. The combined value of the right to use asset, as of September 30, 2024, of \$1,242,719 with accumulated amortization of \$381,754 is included within the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end			
	Subscription Asset Value		Accumulated Amortization	
Software	\$	1,242,719	\$	381,754
Total Subscriptions	\$	1,242,719	\$	381,754

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities				
	Principal Payments		Interest Payments		Total Payments
2025	\$	134,313	\$	3,284	\$ 137,597
Total Principal Payments	\$	134,313			
Total Remaining Liability	\$	134,313			

Fiscal Year	Internal Service Activities				
	Principal Payments		Interest Payments		Total Payments
2025	\$	59,026	\$	1,994	\$ 61,020
Total Principal Payments	\$	59,026			
Total Remaining Liability	\$	59,026			

Activity (Rollforward Schedules)

GOVERNMENTAL ACTIVITIES:	Balance as of			Balance as of		
	October 1, 2023	Additions	Reductions	October 1, 2023	Additions	Reductions
Subscription Liability						
Software						
Arc GIS Desktop Extensions - Cloud Database Extension Copy	\$ 6,067	\$ -	\$ 3,040	\$ 3,027		
BidNet	-	146,921	50,000	96,921		
Digital Line Unlimited Standard - Cloud Based Application	39,287	-	39,287	-		
TR-Media Valet	68,629	-	34,263	34,366		
Total Software Subscription Liability	\$ 113,983	\$ 146,921	\$ 126,590	\$ 134,314		
Total Subscription Liability	\$ 113,983	\$ 146,921	\$ 126,590	\$ 134,314		

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

INTERNAL SERVICE ACTIVITIES	Balance as of			Balance as of
	October 1, 2023	Additions	Reductions	September 30, 2024
Subscription Liability				
Software				
Arc GIS Desktop Extensions - Cloud Database Extension Copy	\$ 118,315	\$ -	\$ 59,290	\$ 59,026
Digital Line Unlimited Standard - Cloud Based Application	61,449	-	61,449	-
Total Software Subscription Liability	\$ 179,764	\$ -	\$ 120,739	\$ 59,026
Total Subscription Liability	\$ 179,764	\$ -	\$ 120,739	\$ 59,026

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	OOG	Local	TCEQ	TXWD	TXDOT	TXGLO	LACF	CFOHIO	Total	TOTAL
Fund balances:												
Non spendable:												
Prepays	623,928	-	-	399,047	-	-	-	-	-	399,047	1,022,975	
Inventory	3,748	-	-	-	-	-	-	-	-	-	3,748	
Restricted:												
Grants	-	447	-	-	46,357	1,906,530	83,799	(14,783)	1,757	2,024,107	2,024,107	
Local Transportation	-	-	13,325,771	-	-	-	-	-	-	13,325,771	13,325,771	
Assigned:												
Shared Services Initiatives	-	-	813,343	-	-	-	-	-	-	813,343	813,343	
*Other	-	-	2,998,095	-	-	-	-	-	-	2,998,095	2,998,095	
Unassigned	9,562,216	-	-	-	-	-	-	-	-	-	9,562,216	
Total fund balances	\$ 10,189,892	447	17,536,256	46,357	-	1,906,530	83,799	(14,783)	1,757	19,560,363	\$ 29,750,255	

*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, 2024, 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.

NOTE L – CONTINGENCIES (continued)

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

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REQUIRED SUPPLEMENTARY INFORMATION



**North Central Texas
Council of Governments**

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**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 BUDGETARY COMPARISON-GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Budget Basis Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Member dues	\$ 812,221	\$ 812,221	\$ 812,421	\$ 200
Local contributed cash	22,500	22,500	11,550	(10,950)
Interest Income	300,000	300,000	808,900	508,900
Total revenues	<u>1,134,721</u>	<u>1,134,721</u>	<u>1,632,871</u>	<u>498,150</u>
Expenditures				
Current:				
Agency administration	6,055,514	6,039,514	6,027,041	12,473
Agency management	1,064,903	1,064,903	750,991	313,912
Public affairs	240,411	240,411	194,752	45,659
RIS local assistance	252,792	252,792	252,396	396
Community services	-	16,000	15,558	442
Environmental & development	140,000	140,000	133,884	6,116
Transportation planning	271,871	271,871	207,256	64,615
Debt Service				
Interest	300	300	287	13
Financing principal	54,000	54,000	53,715	285
Capital outlay	200,000	200,000	199,121	879
	<u>8,279,791</u>	<u>8,279,791</u>	<u>7,835,001</u>	<u>444,790</u>
Indirect cost allocation	(7,145,070)	(7,145,070)	(7,119,486)	(25,584)
Contributions to indirect costs	(10,000)	(45,000)	(41,266)	(3,734)
Total expenditures	<u>1,124,721</u>	<u>1,089,721</u>	<u>674,249</u>	<u>415,472</u>
Excess (deficiencies) of revenues Over/(under) expenditures	10,000	45,000	958,622	913,622
Other financing sources				
Transfers in	-	-	86,018	86,018
Transfers out	-	-	(26,207)	(26,207)
Leases (as lessee)	-	-	146,921	146,921
Charge for use of assets	153,300	83,300	82,873	(427)
Indirect allocation to special revenue fund	(145,635)	(79,135)	(80,075)	(940)
Total other financing sources	<u>7,665</u>	<u>4,165</u>	<u>209,530</u>	<u>205,365</u>
Net changes in fund balances	<u>17,665</u>	<u>49,165</u>	<u>1,168,152</u>	<u>1,118,987</u>
Fund balances - beginning	<u>7,030,807</u>	<u>7,029,657</u>	<u>9,021,740</u>	<u>1,992,083</u>
Fund balances - ending	<u><u>\$ 7,048,472</u></u>	<u><u>\$ 7,078,822</u></u>	<u><u>10,189,892</u></u>	<u><u>\$ 3,111,070</u></u>

See accompanying notes to the required supplemental information.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2024

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)	\$ 671,451
Plus charge for use of assets	82,873
Less: Use of assets recovered through indirect cost allocated to special revenue fund	(80,075)
Total expenditures (budget basis)	<u>\$ 674,249</u>
Total Other Sources (GAAP Basis)	\$ 206,732
Plus charge for use of assets	82,873
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	(80,075)
Total other sources (budget basis)	<u>\$ 209,530</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2024**

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**

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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
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Federal Funds Total</u>	<u>State and Locally Administered Total</u>	<u>Combined Total</u>
Revenues			
Federal Grants/Contracts	\$ 17,119,408	\$ -	\$ 17,119,408
State Grants & Contracts	-	173,202,111	173,202,111
Local Administered Grants	-	-	-
Local Contracts	158,755	11,780,083	11,938,838
In-Kind	6,560,667	9,270,062	15,830,729
Program Income	-	273,062	273,062
Interest	-	6,372,537	6,372,537
Total Revenues	<u>23,838,830</u>	<u>200,897,855</u>	<u>224,736,685</u>
Expenditures			
Current:			
Agency Administration	25,370	4,092,038	4,117,408
Agency Management	39,594	1,648	41,242
Community Service	-	1,949,907	1,949,907
Area Agency On Aging	455,032	19,071,094	19,526,126
Emergency Preparedness	-	2,762,747	2,762,747
Environment & Development	417,488	2,635,475	3,052,963
Research & Info Svcs	-	4,932,585	4,932,585
Transportation	23,268,680	36,736,138	60,004,818
Workforce Development	-	119,659,460	119,659,460
Debt Service:			
Interest	-	89,655	89,655
Lease Financing Principal	-	1,443,422	1,443,422
Capital Outlay	-	866,130	866,130
Total Expenditures	<u>24,206,164</u>	<u>194,240,299</u>	<u>218,446,463</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(367,334)</u>	<u>6,657,556</u>	<u>6,290,222</u>
Other Financing Sources (Uses)			
Transfers In - Projects	310,742	308,133	618,875
Transfers Out - Projects	(15,290)	(664,934)	(680,224)
Leases (As Lessee)	-	102,054	102,054
Total Other Financing Sources (Uses)	<u>295,452</u>	<u>(254,747)</u>	<u>40,705</u>
Net Change In Fund Balance	(71,882)	6,402,809	6,330,927
Fund Balances-Beginning	<u>72,329</u>	<u>13,157,107</u>	<u>13,229,436</u>
Fund Balance-Ending	\$ <u>447</u>	\$ <u>19,559,916</u>	\$ <u>19,560,363</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-FEDERAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2024**

	FEDERAL FUNDS							TOTAL
	DOD	EPA	DHS	DOE	DOT	DOC	HHS	
Revenues								
Federal Grants/Contracts	\$ 105,964	\$ 1,956,595	\$ 253,558	\$ 132,925	\$ 14,326,795	\$ 21,626	\$ 321,945	\$ 17,119,408
Local Contracts	20,217	-	-	-	138,538	-	-	158,755
In-Kind	-	2,703,931	-	-	3,761,260	18,171	77,305	6,560,667
Total Revenues	126,181	4,660,526	253,558	132,925	18,226,593	39,797	399,250	23,838,830
Expenditures								
Agency Administration	-	-	5,379	-	-	794	19,197	25,370
Agency Management	-	-	-	-	-	39,594	-	39,594
Area Agency On Aging	-	-	-	-	-	-	455,032	455,032
Environment & Development	-	94,058	323,430	-	-	-	-	417,488
Transportation	341,512	4,565,890	-	132,766	18,227,356	-	1,156	23,268,680
Total Expenditures	341,512	4,659,948	328,809	132,766	18,227,356	40,388	475,385	24,206,164
Excess/(Deficiencies) Of Revenues	(215,331)	578	(75,251)	159	(763)	(591)	(76,135)	(367,334)
Over/(Under) Expenditures								
Other Financing Sources (Uses)								
Transfers In - Projects	223,751	64	5,527	-	4,304	630	76,466	310,742
Transfers Out - Projects	(8,420)	(642)	(2,158)	(159)	(3,541)	(39)	(331)	(15,290)
Total Other Financing Sources (Uses)	215,331	(578)	3,369	(159)	763	591	76,135	295,452
Net Change In Fund Balance	-	-	(71,882)	-	-	-	-	(71,882)
Fund Balances-Beginning	-	-	72,329	-	-	-	-	72,329
Fund Balance-Ending	\$ -	\$ -	\$ 447	\$ -	\$ -	\$ -	\$ -	\$ 447

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-STATE AND LOCALLY
 ADMINISTERED FUNDS-YEAR ENDED SEPTEMBER 30, 2024**

	STATE AND LOCALLY ADMINISTERED FUNDS								
	OOG	TDA	TWC	TCEQ		TX WDB	TX DOT	TDEM	
				Transportation	Other				
Revenues									
State Grants & Contracts	\$ 2,813,249	\$ 19,765	\$ 120,178,027	\$ 138,644	\$ 871,310	\$ 517,537	\$ 34,434,604	\$ 19,955	
Local Contracts	576,862	-	-	-	-	-	250,298	-	
In-Kind	-	-	4,249,857	-	-	-	827,000	-	
Program Income	-	-	32,016	-	-	-	-	-	
Interest	-	-	-	1,112	46,207	-	602,504	-	
Total Revenues	3,390,111	19,765	124,459,900	139,756	917,517	517,537	36,114,406	19,955	
Agency Administration	35,445	556	1,138,913	-	18,686	322	6,148	-	
Agency Management	-	-	-	-	-	-	-	-	
Area Agency On Aging	-	-	-	-	-	-	-	-	
Community Service	1,254,098	-	-	-	-	-	-	-	
Emergency Preparedness	2,122,239	-	-	-	-	-	-	19,955	
Environment & Development	-	18,680	-	-	901,997	483,620	141,995	-	
Research & Info Svcs	-	-	3,210,783	-	-	-	763,109	-	
Transportation	-	-	31,432	150,667	395	33,595	34,558,781	-	
Workforce Development	-	-	117,923,253	-	-	-	-	-	
Debt Services									
Interest	-	-	89,133	-	-	-	-	-	
Lease Financing Principal	-	-	1,405,517	-	-	-	-	-	
Capital Outlay	7,943	-	746,147	-	-	-	21,755	-	
Total Expenditures	3,419,725	19,236	124,545,178	150,667	921,078	517,537	35,491,788	19,955	
Excess/(Deficiencies) Of Revenues	(29,614)	529	(85,278)	(10,911)	(3,561)	-	622,618	-	
Over/(Under) Expenditures									
Other Financing Sources (Uses)									
Transfers In - Projects	31,974	-	-	-	-	-	10,874	-	
Transfers Out - Projects	(2,360)	(529)	(16,776)	(53)	(938)	-	(30,988)	-	
Leases (As Lessee)	-	-	102,054	-	-	-	-	-	
Total Other Financing Sources (Uses)	29,614	(529)	85,278	(53)	(938)	-	(20,114)	-	
Net Change In Fund Balance	-	-	-	(10,964)	(4,499)	-	602,504	-	
Fund Balances-Beginning	-	-	-	11,232	50,588	-	1,304,026	-	
Fund Balance-Ending	\$ -	\$ -	\$ -	\$ 268	\$ 46,089	\$ -	\$ 1,906,530	\$ -	

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-STATE AND LOCALLY
 ADMINISTERED FUNDS-YEAR ENDED SEPTEMBER 30, 2024**

	STATE AND LOCALLY ADMINISTERED FUNDS-continued											
	LOCAL		DSHS	TX GLO	CFOHIO	HHSC	IREC	COA TX	LACF	GTI	TOTAL	
	Transportation	Other										
Revenues												
State Grants & Contracts	-	\$ -	\$ 1,292	\$ 139,093	\$ (243)	\$ 14,000,172	\$ 20,539	\$ 19,347	\$ 8,800	\$ 20,020	173,202,111	
Local Contracts	2,798,132	8,114,905	-	-	-	-	20,539	19,347	-	-	11,780,083	
In-Kind	67,038	2,591	-	-	-	4,123,576	-	-	-	-	9,270,062	
Program Income	-	-	-	-	-	241,046	-	-	-	-	273,062	
Interest	5,722,714	-	-	-	-	-	-	-	-	-	6,372,537	
Total Revenues	8,587,884	8,117,496	1,292	139,093	(243)	18,364,794	41,078	38,694	8,800	20,020	200,897,855	
Agency Administration	750,569	1,864,347	-	995	-	276,057	-	-	-	-	4,092,038	
Agency Management	-	1,648	-	-	-	-	-	-	-	-	1,648	
Area Agency On Aging	-	776,281	1,290	-	-	18,293,523	-	-	-	-	19,071,094	
Community Service	-	695,809	-	-	-	-	-	-	-	-	1,949,907	
Emergency Preparedness	-	620,553	-	-	-	-	-	-	-	-	2,762,747	
Environment & Development	46,589	1,007,860	-	34,734	-	-	-	-	-	-	2,635,475	
Research & Info Svcs	-	958,693	-	-	-	-	-	-	-	-	4,932,585	
Transportation	1,700,039	115,781	-	19,478	-	2,747	41,027	38,645	23,555	19,996	36,736,138	
Workforce Development	-	1,736,207	-	-	-	-	-	-	-	-	119,659,460	
Debt Services												
Interest	471	51	-	-	-	-	-	-	-	-	89,655	
Lease Financing Principal	37,145	760	-	-	-	-	-	-	-	-	1,443,422	
Capital Outlay	90,285	-	-	-	-	-	-	-	-	-	866,130	
Total Expenditures	2,625,098	7,777,990	1,290	55,207	-	18,572,327	41,027	38,645	23,555	19,996	194,240,299	
Excess/(Deficiencies) Of Revenues Over/(Under) Expenditures	5,962,786	339,506	2	83,886	(243)	(207,533)	51	49	(14,755)	24	6,657,556	
Other Financing Sources (Uses)												
Transfers In - Projects	21,084	29,118	-	-	2,000	213,083	-	-	-	-	308,133	
Transfers Out - Projects	(266,767)	(340,732)	(2)	(87)	-	(5,550)	(51)	(49)	(28)	(24)	(664,934)	
Leases (As Lessee)	-	-	-	-	-	-	-	-	-	-	102,054	
Total Other Financing Sources (Uses)	(245,683)	(311,614)	(2)	(87)	2,000	207,533	(51)	(49)	(28)	(24)	(254,747)	
Net Change In Fund Balance	5,717,103	27,892	-	83,799	1,757	-	-	-	(14,783)	-	6,402,809	
Fund Balances-Beginning	7,800,411	3,990,850	-	-	-	-	-	-	-	-	13,157,107	
Fund Balance-Ending	13,517,514	\$ 4,018,742	\$ -	\$ 83,799	\$ 1,757	\$ -	\$ -	\$ -	(14,783)	\$ -	\$ 19,559,916	

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 3,239,415	\$ 3,246,175
Benefits	<u>1,518,334</u>	<u>1,519,105</u>
Indirect personnel	4,757,749	4,765,280
Legal	9,100	10,000
Audit	122,600	123,300
Contract services	420,394	422,213
Travel	14,938	16,999
Equipment use fee	82,874	83,300
Consumable supplies	202,499	204,460
Insurance & bonding	94,622	95,000
Rent	608,212	610,000
Printing & publications	14,484	17,500
Equipment rental	9,272	12,300
Advertising	1,984	4,000
Maintenance & repairs	168,480	170,000
Employee recruitment	8,435	8,500
Communications	17,087	17,500
Postage	6,324	7,000
Subscriptions & dues	295,636	296,000
Other	<u>326,062</u>	<u>326,718</u>
TOTAL	7,160,752	7,190,070
Less: Contributions to Indirect costs	<u>(41,266)</u>	<u>(45,000)</u>
NET INDIRECT COSTS	<u>\$ 7,119,486</u>	<u>\$ 7,145,070</u>

Indirect costs rate computations:

Net indirect costs	\$ <u>7,119,486</u>	\$ <u>7,145,070</u>
Direct salaries & benefits - all funds	\$ 41,330,258 = 17.23%	\$ 40,369,905 = 17.70%

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS – ALL FUNDS
YEAR ENDED SETEMBER 30, 2024**

Full Time Benefits Programs	<u>Actual</u>	<u>Projected</u>
Medicare insurance	\$ 500,630	\$ 507,075
Medical insurance	5,188,579	5,021,078
Worker's compensation	75,086	77,789
Flexible benefit plan	9,424	11,167
Life & disability insurance	236,393	234,506
Other benefits	49,393	97,000
Unemployment insurance	54,181	72,000
Retirement	3,949,342	3,796,518
Vacation	1,935,019	1,852,068
Sick leave	843,687	927,949
Holiday leave	1,801,033	1,721,612
Other leave	59,584	165,540
	<u>14,702,351</u>	<u>14,484,302</u>
TOTAL	\$ <u>14,702,351</u>	\$ <u>14,484,302</u>
 Employee benefits rate computations:		
Total full-time benefits	\$ <u>14,702,351</u>	\$ <u>14,484,302</u>
Total regular salaries	\$ 31,065,553 = 47.33%	\$ 30,303,813 = 47.80%
 Total personnel costs recap:		
Salaries	\$ 31,065,553	\$ 30,303,813
Benefits	<u>14,702,351</u>	<u>14,484,302</u>
Personnel - NCTCOG	<u>\$ 45,767,904</u>	<u>\$ 44,788,115</u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST
LIMITATION TEST
FISCAL YEAR 2024 ACTUAL
OCTOBER 1, 2023-SEPTEMBER 30, 2024**

Total Indirect Costs	\$ 7,119,486	
Expenditures:		
General Fund	7,832,202	
Special Revenue Fund	218,446,463	
NCT9-1-1	17,394,714	
Internal Service Fund	7,290,438	
Enterprise Fund	1,110,065	
Interdepartmental Transfers for Direct Charges and Indirect Costs	<u>(14,409,389)</u>	
Total Expenditures	237,664,493 =	3.0%
Less:		
Pass-Through Funds ⁽¹⁾	(105,451,438)	
In-Kind Expenditures	(15,830,729)	
Contract Services	(31,451,495)	
Contract Services NCT9-1-1	(583,530)	
Capital Expenditures	(1,065,251)	
Capital Expenditures NCT9-1-1	<u>(5,675,586)</u>	
Adjusted Expenditures	77,606,464 =	9.2%

⁽¹⁾ Includes Subgrants & Subcontracts

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY SOURCE
AS OF SEPTEMBER 30, 2024**

	<u>Totals</u>
Capital Assets	
Equipment	\$ 3,108,113
Buildings	31,050,154
Subscriptions	1,242,719
Furniture	309,744
Leasehold improvements	<u>1,708,671</u>
Total capital assets	<u><u>37,419,401</u></u>
Sources	
NCTCOG	
Equipment	781,684
Buildings	21,827,738
Subscriptions	762,554
Furniture	76,680
Leasehold improvements	<u>910,799</u>
	24,359,455
Grant Funded	
Equipment	2,326,429
Buildings	9,222,416
Subscriptions	480,165
Furniture	233,064
Leasehold improvements	<u>797,872</u>
	13,059,946
Less: Internal Service fund assets	<u>22,795,295</u>
Total general capital assets	<u><u>\$ 14,624,106</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2024**

	<u>Totals</u>
Capital Assets	
Local and Administrative	\$ 23,997,039
Transportation planning	569,635
Regional information services	964,791
Environmental resources	17,616
Emergency preparedness	41,460
Workforce development	11,722,425
Community services	106,435
Total Capital Assets	<u>37,419,401</u>
Less: Internal Service Fund	<u>22,795,295</u>
Total General Capital Assets	<u>\$ 14,624,106</u>

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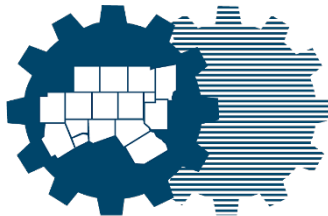
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2024**

	<u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>2024</u>
Capital Assets				
Community services	\$ 98,492	\$ 7,943	\$ -	\$ 106,435
Emergency preparedness	41,460	-	-	41,460
Environmental resources	17,616	-	-	17,616
Local and Administrative	23,923,933	199,121	126,015	23,997,039
Regional information services	728,256	294,594	58,059	964,791
Transportation planning	457,595	112,040	-	569,635
Workforce development	<u>11,233,398</u>	<u>746,146</u>	<u>257,119</u>	<u>11,722,425</u>
Total capital assets	36,500,750	1,359,844	441,193	37,419,401
Less: Internal service fund	<u>22,558,760</u>	<u>294,594</u>	<u>58,059</u>	<u>22,795,295</u>
Total general capital assets	\$ <u>13,941,990</u>	\$ <u>1,065,250</u>	\$ <u>383,134</u>	\$ <u>14,624,106</u>

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STATISTICAL SECTION



**North Central Texas
Council of Governments**



**North Central Texas
Council of Governments**

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**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)

	Fiscal Year			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental activities				
Net investment in capital assets	\$ 614,070	\$ 221,830	\$ 919,211	\$ 1,326,876
Restricted	15,349,878	9,021,266	7,316,656	6,988,735
Unrestricted	13,709,956	12,834,922	11,229,899	9,882,662
Total governmental activities net position	<u>\$ 29,673,904</u>	<u>\$ 22,078,018</u>	<u>\$ 19,465,766</u>	<u>\$ 18,198,273</u>
Business-type activities				
Net investment in capital assets	-	-	-	-
Unrestricted	78,332	100,505	210,719	264,720
Total business-type activities net position	<u>\$ 78,332</u>	<u>\$ 100,505</u>	<u>\$ 210,719</u>	<u>\$ 264,720</u>
Primary government				
Net investment in capital assets	\$ 614,070	\$ 221,830	\$ 919,211	\$ 1,326,876
Restricted	15,349,878	9,021,266	7,316,656	6,988,735
Unrestricted	13,788,288	12,935,427	11,440,618	10,147,382
Total primary governmental net position	<u>\$ 29,752,236</u>	<u>\$ 22,178,523</u>	<u>\$ 19,676,485</u>	<u>\$ 18,462,993</u>

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

Table 1

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,542,292	\$ 1,150,206	\$ 6,488,405	\$ 4,848,728	\$ 5,805,480	\$ 2,920,629
7,201,769	6,816,436	6,124,568	5,924,051	5,649,654	5,634,043
8,303,277	8,056,921	7,898,500	6,496,927	6,038,512	5,930,520
<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>	<u>\$ 14,485,192</u>
-	-	728	21,997	53,520	\$ 76,899
175,974	134,012	87,519	44,713	17,040	52,248
<u>\$ 175,974</u>	<u>\$ 134,012</u>	<u>\$ 88,247</u>	<u>\$ 66,710</u>	<u>\$ 70,560</u>	<u>\$ 129,147</u>
\$ 1,542,292	\$ 1,150,206	\$ 6,489,133	\$ 4,870,725	\$ 5,859,000	\$ 2,997,528
7,201,769	6,816,436	6,124,568	5,924,051	5,649,654	5,634,043
8,479,251	8,190,933	7,986,019	6,541,640	6,055,552	5,982,768
<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>	<u>\$ 14,614,339</u>

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

	Fiscal Year			
	2024	2023	2022	2021
Expenses				
Governmental activities:				
Agency administration	\$ 9,761,460	\$ 8,977,018	\$ 8,534,517	\$ 7,908,178
Agency management	978,784	1,140,322	1,006,989	1,169,150
* Area agency on aging	19,048,862	17,078,521	14,431,784	12,680,904
Community services	1,809,572	1,703,370	1,409,757	1,451,305
* 9-1-1 Planning	-	-	-	-
Emergency preparedness	2,611,474	1,750,743	1,936,861	1,708,521
Environment and development	2,944,739	3,322,555	3,083,689	3,822,302
RIS local assistance	4,531,416	4,571,140	3,325,267	4,002,173
Transportation planning	56,735,799	53,213,409	47,936,945	44,451,924
Workforce development	120,350,026	87,834,936	85,784,428	67,559,454
Total governmental activities expenses	<u>218,772,132</u>	<u>179,592,014</u>	<u>167,450,237</u>	<u>144,753,911</u>
Business-type activities:				
Shared service center	1,110,065	1,380,930	1,364,330	1,303,206
Total business-type activities expenses	<u>1,110,065</u>	<u>1,380,930</u>	<u>1,364,330</u>	<u>1,303,206</u>
Total primary government expenses	<u>219,882,197</u>	<u>180,972,944</u>	<u>168,814,567</u>	<u>146,057,117</u>
Program revenues				
Governmental activities:				
Operating grants:				
Agency management	21,624	102,179	292,677	225,333
* Area agency on aging	14,323,429	13,870,915	11,409,319	9,776,719
Community Service	678,750	854,314	718,717	805,373
* 9-1-1 Planning	-	-	-	-
Emergency preparedness	2,154,465	1,557,128	1,436,501	1,386,785
Environment and development	1,801,266	2,389,280	2,048,151	2,566,078
Transportation planning	51,164,066	48,842,713	43,221,236	43,306,463
Workforce development	120,177,919	88,414,186	85,148,508	70,734,818
Local grants and contributions	28,054,179	22,618,012	23,311,622	16,344,089
Total governmental activities program revenues	<u>218,375,698</u>	<u>178,648,727</u>	<u>167,586,731</u>	<u>145,145,658</u>
Business-type activities:				
Charges for services:				
Shared service center	1,086,354	1,270,716	1,249,731	1,371,952
Total business-type activities program revenues	<u>1,086,354</u>	<u>1,270,716</u>	<u>1,249,731</u>	<u>1,371,952</u>
Total primary government program revenues	<u>219,462,052</u>	<u>179,919,443</u>	<u>168,836,462</u>	<u>146,517,610</u>
Net (expenses) revenue				
Governmental activities	(396,434)	(943,287)	136,493	391,747
Business-type activities	(23,711)	(110,214)	(114,599)	68,746
Total primary government net expenses	<u>(420,145)</u>	<u>(1,053,501)</u>	<u>21,894</u>	<u>460,493</u>
General revenues and other changes in net position				
Governmental activities:				
Membership fees	812,421	796,303	767,990	752,591
Interest on investments	7,181,437	2,759,236	423,608	26,597
Transfers in (out)	(1,538)	-	(60,598)	(20,000)
** Special item	-	-	-	-
Total governmental activities	<u>7,992,320</u>	<u>3,555,539</u>	<u>1,131,000</u>	<u>759,188</u>
Business-type activities:				
Transfers in (out)	1,538	-	60,598	20,000
Total business-type activities	<u>1,538</u>	<u>-</u>	<u>60,598</u>	<u>20,000</u>
Total primary government	<u>7,993,858</u>	<u>3,555,539</u>	<u>1,191,598</u>	<u>779,188</u>
Change in net position				
Governmental activities	7,595,886	2,612,252	1,267,493	1,150,935
Business-type activities	(22,173)	(110,214)	(54,001)	88,746
Total Change in net position	<u>7,573,713</u>	<u>2,502,038</u>	<u>1,213,492</u>	<u>1,239,681</u>

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

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

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

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

Table 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	7,582,566	\$ 8,204,880	\$ 7,852,410	\$ 7,410,029	\$ 7,126,021	\$ 6,796,651
	1,278,501	1,394,848	885,791	802,210	641,576	740,381
	12,754,861	16,739,462	16,601,140	15,557,099	15,727,538	14,240,408
	1,266,452	1,361,640	1,364,502	1,140,500	1,089,685	1,265,731
	-	5,903,968	14,423,825	8,056,787	7,937,736	7,297,342
	2,806,164	3,457,062	4,434,937	2,926,935	3,814,764	2,650,262
	2,799,729	4,349,585	2,212,906	3,293,253	2,554,177	3,436,397
	3,493,105	3,674,309	2,704,069	4,847,837	3,121,551	3,643,793
	40,638,495	42,090,520	38,551,550	44,387,187	40,574,850	57,414,019
	84,339,773	69,845,277	61,478,270	60,308,475	60,257,318	56,808,063
	<u>156,959,646</u>	<u>157,021,551</u>	<u>150,509,400</u>	<u>148,730,312</u>	<u>142,845,216</u>	<u>154,293,047</u>
	1,327,119	1,435,971	1,445,222	1,354,760	1,560,006	1,398,101
	<u>1,327,119</u>	<u>1,435,971</u>	<u>1,445,222</u>	<u>1,354,760</u>	<u>1,560,006</u>	<u>1,398,101</u>
	<u>158,286,765</u>	<u>158,457,522</u>	<u>151,954,622</u>	<u>150,085,072</u>	<u>144,405,222</u>	<u>\$ 155,691,148</u>
	96,372	31,216	104,093	8,631	47,526	51,597
	8,568,158	7,846,815	7,460,116	7,878,659	8,166,710	7,709,678
	740,503	862,656	976,123	965,583	1,010,092	1,012,142
	-	8,848,567	16,926,172	9,844,978	11,634,747	9,447,330
	1,421,866	2,273,508	2,757,243	2,039,596	2,426,230	1,513,243
	1,385,954	2,748,162	960,517	2,387,730	1,318,498	2,241,342
	35,855,717	37,524,433	38,464,100	43,518,006	37,874,414	38,065,646
	84,671,870	69,910,835	61,521,158	59,606,274	59,051,999	56,715,045
	23,983,472	28,307,953	22,945,328	21,255,533	23,553,737	38,635,349
	<u>156,723,912</u>	<u>158,354,145</u>	<u>152,114,850</u>	<u>147,504,990</u>	<u>145,083,953</u>	<u>155,391,372</u>
	1,369,081	1,445,236	1,440,309	1,314,460	1,474,969	1,472,337
	<u>1,369,081</u>	<u>1,445,236</u>	<u>1,440,309</u>	<u>1,314,460</u>	<u>1,474,969</u>	<u>1,472,337</u>
	<u>158,092,993</u>	<u>159,799,381</u>	<u>153,555,159</u>	<u>148,819,450</u>	<u>146,558,922</u>	<u>\$ 156,863,709</u>
	(235,734)	1,332,594	1,605,450	(1,225,322)	2,238,737	\$ 1,098,325
	41,962	9,265	(4,913)	(40,300)	(85,037)	74,236
	<u>(193,772)</u>	<u>1,341,859</u>	<u>1,600,537</u>	<u>(1,265,622)</u>	<u>2,153,700</u>	<u>\$ 1,172,561</u>
	734,911	722,858	708,243	697,285	685,727	678,492
	524,598	1,665,142	954,524	340,547	110,440	26,704
	-	(63,075)	(26,450)	(36,450)	(26,450)	-
	-	(8,145,429)	-	-	-	-
	<u>1,259,509</u>	<u>(5,820,504)</u>	<u>1,636,317</u>	<u>1,001,382</u>	<u>769,717</u>	<u>705,196</u>
	-	36,500	26,450	36,450	26,450	-
	-	36,500	26,450	36,450	26,450	-
	<u>1,259,509</u>	<u>(5,784,004)</u>	<u>1,662,767</u>	<u>1,037,832</u>	<u>796,167</u>	<u>\$ 705,196</u>
	1,023,775	(4,487,910)	3,241,767	(223,940)	3,008,454	\$ 1,803,521
	41,962	45,765	21,537	(3,850)	(58,587)	74,236
	<u>1,065,737</u>	<u>(4,442,145)</u>	<u>3,263,304</u>	<u>(227,790)</u>	<u>2,949,867</u>	<u>\$ 1,877,757</u>

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

General Fund	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Non Spendable:				
Non spendable	\$ 627,676	\$ 22,796	\$ 16,206	\$ 104,124
Spendable:				
Assigned	-	-	-	-
Unassigned	9,562,216	8,998,911	7,810,437	7,258,184
Total General Fund	<u>\$ 10,189,892</u>	<u>\$ 9,021,707</u>	<u>\$ 7,826,643</u>	<u>\$ 7,362,308</u>
Non Spendable:				
Non spendable	\$ 399,047	\$ 535,564	\$ 260,035	\$ 254,157
Spendable:				
Restricted for grants	2,024,107	1,434,575	1,044,273	904,630
Restricted for local transportation	13,325,771	7,586,691	6,272,383	6,084,105
Assigned	3,811,438	3,672,606	3,352,107	2,695,419
Total all other governmental funds	<u>\$ 19,560,363</u>	<u>\$ 13,229,436</u>	<u>\$ 10,928,798</u>	<u>\$ 9,938,311</u>

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

Table 3

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 125,792	\$ 60,316	\$ 104,680	\$ 57,469	\$ 40,417	\$ 44,133
344,087	-	-	-	-	-
6,547,298	6,924,202	6,763,649	6,426,703	6,156,230	5,788,867
<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>	<u>\$ 5,833,000</u>
\$ 74,486	\$ 322,851	\$ 748,494	\$ 124,116	\$ 93,484	\$ 123,393
900,069	802,476	699,983	719,573	574,167	646,082
6,301,700	6,013,960	5,424,585	5,204,478	5,075,487	4,987,961
2,031,400	1,383,590	354,764	285,208	318,268	478,494
<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>	<u>\$ 6,235,930</u>

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

	Fiscal Year			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues				
Federal grants	\$ 17,119,408	\$ 16,301,470	\$ 11,278,841	\$ 12,541,382
State administered grants	173,202,111	139,729,245	132,997,272	116,230,240
* Local administered grants	-	-	-	29,947
Membership dues	812,421	796,303	767,990	752,591
Local contributed cash	11,950,388	12,189,182	11,753,216	10,740,753
In-Kind	15,830,729	10,160,395	11,280,633	5,437,434
Program income	273,062	268,435	276,769	165,902
Interest income	7,181,437	2,759,236	423,608	26,597
Total revenues	<u>226,369,556</u>	<u>182,204,266</u>	<u>168,778,329</u>	<u>145,924,846</u>
Expenditures				
Current:				
Agency administration	10,447,717	9,399,123	9,099,867	8,510,295
Agency management	792,233	1,137,116	1,058,962	1,211,093
Community services	1,965,465	1,829,538	1,540,291	1,552,097
** Area Agency on Aging	19,526,126	17,474,614	14,827,524	13,040,536
*** 9-1-1 Planning	-	-	-	-
Emergency preparedness	2,762,747	1,888,338	2,055,196	1,823,853
Environment & development	3,186,633	3,507,996	3,292,365	4,059,455
Research & information services	5,073,887	5,002,021	3,766,499	4,418,873
Transportation	60,212,067	56,220,371	51,118,788	47,577,664
Workforce development	119,659,460	86,942,985	85,062,880	68,146,169
**** Debt service				
Interest expense	89,942	100,988	82,732	-
Lease financing principal	1,497,137	1,416,994	1,202,895	-
Capital outlay	1,065,251	746,368	1,885,804	158,093
	<u>226,278,665</u>	<u>185,666,452</u>	<u>174,993,803</u>	<u>150,498,128</u>
Indirect cost allocation	(7,119,486)	(6,469,693)	(6,113,167)	(5,555,948)
Contributions to indirect costs	(41,265)	(31,082)	(21,463)	(13,121)
Total expenditures	<u>219,117,914</u>	<u>179,165,677</u>	<u>168,859,173</u>	<u>144,929,059</u>
Excess of revenues over expenditures	7,251,642	3,038,589	(80,844)	995,787
Other Financing Sources and (Uses)				
Transfers in	704,893	1,046,114	236,269	683,266
Transfers out	(706,431)	(1,046,114)	(296,866)	(703,266)
Leases (as lessee)	248,975	457,146	1,596,263	-
Total other financing sources (uses)	<u>247,437</u>	<u>457,146</u>	<u>1,535,666</u>	<u>(20,000)</u>
Net change in fund balance	<u>\$ 7,499,079</u>	<u>\$ 3,495,735</u>	<u>\$ 1,454,822</u>	<u>\$ 975,787</u>
Debt service as a percentage of noncapital expenditures	0.70%	0.83%	0.75%	

**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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 9,665,896	\$ 7,867,231	\$ 6,122,920	\$ 9,417,021	\$ 9,130,586	\$ 13,357,415
123,057,730	122,167,014	122,996,621	116,521,194	112,250,105	103,398,608
16,814	11,947	49,981	311,242	149,525	-
734,911	722,858	708,243	697,285	685,727	678,492
9,769,285	11,883,148	7,862,199	7,032,388	7,212,111	15,874,027
13,990,073	16,081,552	14,768,786	13,838,816	15,901,151	22,288,500
224,114	343,253	314,343	384,331	440,475	472,822
524,598	1,665,142	954,524	340,547	110,440	26,704
<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>	<u>156,096,568</u>
8,848,655	8,420,241	8,297,167	7,626,153	7,427,418	7,166,721
1,294,516	1,407,127	927,382	821,879	663,102	767,169
1,327,938	1,446,168	1,457,306	1,180,134	1,150,646	1,428,428
13,064,008	17,046,773	16,923,077	15,691,248	15,911,917	14,384,061
-	5,842,660	12,120,927	8,230,234	8,163,109	7,521,090
2,952,309	3,609,118	4,594,979	2,997,823	3,909,795	2,775,433
2,988,871	4,520,625	2,390,973	3,374,010	2,678,049	3,580,973
3,850,291	4,126,173	3,085,187	5,035,633	3,382,440	3,916,598
43,080,787	44,377,829	40,975,838	45,519,190	42,021,853	59,104,042
84,824,493	70,289,424	61,961,130	60,598,233	60,614,440	57,182,521
-	-	-	-	-	-
-	-	-	-	-	-
<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>2,143,073</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>	<u>159,970,109</u>
(5,820,026)	(5,582,753)	(5,199,871)	(4,851,794)	(4,456,006)	(4,127,471)
(8,817)	(13,410)	(25,143)	(15,161)	(14,706)	(18,547)
<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>	<u>155,824,091</u>
817,437	1,474,315	1,305,058	595,944	215,573	272,477
612,298	126,583	283,218	886,189	412,599	364,834
(612,298)	(189,658)	(309,668)	(922,639)	(439,049)	(364,834)
-	-	-	-	-	-
-	(63,075)	(26,450)	(36,450)	(26,450)	-
<u>\$ 817,437</u>	<u>\$ 1,411,240</u>	<u>\$ 1,278,608</u>	<u>\$ 559,494</u>	<u>\$ 189,123</u>	<u>\$ 272,477</u>

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

Fiscal Year	LOCAL						Total
	Member Dues	Interest (1)	Contributions (1)	In-Kind	Program		
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	
2015	678,492	26,704	15,874,027	22,288,500	472,822	39,340,545	

Notes: (1) Includes general and special revenue

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

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

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

Table 5

	GRANTS			Total	GRAND TOTAL
	*Local	State	Federal		
\$ -	\$ 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	
-	103,398,608	13,357,415	116,756,023	156,096,568	

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

Table 6

Fiscal Year	Governmental Activities			Debt to Personal- Income-Ratio ⁽¹⁾	Total Debt per Capita ⁽¹⁾
	Leases	Subscriptions	Total Debt		
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	-	-	-	-	-
2015	-	-	-	-	-

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

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

Table 7

<u>Year</u>	<u>Estimated State of Texas Population^a</u>	<u>Estimated Regional Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^b</u>	<u>School Enrollment^c</u>	<u>Unemployment Rate^d</u>
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%
2015	27,470,056	7,010,220	357,111,400	50,593	1,349,982	4.0%

Sources:

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

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

^cTexas Education Agency

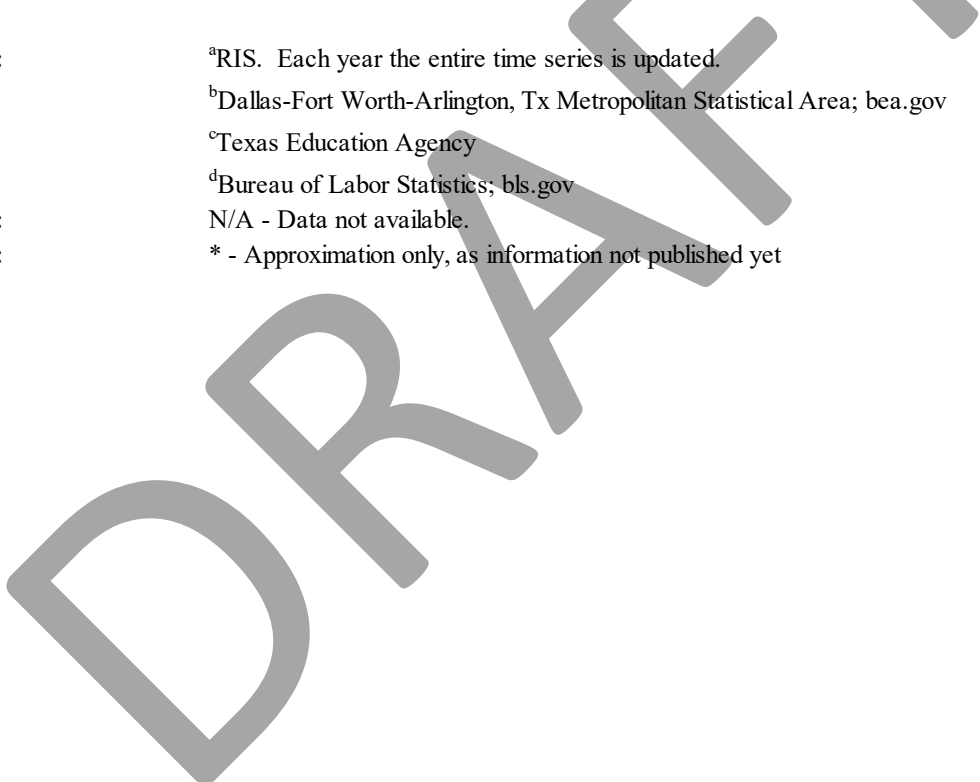
^dBureau of Labor Statistics; bls.gov

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

2024			2015		
Employer ^a	Employees	Percentage of Total NCTCOG Employment	Employer ^a	Employees	Percentage of Total NCTCOG Employment
American Airlines Group Inc.	30,000	0.68%	Wal-Mart Stores Inc.	25,534	0.72%
Texas Health Resources	27,000	0.61%	American Airlines Group Inc.	25,000	0.71%
Wal-Mart Stores Inc.	25,534	0.58%	Dallas Independent School District	20,000	0.57%
Baylor Scott & White Health	23,865	0.54%	Texas Health Resources	19,131	0.54%
University of Texas Southwestern Medical Center	23,394	0.53%	Baylor Scott & White Health	16,860	0.48%
Dallas Independent School District	22,222	0.50%	Bank of America	14,465	0.41%
Lockheed Martin	18,700	0.42%	Lockheed Martin Aeronautics Co.	13,700	0.39%
Medical City Healthcare	17,000	0.39%	City of Dallas	13,000	0.37%
Dallas Fort Worth International Airport	14,000	0.32%	Texas Instruments Inc.	13,000	0.37%
Bank of America	13,850	0.31%	JP Morgan Chase Bank N.A.	12,600	0.36%
Total	<u>215,565</u>	4.89%	Total	<u>173,290</u>	4.90%
Total NCTCOG Region Employees ^b	4,409,994		Total NCTCOG Region Employees ^b	3,537,390	

Source: ^a Dallas Business Journal, Book of Lists 2022; NCTCOG
^b LAUS (Bureau of Labor Statistics)

Source: ^a Dallas Business Journal, Book of Lists 2016
^b Bureau of Economic Analysis (W&S)

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

Table 9

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Agency Management	4	4	4	4	4	3	3	3	3	3
Agency Administration	51	51	50	50	48	48	46	45	44	42
*Area Agency on Aging	32	30	28	24	24	24	24	21	22	-
Community Services	10	10	9	9	9	9	8	8	7	47
**9-1-1 Planning/(NCT9-1-1)	33	33	33	33	33	33	32	26	24	-
Emergency Preparedness	7	7	6	10	12	12	12	11	11	11
Environment & Development	16	16	15	15	14	14	14	13	13	13
Public Affairs	2	2	2	2	2	2	2	2	2	2
Research and Information Services	35	35	35	35	35	35	35	35	29	27
Transportation	195	193	184	176	167	169	166	161	158	148
Workforce Development	55	55	50	48	48	44	37	40	40	34
Total	440	436	416	406	396	393	379	365	353	327

Source:

Agency Annual Fiscal Program

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

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

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

Function/Program	Fiscal Year			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
*Area agency on aging	\$ -	\$ -	\$ -	\$ -
**9-1-1 planning	-	-	-	-
Community services	106,435	98,492	14,646	-
Emergency preparedness	41,460	41,460	233,852	233,852
Environmental resources	17,616	17,616	25,639	25,639
Local and administrative	23,997,039	23,923,933	21,731,475	1,848,018
Regional information services	964,791	728,256	647,433	1,298,970
Transportation	569,635	457,565	390,898	790,914
Workforce development	11,722,425	11,233,398	9,962,244	2,146,782
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

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

Table 10

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063
-	-	13,034,335	8,291,207	6,747,587	3,312,911
65,790	65,790	65,790	65,790	65,790	83,061
271,949	271,949	271,949	262,583	262,583	252,688
110,290	110,290	110,290	110,290	110,290	110,810
1,824,996	1,824,996	1,330,459	1,305,119	1,296,232	1,268,031
1,528,166	1,528,166	1,983,373	1,983,373	1,818,749	1,435,746
1,482,432	1,482,432	1,329,239	1,310,706	1,307,581	841,120
3,637,483	3,637,483	4,145,950	3,959,340	3,829,235	3,597,104
7,483,991	7,483,991	7,483,991	7,483,991	7,483,991	7,467,896

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