

Comprehensive Annual Financial Report

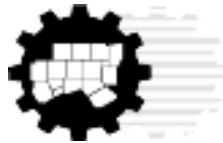
Fiscal Year Ended September 30, 2015



North Central Texas Council of Governments

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

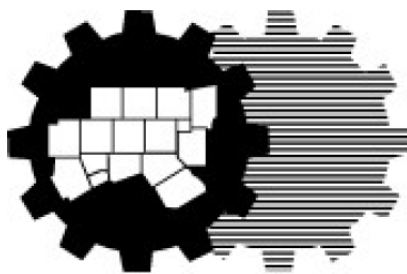
Executive Director
Mike Eastland



Deputy Executive Director
Monte Mercer, CPA

***PREPARED BY
DEPARTMENT OF ADMINISTRATION***

Shannan Ramirez, Chief Accounting Officer
Richard Michael, Budget / Financial Reporting Manager
Maggie Lira, CPA – Accounting Manager
Molly Rendon, Assistant Director of Finance
Randy Richardson, CPA - Workforce Fiscal Manager



**North Central Texas
Council of Governments**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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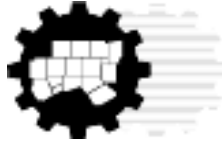
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Introductory Section





North Central Texas Council of Governments

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

February 15, 2016

Members of the Executive Board:

The Comprehensive Annual Financial Report of the North Central Texas Council of Governments (NCTCOG, 'the Council' or 'the Agency') for the fiscal year ended September 30, 2015, is hereby submitted. This report was prepared for the Agency by NCTCOG's Department of Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. To the best of our knowledge and belief the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of NCTCOG as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Council's financial affairs have been included.

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

NCTCOG is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations." Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and other independent auditor's reports on the single audit, are included with this report and can be found at the end of the report.

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

Organizational Profile

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

The Agency is an organization of, by, and for local governments. Its purpose is to strengthen both the individual and collective power of local governments – and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to assist in the implementation of those decisions. The NCTCOG is governed by a general assembly composed of one voting representative from each of the 240 member governments and the Executive Board, which is composed of 17 local officials elected by the General Assembly.

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 6.9 million, which is larger than 30 states, and an area of 12,800 square miles, which is larger than nine states. NCTCOG's 240 member governments are comprised of 16 counties, 167 municipalities, 24 independent school districts, and 33 special purpose districts.

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

Because of the large monetary and community impact of the 9-1-1 and Area Agency on Aging programs, they were broken out from the Community Services department. This breakout began in FY2014 when separate Directors were named to head these programs. In the FY2015 budget these programs were listed as part of Community Services. In our FY2016 budget they were listed as separate departments. Accordingly, in our FY2016 CAFR they will be listed as separate departments.

Economic Condition and Outlook

NCTCOG's regional population increased by approximately 96,910 persons during 2015 for a January 1, 2015 total estimated population of 6.9 million.

The December 2015 unadjusted unemployment rate for the 16 county NCTCOG region was 4.0%, which was slightly below the Texas rate of 4.5% and well below the comparable national figure of 5.0%.

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

New Initiatives

Transportation (TR)

During FY2015, the North Central Texas Council of Governments (NCTCOG) initiated the Bike/Walk North Texas Safety Campaign (branded as "Look Out Texans") to provide education and outreach encouraging North Texans to bike, walk and drive safely together. It comes at a time when motor vehicle crashes that involve people bicycling and walking are increasing in North Texas. Between 2010 and 2014 there were more than 8,200 such crashes reported, resulting in more than 500 fatalities. The campaign is being coordinated with cities and transportation partners across the region. Using billboards, transit ads, radio ads, online and print advertising, social media, newsletters, and other similar outreach materials, the "Look Out Texans" campaign will reach people of all ages and abilities across multiple platforms including bilingual publications.

NCTCOG was awarded \$1,078,128 in 2015 through the National Clean Diesel Funding Assistance Program from the US Environmental Protection Agency (EPA) for implementation of 80 Electrified Parking Spaces (EPS) located at trucking terminals within the Dallas-Fort Worth (DFW) region. NCTCOG awarded a portion of the funds to a subcontractor to install and maintain the EPA-verified idle reduction technology within the nonattainment area. The implementation of these 80 EPSs will encourage greater use of off-board idle reduction technologies and help reduce emissions within the nonattainment area.

The 84th Texas Legislature restored full funding for the AirCheckTexas Drive a Clean Machine Program, increasing program funding to \$21.6 million in September 2015. Administered by NCTCOG, AirCheckTexas is designed to help vehicle owners comply with vehicle emissions standards by offering financial incentives to repair or replace vehicles and allows local residents to contribute to the regional air quality solution. Over the last 12 years, AirCheckTexas has repaired over 30,000 vehicles and replaced an additional 30,000 vehicles while contributing to the air quality improvement in the region. The additional funding is anticipated to allow NCTCOG to provide vouchers for the replacement of approximately 6,000 vehicles.

NCTCOG contracted with the Texas Transportation Institute to conduct a diesel inspection and maintenance demonstration pilot. Since 41 percent of all on-road emissions are attributed to heavy-duty diesel vehicles (HDDV), an inspection and maintenance program that includes HDDVs would help reduce those emissions. When complete, the demonstration pilot will include development of optimum system design for emissions testing, equipment assessment and data collection, documentation of technology performance and test results, and development of an operational plan for widespread deployment.

NCTCOG's Transportation Department partnered with the Environment and Development Department to contract with the Texas State Energy Conservation Office to conduct a statewide solar energy project to help establish regional best practices regarding solar energy systems (SES) and installations. Work began to develop materials, resources, and trainings about various aspects of SES regulation across the State; this will be accomplished through engagement with rural electric cooperatives, municipally owned utilities, and independent school districts, as well as with municipalities across the state and various councils of governments. The ultimate goal of this regional and statewide coordination effort is to reduce the soft costs associated with SES in residential and commercial settings.

In FY2015, NCTCOG was awarded \$600,000 from the US Department of Energy through the Clean Cities Alternative Fuel Vehicle Deployment Initiatives Grant Program. The goal of this project is to support the national Clean Cities mission to reduce petroleum consumption in the transportation sector. This multi-state project will leverage existing alternative fuel curricula to increase training to fire marshals, code officials, mechanics and technicians, and first responders located in Texas, Arkansas, Oklahoma, and Louisiana. Contracting with subgrantees began.

NCTCOG received \$45,000 in March 2015 from the Texas Commission on Environmental Quality (TCEQ) to conduct an on-road mobile emissions inventory for the 12-county DFW metropolitan statistical area. This inventory was developed under the Air Emissions Reporting Requirements to support EPA's comprehensive three-year cycle National Emissions Inventory. The final deliverables, including annual and average summer weekday emissions estimates of criteria air pollutants and annual emissions of hazardous air pollutants, were submitted to TCEQ on November 12, 2015.

NCTCOG received \$40,000 in June 2015 from TCEQ to conduct an on-road mobile emissions inventory for the 12-county DFW metropolitan planning area. This inventory was developed to support TCEQ's revision to the State Implementation Plan (SIP) for the DFW 10-county area classified as moderate nonattainment under the 2008 eight-hour ozone standard. The final deliverables, including school and summer season emissions estimates for analysis year 2017, were submitted to TCEQ on July 31, 2015.

NCTCOG received \$85,000 in October 2014 from TCEQ to conduct an on-road mobile emissions inventory for the nine DFW counties previously designated as nonattainment under the 1997 eight-hour ozone standard for analysis years 2012, 2014, 2017, 2020, 2023, 2026, and 2028. This inventory was developed to support TCEQ's redesignation and maintenance analysis for the nine nonattainment counties required for the development of the DFW redesignation substitute report and/or SIP revision. The final deliverables, including emissions estimates for the seven analysis years, were submitted to TCEQ on March 24, 2015.

NCTCOG began work on identifying existing and possible alternative hazardous material routes located in the Dallas-Fort Worth region. The study includes developing revised hazardous material routes and investigating data on traffic delays that impede expedited delivery and pass through of hazardous material traffic. The Hazardous Material Routing Study will also include research on hazardous material traffic flow contingency plans which detail the approved routes during an emergency shutdown of designated interstate highways. Various local, state and federal agencies will be involved in the study that will provide updated research on the previous study, completed by NCTCOG in 1985.

NCTCOG contracted with a consultant team to perform a comprehensive update of the Regional Intelligent Transportation System (ITS) Architecture, including workshops with partner agencies to obtain input and concurrence. The effort included development of a revised format for statements of architecture compliance, a Web-based Regional ITS Architecture, and recorded information to assist local agencies in using the Regional ITS Architecture, at a cost of approximately \$80,000.

Community Services (CS)

Criminal Justice Planning

In fiscal year 2015 the Criminal Justice Program focused its efforts on meeting the “Contract for Services” requirements with the Office of the Governor’s Criminal Justice Division. As a result, technical and operational assistance was provided to more than 90 public and private agencies for new and continuation criminal justice projects, grant application workshops, preparation of grant applications, strategic planning efforts, and to meet the administrative requirements of the Criminal Justice Division.

Aging Services

Fiscal Year 2015 funding for the Aging program was largely unchanged from Fiscal Year 2014. Although it was spared Sequestration-related reductions in funding that had been imposed in Fiscal Year 2013, its level funding was not sufficient to meet the needs of a rapidly growing population of North Central Texans. From 2014 to 2015 the number of persons age 60 and over who called the region home increased by 29,237, or 6.9% (from 423,009 to 450,246).

To help keep pace with increased demand, Aging sought out several competitive funding opportunities. It applied for and received funding from the Texas Department of Aging and Disability Services for nursing home relocation, Aging and Disability Resource Center, and housing bond services. It also supported the Tarrant Area Agency on Aging, which received a grant from the Administration for Community Living (ACL) for fall prevention activities, and was funded as a subcontractor. Similarly, it supported the Dallas Area Agency on Aging, which received a grant from the ACL for chronic disease self-management activities, and was funded as a subcontractor. These two subcontracts will allow Aging to increase the geographic reach of its Matter of Balance, Chronic Disease Self-Management, and Diabetes Self-Management Programs, serve more participants, and assist younger persons with disabilities in addition to older adults.

In addition, Aging received two grants to expand its services to Medicare beneficiaries: a \$100,000 grant from the National Council on Aging to establish a Benefits Enrollment Center that helps low-income beneficiaries access Medicare Savings Programs and Low-Income Subsidies; and a \$20,000 grant from the Better Business Bureau to educate Medicare beneficiaries about Medicare fraud.

Training & Development Institute (TDI)

(TDI) provided 43 classes for the region and coordinated 16 classes for NCTCOG staff, serving over 1300 participants. In addition to providing training classes, the TDI underwent a thorough evaluation of program offerings and developed framework to introduce new programs.

Of the classes held this fiscal year, 15 were TCEQ-sanctioned water and wastewater classes. These classes are completed by individuals pursuing or renewing Texas Commission on Environmental Quality operator licenses. Additionally, the TDI continues support of the TCEQ by serving as a test site for computer-based license exams.

Through a partnership with the University of North Texas’ Center for Public Management, the TDI offered seven two-day Public Funds Investment Act training which is required for all public finance and investment officers in the State of Texas. Approximately 270 participants received their certificates of completion for this training course during the fiscal year.

In cooperation with NCTCOG’s Transportation Department, the TDI hosted six Freeway Incident Management courses for First Responders & Managers that consisted of close to 200 participants from a variety of agencies.

The TDI also hosted classes in the areas of code enforcement, planning & zoning, and records management, as well as special requests by NCTCOG departmental staff.

Regional Law Enforcement Training

During 2014/2015, the Regional Police Academy conducted Six Basic Peace Officer Courses and graduated 137 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy conducted 77 law enforcement training courses for 1030 in service officers providing a total of 149,574 contact hours of training.

9-1-1

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

New Initiatives for the upcoming year include a large scale alternate network project that will incorporate microwave technology into the existing network consisting of MPLS and a wireless backup network. The 9-1-1 technology team has just completed relocating one of the geographically diverse host server rooms into a commercial data center. They will focus on security initiatives and the training PSAP relocation in the year to come.

Shortly after transitioning from the state database platform, the data team will complete phase II of this transition, which includes quality control of data and working to transition the Private Switch ALI (Automatic Location Information) and ENS (Emergency Notification System) contracts.

The GIS team successfully completed a mapping upgrade in the PSAPs last year and are currently focusing on data accuracy and research and development for caller location accuracy by exploring 3D mapping and looking for enhancements to indoor location.

The Operations team will host two pilot Telecommunicator Academy classes this year. Their research found a need for this training and they have developed a curriculum, orientation materials and testing requirements for the pilot year.

Emergency Preparedness (EP)

Regional Emergency Preparedness Program (REPP) Member Program: In 2015, the North Central Texas Regional Emergency Preparedness Program (REPP), managed by the Emergency Preparedness (EP) Department, continued to meet stakeholder needs through advocacy, planning assistance, training, program management and support services. Specialized programs and events, were possible through the REPP, including co-sponsoring an Integrated Warning Team workshop with the National Weather Service, local training and exercise support, coordinating and managing the CASA weather radar project, supporting the Public Works Emergency Response Team, and facilitating regional subject matter and Emergency Management working groups.

Homeland Security Program: The Homeland Security Grant Program (HSGP) consists of both the State Homeland Security Grant Program (SHSP) as well as the Urban Area Security Initiative (UASI) Grant Program. Funds for this program are used to prevent, prepare, mitigate, respond, and recover from acts of terrorism and catastrophic events. Expenditures are used to close capability gaps that have been identified in the regional, urban area, or state strategies as well as the Threat and Hazard Identification and Risk Assessment (THIRA). These funds have helped our region increase response capabilities by improving response plans, equipping special response teams, training first responders, and exercising together so that everyone knows what to do when disasters occur.

Citizen Corps Program: Citizen preparedness, training, and education were supported by \$53,111 in 2015 HSGP funds awarded to NCT (North Central Texas) Citizen Corps programs. The funds helped sustain citizen volunteer programs such as Community Emergency Response Teams (CERT), Volunteers in Police Service (VIPS) and Fire Corps. Program members served NCT in skilled emergency support roles such as wide area search, damage assessment, triage, and first responder rehab.

Mitigation Program-Hazardous Mitigation Grant Program (HMGP) and Pre-Disaster Mitigation (PDM) Projects: The EP Department supported hazard mitigation planning for fourteen of sixteen NCT counties in 2015. Twelve of the fourteen plans were approved or approved pending adoption as of December 31, 2015, and two new municipal plans were added. Mitigation planning helps communities identify hazards and develop mitigation actions to reduce or eliminate vulnerability to those hazards. Once approved and adopted, the Hazard Mitigation Action Plans (HazMAPs) will allow participating jurisdictions become eligible to apply for future mitigation grant funds.

Safe Room Project: In July 2013, the EP Department received \$1,395,000 to administer the Individual Safe Room Rebate Program in Collin, Dallas, Denton, and Tarrant counties. Due to overwhelming response, and an ensuing waitlist of over 9,400 individual applicants, the EP Department was granted an additional \$930,000 in October 2013 to expand the program to all sixteen NCT counties. That trend continued in May 2015 when the EP Department received another \$500,000 for the program. During 2015, the safe room program grant resulted in 204 individual safe room installations totaling \$530,181 in federal grant rebates. This brings the program total, since inception, to 537 safe rooms installed and \$1,414,028 in rebates awarded. Additional safe rooms will be awarded with existing funds in 2016. The EP Department will maintain the waitlist and continue to seek additional funding as opportunities arise.

Collaborative Adaptive Sensing of the Atmosphere (CASA WX) Member Program: The EP Department continued to explore financial support for installing and maintaining the Collaborative Adaptive Sensing of the Atmosphere (CASA WX) weather radar system in the Dallas Fort Worth area (DFW demonstration network). CASA's focus is a weather observation system paradigm based on low power, low cost, overlapping network of radars. The sixth radar in the network was installed in the City of Fort Worth in 2015 and two radars are planned for installation in 2016. The EP Department continued to manage the CASA WX membership program and the dues assessed are based on jurisdictional population. Local jurisdictions that are members of the CASA WX program gain access to the website allowing them to see CASA WX radar data down to the neighborhood level with minute to minute updates. This information helps reduce uncertainty during weather incidents, enhancing decision making, and can potentially save lives and reduce damage to property. Membership dues go towards sustaining operational expenses of the radar network.

Environment & Development (E&D)

The overall theme for NCTCOG's environmental resource and development initiatives continued to be Sustainable Environmental Excellence or SEE. SEE is intended to guide NCTCOG's efforts, and ultimately the region's, in regards to planning for the future of this growing and changing area in a collaborative and cost-effective way for the benefit of all North Central Texas. The Department of Environment and Development (E&D) addresses SEE through three different program areas – SEE Less Trash-Solid Waste, SEE Safe Clean and Green-Watershed Management, and SEE Development Excellence.

In the SEE Less Trash program area, the FY 14-15 biennial cycle of the Texas Commission on Environmental Quality (TCEQ) grant was continued, including administration of 20 local government projects totaling approximately \$1,056,000. The Resource Conservation Council updated the Regional Solid Waste Management Plan (Volume II) and submitted it to TCEQ, developed a paperless regional grant application process, updated the website, improved materials for and created a software application for Report Illegal Dumping, provided updates on legislation, and conducted a regional outreach campaign to encourage recycling. Seven educational/training workshops were offered in fiscal year 2015 and 15 technical assistance requests to local governments were recorded. In addition, 17 responses to inquiries into the status of the Closed Landfill Inventory were handled.

Our reviews of interim financial information will be conducted with the objective of reporting whether we are aware of any material modifications that should be made to the interim financial information for it to be in accordance with the applicable financial reporting framework (e.g., accounting principles generally accepted in the United States of America).

The Regional Stormwater Management Program provided support to over 45 local participating entities and provided a variety of products including training workshops, support for one seasonal campaign, an annual storm water monitoring report, cooperative purchase opportunities, a Standard Operating Procedures Guidebook, Pollution Prevention BMP Posters, and updated Illicit Discharge Detection and Elimination Posters. The 2015 Water Quality Management Plan for North Central Texas was adopted by NCTCOG and submitted as the annual amended plan for state and federal agency review and consideration.

In SEE Development Excellence, support for the Center of Development Excellence and the 12 Principles of Development Excellence continued, the 2015 Celebrating Leadership in Development Excellence (CLIDE) awards were presented, and ten presentations were made to local governments and community groups by the Vision North Texas Speakers Bureau, supported by NCTCOG staff. Thirteen city manager outreach meetings were hosted around the region to discuss the value of adopting *Integrated* Stormwater Management (iSWM) methods that involve low impact development and green infrastructure best practices. A regional Public Works Roundup was conducted at the Colleyville Center on July 16, 2015 that provided all-day training sessions in many sustainability and public works related topics, two Federal Highway Administration (FHWA) accessibility training workshops were hosted, and approximately 33 work group meetings were conducted to further the update of the Standard Specifications for Public Works Construction document. Quarterly training sessions continued on Stormwater Pollution Prevention During Construction. Technical and committee assistance was provided to ensure distribution of Community Development Block Grant (CDBG) funds to eligible applicants. Outreach and activities were conducted in order to encourage and facilitate the installation of and reduce the cost of solar PV systems in our region. Coordination began with major water providers to develop a model ordinance and best practices for water efficient landscaping. Staff also facilitated review by the Regional Codes Coordinating Council and adoption of regional amendments to the 2015 International Codes, and a review of the 2012 and 2015 International Green Construction Code (IgCC) continued.

Research and Information Services (RIS)

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

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

The RIS Information Technology (IT) Team responded to 6,785 officially posted Agency and Workforce support requests. These requests included new computer requests, software management, and network connectivity between 14 sites plus a Mobile Workforce Unit spread across the region for phone and computer access.

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

The IT Team completed major network enhancements by doubling our bandwidth, adding a secondary internet connection dedicated to the wireless network, upgrading our Centerpoint wireless network for improved reliability and coverage, adding wireless access in the Workforce Centers, and replacing six aged switches that allow PCs to connect to the network and Internet. The IT Team also completed the email migration to Office 365, upgraded the VOIP phone system, and expanded our server virtualization capacity by deploying new hardware and migrating from VMWare to Hyper-V. Additionally, the IT Team renewed our Microsoft Enterprise Agreement and completed CRM upgrade assessment and CRM strategy review projects to evaluate the business case and roadmap for successful redeployment of this underutilized system. IT continues to implement advanced communication and collaboration tools that allow for enhanced communication across the region. Among these systems is a Microsoft SharePoint environment that allows for collaboration on content with staff across the region and KnowledgeLake software for improved content management and workflow.

The RIS Information Security (IS) team reviews new Information Technology projects to ensure that threats to the confidentiality, integrity, and availability of enterprise systems and data are identified and risks are appropriately mitigated. The IS team also works to find and mitigate previously unidentified risks in existing systems by reviewing system logs and auditing access controls. The IS team looks to improve the ease-of-use of security technologies, while at the same time update or add to their functionality and effectiveness. In addition to technological improvements to the Agency's security posture, IS continues to educate employees on the importance of adhering to security policies and continues to inform employees about current threats and safe computing practices. This is achieved through new employee orientation sessions, e-mail alerts, and monthly newsletters.

Workforce Development (WF)

Board staff is actively engaged in a number of projects and initiatives beyond the scope of our Workforce Innovation and Opportunity Act (WIOA) activities and contract management.

Workforce Solutions for North Central Texas is dedicated to helping job seekers prepare for the workforce. Through WIOA, we are able to provide funding to individuals to gain the skills necessary for high-growth, in-demand occupations leading to successful careers.

Workforce Performance, Employer and Job Seeker Services

The DFW Metroplex is home to the headquarters of 18 Fortune 500 companies and over 51,000 employers. From October 1, 2014 to September 30, 2015 the North Central Texas Workforce Area had an average yearly unemployment rate of 3.7%. This year over 20,000 unemployment claimants were put back to work.

2015 by the Numbers

96,977	Job Seekers Served from October 2014 – September 2015
62,189	Job Seekers Entering Employment after exiting September 2015
8,781	Employers Receiving Workforce Assistance October 2014 – September 2015
5,230	Average Children Served per day from October 2014 - September 2015
2,745	Individuals were served in our Mobile Workforce Unit from October 2014 – September 2015
393	Youth served

In 2015 Workforce Solutions for North Central Texas provided training to 915 individuals and served over 87,226 job seekers. Below is a breakdown for each county we serve.

County	Unique Customer Visits	Individuals Trained	Training Expenditures
<i>Collin & Rockwall</i>	19,833	253	819,039
<i>Denton & Wise</i>	9,445	177	670,824
<i>Ellis</i>	11,020	91	223,124
<i>Erath</i>	3,056	32	99,495
<i>Hood & Somervell</i>	3567	41	110,663
<i>Hunt</i>	7,732	75	310,135
<i>Johnson</i>	7,431	85	379,450
<i>Kaufman</i>	7,481	43	108,727
<i>Navarro</i>	8,173	58	78,859
<i>Parker & Palo Pinto</i>	6,743	60	172,503
<i>Mobile Workforce Unit</i>	2,745	N/A	N/A
<i>Total</i>	87,226	915	2,972,819

In July 2015, ResCare Workforce Services (RWS) was awarded a contract to manage and operate the Workforce Solutions for North Central Texas Workforce System as well as the Child Care Services program for the upcoming year.

This year the Texas Workforce Commission certified that Workforce Solutions for North Central Texas met all the criteria for oversight capacity in 2015. Quality assurance staff continue to develop and deploy strategies to increase monitoring effectiveness, while also increasing efficiency. Diligent review of contractor services provides a full circle view from the customer entering a workforce center to overall contract performance. As a continuous improvement environment, quality assurance plays a key role in providing timely feedback for critical business decisions.

Veterans Strategic Initiative

November 2014 marked the third consecutive year of partnership between Workforce Solutions for North Central Texas, Workforce Solutions for Tarrant County, and Workforce Solutions Greater Dallas for the Texas Workforce Commission's statewide Hiring Red, White, and You! job fair at Globe Life Park in Arlington, Texas. The collaboration includes local partners, the Texas Veterans Commission and the Texas Medical Center, and connects veterans and their spouses with meaningful work. The job fair attracted 225 employers with over 1,000 job seekers and achieved 124 on-site hires.

Skills Development Fund and Community Partnership Initiatives

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

In partnership with local community colleges and economic development partners, Workforce Solutions for North Central Texas has facilitated the award of more than \$31 million in SDF grants to the region. In 2015 alone, almost \$2 million were invested to create 334 new jobs and upgrade the skills of almost 1,000 workers.

High-Demand Job Training Grant

In July of 2015, Workforce Solutions for North Central Texas received \$75,000 from the Texas Workforce Commission to support a collaboration between Terrell Economic Development Corporation, Terrell Independent School District (TISD), and Trinity Valley Community College (TVCC) to improve skill sets for welders. The Terrell Economic Development Corporation matched the grant with an additional \$75,000 to help fund the High-Demand Job Training Welding Program at TISD.

The primary objective of the program is to provide highly skilled welders with nationally recognized industry certifications. Occupational Safety and Health Administration certification, 15 hours of dual college credit through TVCC, and the opportunity to take the American Welding Society certificate exam make the program attractive to junior and senior students. The specialized classrooms and curriculum, designed with input from manufacturers in Terrell, are also used by adult learners to train for high demand jobs or to improve upon their skills.

Regional Economic Development Steering Committee

The Regional Economic Development (RED) Steering Committee was created in June of 2015 and is open to economic developers practicing within North Central Texas. The primary objective of RED is to enhance economic vitality and employment opportunities. RED develops, implements, and refines programs and services in partnership, collaboration, and strategic alliances with a network of other workforce/economic development organizations. RED implements support strategies designed to strengthen the business community, align the local pool of qualified human capital with businesses in need of employees, and develop strategic partnerships for career pathways.

Adult Education & Literacy/North Central Workforce Regional Coalition

The Adult Education & Literacy/North Central Workforce Regional Coalition was formed in June 2015 to promote integration, cooperation, and collaboration. The Regional Coalition addresses transitional issues, shares information and best practices, explores systems and services for closing strategic and operational gaps in services, and ensures integration of services within the North Central Texas Workforce Board area. Participating partners include Cleburne ISD, Denton ISD, Weatherford ISD, and Navarro College. The purpose of the Regional Coalition is to develop strategies for system improvements; oversee, analyze, and adjust strategy implementation; share best practices to assist program achievement and promote continuous improvement; track and support the achievement of state, federal, and/or local performance goals and targets; and provide basic education and literacy programs to eligible participants in North Central Texas.

Alliance Opportunity Center Grand Opening

The 17-year-old Alliance Opportunity Center (AOC) started in a trailer adjacent to Fort Worth Alliance Airport in 1998, operating as a satellite workforce center. In 2015, Workforce Solutions for North Central Texas and Workforce Solutions for Tarrant County partnered to relocate and expand the operations of the AOC and create a permanent storefront in Alliance, Texas. The new AOC connects workers to more than 400 companies located within the Alliance, Texas development, as well as hundreds of employers in both North Tarrant and Denton Counties. This innovative collaboration has received state and national recognition, including the Business Results Award from the Texas Workforce Commission and the Workforce Award of Excellence from the National Association of Counties.

The grand opening at the new location, held in September of 2015, was honored to receive Congresswoman Kay Granger, Mayor Betsy Price, Judge Glen Whitley, Commissioner Andy Eads, Bill Thornton, and Tom Mullen as guests. Since May 2015, the AOC has served over 7,900 job seekers and filled 1,200 job openings with its 13-person staff.

Advancements in Technology

In an attempt to better understand the current technological state of Workforce Solutions for North Central Texas, a strategic team gathered to set goals and address key technology questions including:

Is the Board technologically equipped to conduct business effectively and appropriately?

- Are there opportunities to simplify internal and external communication with employers and job seekers?
- Are there opportunities to increase access to service delivery for employers and job seekers?
- Are there opportunities to automate processes?

The information gathered by the team will be used to consider how to address these questions and prioritize projects to reach program goals.

Child Care Services began roll out of customer service technology allowing Child Care Advisors (CCAs) to better respond to child care customers. The new technology employs automatic call distributors, managing the flow of incoming calls and routing them to the most appropriate CCA. Servicing technology provides for the documentation of customer issues or requests and records the steps taken to address those issues. Quality management applications, such as the call recording system, provide tools to gather data used to monitor performance and improve processes. Beginning in 2016, the technology will expand to provide a “cockpit” enabling the CCA to take advantage of multiple assets and information sources to assist customers.

Workforce Solutions for North Central Texas Recognitions

Nebraska Furniture Mart of Texas “Local Employer of Excellence”

Nebraska Furniture Mart was recognized by FurnitureToday as being an innovative champion of change. When Nebraska Furniture Mart announced it would be opening its largest facility in North Central Texas, the Business Development Unit (BDU) of Workforce Solutions for North Central Texas understood its potential to spur growth. The BDU worked with Nebraska Furniture Mart’s human resources unit, providing regional labor market information to assist with identifying competitive wage rates and providing radio advertising to recruit new employees. The workforce center in Denton, Texas, developed a recruiting strategy which included Work In Texas (WIT) job postings, job seeker e-blasts, the Mobile Workforce Unit, and on-site and off-site hiring events. The Denton, McKinney, and Plano workforce centers’ staff worked collaboratively to sponsor 22 hiring events reaching over 131,000 job seekers and resulting in 819 WIT hires to date.

Achievement of Excellence in Procurement

In August 2015, in partnership with North Central Texas Council of Governments, Workforce Solutions for North Central Texas received the Achievement of Excellence in Procurement® (AEP) award from the National Procurement Institute, Inc. (NPI) for the fifth consecutive year. The AEP award recognizes organizational excellence in public procurement. Workforce Solutions for North Central Texas was one of only 29 special districts in the United States to receive the award.

Gold Hermes Creative Award and Gold Marcom Award

Workforce Solutions for North Central Texas received a Gold Hermes Creative Award and a Gold MarCom Award for its 2013-2014 Annual Report titled “Going the Distance.” The Hermes Creative Awards and MarCom Awards are both international competitions for creative professionals involved in the concept, writing, and design of traditional and emerging media.

Factors Affecting Financial Condition

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

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

As part of NCTCOG's single audit, tests are made to determine the adequacy of internal control including that portion related to federal financial assistance programs, as well as to determine that NCTCOG has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended September 30, 2015, provided no instance of material weaknesses in internal control or significant violations of applicable laws and regulations.

NCTCOG's annual budget is a management tool that assists in analyzing financial activities during the fiscal year. The annual budget is reviewed and formally adopted by the Executive Board prior to the beginning of the fiscal year. The approved annual budget is used as a control device for the General Fund while individual grant contracts are used as the control device within the Special Revenue Funds. NCTCOG's fiscal year 2016 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 of Weaver and Tidwell, L.L.P. performed this year's audit.

NCTCOG has received a single financial and compliance audit each year since 1980. This year, NCTCOG's auditors are issuing a report in compliance with A-133 to the U.S. Department of Labor (NCTCOG's federal oversight agency) and the Texas Department of Transportation (NCTCOG's state oversight agency). In addition, the state now requires a single audit of the state funded grants.

Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Central Texas Council of Governments for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the fifteenth consecutive year that NCTCOG has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

A handwritten signature in black ink that reads "Mike Eastland". The signature is written in a cursive style with a large initial "M".

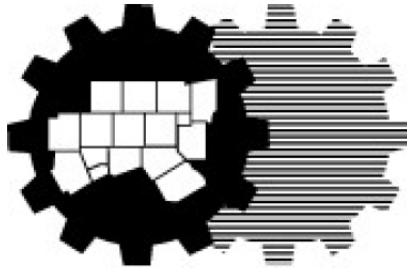
Mike Eastland
Executive Director

A handwritten signature in black ink that reads "Monte Mercer". The signature is written in a cursive style with a large initial "M".

Monte Mercer, CPA
Deputy Executive Director

A handwritten signature in black ink that reads "Shannan Ramirez". The signature is written in a cursive style with a large initial "S".

Shannan Ramirez
Chief Accounting Officer



**North Central Texas
Council of Governments**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**North Central Texas
Council of Governments**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
2015- 2016 EXECUTIVE BOARD**

President
John Horn
County Judge
Hunt County

Vice President
Lissa Smith
Mayor Pro-Tem
City of Plano

Secretary-Treasurer
Tom Lombard
Councilmember
City of North Richland Hills

Past President
Kathryn Wilemon
Mayor Pro Tem
City of Arlington

Director
Clay Jenkins
County Judge
Dallas County

Director
B. Glen Whitley
County Judge
Tarrant County

Director
Keith Self
County Judge
Collin County

Director
Bobbie Mitchell
Commissioner
Denton County

Director
J.D. Clark
County Judge
Wise County

Director
Lee Kleinman
Councilmember
City of Dallas

Director
Kelly Allen Gray
Councilmember
City of Fort Worth

Director
Chris Watts
Mayor
City of Denton

Director
Kevin Strength
Mayor
City of Waxahachie

Director
Laura Wheat
Mayor
Town of Westlake

Director
Michael Glaspie
Councilmember
City of Arlington

Director
Dan McClendon
Mayor Pro Tem
City of Burleson

Director
Bruce Archer
Councilmember
City of Mesquite

Ex Officio Member
Jeff Leach
State Representative

Executive Director
R. Michael Eastland

General Counsel
William P. Remington

ADMINISTRATIVE STAFF

Deputy Executive Director
Monte Mercer

Director, Transportation
Michael R. Morris

Director, Research and Information Services
Tim Barbee

Director, Environment and Development
Edith Marvin

Director, Emergency Preparedness
Molly Thoerner

Director, Area Agency on Aging
Doni Greene

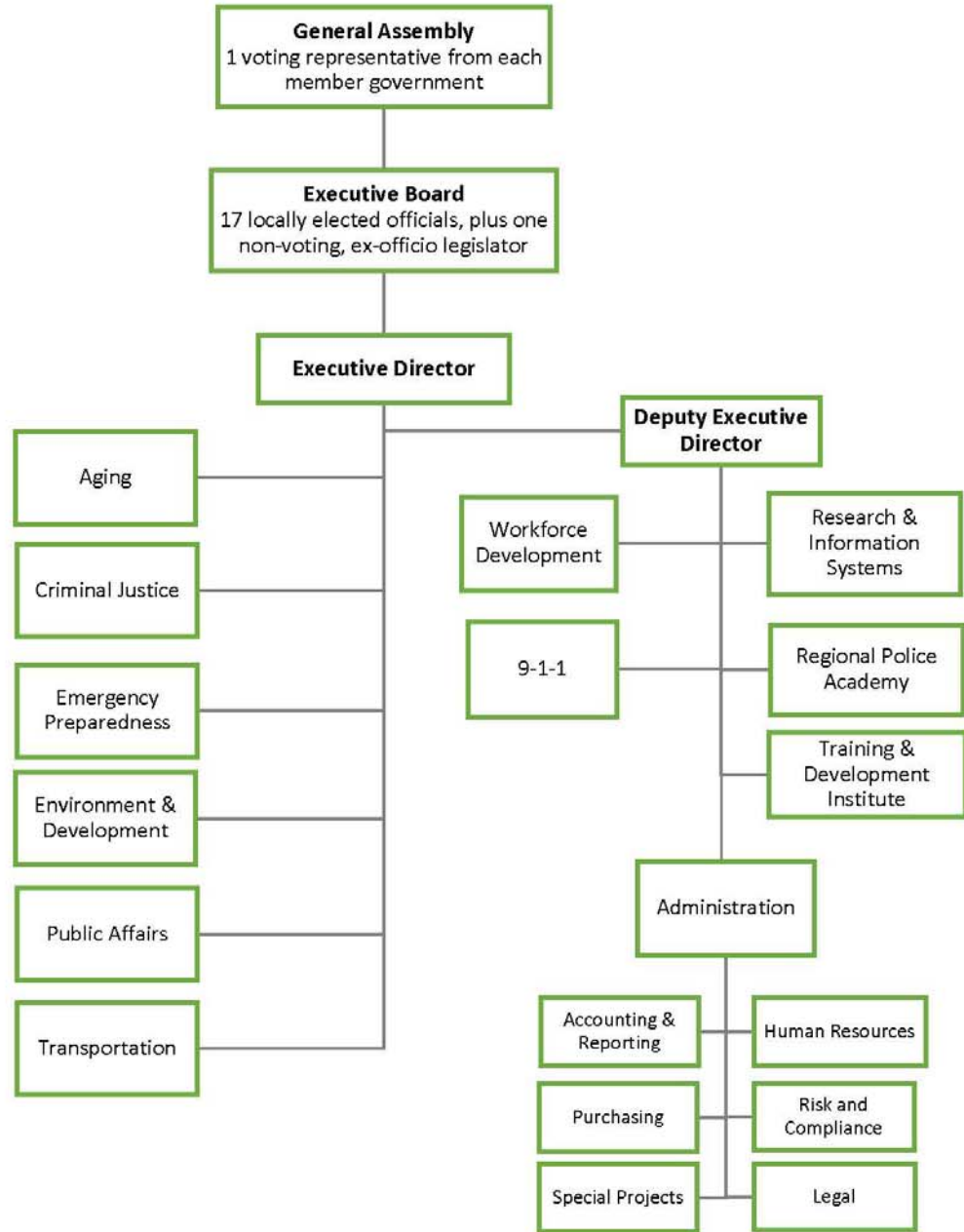
Director, Regional 9-1-1
Christy Williams

Director, Workforce Development
David Setzer

Executive Director, Public Employee Benefits
Cooperative
Diana Kongevick

Organizational Chart

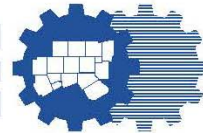
North Central Texas Council of Governments



Mission Statement

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

North Central Texas Council of Governments



Values:

REGIONALISM

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

GOVERNANCE

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

SERVICE

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

EMPLOYEES

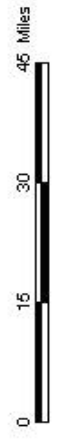
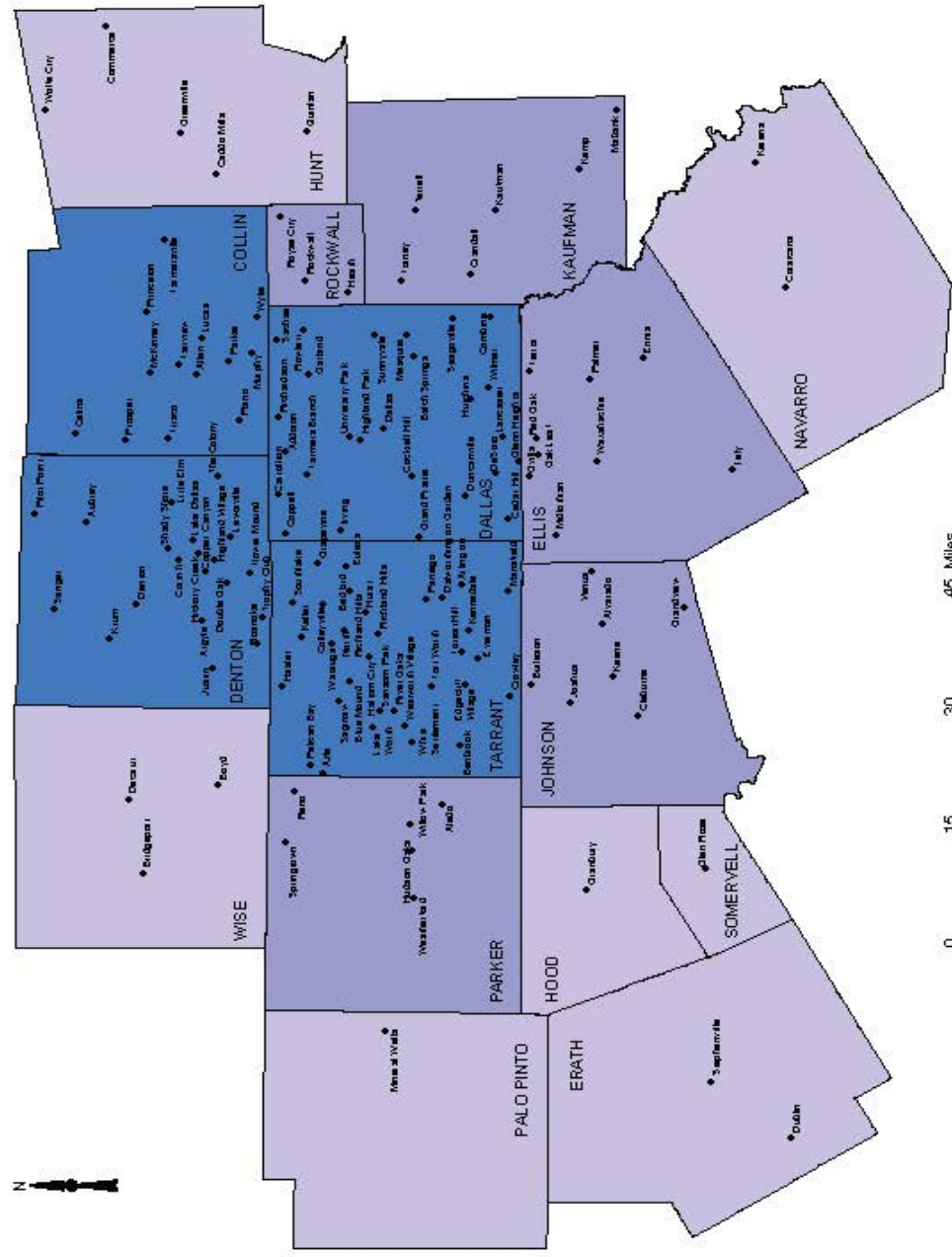
We value our employees and respect both individual excellence and dedicated teamwork. We support the principles of professional development, fair and consistent personnel practices, and competitive compensation.

ETHICS

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

INNOVATION

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



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (240)**

Counties (16)

Collin
Dallas
Denton
Ellis
Erath
Hood

Hunt
Johnson
Kaufman
Navarro
Palo Pinto
Parker

Rockwall
Somervell
Tarrant
Wise

Cities (167)

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (240)**

Cities (167) - continued

Princeton
Prosper
Quinlan
Red Oak
Reno
Rhome
Richardson
Richland Hills
Rio Vista
River Oaks
Roanoke
Rockwall
RowlettRoyse 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 (24)

Arlington ISD
Birdville ISD
Carrollton-Farmers Branch ISD
Cedar Hill ISD
Cleburne ISD
Denton ISD
Duncanville ISD
Farmersville ISD

Fort Worth ISD
Garland ISD
Grand Prairie ISD
Greenville ISD
Hurst-Euless-Bedford ISD
Irving ISD
Kaufman ISD
Lewisville ISD

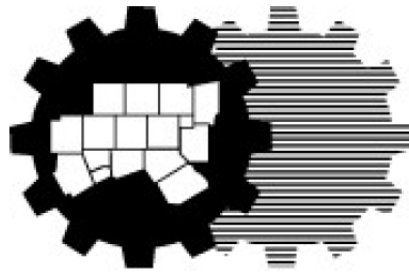
Mansfield ISD
Mesquite ISD
Midlothian ISD
Plano ISD
Richardson ISD
Rockwall ISD
Terrell ISD
Weatherford ISD

Special Districts (33)

Acton Municipal Utility District
Area Metropolitan
Ambulance Authority
Benbrook Water and Sewer
Authority
Central Appraisal District
of Johnson County
Collin County Central
Appraisal District
Collin County Soil & Water
Conservation District #535
Dallas Area Rapid Transit
Dallas County Community
College District
Dallas County Flood
Control District #1
Dallas County Park Cities
Municipal Utility District
Dallas County Schools
Dallas County Utility &
Reclamation District

Dallas County Water Control
& Improvement District #6
Dalworth Soil & Water
Conservation District
Denton County Fresh Water
Supply District #1A
Denton County Fresh Water
Supply District #6/7
Denton County Fresh Water
Supply District #10
Denton County Transportation
Authority
Fort Worth Transportation
Authority
Hunt Memorial Hospital
District
Johnson County Special
Utility District
Lake Cities Municipal Utility
Authority
MedStar Mobile Healthcare

Northeast Texas Rural Rail
District
North Texas Municipal Water
District
North Texas Tollway Authority
Providence Village Water
Control & Improvement
District of Denton County
Tarrant County Regional
Water District
Trinity River Authority
Trinity River Vision Authority
Trophy Club Municipal Utility
District #1
Weatherford College
Wise County Water Control
& Improvements District



**North Central Texas
Council of Governments**

Financial Section





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of North Central Texas Council of Governments (The Council) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the North Central Texas Council of Governments (the Council), as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–10 and 36-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

North Central Texas Council of Governments
February 15, 2016

Page 3

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

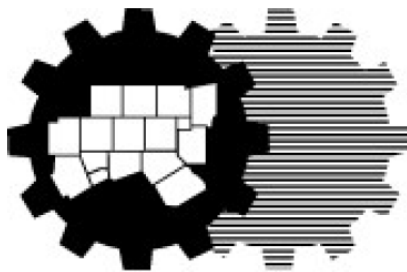
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2016, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Texas Council of Governments' internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 15, 2016



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR YEAR ENDED SEPTEMBER 30, 2015

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, 2015. 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-xiii of this report.

Financial Highlights

- NCTCOG's assets exceeded liabilities at the close of the most recent fiscal year by \$14,614,339 (*net position*). Of this amount \$5,982,768 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- The net position increased \$1,877,757 or a 15% increase in the current year. The increase was mainly due to \$1,485,829 increase in net capital assets, and \$301,702 increase in amounts restricted for grants.
- NCTCOG's governmental funds reported combined ending fund balances of \$12,068,930, an increase of \$272,477, in comparison with the prior year. Of the total fund balance, approximately 41% is restricted for local transportation projects, 7% is reserved for grants and prepaids, 48% is available for spending at the government's discretion (*unassigned*) and 4% is assigned for other agency projects.
- Governmental funds total revenues increased \$8,413,471 or 5.7% in the current year. This increase comprised of \$6,072,830 increase in local transportation funds relating to the Regional Transportation Council Sustainable Development and Congestion Management programs; increase of \$2,819,786 in funds from the Commission of State Emergency Communications (CSEC), as Phase II of the Regional Emergency Services Internet Protocol Network (EsiNet) was implemented in 2015; decrease of \$8,160,406 in Federal Transit Administration funds with an increase of \$6,910,471 In-Kind match relating to the Dallas Streetcar program; and \$961,000 additional funds from the Texas Commission on Environmental Quality (TCEQ) for the Solid Waste program.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,788,867, or 4% of total governmental fund expenditures.

Overview of the Financial Statements

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2015**

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

As there are no component units within NCTCOG, the government-wide financial statements include the general, special revenue and proprietary funds as shown on pages 11 and 12 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 13 and 15 of this report.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 17-19 of this report.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2015**

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 20-35 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information*. Required supplemental information can be found on page 36 of this report.

The combining schedule referred to earlier in connection with the major special revenue fund is presented immediately following the required supplemental information on pages 39-42 of this report.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the NCTCOG, assets exceeded liabilities by \$14,614,339 at the close of the most recent fiscal year. Following is a summary of the government-wide Statement of Net position:

	NCTCOG'S Government-Wide Net Position					
	2015			2014		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Assets						
Current and other assets	\$ 62,493,555	\$ 52,248	\$ 62,545,803	\$ 75,433,073	\$ 277,494	\$ 75,710,567
Capital assets	2,920,629	76,899	2,997,528	1,493,197	18,502	1,511,699
Total assets	<u>65,414,184</u>	<u>129,147</u>	<u>65,543,331</u>	<u>76,926,270</u>	<u>295,996</u>	<u>77,222,266</u>
Liabilities						
Long-term Liabilities outstanding	1,278,050	-	1,278,050	1,268,945	-	1,268,945
Other Liabilities	49,650,942	-	49,650,942	62,975,654	241,085	63,216,739
Total Liabilities	<u>50,928,992</u>	<u>-</u>	<u>50,928,992</u>	<u>64,244,599</u>	<u>241,085</u>	<u>64,485,684</u>
Net Position						
Investment in capital assets	2,920,629	76,899	2,997,528	1,493,197	18,502	1,511,699
Restricted for grants	646,082	-	646,082	344,380	-	344,380
Restricted for local transportation projects	4,987,961	-	4,987,961	5,129,542	-	5,129,542
Unrestricted	5,930,520	52,248	5,982,768	5,714,552	36,409	5,750,961
Total net position	<u>\$ 14,485,192</u>	<u>\$ 129,147</u>	<u>\$ 14,614,339</u>	<u>\$ 12,681,671</u>	<u>\$ 54,911</u>	<u>\$ 12,736,582</u>

- A portion of NCTCOG's net position, \$4,987,961, (34%) is restricted for local projects related to transportation funded initiatives. In October 2005, NCTCOG's Regional Transportation Council (RTC) announced the 2005 Sustainable Development Call for Projects. In April 2006, the RTC selected projects and awarded funding for infrastructure, planning, and land banking projects which began funding at the end of fiscal year 2007 continuing throughout fiscal year 2015. Current year expenses for these projects totaled \$7,947,276 and cumulative expenses through fiscal year 2015 amount to \$82,598,785, leaving a remaining \$4,987,961 restricted for remaining projects. Funding includes RTC local funds and anticipated local contributions from project sponsors in addition to local match funding.
- An additional portion of NCTCOG's net position, \$2,997,528, (21%) reflects its investment in capital assets (e.g., equipment) less any debt used to acquire those assets that is still outstanding. NCTCOG uses these assets to provide grant related services, they are restricted for specific use related to grant services; consequently, these assets are not available for future spending.
- Net position restricted for grants, \$646,082, (4%) are funds that have limitations for use as specified by the funding agencies.
- The remaining balance of net position totaling \$5,982,768, (41%) is considered unrestricted and may be used to meet the government's ongoing obligations to creditors and for service implementation.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2015**

Change in Net position. For the year ended September 30, 2015, NCTCOG's net position increased by \$1,877,757. Following is a summary of the government-wide Statement of Activities:

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program Revenues						
Federal Grant	\$ 13,357,415	\$ -	\$ 13,357,415	\$ 22,491,763	\$ -	\$ 22,491,763
State Administered grants	103,398,608	-	103,398,608	99,668,833	-	99,668,833
Local revenue & In-kind	38,635,349	1,472,337	40,107,686	24,839,146	1,643,984	26,483,130
Total Program Revenues	155,391,372	1,472,337	156,863,709	146,999,742	1,643,984	148,643,726
General Revenues:						
Membership Dues	678,492	-	678,492	664,694	-	\$ 664,694
Interest Income	26,704	-	26,704	18,661	-	18,661
Total General Revenue	705,196	-	705,196	683,355	-	683,355
Total Revenue	156,096,568	1,472,337	157,568,905	147,683,097	1,643,984	149,327,081
Expenses:						
Agency management and administration	7,537,032	-	7,537,032	6,529,975	-	6,529,975
Community Services	22,803,481	-	22,803,481	20,385,330	-	20,385,330
Emergency Preparedness	2,650,262	-	2,650,262	3,672,635	-	3,672,635
Environment and development	3,436,397	-	3,436,397	2,302,909	-	2,302,909
RIS local assistance	3,643,793	1,398,101	5,041,894	2,748,710	1,639,004	4,387,714
Transportation	57,414,019	-	57,414,019	53,195,247	-	53,195,247
Workforce development	56,808,063	-	56,808,063	57,742,893	-	57,742,893
Total expenses	154,293,047	1,398,101	155,691,148	146,577,699	1,639,004	148,216,703
Change in Net Position before Transfers	1,803,521	74,236	1,877,757	1,105,398	4,980	1,110,378
Transfers in (out)	-	-	-	(3,339)	3,339	-
Change in Net Position	1,803,521	74,236	1,877,757	1,102,059	8,319	1,110,378
Net Position - October 1	12,681,671	54,911	12,736,582	11,579,612	46,592	11,626,204
Net position - September 30	\$ 14,485,192	\$ 129,147	\$ 14,614,339	\$ 12,681,671	\$ 54,911	\$ 12,736,582

Significant components of the net position activity are as follows:

- Governmental funds total revenues increased \$8,413,471 or 5.7% in the current year. This increase comprised of \$6.1 million increase in local transportation funds relating to the Regional Transportation Council Sustainable Development and Congestion Management programs; increase of \$2.8 million in funds from the Commission of State Emergency Communications (CSEC), as Phase II of the Regional Emergency Services Internet Protocol Network (EsiNet) was implemented in 2015; decrease of \$8.2 million in Federal Transit Administration funds with an increase of \$7 million in In-Kind match relating to the Dallas Streetcar program, and \$961 thousand additional funds from the Texas Commission on Environmental Quality (TCEQ) for the Solid Waste program.
- Governmental activities total expenses increased \$7,715,348 or 5% in the current year. Key elements of the changes are as follows:
 - Community services expenses increased \$2,418,151 or 12% compared to 2014. This increase is comprised of \$1,766,151 relating to the 2015 completion of Phase II of the implementation of our 911 Regional EsiNet and Next Generation as well as \$652,000 additional Title III Programming for the Area Agency on Aging.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2015**

- Emergency preparedness expenses decreased \$1,022,373 or 28% when compared to 2014. The major component of this decrease relates to the Safe Room Project as well as Homeland Security Programs.
- Environment and development expenses increased \$1,133,488 or 49% when compared to 2014. 2015 was the second year of a two year Solid Waste grant cycle and typically the majority of these expenses occur in year two.
- Research and Information Services expenditures increased \$895,083 or 33% when compared with 2014. The contributing factor of this increase was a full regional flight in our orthophotography program. Every year either a full flight or a limited flight is performed.
- Workforce Expenses decreased approximately \$934,830 or 2% when compared to 2014 primarily due to the following: The two grants directly from DOL, Community Based Job Training (CBJT) and the H1-B experienced reductions within FY 2015 due to the CBJT grant ending in FY 2014 and the H1-B grant incurring the majority of its expenditures by the end of FY 2014. The two grants combined experienced reductions in FY 2015 of approximately \$262,000. The WIA Adult, Dislocated, and Youth programs experienced combined expenditure reductions of approximately \$375,000. This was primarily due to a decrease in funds available for FY 2015. The Trade Adjustment Assistance grants expenditures decreased by approximately \$449,000. This grant is dedicated to assist individuals who have lost their employment due to their jobs being transferred outside of the U.S. There were less of these type job reductions within the NCTCOG's counties occurring during FY 2015.
- Transportation expenses increased \$4,218,772 or 8% when compared with 2014. Key elements of the change are as follows; increase of \$6.7 million in local activity in the Regional Transportation Council (RTC) Sustainable Development and Congestion Management programs, as well as a decrease of \$2 million in the Aircheck Low Income Rate Assistance Program (LIRAP).

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the NCTCOG's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the NCTCOG's financial requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the NCTCOG's governmental funds reported combined ending fund balances of \$12,068,930 an increase of \$272,477 in comparison with the prior year. Approximately 48% of this total amount (\$5,788,867) 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 \$5,833,000. 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 \$277,382 during the current fiscal year.

Special Revenue Fund. The fund balance of NCTCOG's special revenue fund decreased by \$4,905 during the current fiscal year.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2015**

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 \$275,180, approximately 30% of budgeted total expenditures.

Capital Asset and Long Term Liability Administration

Capital assets. The NCTCOG's investment in capital assets for its governmental activities as of September 30, 2015, amounts to \$2,920,629 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and leasehold improvements.

	<u>2015</u>	<u>2014</u>
<u>Governmental Activities</u>		
Equipment	\$ 2,450,926	\$ 952,858
Leasehold Improvements	469,703	540,339
Total government activities capital assets	<u>\$ 2,920,629</u>	<u>\$ 1,493,197</u>

Detailed information on the NCTCOG's capital assets can be found in Note G on pages 32-33 of this report.

Long-term liabilities. At the end of the current fiscal year, the NCTCOG had total long-term liabilities outstanding of \$1,278,050. This debt is related to accrued vacation that is payable to employees at the time of their departure from NCTCOG.

	<u>Balance September 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2015</u>	<u>Due Within One Year</u>
Accrued vacation	\$ 1,268,945	\$ 164,676	\$ 155,571	\$ 1,278,050	\$ 146,837
Total	<u>\$ 1,268,945</u>	<u>\$ 164,676</u>	<u>\$ 155,571</u>	<u>\$ 1,278,050</u>	<u>\$ 146,837</u>

Detailed information on the long-term debt can be found in Note D on page 30 of this report.

Economic Factors and Next Year's Budgets and Rates

NCTCOG membership dues are calculated based on current population of governmental units as certified annually by NCTCOG. Per capita membership dues for fiscal year 2016 is estimated at \$688,000.

NCTCOG is primarily funded by state and federal grants which fluctuate from year to year. NCTCOG total estimated revenues and program expenses for fiscal year 2016 increased a net of \$13.2 million from fiscal year 2015. Major program changes are:

Area Agency on Aging estimated a \$608 thousand increase in state funding from the Department of Aging and Disability Services (DADS) as well as a \$472 thousand increase from local sources.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2015**

Environment and Development estimated increased state and federal funding of \$1.1 million; \$922 thousand from the Federal Emergency Management Agency (FEMA) and \$197 thousand from the State Energy Conservation Office.

Workforce programs estimated a \$2.5 million increase in state and federal funding; \$3.2 million increase from the Texas Workforce Commission (TWC) and a \$741 thousand decrease from the U.S. Department of Labor (DOL) along with a \$616 thousand increase from local sources.

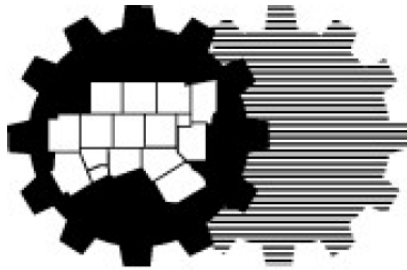
Regional 9-1-1 projected a \$4.3 million increase from the Commission on State Emergency Communications (CSEC).

Transportation programs projected state and federal funding increases of \$9.4 million primarily comprised of: \$19.3 million increase from the Texas Commission on Environmental Quality (TCEQ); \$277 thousand increase from the Environmental Protection Agency (EPA); \$259 thousand increase from the U.S. Department of Defense (DOD); \$200 thousand increase from U.S. Department of Energy (DOE); \$153 thousand increase from the Federal Highway Administration (FHWA); \$5.5 million decrease from the Texas Department of Transportation (TXDOT); \$5.3 million decrease from the Federal Transit Authority (FTA), as well as reduced local funding of \$6.4 million.

All of these factors were considered in preparing the NCTCOG's budget for the 2016 fiscal year

Requests for Information

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



**North Central Texas
Council of Governments**

BASIC FINANCIAL STATEMENTS

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

- Government-wide financial statements
- Fund financial statements:
 - Governmental Funds
 - Proprietary Funds
 - Agency fund

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 1,349,843	\$ -	\$ 1,349,843
Investments	37,769,743	-	37,769,743
Receivables	23,228,186	30,505	23,258,691
Internal balances	(21,743)	21,743	-
Prepays and other assets	167,526	-	167,526
Capital assets, net of accumulated depreciation	2,920,629	76,899	2,997,528
TOTAL ASSETS	65,414,184	129,147	65,543,331
LIABILITIES:			
Accounts payable and accrued expenses	17,205,685	-	17,205,685
Unearned revenue	32,445,257	-	32,445,257
Long-term liabilities			
Due within one year	146,837	-	146,837
Due in more than one year	1,131,213	-	1,131,213
TOTAL LIABILITIES	50,928,992	-	50,928,992
NET POSITION:			
Investment in capital assets	2,920,629	76,899	2,997,528
Restricted for grants	646,082	-	646,082
Restricted for local transportation projects	4,987,961	-	4,987,961
Unrestricted	5,930,520	52,248	5,982,768
TOTAL NET POSITION	\$ 14,485,192	\$ 129,147	\$ 14,614,339

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, 2015**

Functions/Programs	Expenses	Operating Grants and Contributions			Net (Expenses) Revenue and Changes in Net Position Primary Government			
		Federal Funding	State/ State Admin Funding	Local Contracts and In-kind Contributions	Governmental Activities	Business Type Activities	Total	
Primary Government:								
Governmental Activities:								
Agency administration	\$ 6,796,651	\$ -	\$ -	\$ 1,437,040	\$ (5,359,611)	\$ -	\$ (5,359,611)	
Agency management	740,381	51,597	-	35,606	(653,178)	-	(653,178)	
Community services	22,803,481	40,302	18,128,848	7,335,195	2,700,864	-	2,700,864	
Emergency preparedness	2,650,262	-	1,513,243	1,354,883	217,864	-	217,864	
Environment and development	3,436,397	215,615	2,025,727	1,519,796	324,741	-	324,741	
RIS local assistance	3,643,793	-	-	1,778,911	(1,864,882)	-	(1,864,882)	
Transportation	57,414,019	12,182,000	25,883,646	22,003,351	2,654,978	-	2,654,978	
Workforce development	56,808,063	867,901	55,847,144	3,170,567	3,077,549	-	3,077,549	
Total governmental activities	154,293,047	13,357,415	103,398,608	38,635,349	1,098,325	-	1,098,325	
Business-type activities:								
Shared services	1,398,101	-	-	1,472,337	-	74,236	74,236	
Total primary government	\$ 155,691,148	\$ 13,357,415	\$ 103,398,608	\$ 40,107,686	\$ 1,098,325	\$ 74,236	\$ 1,172,561	
General Revenues:								
					678,492	-	678,492	
					26,704	-	26,704	
					705,196	-	705,196	
					Change in net position	1,803,521	74,236	1,877,757
					Net Position-beginning	12,681,671	54,911	12,736,582
					Net Position-ending	\$ 14,485,192	\$ 129,147	\$ 14,614,339

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 1,317,030	\$ 32,813	\$ 1,349,843
Investments	9,667,842	28,101,901	37,769,743
Accounts Receivable:			
Federal grants	-	3,503,359	3,503,359
State administered grants	-	18,386,463	18,386,463
Local grants	-	1,293,682	1,293,682
Other	44,682	-	44,682
Due from other funds	7,631,772	-	7,631,772
Prepays	8,832	123,393	132,225
Other assets	35,301	-	35,301
TOTAL ASSETS	<u>\$ 18,705,459</u>	<u>\$ 51,441,611</u>	<u>\$ 70,147,070</u>
LIABILITIES:			
Accounts payable	\$ 12,003,333	\$ -	\$ 12,003,333
Accrued liabilities	59,498	4,401,143	4,460,641
Accrued payroll and employee benefits	741,711	-	741,711
Due to other funds	-	8,427,198	8,427,198
Unearned revenue	67,917	32,377,340	32,445,257
TOTAL LIABILITIES	<u>12,872,459</u>	<u>45,205,681</u>	<u>58,078,140</u>
FUND BALANCES:			
Nonspendable	44,133	123,393	167,526
Restricted for grants	-	646,082	646,082
Restricted for local transportation	-	4,987,961	4,987,961
Assigned	-	478,494	478,494
Unassigned	5,788,867	-	5,788,867
TOTAL FUND BALANCES	<u>5,833,000</u>	<u>6,235,930</u>	<u>12,068,930</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,705,459</u>	<u>\$ 51,441,611</u>	<u>\$ 70,147,070</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, 2015**

Amounts reported for governmental fund balance sheet (page 13) are different due to the following:

Total Fund Balance - total governmental funds	\$ 12,068,930
Add: Capital assets net of accumulated depreciation as of September 30, 2015 used in governmental activities were not current financial resources and therefore not reported in the governmental funds balance sheet (excluding Internal Service Fund).	2,769,802
Add: Internal Service Funds are used by management to charge the cost of certain activities, such as financing of the Geographical Information System, to individual funds. The net affect of this activity is to increase net position.	924,510
Less: Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	<u>(1,278,050)</u>
Net position of governmental activities (page 11)	<u>\$ 14,485,192</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, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Federal grants	\$ -	\$ 13,357,415	\$ 13,357,415
State administered grants	-	103,398,608	103,398,608
Membership dues	678,492	-	678,492
Local contributions	251,512	15,622,515	15,874,027
In-Kind	-	22,288,500	22,288,500
Program income	-	472,822	472,822
Interest income	5,937	20,767	26,704
TOTAL REVENUES	<u>935,941</u>	<u>155,160,627</u>	<u>156,096,568</u>
EXPENDITURES:			
Current:			
Agency administration	3,503,462	3,663,259	7,166,721
Agency management	691,938	75,231	767,169
Community services	207,214	23,126,365	23,333,579
Emergency preparedness	269	2,775,164	2,775,433
Environment and development	133,336	3,447,637	3,580,973
RIS local assistance	166,570	3,750,028	3,916,598
Transportation	113,526	58,990,516	59,104,042
Workforce development	-	57,182,521	57,182,521
Capital outlay	8,203	2,134,870	2,143,073
	4,824,518	155,145,591	159,970,109
Indirect Cost Allocation	(4,127,471)	-	(4,127,471)
Contributions to Indirect Costs	(18,547)	-	(18,547)
TOTAL EXPENDITURES	<u>678,500</u>	<u>155,145,591</u>	<u>155,824,091</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>257,441</u>	<u>15,036</u>	<u>272,477</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	26,737	338,097	364,834
Transfers Out	(6,796)	(358,038)	(364,834)
TOTAL OTHER FINANCING SOURCES AND USES	<u>19,941</u>	<u>(19,941)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	277,382	(4,905)	272,477
FUND BALANCES - BEGINNING OF YEAR	<u>5,555,618</u>	<u>6,240,835</u>	<u>11,796,453</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,833,000</u>	<u>\$ 6,235,930</u>	<u>\$ 12,068,930</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, 2015**

Amounts reported for governmental activities in the statement of activities (page 12) are different due to the following:

Net change in Fund Balances - Total Governmental Funds (page 15)	\$ 272,477
Governmental funds report capital outlay as expenditures, however, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	2,143,073
Internal Service Funds are used by management to charge the cost of certain activities, such as financing of the Geographical Information System, to individual funds. This is the net change in fund balances for Internal Service Funds.	227,813
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(9,105)
Depreciation expense on capital assets is reported in the government-wide statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	<u>(830,737)</u>
Change in net position of governmental activities (page 12)	<u><u>\$ 1,803,521</u></u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015**

	Business Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
ASSETS		
Accounts receivable	\$ 30,505	\$ -
Due from other funds	21,743	773,683
Total current assets	<u>52,248</u>	<u>773,683</u>
Capital assets, net of accumulated depreciation	<u>76,899</u>	<u>150,827</u>
TOTAL ASSETS	<u>129,147</u>	<u>924,510</u>
NET POSITION		
Investment in capital assets	76,899	150,827
Unrestricted	<u>52,248</u>	<u>773,683</u>
TOTAL NET POSITION	<u>\$ 129,147</u>	<u>\$ 924,510</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
OPERATING REVENUES		
Service charges	\$ 1,472,337	\$ 4,832,033
TOTAL OPERATING REVENUES	<u>1,472,337</u>	<u>4,832,033</u>
OPERATING EXPENSES		
Personnel	18,335	892,327
Indirect	3,205	155,969
Contract services	826,998	97,039
Travel	-	2,411
Depreciation	19,543	34,441
Other costs	530,020	3,422,033
TOTAL OPERATING EXPENSES	<u>1,398,101</u>	<u>4,604,220</u>
OPERATING INCOME	<u>74,236</u>	<u>227,813</u>
CHANGE IN NET POSITION	74,236	227,813
NET POSITION - BEGINNING OF YEAR	<u>54,911</u>	<u>696,697</u>
NET POSITION - END OF YEAR	<u>\$ 129,147</u>	<u>\$ 924,510</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Business Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from service charges	\$ 1,697,583	\$ 5,492,999
Payments to other funds for indirect and other costs	(244,290)	(929,652)
Payments to suppliers for goods and services	(1,357,018)	(3,521,483)
Payments to employees	(18,335)	(892,327)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>77,940</u>	<u>149,537</u>
CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES:		
Purchase of capital assets	(77,940)	(149,537)
NET CASH USED IN INVESTING ACTIVITIES	<u>(77,940)</u>	<u>(149,537)</u>
NET CHANGE 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 by operating activities:		
Operating income	\$ 74,236	\$ 227,813
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	19,543	34,441
Decrease in accounts receivable	246,989	-
(Increase) in due from other funds	(21,743)	(112,717)
(Decrease) in due to other funds	(241,085)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 77,940</u>	<u>\$ 149,537</u>

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

General Statement

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

Summary of Significant Accounting Policies

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

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

1. Reporting Entity

Primary Government

Membership in NCTCOG is voluntary. Any county, city or special purpose district within the North Central Texas region may become a member of the independent association by passing a resolution to join the Council and paying annual dues. Each member government is entitled to have one voting representative in the Council's General Assembly, which is NCTCOG's governing body. Each year the General Assembly elects a thirteen (13) member Executive Board that is the policymaking and oversight body for the Council.

The financial reporting entity is determined in accordance with GASB No. 14, "The Financial Reporting Entity", as amended by GASB No. 39, "Determining Whether Certain Organizations are Component Units".

The accompanying financial statements present the government and its blended component unit, North Central Texas Council of Governments Foundation, for which the government is considered to be financially accountable. The governing bodies of the blended component unit are substantially the same as the Council and, although legally separate entities are in substance part of the Council's operations and accordingly, are presented as such.

2. Basis of Presentation

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

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

Fund Financial Statements:

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

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

General Fund–

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

Special Revenue Funds–

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

Proprietary Fund Type –

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

Enterprise Fund – accounts for charges to outside customers for full costs of services provided, including City Net shared services, law enforcement and court analysis portals.

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

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

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

3. Measurement Focus and Basis of Accounting

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

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

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

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

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

a) Federal, State, and Local Grant Revenue

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

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

b) Member Government Dues

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

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

c) Local Contributed Cash

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

d) In-Kind and Contributed Services

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

4. Leave Policies

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

Based on full time or part time accrual rates employees may accrue, during the first five years of employment, up to ten (10) days of vacation leave per year. During the second five years of employment, an employee accrues up to fifteen (15) days per year, and after ten years of employment, up to twenty (20) days per year. The maximum of unused vacation leave a full-time and eligible part-time employee may accumulate is the number of days, which the employee would accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for review in the personnel manual. The liability for accumulated vacations (\$1,278,050 at September 30, 2015) for governmental fund types, which represents normal accumulations, has been recorded. The current portion of accrued vacation pay, which would be liquidated with expendable available resources, is not material.

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

5. Investments

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

6. Prepays

Prepaid balances are for payments made by the District for which benefits extend beyond September 30, 2015. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

7. Encumbrances

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

8. State Administered Grants

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

9. Transfers

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

10. Allocation of Employee Benefits and Indirect Costs

NCTCOG Employee Benefits and Indirect Costs are allocated based upon actual expenditures to all grants in accordance with the Office of Management and Budget Circular A-87. NCTCOG employee benefits are allocated to grant projects as a percentage of NCTCOG direct labor costs. Indirect costs necessary to sustain overall operations are allocated as a percentage of total direct labor costs and employee benefits charged to grant projects. Contributions to Indirect Costs represent revenues that offset certain costs included in the Indirect Cost Pool.

11. Transactions Between Funds

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

12. Capital Assets

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

13. Risk Management

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

As claims arise they are submitted to and paid by TML-IRP. During 2015, the Council contributed \$93,098 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, 2015.

14. Cash and Cash Equivalents

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

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

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

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

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

Committed fund balance – includes amounts that can be used only for the specific purposes determined by the Executive Board. Commitments may be changed or lifted only by the Executive Board.

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

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

Unrestricted fund balance - total of committed fund balance, assigned fund balance, and unassigned fund balance.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

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

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

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

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

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

It is the policy of the Council that expenditures for which more than one category of fund balance could be used, that the order of use is: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. A schedule of NCTCOG fund balances is provided in Note K.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015**

NOTE B - CASH AND INVESTMENTS

GASB 40 requires the following disclosure for investments:

1. Legal and Contractual Provisions Governing Deposits and Investments

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

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

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

Cash and investments as of September 30, 2015 are classified in the accompanying financial statements as follows:

Statement of net position:

Primary Government	
Total cash and investments	<u>\$ 39,119,586</u>

Cash and investments as of September 30, 2015 consist of the following:

Deposits with financial institutions	\$ 1,349,193
Cash on hand	650
Investments	<u>37,769,743</u>
Total cash and investments	<u>\$ 39,119,586</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE B - CASH AND INVESTMENTS – Continued

2. Disclosures Relating to Interest Rate Risk

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

As of September 30, 2015, NCTCOG had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity(1)</u>
TexPool	\$ 14,128,468	48 days
Logic	438	59 days
TexStar	<u>23,640,837</u>	51 days
	<u>\$ 37,769,743</u>	

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

As of September 30, 2015 NCTCOG did not invest in any securities which are highly sensitive to interest rate fluctuations.

3. Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Rating Required</u>	<u>Rating as of Year End</u>
Primary Government			
TexPool	\$ 14,128,468	AAA	AAAm
Logic	438	AAA	AAAm
TexStar	<u>23,640,837</u>	AAA	AAAm
Total Primary Government	<u>\$ 37,769,743</u>		

4. Concentration of Credit Risk

The investment policy of NCTCOG contains no limitation on the amount that can be invested in any one issuer. As of September 30, 2015 other than external investment pools, NCTCOG did not have 5% or more of its investments with any one issuer.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE B - CASH AND INVESTMENTS – Continued

5. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and NCTCOG's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits or investment other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. At September 30, 2015, the Council's deposits had a carrying amount of \$1,349,193 and a bank ledger balance of \$2,166,355 . Pledged collateral of \$3,522,740 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

6. Investment in Local Government Investment Pools

NCTCOG is a voluntary participant in various investment pools organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible entities of the State of Texas to jointly invest their funds in permitted investments. NCTCOG invests in the following investment pools:

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE B - CASH AND INVESTMENTS – Continued

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

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

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, 2015, is presented below. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented. Compensated absences are liquidated by all governmental funds by allocating amounts based on labor hours charged to those funds.

	Balance September 30, 2014	Increases	Decreases	Balance September 30, 2015	Due Within One Year
Accrued vacation	\$ 1,268,945	\$ 164,676	\$ 155,571	\$ 1,278,050	\$ 146,837
Total	<u>\$ 1,268,945</u>	<u>\$ 164,676</u>	<u>\$ 155,571</u>	<u>\$ 1,278,050</u>	<u>\$ 146,837</u>

NOTE E - DEFERRED COMPENSATION PLAN

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

The Council also contributes to a Section 457 deferred compensation plan for part-time employees. This plan is also administered by ICMARC. Part-time employees contributed \$22,481 during 2015. The Council contributed a matching \$14,451 as the employers 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, 2015**

NOTE F - TRANSACTIONS AND TRANSFERS

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

The following is a summary of interfund transfers at September 30, 2015:

Transfers in/out other funds:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue	\$ 24,582	Recovery of Depreciation
Special Revenue	General Fund	6,796	Local match dollars
General Fund	Special Revenue	2,156	Local funded projects
Federal	State and Local	93,203	Match dollars
State	Federal and Local	146,972	Match dollars and reclass
Local	State and Foundation	91,125	State funded projects/local match
	Total	<u>\$ 364,834</u>	

Due to/from other funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 7,631,772	\$ -
Special Revenue Fund	-	8,427,198
Enterprise Fund	21,743	-
Internal Service Fund	<u>773,683</u>	<u>-</u>
Total	<u>\$ 8,427,198</u>	<u>\$ 8,427,198</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, 2015**

NOTE G - CAPITAL ASSETS

Governmental activities:

A summary of changes in the governmental activities capital assets for the year ended September 30, 2015, follows:

	Balance at October 1, 2014	Increases	Decreases	Balance at September 30, 2015
Governmental Activities				
<u>General Capital Assets</u>				
Capital Assets being depreciated:				
Equipment	\$ 5,455,524	\$ 2,132,040	\$ -	\$ 7,587,564
Furniture	327,423	-	(17,290)	310,133
Leasehold Improvements	2,335,152	11,033	-	2,346,185
Total capital assets being depreciated	<u>8,118,099</u>	<u>2,143,073</u>	<u>(17,290)</u>	<u>10,243,882</u>
Accumulated depreciation				
Equipment	4,531,746	742,938	-	5,274,684
Furniture	327,423	-	(17,290)	310,133
Leasehold Improvements	1,801,464	87,799	-	1,889,263
Total accumulated depreciation	<u>6,660,633</u>	<u>830,737</u>	<u>(17,290)</u>	<u>7,474,080</u>
Total governmental funds capital assets, net	<u>1,457,466</u>	<u>1,312,336</u>	<u>-</u>	<u>2,769,802</u>
<u>Internal Service Fund Capital Assets</u>				
Capital assets being depreciated:				
Equipment	522,439	142,141	-	664,580
Furniture	1,005	-	-	1,005
Leasehold Improvements	14,671	7,396	-	22,067
Total capital assets being depreciated	<u>538,115</u>	<u>149,537</u>	<u>-</u>	<u>687,652</u>
Accumulated depreciation				
Equipment	493,359	33,175	-	526,534
Furniture	1,005	-	-	1,005
Leasehold Improvements	8,020	1,266	-	9,286
Total accumulated depreciation	<u>502,384</u>	<u>34,441</u>	<u>-</u>	<u>536,825</u>
Total internal service funds capital assets, net	<u>35,731</u>	<u>115,096</u>	<u>-</u>	<u>150,827</u>
Governmental activities capital assets, net	<u>\$ 1,493,197</u>	<u>\$ 1,427,432</u>	<u>\$ -</u>	<u>\$ 2,920,629</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE G - CAPITAL ASSETS – Continued

	Balance at October 1, 2014	Increases	Decreases/ Transfers	Balance at September 30, 2015
Business-type Activities:				
<u>Capital assets being depreciated:</u>				
Equipment	\$ 7,389,956	\$ 77,940	\$ -	\$ 7,467,896
Total capital assets being depreciated	<u>7,389,956</u>	<u>77,940</u>	<u>-</u>	<u>7,467,896</u>
<u>Accumulated Depreciation:</u>				
Equipment	7,371,454	19,543	-	7,390,997
Total accumulated depreciation	<u>7,371,454</u>	<u>19,543</u>	<u>-</u>	<u>7,390,997</u>
Total Business-type activities capital assets, net	<u>\$ 18,502</u>	<u>\$ 58,397</u>	<u>\$ -</u>	<u>\$ 76,899</u>

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

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

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

Governmental Activities	
Agency Administration	\$ 79,116
Agency Management	1,501
Community Services	128,626
Emergency Preparedness	28,814
Environment & Development	32,539
RIS Local Assistance	64,313
Transportation	406,327
Workforce Development	89,501
Internal Service Fund	34,441
Total depreciation expense-governmental activities	<u>\$ 865,178</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015**

NOTE H - RETIREMENT PLAN

International City Management Association Retirement Corporation (ICMARC) administers the Council's 401(a) retirement plan. It is a defined contribution retirement plan, which provides retirement benefits for all full-time permanent employees. The Council contributed an amount (\$2,449,846) during fiscal year 2015 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Full-time employees also contributed an amount of \$1,224,923 during 2015 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$21,027,161 including \$20,392,909 payroll covered by the plan. Employees become 40 percent (40%) vested in the Council's contributions after three full years of employment. An additional 15 percent (15%) is vested for each additional full year of employment. An employee becomes fully vested after seven years of employment. The Council's retirement plan was formed under the authority of the Council Executive Board and the Executive Board has the authority to amend/or terminate the retirement plan and/or contribution requirements at any time.

NOTE I - COMMITMENTS

The Council entered into non-cancellable operating leases primarily for office space and equipment. Rental expenditures under all NCTCOG operating lease agreements were \$3,697,630 for 2015.

Future minimum rental payments required under operating leases for NCTCOG and its subcontractors that have initial or remaining lease terms in excess of one year as of September 30, 2015, are as follows:

Year Ending September 30	
2016	\$ 3,885,342
2017	3,584,198
2018	3,484,882
2019	3,297,839
2020	3,216,655
Thereafter (2021-2026)	7,104,101
	<u>\$ 24,573,017</u>

NOTE J - CONTINGENCIES

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

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

For the year ended September 30, 2015, agency costs of various amounts were disbursed for which the audits have not been received. Based on prior experience, management believes that the Council will not incur significant losses from possible grant disallowances.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE J – CONTINGENCIES – Continued

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

NOTE K – FUND BALANCES

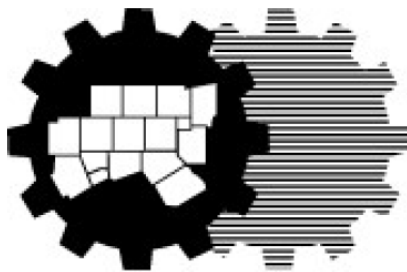
In accordance with GASB 54 the NCTCOG classifies governmental fund balances as follows:

DETAILED FUND BALANCE DISCLOSURE

	General Fund	Major Special Revenue Fund						TOTAL
		FEMA	CJD	Local	TCEQ	TXWD	TXDOT	
FUND BALANCES:								
Non Spendable:								
Prepays	\$ 8,832	\$ -	\$ -	\$ 123,393	\$ -	\$ -	\$ -	\$ 132,225
Inventory	35,301	-	-	-	-	-	-	35,301
Restricted:								
Grants	-	263,666	229,429	-	669	117,997	34,321	646,082
Local Transportation	-	-	-	4,987,961	-	-	-	4,987,961
Assigned:								
Agency Shared Service	-	-	-	478,494	-	-	-	478,494
Unassigned	5,788,867	-	-	-	-	-	-	5,788,867
TOTAL FUND BALANCES:	\$ 5,833,000	\$ 263,666	\$ 229,429	\$ 5,589,848	\$ 669	\$ 117,997	\$ 34,321	\$ 12,068,930

NOTE L – SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through February 15, 2016, the date the financial statements were available to be issued.



**North Central Texas
Council of Governments**

**REQUIRED
SUPPLEMENTAL
INFORMATION**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Budget Basis Actual	Variance with Final Budget (Negative)
	Original	Final		
REVENUES				
Membership dues	\$ 678,392	\$ 678,392	\$ 678,492	\$ 100
Local contributions	235,606	235,606	251,512	15,906
Interest income	10,000	10,000	5,937	(4,063)
Total revenues	923,998	923,998	935,941	11,943
EXPENDITURES				
Current:				
Agency administration	3,446,218	3,506,218	3,503,800	2,418
Agency management	812,613	742,613	538,734	203,879
Public affairs	203,708	153,708	153,205	503
Research and information services	225,000	225,000	167,132	57,868
Community services	213,106	213,106	207,311	5,795
Environment & development	140,000	140,000	133,422	6,578
Transportation	65,000	115,000	113,527	1,473
Capital outlay	-	10,000	8,203	1,797
Total current expenditures	5,105,645	5,105,645	4,825,334	280,311
Indirect cost allocation	(4,171,647)	(4,171,647)	(4,127,471)	(44,176)
Contributions to indirect costs	(10,000)	(10,000)	(18,547)	8,547
Total expenditures	923,998	923,998	679,316	244,682
Excess (deficiencies) of revenues				
Over/(under) expenditures	-	-	256,625	256,625
OTHER FINANCING SOURCES				
Transfers in	-	-	26,737	26,737
Transfers out	-	-	(6,796)	(6,796)
Charge for use of assets	40,000	40,000	25,398	(14,602)
Indirect allocation to Special Revenue Fund	(37,798)	(37,798)	(24,582)	13,216
Total other financing sources	2,202	2,202	20,757	18,555
Net changes in fund balances	2,202	2,202	277,382	275,180
Fund balances - beginning	5,555,618	5,555,618	5,555,618	-
Fund balances - ending	\$ 5,557,820	\$ 5,557,820	\$ 5,833,000	\$ 275,180

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
 SEPTEMBER 30, 2015**

NOTE A: FINANCIAL STATEMENT PRESENTATION - BUDGET BASIS

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

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

<u>General Fund</u>	
Total Net Expenditures (GAAP Basis)	\$ 678,500
Plus Charge for use of assets	25,398
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(24,582)</u>
Total Expenditures (Budget Basis)	<u>\$ 679,316</u>
Total Other Sources (GAAP Basis)	\$ 19,941
Plus Charge for use of assets	25,398
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(24,582)</u>
Total Other Sources (Budget Basis)	<u>\$ 20,757</u>

NOTE B: BUDGETARY CONTROLS

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

- a) Prior to October 1, the Executive Director submits to the Executive Board a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Prior to October 1, the Executive Board formally approves the budget document following a public hearing.
- c) The approved annual budget is used as a control device for the General Fund. The individual grant contracts are used as the control device within the Special Revenue Funds.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2015**

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

**OTHER
SUPPLEMENTAL
INFORMATION**

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

Such schedules include:

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – FEDERAL, STATE AND LOCALLY ADMINISTERED GRANTS
YEAR ENDED SEPTEMBER 30, 2015**

	<u>Federal Funds Total</u>	<u>Locally Administered Funds Total</u>	<u>Combined Total</u>
REVENUES			
Federal grants	\$ 13,317,113	\$ 40,302	\$ 13,357,415
State administered grants	-	103,398,608	103,398,608
Local contributions	1,009,048	14,613,467	15,622,515
In-Kind	10,785,937	11,502,563	22,288,500
Program income	31,014	441,808	472,822
Interest income	-	20,767	20,767
	<u>25,143,112</u>	<u>130,017,515</u>	<u>155,160,627</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
Agency administration	126,144	3,537,115	3,663,259
Agency management	74,691	540	75,231
Community services	-	23,126,365	23,126,365
Emergency preparedness	-	2,775,164	2,775,164
Environment & development	410,179	3,037,458	3,447,637
Research & information services	-	3,750,028	3,750,028
Transportation	23,499,626	35,490,890	58,990,516
Workforce development	854,599	56,327,922	57,182,521
Capital Outlay	-	2,134,870	2,134,870
	<u>24,965,239</u>	<u>130,180,352</u>	<u>155,145,591</u>
TOTAL EXPENDITURES			
EXCESSES (DEFICIENCIES) OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>177,873</u>	<u>(162,837)</u>	<u>15,036</u>
OTHER FINANCING SOURCES AND USES			
Transfers In	93,203	244,894	338,097
Transfers Out	(7,410)	(350,628)	(358,038)
	<u>85,793</u>	<u>(105,734)</u>	<u>(19,941)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES			
	263,666	(268,571)	(4,905)
FUND BALANCES - BEGINNING OF YEAR			
	<u>-</u>	<u>6,240,835</u>	<u>6,240,835</u>
FUND BALANCES - END OF YEAR			
	<u>\$ 263,666</u>	<u>\$ 5,972,264</u>	<u>\$ 6,235,930</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES – FEDERAL GRANTS
 YEAR ENDED SEPTEMBER 30, 2015**

	Federal Funds							TOTAL
	DOC	DOE	EPA	FTA	FEMA	DOL	FHA	
REVENUES								
Federal grants	\$ 51,597	\$ (162,667)	\$ 145,347	\$12,184,048	\$ 215,615	\$ 867,901	\$ 15,272	\$13,317,113
State administered grants	-	-	-	-	-	-	-	-
Local contributions	-	359,448	14,692	184,363	444,000	-	6,545	1,009,048
In-Kind	23,140	54,433	57,438	10,650,926	-	-	-	10,785,937
Program income	-	2,814	-	28,200	-	-	-	31,014
TOTAL REVENUES	74,737	254,028	217,477	23,047,537	659,615	867,901	21,817	25,143,112
EXPENDITURES								
Current:								
Agency administration	-	15,355	18,187	74,697	1,775	13,208	2,922	126,144
Agency management	74,691	-	-	-	-	-	-	74,691
Emergency preparedness	-	-	-	-	-	-	-	-
Environment & development	-	15,008	-	-	395,171	-	-	410,179
Research & information services	-	-	-	-	-	-	-	-
Transportation	-	223,563	199,178	23,058,005	-	-	18,880	23,499,626
Workforce development	-	-	-	-	-	854,599	-	854,599
Capital Outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	74,691	253,926	217,365	23,132,702	396,946	867,807	21,802	24,965,239
EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES	46	102	112	(85,165)	262,669	94	15	177,873
OTHER FINANCING SOURCES AND USES								
Transfers in	-	-	-	92,176	1,027	-	-	93,203
Transfers out	(46)	(102)	(112)	(7,011)	(30)	(94)	(15)	(7,410)
TOTAL OTHER FINANCING SOURCES AND USES	(46)	(102)	(112)	85,165	997	(94)	(15)	85,793
NET CHANGE IN FUND BALANCES	-	-	-	-	263,666	-	-	263,666
FUND BALANCES - BEGINNING OF YEAR	-	-	-	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 263,666	\$ -	\$ -	\$ 263,666

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – STATE AND LOCALLY ADMINISTERED FUNDS
 YEAR ENDED SEPTEMBER 30, 2015**

	State and Locally Administered Funds							
	BBB EF	CSEC	DADS	OOG	LOCAL		NCOA	SECO
					Transportation	Other		
REVENUES								
Federal grants	\$ 158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,144	\$ -
State administered grants	-	9,447,330	7,709,678	978,479	-	-	-	5,563
Local contributions	-	-	134,527	229,015	8,081,142	5,073,206	-	-
In-Kind	-	-	6,454,567	-	642,385	-	-	-
Program income	-	-	255,759	-	-	-	-	-
Interest income	-	742	-	-	13,212	-	-	-
TOTAL REVENUES	158	9,448,072	14,554,531	1,207,494	8,736,739	5,073,206	40,144	5,563
EXPENDITURES								
Current:								
Agency administration	-	60,580	159,999	22,106	68,784	1,656,517	-	515
Agency management	-	-	-	-	-	540	-	-
Community services	158	7,521,090	14,384,061	1,105,461	-	32,177	39,593	-
Emergency preparedness	-	-	-	3,465	54	648,236	-	-
Environment & development	-	-	-	-	-	1,052,051	-	4,409
Research & information services	-	84	794	1,141	-	1,777,954	-	-
Transportation	-	3,665	8,170	1,045	8,809,741	3,493	546	635
Workforce development	-	-	-	-	-	2,712	-	-
Capital Outlay	-	1,860,832	-	-	-	-	-	-
TOTAL EXPENDITURES	158	9,446,251	14,553,024	1,133,218	8,878,579	5,173,680	40,139	5,559
EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES	-	1,821	1,507	74,276	(141,840)	(100,474)	5	4
OTHER FINANCING SOURCES AND USES								
Transfers in	-	-	304	-	9,009	82,116	-	-
Transfers out	-	(1,821)	(1,811)	(572)	(8,750)	(146,668)	(5)	(4)
TOTAL OTHER FINANCING SOURCES AND USES	-	(1,821)	(1,507)	(572)	259	(64,552)	(5)	(4)
NET CHANGE IN FUND BALANCES	-	-	-	73,704	(141,581)	(165,026)	-	-
FUND BALANCES - BEGINNING OF YEAR	-	-	-	155,725	5,129,542	766,913	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ 229,429	\$ 4,987,961	\$ 601,887	\$ -	\$ -

State and Locally Administered Funds

TCEQ		TDH	TDRA	TVC	TWC	TX A&M	TXDOT	TXDPS	TXWD	Total
Transportation	Other									
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,302
2,962,456	1,951,258	101,458	19,306	132,908	55,714,235	25,000	22,921,191	1,429,746	-	103,398,608
-	-	-	-	-	-	-	1,095,577	-	-	14,613,467
-	-	-	-	-	2,985,708	-	796,257	623,646	-	11,502,563
-	-	-	-	-	156,709	-	29,340	-	-	441,808
8	664	-	-	-	-	-	6,141	-	-	20,767
2,962,464	1,951,922	101,458	19,306	132,908	58,856,652	25,000	24,848,506	2,053,392	-	130,017,515
15,369	29,428	680	321	12,568	700,635	317	752,684	56,612	-	3,537,115
-	-	-	-	-	-	-	-	-	-	540
-	-	-	-	-	-	-	42,510	1,315	-	23,126,365
-	-	43,396	-	-	-	-	-	2,080,013	-	2,775,164
-	1,900,832	28	19,398	-	-	24,755	34,538	1,447	-	3,037,458
3,188	13,381	-	-	-	1,675,775	-	255,445	22,266	-	3,750,028
2,944,309	-	-	-	-	15,144	-	23,703,887	255	-	35,490,890
-	-	-	-	120,329	56,204,881	-	-	-	-	56,327,922
-	17,616	-	-	-	256,422	-	-	-	-	2,134,870
2,962,866	1,961,257	44,104	19,719	132,897	58,852,857	25,072	24,789,064	2,161,908	-	130,180,352
(402)	(9,335)	57,354	(413)	11	3,795	(72)	59,442	(108,516)	-	(162,837)
675	9,619	-	429	-	-	91	8,971	133,680	-	244,894
(273)	(478)	(57,354)	(16)	(11)	(3,795)	(19)	(103,887)	(25,164)	-	(350,628)
402	9,141	(57,354)	413	(11)	(3,795)	72	(94,916)	108,516	-	(105,734)
-	(194)	-	-	-	-	-	(35,474)	-	-	(268,571)
563	300	-	-	-	-	-	69,795	-	117,997	6,240,835
\$ 563	\$ 106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,321	\$ -	\$ 117,997	\$ 5,972,264

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2015**

	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 1,682,821	\$ 1,790,610
Benefits	<u>722,086</u>	<u>760,656</u>
Indirect personnel	2,404,907	2,551,266
Legal	9,358	20,000
Audit	90,560	95,550
Contract services	476,833	314,400
Travel	14,445	17,300
Equipment use fee	25,398	40,000
Consumable supplies	105,079	113,131
Insurance & bonding	34,799	40,000
Rent	385,812	422,400
Printing & publications	23,868	25,000
Equipment rental	6,545	8,800
Advertising	3,931	4,000
Maintenance & repairs	101,691	135,000
Employee recruitment	4,321	2,600
Communications	13,790	17,800
Postage	9,394	10,400
Subscriptions & dues	126,640	122,000
Other	<u>308,647</u>	<u>242,000</u>
TOTAL	4,146,018	4,181,647
Less: Contributions to Indirect costs	<u>(18,547)</u>	<u>(10,000)</u>
NET INDIRECT COSTS	<u>\$ 4,127,471</u>	<u>\$ 4,171,647</u>
Indirect costs rate computations:		
Net indirect costs	<u>\$ 4,127,471</u>	<u>\$ 4,171,647</u>
Direct salaries & benefits - all funds	<u>\$ 23,614,028</u> = 17.48%	<u>\$ 23,568,266</u> = 17.70%

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS - ALL FUNDS
YEAR ENDED SEPTEMBER 30, 2015**

Full Time Benefits Programs	<u>Actual</u>	<u>Projected</u>
Medicare insurance	\$ 286,994	\$ 295,516
Medical insurance	2,457,210	2,378,161
Worker's compensation	58,352	58,829
Flexible benefit plan	7,441	9,065
Life & disability insurance	146,368	144,580
Other benefits	33,260	87,000
Unemployment insurance	5,596	60,444
Retirement	2,132,281	2,130,673
Vacation	1,155,711	1,064,210
Sick leave	575,142	542,940
Holiday leave	789,797	852,340
Other leave	<u>113,958</u>	<u>58,115</u>
TOTAL	\$ <u>7,762,110</u>	\$ <u>7,681,873</u>

Employee benefits rate computations:

Total full-time benefits	\$ <u>7,762,110</u>	\$ <u>7,681,873</u>
Total regular salaries	\$ 18,065,009 = 42.97%	\$ 17,863,013 = 43.00%

Total personnel costs recap:

Salaries	\$ 18,065,009	\$ 17,863,013
Benefits	<u>7,762,110</u>	<u>7,681,873</u>
Personnel - NCTCOG	\$ <u>25,827,119</u>	\$ <u>25,544,886</u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST LIMITATIONS TEST
 FISCAL YEAR 2015 ACTUAL
 OCTOBER 1, 2014 - SEPTEMBER 30, 2015**

Total Indirect Costs	\$ 4,127,471		
Expenditures:			
General Fund	4,824,518		
Special Revenue Fund	155,145,591		
Proprietary Fund	4,604,220		
Enterprise Fund	1,398,101		
Interdepartmental Transfers for Direct Charges and Indirect Costs	<u>(8,959,504)</u>		
Total Expenditures	157,012,926	=	2.6%
Less:			
Pass-Through Funds ⁽¹⁾	(48,549,332)		
In-Kind Expenditures	(22,312,540)		
Contract Services	(34,067,901)		
Capital Expenditures	<u>(2,143,073)</u>		
Adjusted Expenditures	49,940,080	=	8.3%

⁽¹⁾ Includes Subgrants & Subcontracts

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY SOURCE
AS OF SEPTEMBER 30, 2015**

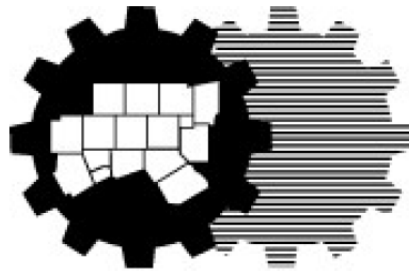
	<u>Totals</u>
CAPITAL ASSETS	
Equipment	\$ 15,720,040
Furniture	311,138
Leasehold Improvements	<u>2,368,252</u>
Total Capital Assets	<u>\$ 18,399,430</u>
SOURCES	
NCTCOG	
Equipment	\$ 10,195,233
Furniture	84,264
Leasehold Improvements	<u>626,997</u>
	10,906,494
GRANT FUNDED	
Equipment	5,524,807
Furniture	226,874
Leasehold Improvements	<u>1,741,255</u>
	7,492,936
Less: Internal Service Fund Assets	687,652
Less: Enterprise Fund	<u>7,467,896</u>
Total General Capital Assets	<u>\$ 10,243,882</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2015**

	<u>Totals</u>
CAPITAL ASSETS	
Local Assistance	\$ 1,268,031
Transportation Planning-TxDOT	841,120
Regional Information Services	1,435,746
Environmental Resources	110,810
Emergency Preparedness	252,688
Workforce Development	3,597,104
Community Services	3,426,035
Enterprise Fund	<u>7,467,896</u>
 Total Capital Assets	 18,399,430
 Less: Internal Service Fund	 687,652
Less: Enterprise Fund	<u>7,467,896</u>
 Total General Capital Assets	 \$ <u><u>10,243,882</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2015**

	<u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>2015</u>
CAPITAL ASSETS				
Local assistance	\$ 1,265,257	\$ 8,203	\$ 5,429	\$ 1,268,031
Transportation planning-TxDOT	841,120	-	-	841,120
Regional information services	1,286,210	149,536	-	1,435,746
Environmental resources	93,194	17,616	-	110,810
Emergency preparedness	252,688	-	-	252,688
Workforce development	3,352,543	256,422	11,861	3,597,104
Community services	1,565,202	1,860,833	-	3,426,035
Enterprise fund	<u>7,389,956</u>	<u>77,940</u>	<u>-</u>	<u>7,467,896</u>
 Total capital assets	 16,046,170	 2,370,550	 17,290	 18,399,430
 Less: Internal service fund	 538,115	 149,537	 -	 687,652
Less: Enterprise fund	<u>7,389,956</u>	<u>77,940</u>	<u>-</u>	<u>7,467,896</u>
 Total General Capital Assets	 <u>\$ 8,118,099</u>	 <u>\$ 2,143,073</u>	 <u>\$ 17,290</u>	 <u>\$ 10,243,882</u>



**North Central Texas
Council of Governments**

Statistical Section



STATISTICAL SECTION

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

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

Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The Council implemented GASB Statement 34 in fiscal year 2003: tables presenting government-wide information include information beginning in that year.

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

	Fiscal Year			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities				
Investment in capital assets	\$ 2,920,629	\$ 1,493,197	\$ 951,869	\$ 1,131,432
Restricted	5,634,043	5,473,922	5,401,133	6,231,665
Unrestricted	5,930,520	5,714,552	5,226,610	4,312,103
Total governmental activities net assets	<u>\$ 14,485,192</u>	<u>\$ 12,681,671</u>	<u>\$ 11,579,612</u>	<u>\$ 11,675,200</u>
Business-type activities				
Investment in capital assets	\$ 76,899	\$ 18,502	\$ 25,791	\$ 13,260
Unrestricted	52,248	36,409	20,801	67,769
Total business-type activities net assets	<u>\$ 129,147</u>	<u>\$ 54,911</u>	<u>\$ 46,592</u>	<u>\$ 81,029</u>
Primary government				
Investment in capital assets	\$ 2,997,528	\$ 1,511,699	\$ 977,660	\$ 1,144,692
Restricted	5,634,043	5,473,922	5,401,133	6,231,665
Unrestricted	5,982,768	5,750,961	5,247,411	4,379,872
Total primary governmental net assets	<u>\$ 14,614,339</u>	<u>\$ 12,736,582</u>	<u>\$ 11,626,204</u>	<u>\$ 11,756,229</u>

Source: Comprehensive Annual Financial Report

TABLE 1

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 1,368,144	\$ 1,161,862	\$ 1,497,753	\$ 1,255,488	\$ 484,470	\$ 498,220
14,061,433	27,942,962	38,909,613	53,519,795	40,565,985	202,931
4,122,881	3,816,701	3,646,310	3,776,966	3,254,971	2,900,375
<u>\$ 19,552,458</u>	<u>\$ 32,921,525</u>	<u>\$ 44,053,676</u>	<u>\$ 58,552,249</u>	<u>\$ 44,305,426</u>	<u>\$ 3,601,526</u>
\$ 22,100	\$ -	\$ -	\$ 1,217,307	\$ 3,759,091	\$ 6,527,148
55,656	90,141	67,345	128,515	(94,171)	108,308
<u>\$ 77,756</u>	<u>\$ 90,141</u>	<u>\$ 67,345</u>	<u>\$ 1,345,822</u>	<u>\$ 3,664,920</u>	<u>\$ 6,635,456</u>
\$ 1,390,244	\$ 1,161,862	\$ 1,497,753	\$ 2,472,795	\$ 4,243,561	\$ 7,025,368
14,061,433	27,942,962	38,909,613	53,519,795	40,565,985	202,931
4,178,537	3,906,842	3,713,655	3,905,481	3,160,800	3,008,683
<u>\$ 19,630,214</u>	<u>\$ 33,011,666</u>	<u>\$ 44,121,021</u>	<u>\$ 59,898,071</u>	<u>\$ 47,970,346</u>	<u>\$ 10,236,982</u>

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

	Fiscal Year			
	2015	2014	2013	2012
Expenses				
Governmental activities:				
Agency administration	\$ 6,796,651	\$ 5,775,899	\$ 5,463,174	\$ 5,276,175
Agency management	740,381	754,076	706,873	759,547
Community services	22,803,481	20,385,330	24,883,533	18,522,455
Emergency preparedness	2,650,262	3,672,635	1,426,129	2,062,309
Environment and development	3,436,397	2,302,909	3,310,704	2,074,557
RIS local assistance	3,643,793	2,748,710	3,040,498	2,637,422
Transportation planning	57,414,019	53,195,247	55,148,280	56,170,198
Workforce development	56,808,063	57,742,893	59,152,671	55,962,878
Total governmental activities expenses	<u>154,293,047</u>	<u>146,577,699</u>	<u>153,131,862</u>	<u>143,465,541</u>
Business-type activities:				
Shared service center	1,398,101	1,639,004	1,868,172	1,936,213
Total business-type activities expenses	<u>1,398,101</u>	<u>1,639,004</u>	<u>1,868,172</u>	<u>1,936,213</u>
Total primary government expenses	<u>\$ 155,691,148</u>	<u>\$ 148,216,703</u>	<u>\$ 155,000,034</u>	<u>\$ 145,401,754</u>
Program Revenues				
Governmental activities:				
Agency administration	\$ -	\$ -	\$ -	\$ 120,965
Agency management	51,597	5,359	-	-
Community services	18,169,150	14,445,171	18,843,748	13,050,047
Emergency preparedness	1,513,243	2,102,303	872,066	1,658,836
Environment and development	2,241,342	835,146	2,123,277	1,003,473
RIS local assistance	-	-	-	-
Transportation planning	38,065,646	47,130,223	44,801,874	37,113,912
Workforce development	56,715,045	57,642,394	59,198,773	55,814,882
Local grants and contributions	38,635,349	24,839,146	26,477,435	26,132,659
Total governmental activities program revenues	<u>155,391,372</u>	<u>146,999,742</u>	<u>152,317,173</u>	<u>134,894,774</u>
Business-type activities:				
Charges for services:				
RIS local assistance	1,472,337	1,643,984	1,833,735	1,939,496
Total business-type activities program revenues	<u>1,472,337</u>	<u>1,643,984</u>	<u>1,833,735</u>	<u>1,939,496</u>
Total primary government program revenues	<u>\$ 156,863,709</u>	<u>\$ 148,643,726</u>	<u>\$ 154,150,908</u>	<u>\$ 136,834,270</u>
Governmental activities	\$ 1,098,325	\$ 422,043	\$ (814,689)	\$ (8,570,767)
Business-type activities	74,236	4,980	(34,437)	3,283
Total primary government net expenses	<u>\$ 1,172,561</u>	<u>\$ 427,023</u>	<u>\$ (849,126)</u>	<u>\$ (8,567,484)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Membership fees	678,492	664,694	657,054	651,539
Interest on investments	26,704	18,661	62,047	41,970
Transfers in (out)	-	(3,339)	-	-
Total governmental activities	<u>705,196</u>	<u>680,016</u>	<u>719,101</u>	<u>693,509</u>
Business-type activities:				
Transfers in (out)	-	3,339	-	-
Total business-type activities	<u>-</u>	<u>3,339</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 705,196</u>	<u>\$ 683,355</u>	<u>\$ 719,101</u>	<u>\$ 693,509</u>
Change in Net Position				
Governmental activities	\$ 1,803,521	\$ 1,102,059	\$ (95,588)	\$ (7,877,258)
Business-type activities	74,236	8,319	(34,437)	3,283
Total primary government	<u>\$ 1,877,757</u>	<u>\$ 1,110,378</u>	<u>\$ (130,025)</u>	<u>\$ (7,873,975)</u>

Source: Comprehensive Annual Financial Report

TABLE 2

							Fiscal Year					
							2011	2010	2009	2008	2007	2006
\$	5,201,324	\$	5,227,937	\$	5,269,854	\$	5,355,259	\$	4,802,438	\$	3,655,700	
	848,942		776,145		853,457		571,395		558,360		610,618	
	22,909,179		20,488,403		22,490,067		19,668,658		14,732,789		15,019,016	
	3,539,299		2,781,337		2,435,347		4,461,768		6,766,770		1,129,860	
	4,587,918		4,614,671		5,709,613		4,343,873		5,520,315		2,960,701	
	3,446,598		2,487,667		3,486,236		2,979,893		2,227,484		2,279,069	
	76,151,018		75,614,317		63,238,757		59,886,873		47,265,285		14,443,094	
	58,952,928		59,043,491		53,269,187		48,193,206		49,917,806		44,205,070	
	175,637,206		171,033,968		156,752,518		145,460,925		131,791,247		84,303,128	
	1,947,896		1,987,466		2,861,816		4,023,843		4,484,126		2,094,538	
	1,947,896		1,987,466		2,861,816		4,023,843		4,484,126		2,094,538	
\$	177,585,102	\$	173,021,434	\$	159,614,334	\$	149,484,768	\$	136,275,373	\$	86,397,666	
\$	238,845	\$	123,814	\$	100,626	\$	78,732	\$	829,212	\$	770,046	
	-		-		-		-		-		-	
	17,129,937		15,802,837		17,634,359		14,759,657		10,043,056		10,341,041	
	3,378,498		3,087,356		2,262,037		4,547,830		6,846,840		1,140,891	
	3,799,786		1,795,328		4,353,732		1,943,294		2,430,434		1,920,421	
	37,938		158,382		200,903		159,905		1,115,696		1,405,433	
	48,336,809		56,793,123		42,882,386		46,223,986		29,793,889		13,173,525	
	59,195,722		58,439,547		51,946,951		50,814,449		51,347,719		45,422,270	
	26,264,855		22,639,979		21,644,684		38,238,325		66,241,118		9,393,181	
	158,382,390		158,840,366		141,025,678		156,766,178		168,647,964		83,566,808	
	1,939,738		2,010,262		1,583,339		1,704,745		1,513,590		8,729,994	
	1,939,738		2,010,262		1,583,339		1,704,745		1,513,590		8,729,994	
\$	160,322,128	\$	160,850,628	\$	142,609,017	\$	158,470,923	\$	170,161,554	\$	92,296,802	
\$	(14,254,816)	\$	(12,193,602)	\$	(15,726,840)	\$	11,305,253	\$	36,856,717	\$	(736,320)	
	(8,158)		22,796		(1,278,477)		(2,319,098)		(2,970,536)		6,635,456	
\$	(14,262,974)	\$	(12,170,806)	\$	(17,005,317)	\$	8,986,155	\$	33,886,181	\$	5,899,136	
	663,091		654,835		645,519		632,215		617,503		595,578	
	218,421		406,616		582,748		2,308,855		3,230,180		321,998	
	4,237		-		-		-		-		-	
	885,749		1,061,451		1,228,267		2,941,070		3,847,683		917,576	
	(4,237)		-		-		-		-		-	
	(4,237)		-		-		-		-		-	
\$	881,512	\$	1,061,451	\$	1,228,267	\$	2,941,070	\$	3,847,683	\$	917,576	
\$	(13,381,462)	\$	(11,109,355)	\$	(15,777,050)	\$	11,927,225	\$	37,733,864	\$	6,816,712	

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

	Fiscal Year - Pre GASB 54		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund			
Reserved ^a	\$ 10,946	\$ 3,158	\$ 13,322
Unreserved	4,988,995	4,884,409	4,708,103
Total general fund	<u>\$ 4,999,941</u>	<u>\$ 4,887,567</u>	<u>\$ 4,721,425</u>
All Other Governmental Funds			
Reserved for:			
Prepaid items	\$ 79,881	\$ 55,054	\$ 47,588
Grants	221,448	796,364	645,283
Local transportation projects	27,721,514	38,113,249	52,874,512
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Total all other governmental funds	<u>\$ 28,022,843</u>	<u>\$ 38,964,667</u>	<u>\$ 53,567,383</u>

	Fiscal Year - Post GASB 54		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund			
Non Spendable:			
Non Spendable	\$ 44,133	\$ 51,512	\$ 67,473
Spendable:			
Unassigned	5,788,867	5,504,106	5,266,892
Total General Fund	<u>\$ 5,833,000</u>	<u>\$ 5,555,618</u>	<u>\$ 5,334,365</u>
All Other Governmental Funds			
Non Spendable:			
Non Spendable	\$ 123,393	\$ 162,150	\$ 98,930
Spendable:			
Restricted for grants	646,082	344,380	271,591
Restricted for local transportation	4,987,961	5,129,542	5,129,542
Assigned	478,494	604,763	765,271
Total all other governmental funds	<u>\$ 6,235,930</u>	<u>\$ 6,240,835</u>	<u>\$ 6,265,334</u>

Source: Comprehensive Annual Financial Report

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

TABLE 3

Fiscal Year - Pre GASB 54	
<u>2007</u>	<u>2006</u>
\$ 15,555	\$ 142,193
4,256,017	3,612,647
<u>\$ 4,271,572</u>	<u>\$ 3,754,840</u>
\$ 48,359	\$ 51,762
437,221	104,684
40,148,643	-
(66,059)	-
-	-
<u>\$ 40,568,164</u>	<u>\$ 156,446</u>
<u>2012</u>	<u>2011</u>
\$ 55,616	\$ 80,646
5,029,314	4,918,967
<u>\$ 5,084,930</u>	<u>\$ 4,999,613</u>
\$ 57,990	\$ 36,339
193,244	181,786
6,038,421	13,877,396
248,498	204,827
<u>\$ 6,538,153</u>	<u>\$ 14,300,348</u>

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

	FISCAL YEAR			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
REVENUES				
Federal grants	\$ 13,357,415	\$ 22,491,763	\$ 20,631,697	\$ 10,839,413
State administered grants	103,398,608	99,668,833	105,208,041	97,922,702
Membership dues	678,492	664,694	657,054	651,539
Local contributed cash	15,874,027	8,144,514	12,964,481	6,000,683
In-Kind	22,288,500	16,227,555	13,125,408	19,820,625
Program income	472,822	467,077	387,546	311,351
Interest income	26,704	18,661	62,047	41,970
TOTAL REVENUES	156,096,568	147,683,097	153,036,274	135,588,283
EXPENDITURES				
Current:				
Agency administration	7,166,721	6,190,755	6,020,958	6,123,956
Agency management	767,169	782,985	570,521	522,548
Community services	23,333,579	20,908,926	25,323,042	18,967,988
Emergency preparedness	2,775,433	3,816,952	1,549,436	2,199,152
Environment & development	3,580,973	2,480,694	3,480,494	2,237,449
Research & information services	3,916,598	3,049,466	3,308,621	2,875,759
Transportation	59,104,042	55,083,003	56,926,135	57,792,540
Workforce development	57,182,521	58,157,641	59,530,189	56,271,929
Capital outlay	2,143,073	1,021,314	168,034	229,057
	159,970,109	151,491,736	156,877,430	147,220,378
Indirect cost allocation	(4,127,471)	(3,985,911)	(3,799,890)	(3,634,081)
Contributions to indirect costs	(18,547)	(22,821)	(17,882)	(321,138)
TOTAL EXPENDITURES	155,824,091	147,483,004	153,059,658	143,265,159
EXCESS OF REVENUES OVER EXPENDITURES	272,477	200,093	(23,384)	(7,676,876)
OTHER FINANCING SOURCES AND USES				
Capital-related debt issued (note payable)	-	-	-	-
Transfers In	364,834	963,409	1,239,823	1,144,310
Transfers out	(364,834)	(966,748)	(1,239,823)	(1,144,310)
Total other financing sources (uses)	-	(3,339)	-	-
NET CHANGE IN FUND BALANCES	\$ 272,477	\$ 196,754	\$ (23,384)	\$ (7,676,876)

TABLE 4

FISCAL YEAR					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 12,979,109	\$ 12,842,963	\$ 3,391,827	\$ 4,796,333	\$ 2,130,761	\$ 695,214
119,138,426	123,357,424	115,989,167	113,731,520	100,276,085	73,478,413
663,091	654,835	645,519	632,215	617,503	595,578
7,718,250	7,242,670	9,694,057	26,908,819	44,262,299	4,342,999
21,228,282	15,055,527	11,505,589	10,893,201	21,514,892	4,565,843
318,323	341,782	445,038	436,305	463,927	484,339
218,421	406,616	582,748	2,308,855	3,230,180	321,998
<u>162,263,902</u>	<u>159,901,817</u>	<u>142,253,945</u>	<u>159,707,248</u>	<u>172,495,647</u>	<u>84,484,384</u>
6,037,841	6,149,666	6,239,753	5,380,601	4,780,155	3,681,798
602,541	611,201	617,456	580,135	569,182	636,145
23,368,882	20,913,065	22,810,881	20,020,526	15,051,041	15,442,386
3,703,670	2,919,321	2,555,857	4,527,038	6,892,294	1,144,842
4,814,780	4,842,179	5,906,678	4,380,767	5,612,603	3,020,890
3,691,229	2,688,156	3,660,746	3,000,855	2,215,495	2,323,786
77,753,457	77,112,327	64,537,300	60,937,748	48,098,352	14,761,367
59,235,482	59,291,468	53,457,071	49,234,539	51,333,120	45,410,697
793,319	198,978	614,578	1,423,653	374,854	201,959
<u>180,001,201</u>	<u>174,726,361</u>	<u>160,400,320</u>	<u>149,485,862</u>	<u>134,927,096</u>	<u>86,623,870</u>
(3,718,074)	(3,614,978)	(3,359,333)	(2,860,926)	(2,872,021)	(2,160,816)
(292,163)	(380,116)	(378,949)	(366,759)	(363,527)	(352,543)
<u>175,990,964</u>	<u>170,731,267</u>	<u>156,662,038</u>	<u>146,258,177</u>	<u>131,691,548</u>	<u>84,110,511</u>
(13,727,062)	(10,829,450)	(14,408,093)	13,449,071	40,804,099	373,873
-	-	-	-	149,887	-
1,234,411	717,919	1,058,306	627,426	314,725	218,893
(1,230,174)	(717,919)	(1,086,787)	(627,426)	(340,564)	(303,970)
<u>4,237</u>	<u>-</u>	<u>(28,481)</u>	<u>-</u>	<u>124,048</u>	<u>(85,077)</u>
<u>\$ (13,722,825)</u>	<u>\$ (10,829,450)</u>	<u>\$ (14,436,574)</u>	<u>\$ 13,449,071</u>	<u>\$ 40,928,147</u>	<u>\$ 288,796</u>

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

<u>Fiscal Year</u>	<u>LOCAL</u>					<u>TOTAL</u>
	<u>MemberDues</u>	<u>Interest (1)</u>	<u>Contributions (1)</u>	<u>In-Kind</u>	<u>Program</u>	
2015	\$ 678,492	\$ 26,704	\$ 15,874,027	\$ 22,288,500	\$ 472,822	\$ 39,340,545
2014	664,694	18,661	8,144,514	16,227,555	467,077	25,522,501
2013	657,054	62,047	12,964,481	13,125,408	387,546	27,196,536
2012	651,539	41,970	6,000,683	19,820,625	311,351	26,826,168
2011	663,091	218,421	7,718,250	21,228,282	318,323	30,146,367
2010	654,835	406,616	7,242,670	15,055,527	341,782	23,701,430
2009	645,519	582,748	9,694,057	11,505,589	445,038	22,872,951
2008	632,215	2,308,855	26,908,819	10,893,201	436,305	41,179,395
2007	617,503	3,230,180	44,262,299	21,514,892	463,927	70,088,801
2006	595,578	321,998	4,342,999	4,565,843	484,339	10,310,757

Notes: (1) Includes General and Special Revenue

TABLE 5

		GRANTS		GRAND
		<u>Federal</u>	<u>TOTAL</u>	TOTAL
<u>State</u>				
\$ 103,398,608	\$ 13,357,415	\$ 116,756,023	\$ 156,096,568	
99,668,833	22,491,763	122,160,596	147,683,097	
105,208,041	20,631,697	125,839,738	153,036,274	
97,922,702	10,839,413	108,762,115	135,588,283	
119,138,426	12,979,109	132,117,535	162,263,902	
123,357,424	12,842,963	136,200,387	159,901,817	
115,989,167	3,391,827	119,380,994	142,253,945	
113,731,520	4,796,333	118,527,853	159,707,248	
100,276,085	2,130,761	102,406,846	172,495,647	
73,478,413	695,214	74,173,627	84,484,384	

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

TABLE 6

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

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

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

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

TABLE 7

<u>Year</u>	<u>Estimated Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^b</u>	<u>School Enrollment^c</u>	<u>Unemployment Rate^d</u>
2015	6,939,250 *	\$ 349,156,056,077 *	\$ 50,207 *	1,348,402 *	4.0%
2014	6,842,340	344,279,922,000	49,506	1,329,571	5.0%
2013	6,753,080	320,035,384,000	46,989	1,312,126	5.7%
2012	6,671,420	311,008,898,000	46,400	1,289,298	6.7%
2011	6,602,580	292,079,377,000	44,450	1,264,190	7.8%
2010	6,539,950	267,544,467,000	41,462	1,240,827	8.2%
2009	6,639,630	256,748,150,000	40,485	1,216,929	7.8%
2008	6,538,850	272,171,616,000	43,820	1,193,011	5.1%
2007	6,406,450	252,997,455,000	41,598	1,168,405	4.3%
2006	6,242,800	239,510,993,000	40,303	1,122,168	4.8%

Sources: ^aYearly NCTCOG Population Estimates.

^bIncome provided by BEA Regional Bearfacts for the
 Dallas-Fort Worth-Arlington, Tx Metropolitan Statistical Area, via tracer2.com

^cTexas Education Agency

^dTexas Workforce Commission, via tracer2.com

Notes: N/A - Data not available.

* - Approximation only, as information not published yet

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

TABLE 8

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

Total NCTCOG Region Employees^b 3,519,871

Source:^a Dallas Business Journal, Book of Lists 2016

^b NCTCOG, RIS department

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

Total NCTCOG Region Employees^b 3,397,119

Source:^a Dallas Business Journal, Book of Lists 2015

^b NCTCOG, RIS department

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

Total NCTCOG Region Employees^b 3,313,916

Source:^a Dallas Business Journal, Book of Lists 2014

^b NCTCOG, RIS department

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

Total NCTCOG Region Employees^b 3,209,334

Source:^a Dallas Business Journal, Book of Lists 2013

^b NCTCOG, RIS department

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

Total NCTCOG Region Employees^b 3,115,023

Source:^a Dallas Business Journal, Book of Lists 2012

^b NCTCOG, RIS department

2010		
Employer ^a	Employees	Percentage of Total NCTCOG Employment
Wal-Mart	34,700	1.13%
American Airlines	20,700	0.67%
Bank of America	20,000	0.65%
Baylor Health Care System	19,700	0.64%
Texas Health Resources	18,700	0.61%
AT&T	17,500	0.57%
Lockheed Martin Aeronautics	14,900	0.49%
JPMorgan Chase	13,000	0.42%
HCA North Texas Division	12,300	0.40%
Verizon Communications	11,000	0.36%
Total	182,500	5.94%

Total NCTCOG Region Employees^b 3,072,082

Source:^a Dallas Business Journal, Book of Lists 2011

^b NCTCOG, RIS department

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

TABLE 9

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Agency Management	3	3	3	3	3	3	3	3	3	3
Agency Administration	42	41	39	38	39	39	39	34	30	27
Public Affairs	2	2	2	3	4	4	4	4	4	4
Research and Information Services	27	27	27	26	30	32	32	31	27	26
Community Services	47	46	44	44	45	41	40	38	34	32
Environment & Development	13	12	12	18	23	23	24	26	24	24
Transportation	148	149	149	153	158	149	154	145	116	108
Workforce Development	34	34	31	28	25	22	22	24	23	28
Emergency Preparedness	11	12	12	13	18	18	13	11	9	6
Total	327	326	319	326	345	331	331	316	270	258

Source: Agency Annual Fiscal Program

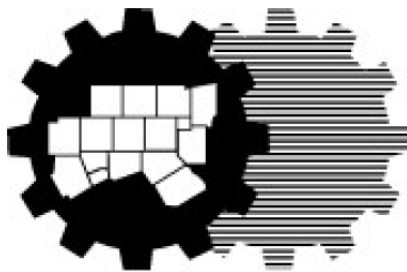
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Function/Program	Fiscal Year			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Local assistance	\$ 1,268,031	\$ 1,265,257	\$ 1,298,343	\$ 1,284,610
Transportation - TxDOT	841,120	841,120	731,705	731,705
Regional information services	1,435,746	1,286,210	1,286,210	1,301,023
Environmental resources	110,810	93,194	99,054	99,054
Emergency preparedness	252,688	252,688	240,834	241,709
Workforce development	3,597,104	3,352,543	3,291,296	3,291,867
Community services	3,426,035	1,565,202	792,998	697,102
Enterprise Fund	7,467,896	7,389,956	7,383,536	7,361,554
Prior Year Balance	-	-	-	-

Source: Comprehensive Annual Financial Report

TABLE 10

Fiscal Year					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 1,220,486	\$ 1,188,120	\$ 1,185,086	\$ 1,208,926	\$ 772,363	\$ 583,680
726,435	617,517	617,517	540,975	414,588	344,444
1,301,023	1,264,710	1,264,710	1,102,440	837,499	800,347
99,054	99,054	99,054	99,054	99,054	99,054
241,709	215,893	188,670	88,164	67,451	59,186
3,234,064	2,659,095	2,592,517	2,530,547	2,076,129	2,026,134
600,545	600,545	501,362	376,749	151,005	130,390
7,361,554	7,335,034	7,335,034	7,335,034	8,080,514	8,080,514
-	-	-	-	-	3,967,800



**North Central Texas
Council of Governments**