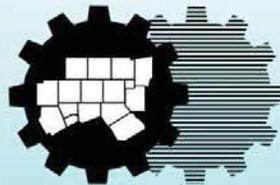


Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2014

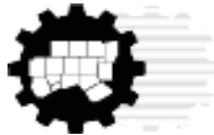


North Central Texas Council of Governments

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Executive Director

Mike Eastland

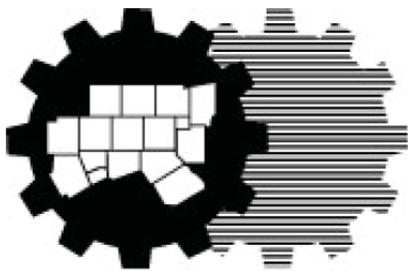


Deputy Executive Director

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**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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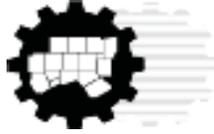
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Introductory Section





North Central Texas Council of Governments

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

February 13, 2015

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, 2014, 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 237 member governments and the Executive Board, which is composed of 13 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 6.8 million, which is larger than 30 states, and an area of 12,800 square miles, which is larger than nine states. NCTCOG's 238 member governments are comprised of 16 counties, 165 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, aging, the regional training center, regional law enforcement training and 9-1-1, emergency preparedness, environment & development, research and information services, transportation, and workforce development.

Economic Condition and Outlook

NCTCOG's regional population increased by approximately 88,890 persons during 2013 for a January 1, 2014 total estimated population of 6.8 million.

The December 2014 unadjusted unemployment rate for the 16 county NCTCOG region was 4.5%, which was slightly below the Texas rate of 4.6% and well below the comparable national figure of 6.2%.

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 FY2014, NCTCOG was awarded \$210,000 from the United States Department of Transportation (US DOT) through the Transportation Investment Generating Economic Recovery (TIGER VI) Discretionary Grant Program for the Land Use-Transportation Connections for Sustainable Schools planning project. The goal of the planning project is to develop a regional working group and implementation plan to promote multimodal transportation options to schools, advance long-term planning for school siting, improve transportation safety near schools, and encourage coordination between local governments, independent school districts, and transit agencies within the 12-county Metropolitan Planning Area.

NCTCOG initiated the Regional Bicycle and Pedestrian Monitoring Program, a long-term effort to collect non-motorized traffic volume data at various locations throughout the Dallas-Fort Worth area. Permanent and mobile counting equipment was purchased and installed at strategic locations in Collin, Denton and Tarrant Counties. Initial count locations are targeting

key bicycle and pedestrian corridors that provide access to transit, schools, and employment centers, making it easier to identify how many people are using these facilities. The program will obtain new baseline data for uses such as trend analysis, updating air quality calculations for active transportation facilities, and to help identify non-motorized commuting patterns in the region. Various local governments have expressed a desire to participate in this regional program for data collection and analysis.

NCTCOG in partnership with the City of Cedar Hill was competitively selected by Smart Growth America to receive one of the organization's 2014 Smart Growth Technical Assistance awards. The program was made possible through a five-year Building Blocks for Sustainable Communities grant from the U.S. Environmental Protection Agency's Office of Sustainable Communities. NCTCOG and the City of Cedar Hill had, through previous efforts, created a transit-oriented development (TOD) plan for the site of a downtown future transit stop that recommended a new zoning code. The goal of the technical assistance, which included a public meeting and all-day workshop led by industry experts, was to provide tools and strategies to create a form-based code that reflects the community's vision of developing its City Center TOD area into a mixed-use, walkable, transit-oriented destination. NCTCOG plans to leverage the best practices and strategies identified through this program by developing similar tools and assisting other small cities and regional partners in similar efforts.

NCTCOG contracted with the Texas Transportation Institute to perform an assessment on the viability of Vehicle Occupancy Detection (VOD) technology. The assessment included the development of a technology assessment test plan, preparation of the technology assessment and documentation of the technology test results.

In 2014, NCTCOG partnered with the MLB American League Texas Rangers to implement improvements to the parking lot located at the southwest corner of the IH 30 Frontage Road and AT&T Way in Arlington, thus allowing the region to utilize the location as a park-and-ride lot for the corridor. The improvements included lighting, signage, striping, providing short sections of sidewalks, and improvements to median openings. As part of the partnership, the North Central Texas Council of Governments funded the improvements in the amount of \$200,000 for the use of the park-and-ride lot for commuter parking.

Also, there were many new and changed Federal Transit Administration programs introduced in 2013 that began to be implemented in 2014, including the Bus and Bus Facilities Program. The program provides funding to maintain and replace capital equipment and facilities for existing bus services. Approximately \$12 million in federal funds were awarded during the fiscal year for the new program. NCTCOG staff coordinated with key stakeholders to develop a funding allocation method and establish roles and responsibilities for the new program. In addition, NCTCOG staff began three key planning and service initiatives in FY2014 to support local transit agencies: 1) the Fort Worth Transportation Authority 20-year system plan, 2) a taxi voucher program for older adults and people with disabilities in Collin County and 3) Texoma Area Paratransit System (TAPS) was added as a Federal Transit Administration subgrantee to provide transit service to the general public in the urbanized portions of Collin County.

In addition, NCTCOG received \$175,000 from the Texas Commission on Environmental Quality (TCEQ) to continue work under the TCEQ Air Quality Division Cooperative Reimbursement Contract for State Agencies and Local Governments, executed October 20, 2011. This work included Production of Dallas-Fort Worth Area Link-Based On-Road Emission Inventories with MOVES2014 for 2018, development of Dallas-Fort Worth Motor Vehicle Emissions Simulator 2014 (MOVES2014)-Based Reasonable Further Progress (RFP) On-Road Inventories and

Control Strategy Reductions, and preparations for Dallas-Fort Worth On-Road Emissions Inventories to Support 1997 Eight-Hour Redesignation. The inventories will be used to support Dallas-Fort Worth State Implementation Plan analysis, planning, and development. The inventories will include consideration of the requirements for transportation conformity.

The 2014 Transportation Conformity Analysis was conducted for Mobility 2035: The Metropolitan Transportation Plan for North Central Texas – 2014 Amendment and 2015-2018 Transportation Improvement Program for North Central Texas. This analysis demonstrates consistency between emissions expected from the implementation of transportation plans and programs and Motor Vehicle Emission Budgets in the applicable State Implementation Plan.

Community Services (CS)

Criminal Justice Planning

In fiscal year 2014 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 120 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.

The Criminal Justice Program assisted in the close-out of the Law Enforcement Analysis Portal (LEAP) project due to the expiration of the NCTCOG LEAP contract in August 2014. Support was provided to the LEAP Advisory Committee to ensure a seamless transfer of the LEAP program from NCTCOG to the new provider entities.

Aging Services

The Aging program experienced modest increases (2%) in federal and state funding during fiscal year 2014, following an unprecedented reduction during fiscal year 2013. However, such increases were not sufficient to keep pace with the service area’s explosive population growth among older adults. As a result, the program continued to employ restrictive criteria for its in-home services (e.g., homemaker, residential repair, and respite), targeting those at risk of premature institutionalization.

To expand capacity of its residential repair program, Aging applied for and received Housing Bond funds from DADS that allowed it to build an additional 30 wheelchair ramps during Fiscal Years 2014 and 2015.

Through its nursing home relocation program and Aging and Disability Resource Center (ADRC), Aging served persons of all ages with disabilities. ADRC program funding increased from \$144,830 in 2013 to \$272,344, which made possible the addition of two part-time case managers. ADRC staff are funded through the Medicaid Balancing Incentive Program, with primary responsibilities of helping Medicaid-eligible consumers access community-based long-term services and supports as alternatives to institutional care.

Aging continued to expand its evidence-based health prevention and promotion programs. During fiscal year 2014 it added to its suite of programs Diabetes Self-Management and Stress-Busting for Family Caregivers. In addition, it increased the number and geographic reach of its fall prevention and chronic disease self-management classes.

The Regional Training Center (RTC)

The Regional Training Center (RTC) held 62 classes in the 2013-2014 fiscal year and served over 1,300 participants. This included 30 Texas Commission on Environmental Quality (TCEQ) sanctioned water/wastewater classes and four Storm Water Pollution Prevention during Construction classes. The Storm Water classes are offered in collaboration with NCTCOG's Environment & Development Department.

The water and wastewater operator classes offered by the center are completed by individuals pursuing or renewing Class B, C, or D water and wastewater licenses. In addition to offering classes, the Regional Training Center continues its contracted support of the Texas Commission on Environmental Quality through hosting TCEQ staff for conventional testing as well as serving as a test site for computer-based license exams.

The Training Center also hosted classes in the areas of code enforcement, planning & zoning, and several records management topics. Additionally, a variety of customer service, supervisory, and leadership training classes were hosted both at NCTCOG and at offsite locations.

Through a partnership with the University of North Texas' Center for Public Management, the Center 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 250 participants received their certificates of completion for this training course during the fiscal year.

In cooperation with NCTCOG's Transportation Department, the Center hosted five Freeway Incident Management courses for First Responders & Managers that consisted of over 130 participants from a variety of agencies. Also in cooperation with the Transportation department, classes were offered covering GIS topics, form-based codes, and community outreach strategies.

Regional Law Enforcement Training

During 2014, the Regional Police Academy conducted Five Basic Peace Officer Courses and graduated 123 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy conducted more than 90 law enforcement training courses for in service officers providing 127,675 contact hours of training to 1,221 law enforcement officers.

9-1-1

The NCTCOG 9-1-1 Program continues the journey to Next Generation 9-1-1. Text to 9-1-1 was implemented throughout the entire region with the four major wireless carriers (Verizon, Sprint, T-Mobile and AT&T). NCTCOG was the first in the state of Texas and fifth in the nation to implement this interim texting solution. Participation was voluntary by the PSAPs (Public Safety Answering Points) and the carriers based on an agreement negotiated among the carriers, the National Emergency Number Association and the Association for Public Safety Communications Officers.

NCTCOG has implemented numerous projects this year, both technically and operationally. A virtualization project enhanced our services and efficiency this year. Planning is in the works to transition from the state database platform through Intrado to a hosted solution at Greater Harris County 9-1-1 District utilizing DataMaster software. This project will enhance our position in Next Generation 9-1-1 through collaboration with 9-1-1 Districts in the state. We have the opportunity to leverage capital investments made by Greater Harris County and infrastructure that they will maintain. This transition will occur in 2015. NCTCOG also planned and worked

through technical bugs for implementing a new Mapped ALI platform (GIS mapping software in the PSAPs). GeoComm has successfully passed acceptance testing and full implementation should occur in the first quarter of 2015.

The NCTCOG 9-1-1 staff has continued to improve our planning and documentation process and will be purchasing project management software in 2015. Improvement of staff structure has been a focus of 2014 and we will see some new positions and structure enhancements in 2015.

Emergency Preparedness (EP)

Regional Emergency Preparedness Program (REPP) Member Program: In 2014, the North Central Texas Regional Emergency Preparedness Program (REPP), managed by the Emergency Preparedness Department, continued to meet stakeholder needs through advocacy, planning assistance, training, program management and support services. Specialized programs and events, including an Integrated Weather Team workshop, local training and exercise support, management of the CASA weather radar project, and the Public Works Emergency Response Team were all made possible, in whole or part, through the REPP. In addition, facilitation of regional subject matter working groups is also supported.

Citizen Corps Program: Citizen preparedness, training, and education were supported by \$43,890 in Homeland Security Grant funds appropriated to NCT (North Central Texas) Citizen Corps programs for use in 2014. The funds helped to 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 Emergency Preparedness Department supported hazard mitigation planning for fourteen of sixteen NCT counties in 2014. Mitigation planning helps communities by identifying hazards and developing mitigation actions to reduce or eliminate vulnerability to those hazards. Once approved and adopted, the Hazard Mitigation Action Plans (HazMAPs) will allow participating jurisdictions to be eligible for future mitigation funding.

Safe Room Project: In July 2013, the NCTCOG Emergency Preparedness 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, in October 2013 the EP Department was granted an additional \$930,000 to expand the program to all sixteen NCT counties. In 2014, the grants resulted in 294 individual safe room awards totaling \$820,225. Additional safe rooms will be awarded in 2015. The department will continue to seek additional funding as opportunities arise. Waitlisted applicants will be notified of future rebate opportunities should additional funding be obtained.

Collaborative Adaptive Sensing of the Atmosphere (CASA WX) Member Program: The Emergency Preparedness Department continued to explore financial support for the relocation of the Collaborative Adaptive Sensing of the Atmosphere (CASA WX) test bed to the Dallas Fort Worth area (DFW demonstration network). The fourth radar in the network was installed in Johnson County in August 2014.

The Emergency Preparedness department continues to manage the CASA WX membership program. Membership dues assessed are based on jurisdictional population. Local jurisdictions that opt for membership in the CASA WX program gain access to the website allowing them to

see CASA WX radar data in their jurisdiction down to the neighborhood level with updates every minute. This information could reduce uncertainty during a critical time and could save lives and property. Membership dues go towards sustaining operational expenses of the radar network.

The department worked with the region both on securing the funding to install and support the network as well as finding locations for future radar host sites within the region. CASA's focus is a new weather observation system paradigm based on low power, low cost networks of radars. CASA would provide more precise user defined weather data that in turn would increase situational awareness at the local level and across the region. This increase in data could enhance decision making during inclement weather.

Environment & Development (E&D)

The overall theme for NCTCOG's environmental resource and development initiatives continues 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 selection and administration of 20 local government projects totaling approximately \$1,074,000. The Resource Conservation Council's three solid waste goal subcommittees (Time To Recycle, Stop Illegal Dumping and Assuring Capacity for Trash) administered their portions of the Regional Solid Waste Plan document. Six educational/training workshops were offered in fiscal year 2014 and 67 technical assistance requests to local governments were recorded. In addition, 57 responses to inquiries into the status of the Closed Landfill Inventory were handled.

In the SEE Safe, Clean and Green Watershed Management area, meetings with committees, stakeholders and interest groups regarding the region's watersheds continued, with efforts ongoing with the City of Fort Worth to continue a Greenprinting analysis of the Lake Worth watershed. The Trinity River COMMON VISION program completed the integration of updated regulatory mapping and modeling for the Upper Trinity River Corridor into the Corridor Development Certificate (CDC) Manual and Process and processed approximately 6 CDC applications. Coordination of carrying out and evaluating the bacteria Total Maximum Daily Load (TMDL) Implementation Plan entered its first year and the stakeholder outreach effort for the Greater Trinity River Polychlorinated Biphenyls (PCBs) Project was completed.

The Regional Stormwater Management Program continued to support over 55 local participants and provided a variety of products including training workshops, support for four seasonal campaigns, an annual storm water monitoring report, cooperative purchase opportunities, and a stormwater training video related to Illicit Discharge Detection & Elimination (IDDE). The 2014 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. Fifteen presentations were made to local governments and community groups by the Vision North Texas Speakers Bureau, supported by NCTCOG staff. A 2014 Earth Day Water Forum was held on April 25, 2014 in partnership with the US Green Builders Council. The SPROW (Sustainable Public Rights-of-Way) interactive

website was maintained and a SPROW informational workshop was hosted on October 30, 2014. The Integrated Stormwater Management (iSWM) Criteria Manual was updated to emphasize an outcome-based adoption process and a training session was held on Transportation-related Integrated Stormwater Management (TriSWM) issues titled “Water Quality for Street Design.” A regional Public Works Roundup was conducted in Grand Prairie on May 21, 2014 that provided all-day training sessions in many sustainability and public works related topics, and approximately 24 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. A Technical Production Project was completed for the Village Creek watershed in the Lower West Fork Trinity basin as a part of our Cooperating Technical Partner relationship with the Federal Emergency Management Agency (FEMA), and a grant opportunity was approved by FEMA to move forward with detailed flood studies and mapping for a portion of the Bear Creek Watershed in Tarrant County. Additionally, in partnership with FEMA and TFMA (Texas Floodplain Managers Association), Environment and Development again held the “Managing Floodplains through the National Flood Insurance Program” four-day course (December 1-4, 2014) and hosted the TFMA Certified Floodplain Manager (CFM) Exam (December 5, 2014). Staff also facilitated adoption of regional amendments to the 2014 National Electrical Code for construction sectors. In addition, review of the 2012 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 7,696 officially posted Agency and Workforce support requests. These requests included new computer requests, software management, and network connectivity between 16 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 has greatly improved our computing environment and security by upgrading staff computers to Microsoft Windows 7, installing Office 2013, deploying BitLocker Drive Encryption, automating the new user account provisioning process, and implementing AirWatch to securely

manage Agency data on mobile devices. The IT Team also planned and scheduled a major wireless network upgrade and migration of email to Exchange Online with Office 365 that will continue in the upcoming year. Additionally, the IT Team enhanced our enterprise GIS environment by remotely installing ArcGIS 10.2 and implementing improved license management tools. 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 Investment Act (WIA) activities and contract management.

Workforce Solutions for North Central Texas is dedicated to helping job seekers prepare for the workforce. Through the Workforce Investment Act (WIA), 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 49,000 employers. From October 1, 2013 to September 30, 2014 the North Central Texas Workforce Area had an average yearly unemployment rate of 5%. This year over 41,000 unemployment claimants were put back to work.

2014 by the Numbers

106,892	Job Seekers Served from October 2013 – September 2014
7,566	Employers Receiving Workforce Assistance October 2013 – September 2014
5,791	Average Children Served per day from October 2013 - September 2014
65,574	Job Seekers Entering Employment after exiting September 2013
5,931	Job Openings filled from openings created January 2013 – December 2013
3,044	Individuals were served in our Mobile Workforce Unit from October 2013 – September 2014

In 2014, Workforce Solutions for North Central Texas provided training to 838 individuals and served over 92,000 job seekers. Below is a breakdown for each county we serve.

County	Unique Customer Visits	Individuals Trained	Training Expenditures
Collin & Rockwall	21,768	189	727,016.21
Denton & Wise	11,888	184	908,428.84

Ellis	12,486	110	521,643.23
Erath	3,026	25	62,631.04
Hood & Somervell	4,101	33	73,054.90
Hunt	6,530	51	232,972.74
Johnson	8,287	96	236,781.16
Kaufman	6,712	47	126,344.84
Navarro	8,005	39	138,693.67
Parker & Palo Pinto	6,847	64	145,189.86
Mobile Workforce Unit	3,044	N/A	N/A
Total	92,694	838	3,172,756.49

This year the Texas Workforce Commission certified that Workforce Solutions for North Central Texas met all the criteria for oversight capacity in 2014. 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 the resulting contract performance. As a continuous improvement environment, quality assurance plays a key role in providing timely feedback for critical business decisions.

Veterans Strategic Initiative

In an effort to better assist our employers to recruit, hire and retain veterans, Workforce Solutions for North Central Texas and the Texas Veterans Commission began working together to discuss ways we could enhance our current service delivery model. In February 2014 we formed the Veterans Strategic Committee.

The committee conducted a survey of 326 employers in the region and asked them “Would you be interested in additional information on how to better recruit, hire and retain veterans within your organization?” The survey responses were overwhelming with more than a 73% of the employers surveyed indicating a desire for additional information.

In March 2014 the Veterans Strategic Committee began hosting a series of small, informal information sessions with local employers and veteran’s service organizations considered “Subject Matter Experts” in working with the veteran population. The processes and best practices documented from the participants provided insight on how we can improve our current service delivery model and provide valuable ideas to employers who want to hire veterans.

In November 2013, in partnership with the Dallas and Tarrant County Workforce Boards the 2nd annual Hiring Red, White and You! Veterans Job Fair was held at the Texas Rangers Ballpark in Arlington. The goal of this job fair is to connect Texas veterans and their spouses with employers who value the experience, discipline and other exceptional qualities inherent with a military background. 190 local employers in the DFW Metroplex attended the event with thousands of available positions. In the first 2 years, RWY has connected more than 21,000 veterans with over 3,000 employers and resulted in an estimated 3,500 jobs created.

Skills Development Fund and Community Partnerships Initiatives

The Skills Development Fund is Texas' premier job-training program providing local customized training opportunities for Texas businesses and workers to increase skill levels and wages of the Texas workforce. The Texas Workforce Commission administers funding for the program. Success is achieved through collaboration among businesses, public community and technical colleges, Workforce Development Boards and economic development partners.

The Skills Development Fund grants have served as a way of introducing ourselves and establishing relationships which opened the doors for us to become further involved in the business and development of the community. As of September 30, 2014 Workforce Solutions for North Central Texas has partnered with 7 colleges within our region bringing in over 4.7 million dollars in Skills Development Fund grants and training more than 3,200 new and incumbent workers.

Advancements in Technology

Data Strategy Initiative

In 2014, Workforce Solutions for North Central Texas entered into an agreement with Gradient Solutions to design and implement a focus driven data strategy initiative. The Data Strategy Project is designed to identify a foundation for implementing long-term data analytics programs that recognize key process areas where improvement is needed and create a solution that best fits our organization. The process is specifically designed to enable the conversion of prioritized data into meaningful information for analysis, operations, reporting, planning, data sharing, and business decision making purposes in a more efficient and uniform manner.

SAM Systems Access Manager

The Data Management Group implemented the use of the Systems Access Manager (SAM) Database in early 2014. The SAM Database is a web-based database application utilized to manage access requests to various workforce applications. SAM is designed to streamline communications and to electronically record the various transactions pertaining to the authorization, issuance, and the management of systems/applications access privileges given to staff. Additionally, SAM functions as a paperless system to store information security documents completed by all staff on an annual basis.

Workforce Solutions for North Central Texas Recognitions

DOL Recognition TEGL 3-14: Implementing a Job-Driven Workforce System

In Training and Employment Guidance Letter (TEGL)3-14, the U.S. Department of Labor (USDOL) recognized Workforce Solutions for North Central Texas and the Regional Workforce Leadership Council (RWLC) in one of five examples of how partnerships between the public workforce system, employers, education, economic development and others reflect the job-driven elements central to the new Workforce Innovation and Opportunities Act (WIOA)and lead to coordinated, seamless services for job seekers and employers.

TEDC with PECOFacet and Weatherford College “Workforce Excellence Award”

Workforce Solutions for North Central Texas, in partnership with Weatherford College and PECOFacet, was awarded the Workforce Excellence Award at the 2014 Texas Economic Development Council’s mid-year conference held in San Antonio, Texas. The Workforce Excellence Award recognizes exceptional contributions by a Texas community that has implemented successful workforce initiatives.

GE Transportation Employer of the Year Finalist

The Texas Workforce Commission (TWC) announced GE Transportation as a finalist for the 2013 Texas Workforce Solutions Employer of the Year Award. Five finalists were chosen from among 25 private-sector employers who were nominated by their Local Workforce Development Boards for their contributions to the community’s workforce through innovation and collaboration with the Texas workforce system. The nominated employers exemplify TWC’s mission of promoting and supporting an effective workforce system that offers employers, individuals and communities the opportunity to achieve and sustain economic prosperity.

Mobile App Recognition from TWC

Workforce Solutions for North Central Texas was recognized at the 17th Annual Texas Workforce Conference held December 2013 in San Antonio, TX by the Texas Workforce Commission (TWC) for going above and beyond a board's responsibilities by providing TWC with the funding to develop a mobile-friendly version of its online job-matching website, WorkInTexas.com.

Achievement of Excellence in Procurement

In July 2014, in partnership with North Central Texas Council of Governments, we received for the 4th consecutive year our Achievement of Excellence in Procurement® (AEP) award from the National Procurement Institute, Inc. (NPI). The AEP award was established by NPI in 1995 and recognizes organizational excellence in public procurement. The criteria is designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization. We were one of only 46 government agencies in Texas and one of only 31 special districts in the United States to receive the award.

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 2014 NCTCOG engaged with the assurance division of Weaver to perform an independent evaluation of the accounting internal control design. The last evaluation was performed in 2008. This evaluation of the current control environment utilized the updated Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework and control guidance, incorporated changes due to upgrade of the Costpoint Enterprise resource planning (ERP) system as well as followed up on changes made in response to the 2008 evaluation. The evaluation concluded that there were no high risk points for consideration.

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

As part of NCTCOG's single audit, tests are made to determine the adequacy of internal control including that portion related to federal financial assistance programs, as well as to determine that NCTCOG has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended September 30, 2014, 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 2015 budget is approximately 83% grant funding and as new funding opportunities arise throughout the year, they are presented to the Executive Board for approval.

Other Information

Independent Audit - NCTCOG's Work Program is funded by a variety of federal, state, and local government sources. Most of the funding is received through grants, which include audit requirements. In addition to the audit requirements for individual grants, NCTCOG is required by its bylaws to have an annual audit made of the books of accounts, records, and all transactions by a Certified Public Accountant selected by and responsible to NCTCOG's Executive Board. The firm 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 Transportation (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, 2013. 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.



Mike Eastland
Executive Director



Monte Mercer, CPA
Deputy Executive Director



Shannan Ramirez
Chief Accounting Officer



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, 2013

Executive Director/CEO

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
2014- 2015 EXECUTIVE BOARD**

President
Kathryn Wilemon
Mayor Pro Tem
City of Arlington

Vice President
John Horn
County Judge
Hunt County

Secretary-Treasurer
Daniel Scarth
Councilmember
City of Fort Worth

Past President
Steve Terrell
Mayor
City of Allen

Director
Clay Jenkins
County Judge
Dallas County

Director
B. Glen Whitley
County Judge
Tarrant County

Director
Keith Self
County Judge
Collin County

Director
Vonciel Jones Hill
Councilmember
City of Dallas

Director
Dr. Larry Marshall
Councilmember
City of Benbrook

Director
Tom Lombard
Councilmember
City of North Richland Hills

Director
Laura Maczka
Mayor
City of Richardson

Director
Kevin Strength
Mayor
City of Waxahachie

Director
Laura Wheat
Mayor
Town of Westlake

Ex Officio Member
Toni Rose
State Representative

Executive Director
R. Michael Eastland

General Counsel
William P. Remington

ADMINISTRATIVE STAFF

Deputy Executive Director
Monte Mercer

Director of Transportation
Michael R. Morris

Director of Emergency Preparedness
Molly Thoerner

Director of Aging Programs
Doni Green

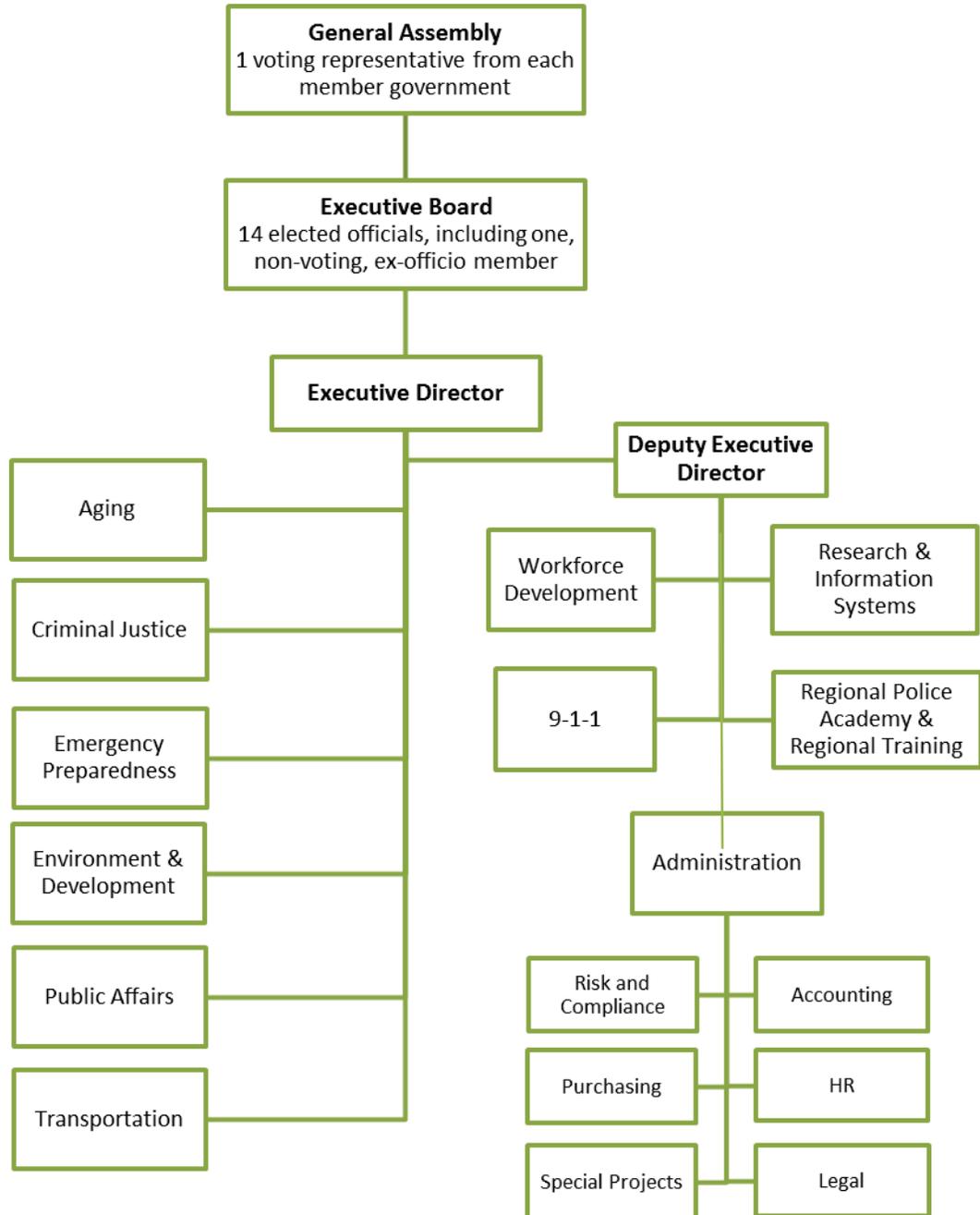
Director of Research and Information Services
Tim Barbee

Director of Environment and Development
Edith Marvin

Director of Workforce Development
David Setzer

Director of 911
Christy Williams

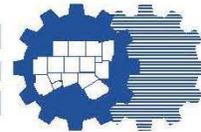
Organizational Chart North Central Texas Council of Governments



Mission Statement

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

North Central Texas Council of Governments



Values:

REGIONALISM

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

GOVERNANCE

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

SERVICE

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

EMPLOYEES

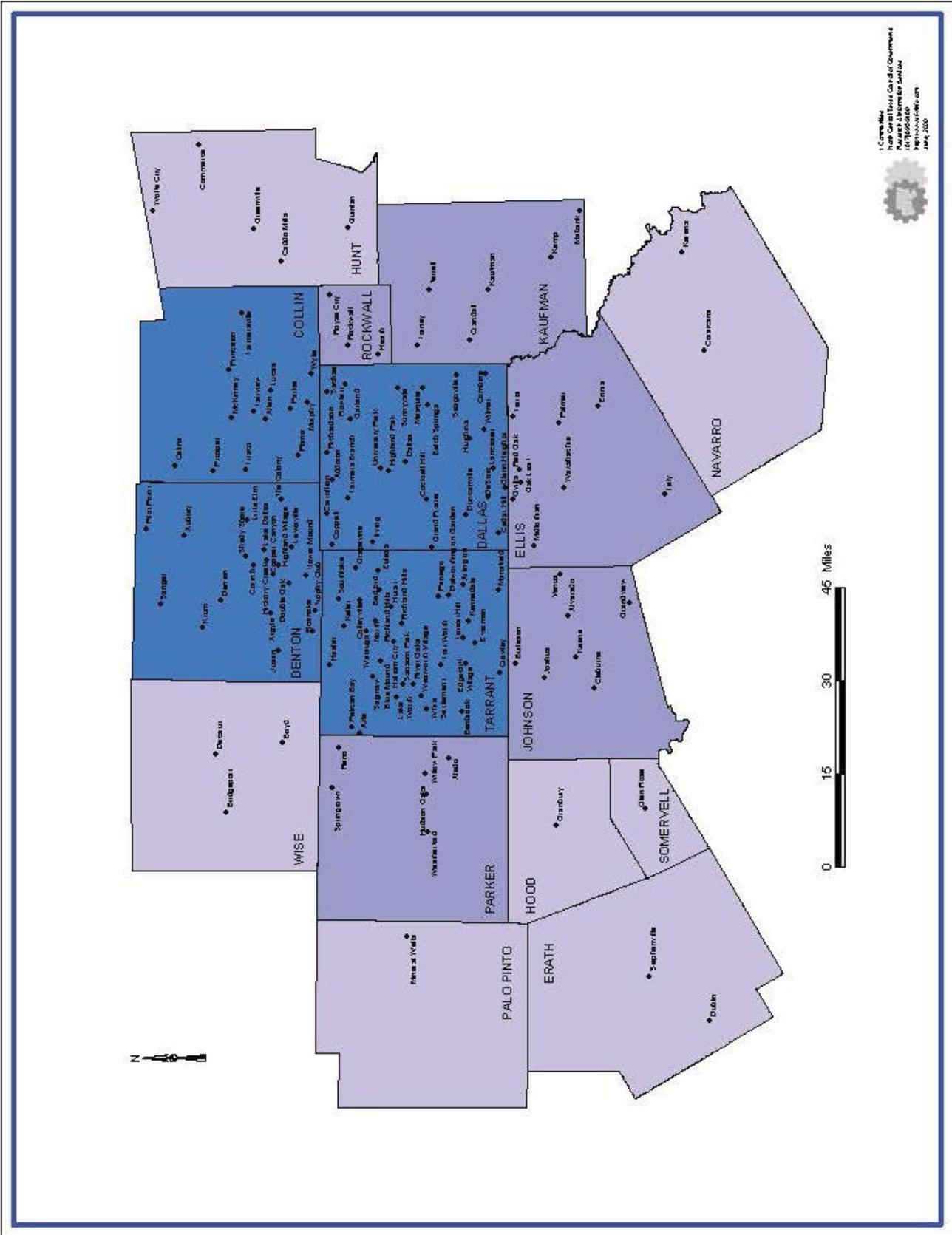
We value our employees and respect both individual excellence and dedicated teamwork. We support the principles of professional development, fair and consistent personnel practices, and competitive compensation.

ETHICS

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

INNOVATION

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



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

Counties (16)

Collin	Hunt	Rockwall
Dallas	Johnson	Somervell
Denton	Kaufman	Tarrant
Ellis	Navarro	Wise
Erath	Palo Pinto	
Hood	Parker	

Cities (165)

Addison	DeSoto	Joshua
Aledo	Dish	Justin
Allen	Double Oak	Kaufman
Alvarado	Dublin	Keene
Alvord	Duncanville	Keller
Angus	Edgecliff Village	Kemp
Anna	Ennis	Kennedale
Annetta	Eules	Kerens
Argyle	Everman	Lake Bridgeport
Arlington	Fairview (Collin)	Lake Dallas
Aubrey	Farmers Branch	Lake Worth
Aurora	Farmersville	Lakewood Village
Azle	Ferris	Lancaster
Balch Springs	Flower Mound	Lavon
Bartonville	Forest Hill	Lewisville
Bedford	Forney	Little Elm
Benbrook	Fort Worth	Lucas
Blooming Grove	Frisco	Mabank
Blue Mound	Garland	Mansfield
Blue Ridge	Glenn Heights	McKinney
Bridgeport	Glen Rose	McLendon-Chisholm
Burleson	Gordon	Melissa
Caddo Mills	Graford	Mesquite
Carrollton	Granbury	Midlothian
Cedar Hill	Grand Prairie	Milford
Celina	Grandview	Millsap
Cleburne	Grapevine	Mineral Wells
Colleyville	Greenville	Murphy
Combine	Hackberry	Newark
Commerce	Haltom City	New Fairview
Coppell	Haslet	New Hope
Copper Canyon	Heath	Northlake
Corinth	Hickory Creek	North Richland Hills
Corsicana	Highland Park	Oak Point
Crandall	Highland Village	Ovilla
Cross Timbers	Hudson Oaks	Pantego
Crowley	Hurst	Paradise
Dallas	Hutchins	Parker
Dalworthington Gardens	Irving	Pecan Hill
Decatur	Italy	Pilot Point
Denton	Josephine	Plano

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

Cities (165) - continued

Ponder
Princeton
Prosper
Quinlan
Red Oak
Reno
Rhome
Richardson
Richland Hills
Rio Vista
River Oaks
Roanoke
Rockwall
Rowlett

Royse City
Runaway Bay
Sachse
Saginaw
Sanger
Sansom Park
Scurry
Seagoville
Southlake
Springtown
Stephenville
Sunnyvale
Talty
Terrell

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

School Districts (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

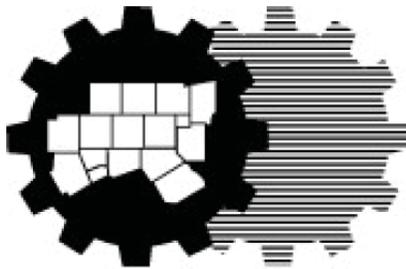
Mansfield ISD
Mesquite ISD
Midlothian ISD
Plano ISD
Richardson ISD
Rockwall ISD
Terrell ISD
Weatherford ISD

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, 2014, 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, 2014, 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 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 13, 2015

Page 3

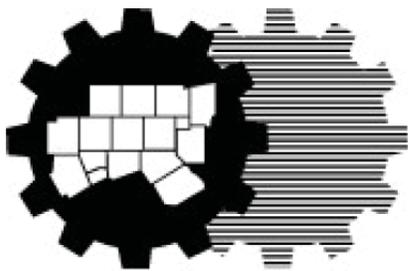
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2015, 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 13, 2015



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR YEAR ENDED SEPTEMBER 30, 2014

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, 2014. 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-xiv of this report.

Financial Highlights

- NCTCOG's assets exceeded liabilities at the close of the most recent fiscal year by \$12,736,582 (*net position*). Of this amount \$5,750,961 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- The net position increased \$1,110,378 or a 10% increase in the current year. The increase was mainly due to a \$560 thousand increase in net capital assets, \$351 thousand increase in Internal Service fund net assets and \$221 thousand increase in the general fund balance.
- NCTCOG's governmental funds reported combined ending fund balances of \$11,796,453, an increase of \$196,754, in comparison with the prior year. Of the total fund balance, approximately 43% is restricted for local transportation projects, 5% is reserved for grants and prepaids, 47% is available for spending at the government's discretion (*unassigned*) and 5% is assigned for other agency projects.
- Governmental funds total revenues decreased \$5,353,177 or 3.5% in the current year. This decrease comprised of a \$6.7 million increase in funds from the Federal Transit Administration (FTA), \$4.2 million less funds from the Commission on State Emergency Communications (CSEC), as Phase I of the Regional Emergency Services Internet Protocol Network (EsiNet) was completed in 2013, \$1.2 million in reduced funds from the Department of Labor (DOL), \$1.5 million decrease in funds from the Texas Commission on Environmental Quality (TCEQ), and \$5.5 million less local funds relating to the Regional Transportation Council Sustainable Development and Congestion Management programs.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,504,106, 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, 2014**

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, 2014**

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 \$12,736,582 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					
	2014			2013		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Assets						
Current and other assets	\$ 75,433,073	\$ 277,494	\$ 75,710,567	\$ 87,495,440	\$ 466,723	\$ 87,962,163
Capital assets	1,493,197	18,502	1,511,699	951,869	25,791	977,660
Total assets	<u>76,926,270</u>	<u>295,996</u>	<u>77,222,266</u>	<u>88,447,309</u>	<u>492,514</u>	<u>88,939,823</u>
Liabilities						
Long-term Liabilities outstanding	1,268,945	-	1,268,945	1,262,912	-	1,262,912
Other Liabilities	62,975,654	241,085	63,216,739	75,604,785	445,922	76,050,707
Total Liabilities	<u>64,244,599</u>	<u>241,085</u>	<u>64,485,684</u>	<u>76,867,697</u>	<u>445,922</u>	<u>77,313,619</u>
Net Position						
Investment in capital assets	1,493,197	18,502	1,511,699	951,869	25,791	977,660
Restricted for grants	344,380	-	344,380	271,591	-	271,591
Restricted for local transportation projects	5,129,542	-	5,129,542	5,129,542	-	5,129,542
Unrestricted	5,714,552	36,409	5,750,961	5,226,610	20,801	5,247,411
Total net position	<u>\$ 12,681,671</u>	<u>\$ 54,911</u>	<u>\$ 12,736,582</u>	<u>\$ 11,579,612</u>	<u>\$ 46,592</u>	<u>\$ 11,626,204</u>

- A portion of NCTCOG's net position, \$5,129,542, (40%) is restricted for local projects related to transportation funded initiatives. In October 2005, NCTCOGs' Regional Transportation Council (RTC) announced the 2005 Sustainable Development Call for Projects. In April 2006, the RTC selected projects and awarded funding for infrastructure, planning, and land banking projects which began funding at the end of fiscal year 2007 continuing throughout fiscal year 2014. Current year expenses for these projects totaled \$1,976,467 and cumulative expenses through fiscal year 2014 amount to \$74,651,435, leaving a remaining \$5 million 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, \$1,511,699, (12%) 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, \$344,380, (3%) are funds that have limitations for use as specified by the funding agencies.
- The remaining balance of net position totaling \$5,750,961, (45%) 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, 2014**

Change in Net position. For the year ended September 30, 2014, NCTCOG's net position increased by \$1,110,378. Following is a summary of the government-wide Statement of Activities:

	2014			2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program Revenues						
Federal Grant	\$ 22,491,763	\$ -	\$ 22,491,763	\$ 20,631,697	\$ -	\$ 20,631,697
State Administered grants	99,668,833	-	99,668,833	105,208,041	-	105,208,041
Local revenue & In-kind	24,839,146	1,643,984	26,483,130	26,477,435	1,833,735	28,311,170
Total Program Revenues	146,999,742	1,643,984	148,643,726	152,317,173	1,833,735	154,150,908
General Revenues:						
Membership Dues	664,694	-	664,694	657,054	-	\$ 657,054
Interest Income	18,661	-	18,661	62,047	-	62,047
Total General Revenue	683,355	-	683,355	719,101	-	719,101
Total Revenue	147,683,097	1,643,984	149,327,081	153,036,274	1,833,735	154,870,009
Expenses:						
Agency management and administration	6,529,975	-	6,529,975	6,170,047	-	6,170,047
Community Services	20,385,330	-	20,385,330	24,883,533	-	24,883,533
Emergency Preparedness	3,672,635	-	3,672,635	1,426,129	-	1,426,129
Environment and development	2,302,909	-	2,302,909	3,310,704	-	3,310,704
RIS local assistance	2,748,710	1,639,004	4,387,714	3,040,498	1,868,172	4,908,670
Transportation	53,195,247	-	53,195,247	55,148,280	-	55,148,280
Workforce development	57,742,893	-	57,742,893	59,152,671	-	59,152,671
Total expenses	146,577,699	1,639,004	148,216,703	153,131,862	1,868,172	155,000,034
Change in Net Position before Transfers	1,105,398	4,980	1,110,378	(95,588)	(34,437)	(130,025)
Transfers in (out)	(3,339)	3,339	-	-	-	-
Change in Net Position	1,102,059	8,319	1,110,378	(95,588)	(34,437)	(130,025)
Net Position - October 1	11,579,612	46,592	11,626,204	11,675,200	81,029	11,756,229
Net position - September 30	\$ 12,681,671	\$ 54,911	\$ 12,736,582	\$ 11,579,612	\$ 46,592	\$ 11,626,204

Significant components of the net position activity are as follows:

- Governmental funds total revenues decreased \$5,353,177 or 3.5% in the current year. This decrease was composed of a \$6.7 million increase in funds from the Federal Transit Administration (FTA), \$4.2 million less funds from the Commission on State Emergency Communications (CSEC), as Phase I of the Regional Emergency Services Internet Protocol Network (EsiNet) was completed in 2013, \$1.2 million in reduced funds from the Department of Labor (DOL), \$1.5 million decrease in funds from the Texas Commission on Environmental Quality (TCEQ), and \$5.5 million less local funds relating to the Regional Transportation Council Sustainable Development and Congestion Management programs.
- Governmental activities total expenses decreased \$6,554,163 or 4% in the current year. Key elements of the changes are as follows:
 - Community services expense decreased \$4,498,203 or 18% compared to 2013. \$4.2M of this decrease relates to the 2013 completion of Phase I of the implementation of our Regional EsiNet and Next Generation 911.
 - Emergency preparedness expenses increased \$2,246,506 or 158% when compared to 2013. The major component of this increase relates to the Safe Room Project.
 - Environment and development expenses decreased \$1,007,795 or 30% when compared to 2013. 2014 was the first year of a two year Solid Waste grant cycle and typically the majority of these expenses occur in year two.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2014**

- Research and Information Services expenditures decreased \$291,788 or 10% when compared with 2013. The contributing factor of this decrease was a limited regional flight in our orthophotography program. Every year either a full flight or a limited flight is performed.
- Workforce expenses decreased \$1,409,778 or 2% when compared to 2013. The two grants directly from DOL, Community Based Job Training and H1-B were almost completely expended in FY 2013 and experienced expenditure reductions in FY 2014 of approximately \$1.8 million.
- Transportation expenses decreased \$1,953,033 or 4% when compared with 2013. Key elements of the change are as follows; decrease of \$5.7 million in local activity in the Regional Transportation Council (RTC) Sustainable Development and Congestion Management programs due to decreased funding available for RTC projects as they near completion; decrease of \$1.5 million in the Aircheck Low Income Rate Assistance Program (LIRAP), decrease of \$1.2 million due to Diesel Emission Reduction Act (DERA) Clean School Bus and DERA On-Site Idle Reduction grants ending in fiscal year 2013, as well as an increase of \$7 million in Federal Transit Administration (FTA) grants with \$3.8 million relating to the Dallas streetcar project.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the NCTCOG's governmental funds reported combined ending fund balances of \$11,796,453 an increase of \$196,754 in comparison with the prior year. Approximately 47% of this total amount (\$5,504,106) 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 \$5,555,618. 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 \$221,253 during the current fiscal year.

Special Revenue Fund. The fund balance of NCTCOG's special revenue fund decreased by \$24,499 during the current fiscal year.

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 \$219,671, approximately 23% of budgeted total expenditures.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2014**

Capital Asset and Long Term Liability Administration

Capital assets. The NCTCOG's investment in capital assets for its governmental activities as of September 30, 2014, amounts to \$1,493,197 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and leasehold improvements.

	<u>2014</u>	<u>2013</u>
<u>Governmental Activities</u>		
Equipment	\$ 952,858	\$ 373,754
Leasehold Improvements	<u>540,339</u>	<u>578,115</u>
Total government activities capital assets	<u><u>\$ 1,493,197</u></u>	<u><u>\$ 951,869</u></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 \$1,268,945. This debt is related to accrued vacation that is payable to employees at the time of their departure from NCTCOG.

	Balance <u>September 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>September 30, 2014</u>	Due Within <u>One Year</u>
Accrued vacation	\$ 1,262,912	\$ 197,661	\$ 191,628	\$ 1,268,945	\$ 143,945
Total	<u><u>\$ 1,262,912</u></u>	<u><u>\$ 197,661</u></u>	<u><u>\$ 191,628</u></u>	<u><u>\$ 1,268,945</u></u>	<u><u>\$ 143,945</u></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 2015 is estimated at \$678,000.

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 2015 decreased a net of \$4.2 million from fiscal year 2014. Major program changes are:

Community Services estimated a \$3.4 million decrease in state and federal grants primarily comprised of; \$799 thousand increase from the Department of Aging and Disability Services (DADS), \$4.1 million decrease from the Commission on State Emergency Communications (CSEC), \$205 thousand decrease from the Texas Department of Public Safety (DPS) as well as a \$957 thousand increase in local contract funding.

Emergency preparedness anticipated decreased state funding of \$577 thousand from Texas Department of Public Safety (TDPS) as well as a \$1.2 million increase in local contract funding.

Environment and Development estimated increased state and federal funding of \$678 thousand; \$479 thousand from the Federal Emergency Management Agency (FEMA), \$199 thousand from the Texas Commission on Environmental Quality (TCEQ), as well as a reduction in local funds of \$358 thousand.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2014**

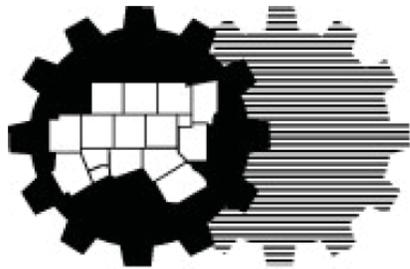
Workforce programs estimated \$750 thousand decreased state and federal funding; \$352 thousand decrease from the Texas Workforce Commission (TWC) and \$397 thousand decrease from the U.S. Department of Labor (DOL).

Transportation programs projected state and federal funding increase of \$3 million primarily comprised of; \$2.6 million increase from the Texas Department of Transportation (TXDOT), \$1.6 million increase from the Federal Transit Authority (FTA), \$385 thousand increase from the Federal Highway Administration (FHWA), \$718 thousand decrease from the Department of Energy (DOE), \$438 thousand decrease from the Federal Aviation Administration (FAA), \$295 thousand decrease from the Texas Commission on Environmental Quality (TCEQ), \$90 thousand decrease from the Environmental Protection Agency (EPA), as well as reduced local contract funding of \$5 million.

All of these factors were considered in preparing the NCTCOG's budget for the 2015 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, 2014**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 951,829	\$ -	\$ 951,829
Investments	48,080,388	-	48,080,388
Receivables	26,187,194	277,494	26,464,688
Prepays and other assets	213,662	-	213,662
Capital assets, net of accumulated depreciation	1,493,197	18,502	1,511,699
TOTAL ASSETS	76,926,270	295,996	77,222,266
LIABILITIES:			
Accounts payable and accrued expenses	18,795,897	-	18,795,897
Unearned revenue	44,420,842	-	44,420,842
Internal balances	(241,085)	241,085	-
Long-term liabilities			
Due within one year	143,945	-	143,945
Due in more than one year	1,125,000	-	1,125,000
TOTAL LIABILITIES	64,244,599	241,085	64,485,684
NET POSITION:			
Investment in capital assets	1,493,197	18,502	1,511,699
Restricted for grants	344,380	-	344,380
Restricted for local transportation projects	5,129,542	-	5,129,542
Unrestricted	5,714,552	36,409	5,750,961
TOTAL NET POSITION	\$ 12,681,671	\$ 54,911	\$ 12,736,582

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, 2014**

Functions/Programs	Expenses	Operating Grants and Contributions			Net (Expenses) Revenue and Changes in Net Position		
		Federal Funding	State/State Admin Funding	Local Contracts and In-kind Contributions	Primary Government		
					Governmental Activities	Business Type Activities	Total
Primary Government:							
Governmental Activities:							
Agency administration	\$ 5,775,899	\$ -	\$ -	\$ 886,614	\$ (4,889,285)	\$ -	\$ (4,889,285)
Agency management	754,076	5,359	-	19,217	(729,500)	-	(729,500)
Community services	20,385,330	-	14,445,171	7,598,556	1,658,397	-	1,658,397
Emergency preparedness	3,672,635	-	2,102,303	1,857,713	287,381	-	287,381
Environment and development	2,302,909	213,161	621,985	1,416,200	(51,563)	-	(51,563)
RIS local assistance	2,748,710	-	-	901,114	(1,847,596)	-	(1,847,596)
Transportation	53,195,247	21,144,090	25,986,133	9,273,037	3,208,013	-	3,208,013
Workforce development	57,742,893	1,129,153	56,513,241	2,886,695	2,786,196	-	2,786,196
Total governmental activities	146,577,699	22,491,763	99,668,833	24,839,146	422,043	-	422,043
Business-type activities:							
Shared services	1,639,004	-	-	1,643,984	-	4,980	4,980
Total primary government	\$ 148,216,703	\$ 22,491,763	\$ 99,668,833	\$ 26,483,130	\$ 422,043	\$ 4,980	\$ 427,023
General Revenues:							
					664,694	-	664,694
					18,661	-	18,661
					(3,339)	3,339	-
					<u>680,016</u>	<u>3,339</u>	<u>683,355</u>
					1,102,059	8,319	1,110,378
					<u>11,579,612</u>	<u>46,592</u>	<u>11,626,204</u>
					<u>\$ 12,681,671</u>	<u>\$ 54,911</u>	<u>\$ 12,736,582</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 951,829	\$ -	\$ 951,829
Investments	6,578,039	41,502,349	48,080,388
Accounts Receivable:			
Federal grants	-	7,179,681	7,179,681
State administered grants	-	17,413,648	17,413,648
Local grants	-	1,564,123	1,564,123
Other	29,636	106	29,742
Due from other funds	12,049,194	-	12,049,194
Prepays	16,631	162,150	178,781
Other assets	34,881	-	34,881
TOTAL ASSETS	<u>\$ 19,660,210</u>	<u>\$ 67,822,057</u>	<u>\$ 87,482,267</u>
LIABILITIES:			
Accounts payable	\$ 13,377,455	\$ -	\$ 13,377,455
Accrued liabilities	37,983	4,754,796	4,792,779
Accrued payroll and employee benefits	625,663	-	625,663
Due to other funds	-	12,469,075	12,469,075
Unearned revenue	63,491	44,357,351	44,420,842
TOTAL LIABILITIES	<u>14,104,592</u>	<u>61,581,222</u>	<u>75,685,814</u>
FUND BALANCES:			
Nonspendable	51,512	162,150	213,662
Restricted for grants	-	344,380	344,380
Restricted for local transportation	-	5,129,542	5,129,542
Assigned	-	604,763	604,763
Unassigned	5,504,106	-	5,504,106
TOTAL FUND BALANCES	<u>5,555,618</u>	<u>6,240,835</u>	<u>11,796,453</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,660,210</u>	<u>\$ 67,822,057</u>	<u>\$ 87,482,267</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, 2014**

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

Total Fund Balance - total governmental funds	\$ 11,796,453
Add: Capital assets net of accumulated depreciation as of September 30, 2014 used in governmental activities were not current financial resources and therefore not reported in the governmental funds balance sheet (excluding Internal Service Fund).	1,457,466
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.	696,697
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>(1,268,945)</u>
Net position of governmental activities (page 11)	<u><u>\$ 12,681,671</u></u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Federal grants	\$ -	\$ 22,491,763	\$ 22,491,763
State administered grants	-	99,668,833	99,668,833
Membership dues	664,694	-	664,694
Local contributions	273,731	7,870,783	8,144,514
In-Kind	-	16,227,555	16,227,555
Program income	-	467,077	467,077
Interest income	3,450	15,211	18,661
TOTAL REVENUES	<u>941,875</u>	<u>146,741,222</u>	<u>147,683,097</u>
EXPENDITURES:			
Current:			
Agency administration	3,217,506	2,973,249	6,190,755
Agency management	768,127	14,858	782,985
Community services	202,663	20,706,263	20,908,926
Emergency preparedness	136	3,816,816	3,816,952
Environment & development	138,234	2,342,460	2,480,694
Research & information services	299,287	2,750,179	3,049,466
Transportation	100,397	54,982,606	55,083,003
Workforce development	-	58,157,641	58,157,641
Capital outlay	7,267	1,014,047	1,021,314
	4,733,617	146,758,119	151,491,736
Indirect Cost Allocation	(3,985,911)	-	(3,985,911)
Contributions to Indirect Costs	(22,821)	-	(22,821)
TOTAL EXPENDITURES	<u>724,885</u>	<u>146,758,119</u>	<u>147,483,004</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>216,990</u>	<u>(16,897)</u>	<u>200,093</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	37,860	925,549	963,409
Transfers Out	(33,597)	(933,151)	(966,748)
TOTAL OTHER FINANCING SOURCES AND USES	<u>4,263</u>	<u>(7,602)</u>	<u>(3,339)</u>
NET CHANGE IN FUND BALANCES	221,253	(24,499)	196,754
FUND BALANCES - BEGINNING OF YEAR	<u>5,334,365</u>	<u>6,265,334</u>	<u>11,599,699</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,555,618</u>	<u>\$ 6,240,835</u>	<u>\$ 11,796,453</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, 2014**

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)	\$ 196,754
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.	1,021,314
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.	351,353
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.	(6,033)
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>(461,329)</u>
Change in net position of governmental activities (page 12)	<u><u>\$ 1,102,059</u></u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
ASSETS		
Accounts receivable	\$ 277,494	\$ -
Due from other funds	-	660,966
Total current assets	<u>277,494</u>	<u>660,966</u>
Capital assets, net of accumulated depreciation	<u>18,502</u>	<u>35,731</u>
TOTAL ASSETS	<u>295,996</u>	<u>696,697</u>
CURRENT LIABILITIES		
Due to other funds	<u>241,085</u>	<u>-</u>
TOTAL LIABILITIES	<u>241,085</u>	<u>-</u>
NET POSITION		
Investment in capital assets	18,502	35,731
Unrestricted	<u>36,409</u>	<u>660,966</u>
TOTAL NET POSITION	<u>\$ 54,911</u>	<u>\$ 696,697</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, 2014**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
OPERATING REVENUES		
Service charges	\$ 1,643,984	\$ 4,779,446
TOTAL OPERATING REVENUES	<u>1,643,984</u>	<u>4,779,446</u>
OPERATING EXPENSES		
Personnel	20,734	869,510
Indirect	3,662	153,575
Contract services	1,136,235	53,096
Travel	187	4,290
Depreciation	13,709	18,657
Other costs	464,477	3,328,965
TOTAL OPERATING EXPENSES	<u>1,639,004</u>	<u>4,428,093</u>
OPERATING INCOME	<u>4,980</u>	<u>351,353</u>
Transfers in	<u>3,339</u>	<u>-</u>
CHANGE IN NET POSITION	8,319	351,353
NET POSITION - BEGINNING OF YEAR	<u>46,592</u>	<u>345,344</u>
NET POSITION - END OF YEAR	<u>\$ 54,911</u>	<u>\$ 696,697</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, 2014**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from service charges	\$ 1,833,026	\$ 4,779,446
Payments to other funds for indirect and other costs	(208,499)	(523,585)
Payments to suppliers for goods and services	(1,600,712)	(3,386,351)
Payments to employees	(20,734)	(869,510)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,081</u>	<u>-</u>
CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES:		
Transfer in	3,339	-
Purchase of capital assets	(6,420)	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,081)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,980	\$ 351,353
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	13,709	18,657
Decrease in prepaid expenses	150	147,589
Decrease in accounts receivable	189,079	-
(Increase) in due from other funds	-	(517,599)
(Decrease) in due to other funds	(204,533)	-
(Decrease) in unearned revenue	(304)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,081</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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

General Statement

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

Summary of Significant Accounting Policies

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

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

1. Reporting Entity

Primary Government

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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

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. This fund accounts for these computer and maintenance 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.

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:

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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

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.

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

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

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 (\$1,268,945 at September 30, 2014) 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 (15) 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.

6. 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.

7. 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.

8. 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.

9. 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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

10. 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.

11. 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.

12. 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 2014, the Council contributed \$86,348 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, 2014 or any of the three preceding years ending September 30th.

13. 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.

14. 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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

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

Committed fund balance – includes 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.

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, 2014**

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, 2014 are classified in the accompanying financial statements as follows:

Statement of net position:

Primary Government	
Total cash and investments	<u>\$ 49,032,217</u>

Cash and investments as of September 30, 2014 consist of the following:

Deposits with financial institutions	\$ 951,179
Cash on hand	650
Investments	<u>48,080,388</u>
Total cash and investments	<u>\$ 49,032,217</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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, 2014, NCTCOG had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity(1)</u>
TexPool	\$ 21,455,191	48 days
Logic	438	59 days
TexStar	<u>26,624,759</u>	51 days
	<u>\$ 48,080,388</u>	

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

As of September 30, 2014 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	\$ 21,455,191	AAA	AAAm
Logic	438	AAA	AAAm
TexStar	<u>26,624,759</u>	AAA	AAAm
Total Primary Government	<u>\$ 48,080,388</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, 2014 other than external investment pools, NCTCOG did not have 5% or more of its investments with any one issuer.

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, 2014, the Council's deposits had a carrying amount of \$951,179 and a bank ledger balance of \$2,153,266 . Pledged collateral of \$3,525,158 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, 2014**

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, 2014, 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, 2013	Increases	Decreases	Balance September 30, 2014	Due Within One Year
Accrued vacation	\$ 1,262,912	\$ 197,661	\$ 191,628	\$ 1,268,945	\$ 143,945
Total	<u>\$ 1,262,912</u>	<u>\$ 197,661</u>	<u>\$ 191,628</u>	<u>\$ 1,268,945</u>	<u>\$ 143,945</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 \$18,403 during 2014. The Council contributed a matching \$16,485 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, 2014**

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, 2014:

Transfers in/out other funds:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue	\$ 37,860	Recovery of Depreciation
Enterprise Fund	Special Revenue	3,339	Local Funded Projects
Special Revenue	General Fund	33,597	Local match dollars
Special Revenue	Special Revenue	891,952	State funded projects/local match
	Total	<u>\$ 966,748</u>	

Due to/from other funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 12,049,194	\$ -
Special Revenue Fund	-	12,469,075
Enterprise Fund	-	241,085
Internal Service Fund	<u>660,966</u>	<u>-</u>
Total	<u>\$ 12,710,160</u>	<u>\$ 12,710,160</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, 2014**

NOTE G - CAPITAL ASSETS

Governmental activities:

A summary of changes in the governmental activities capital assets for the year ended September 30, 2014, follows:

	Balance at October 1, 2013	Increases	Decreases	Balance at September 30, 2014
Governmental Activities				
<u>General Capital Assets</u>				
Capital Assets being depreciated:				
Equipment	\$ 4,521,969	\$ 954,776	\$ (21,221)	\$ 5,455,524
Furniture	384,587	-	(57,164)	327,423
Leasehold Improvements	2,268,614	66,538	-	2,335,152
Total capital assets being depreciated	<u>7,175,170</u>	<u>1,021,314</u>	<u>(78,385)</u>	<u>8,118,099</u>
Accumulated depreciation				
Equipment	4,195,952	357,015	(21,221)	4,531,746
Furniture	384,587	-	(57,164)	327,423
Leasehold Improvements	1,697,150	104,314	-	1,801,464
Total accumulated depreciation	<u>6,277,689</u>	<u>461,329</u>	<u>(78,385)</u>	<u>6,660,633</u>
Total governmental funds capital assets, net	<u>897,481</u>	<u>559,985</u>	<u>-</u>	<u>1,457,466</u>
<u>Internal Service Fund Capital Assets</u>				
Capital assets being depreciated:				
Equipment	549,594	-	(27,155)	522,439
Furniture	1,005	-	-	1,005
Leasehold Improvements	14,671	-	-	14,671
Total capital assets being depreciated	<u>565,270</u>	<u>-</u>	<u>(27,155)</u>	<u>538,115</u>
Accumulated depreciation				
Equipment	501,857	18,657	(27,155)	493,359
Furniture	1,005	-	-	1,005
Leasehold Improvements	8,020	-	-	8,020
Total accumulated depreciation	<u>510,882</u>	<u>18,657</u>	<u>(27,155)</u>	<u>502,384</u>
Total internal service funds capital assets, net	<u>54,388</u>	<u>(18,657)</u>	<u>-</u>	<u>35,731</u>
Governmental activities capital assets, net	<u>\$ 951,869</u>	<u>\$ 541,328</u>	<u>\$ -</u>	<u>\$ 1,493,197</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE G - CAPITAL ASSETS (continued)

	Balance at October 1, 2013	Increases	Decreases/ Transfers	Balance at September 30, 2014
Business-type Activities:				
<u>Capital assets being depreciated:</u>				
Equipment	\$ 7,383,536	\$ 6,420	\$ -	\$ 7,389,956
Total capital assets being depreciated	<u>7,383,536</u>	<u>6,420</u>	<u>-</u>	<u>7,389,956</u>
<u>Accumulated Depreciation:</u>				
Equipment	7,357,745	13,709	-	7,371,454
Total accumulated depreciation	<u>7,357,745</u>	<u>13,709</u>	<u>-</u>	<u>7,371,454</u>
Total Business-type activities capital assets, net	<u>\$ 25,791</u>	<u>\$ (7,289)</u>	<u>\$ -</u>	<u>\$ 18,502</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	\$ 42,931
Agency Management	87
Community Services	64,398
Emergency Preparedness	16,704
Environment & Development	20,397
RIS Local Assistance	35,760
Transportation	230,644
Workforce Development	50,408
Internal Service Fund	18,657
Total depreciation expense-governmental activities	<u>\$ 479,986</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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 (\$2,339,987) during fiscal year 2014 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Full-time employees also contributed an amount of \$1,169,993 during 2014 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$20,174,893 including \$19,537,360 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 \$3,751,640 for 2014.

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, 2014, are as follows:

<u>Year Ending September 30</u>	
2015	\$ 3,697,630
2016	3,271,464
2017	3,062,232
2018	2,984,419
2019	2,802,366
Thereafter (2020-2025)	<u>9,886,933</u>
	<u><u>\$ 25,705,043</u></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, 2014, 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, 2014**

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

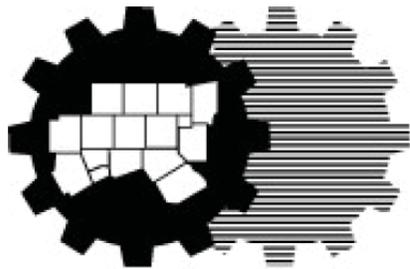
In accordance with GASB 54 the NCTCOG classifies governmental fund balances as follows:

DETAILED FUND BALANCE DISCLOSURE

	General Fund	Major Special Revenue Fund					TOTAL
		CJD	Local	TCEQ	TXWD	TXDOT	
FUND BALANCES:							
Non Spendable:							
Prepays	\$ 16,631	\$ -	\$ 162,150	\$ -	\$ -	\$ -	\$ 178,781
Inventory	34,881	-	-	-	-	-	34,881
Restricted:							
Grants	-	155,725	-	863	117,997	69,795	344,380
Local Transportation	-	-	5,129,542	-	-	-	5,129,542
Assigned:							
Other Agency Purposes	-	-	604,763	-	-	-	604,763
Unassigned	5,504,106	-	-	-	-	-	5,504,106
TOTAL FUND BALANCES:	\$ 5,555,618	\$ 155,725	\$ 5,896,455	\$ 863	\$ 117,997	\$ 69,795	\$ 11,796,453

NOTE L – SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through February 13, 2015, 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, 2014**

	Budgeted Amounts		Budget Basis Actual	Variance with Final Budget (Negative)
	Original	Final		
REVENUES				
Membership dues	\$ 665,212	\$ 665,212	\$ 664,694	\$ (518)
Local contributions	263,585	263,585	273,731	10,146
Interest income	10,000	10,000	3,450	(6,550)
Total revenues	<u>938,797</u>	<u>938,797</u>	<u>941,875</u>	<u>3,078</u>
EXPENDITURES				
Current:				
Agency administration	3,267,919	3,267,919	3,217,764	50,155
Agency management	759,693	679,693	603,168	76,525
Public affairs	212,807	212,807	164,959	47,848
Research and information services	271,263	301,263	300,179	1,084
Community services	241,085	241,085	202,795	38,290
Environment & development	140,000	140,000	138,391	1,609
Transportation	65,000	105,000	100,399	4,601
Capital outlay	-	10,000	7,267	2,733
Total current expenditures	<u>4,957,767</u>	<u>4,957,767</u>	<u>4,734,922</u>	<u>222,845</u>
Indirect cost allocation	(4,008,970)	(4,008,970)	(3,985,911)	(23,059)
Contributions to indirect costs	<u>(10,000)</u>	<u>(10,000)</u>	<u>(22,821)</u>	<u>12,821</u>
Total expenditures	<u>938,797</u>	<u>938,797</u>	<u>726,190</u>	<u>212,607</u>
Excess (deficiencies) of revenues Over/(under) expenditures	-	-	215,685	215,685
OTHER FINANCING SOURCES				
Transfers in	-	-	37,860	37,860
Transfers out	-	-	(33,597)	(33,597)
Charge for use of assets	35,000	35,000	39,164	4,164
Indirect allocation to Special Revenue Fund	<u>(33,418)</u>	<u>(33,418)</u>	<u>(37,859)</u>	<u>(4,441)</u>
Total other financing sources	<u>1,582</u>	<u>1,582</u>	<u>5,568</u>	<u>3,986</u>
Net changes in fund balances	1,582	1,582	221,253	219,671
Fund balances - beginning	<u>5,334,365</u>	<u>5,334,365</u>	<u>5,334,365</u>	-
Fund balances - ending	<u>\$ 5,335,947</u>	<u>\$ 5,335,947</u>	<u>\$ 5,555,618</u>	<u>\$ 219,671</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2014**

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)	\$ 724,885
Plus Charge for use of assets	39,164
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(37,859)</u>
Total Expenditures (Budget Basis)	<u>\$ 726,190</u>
Total Other Sources (GAAP Basis)	\$ 4,263
Plus Charge for use of assets	39,164
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(37,859)</u>
Total Other Sources (Budget Basis)	<u>\$ 5,568</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, 2014**

- 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, 2014**

	<u>Federal Funds Total</u>	<u>State and Locally Administered Funds Total</u>	<u>Combined Total</u>
REVENUES			
Federal grants	\$ 22,491,763	\$ -	\$ 22,491,763
State administered grants	-	99,668,833	99,668,833
Local contributions	62,671	7,808,112	7,870,783
In-Kind	5,188,283	11,039,272	16,227,555
Program income	-	467,077	467,077
Interest income	-	15,211	15,211
TOTAL REVENUES	<u>27,742,717</u>	<u>118,998,505</u>	<u>146,741,222</u>
EXPENDITURES			
Current:			
Agency administration	100,822	2,872,427	2,973,249
Agency management	14,720	138	14,858
Community services	-	20,706,263	20,706,263
Emergency preparedness	-	3,816,816	3,816,816
Environment & development	299,077	2,043,383	2,342,460
Research & information services	183	2,749,996	2,750,179
Transportation	26,750,157	28,232,449	54,982,606
Workforce development	1,118,969	57,038,672	58,157,641
Capital Outlay	-	1,014,047	1,014,047
TOTAL EXPENDITURES	<u>28,283,928</u>	<u>118,474,191</u>	<u>146,758,119</u>
EXCESSES (DEFICIENCIES) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(541,211)</u>	<u>524,314</u>	<u>(16,897)</u>
OTHER FINANCING SOURCES AND USES			
Transfers In	542,693	382,856	925,549
Transfers Out	(1,482)	(931,669)	(933,151)
TOTAL OTHER FINANCING SOURCES	<u>541,211</u>	<u>(548,813)</u>	<u>(7,602)</u>
NET CHANGE IN FUND BALANCES	-	(24,499)	(24,499)
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>6,265,334</u>	<u>6,265,334</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 6,240,835</u>	<u>\$ 6,240,835</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – FEDERAL GRANTS
YEAR ENDED SEPTEMBER 30, 2014**

	Federal Funds						TOTAL
	DOE	EPA	FTA	FEMA	DOL	DOC	
REVENUES							
Federal grants	\$ 776,513	\$ 23,124	\$20,344,454	\$ 213,160	\$1,129,153	\$ 5,359	\$22,491,763
State administered grants	-	-	-	-	-	-	-
Local contributions	-	-	(6,079)	68,750	-	-	62,671
In-Kind	1,436,448	2,012	3,740,455	-	-	9,368	5,188,283
TOTAL REVENUES	2,212,961	25,136	24,078,830	281,910	1,129,153	14,727	27,742,717
EXPENDITURES							
Current:							
Agency administration	23,794	1,037	63,487	2,924	9,580	-	100,822
Agency management	-	-	-	-	-	14,720	14,720
Emergency preparedness	-	-	-	-	-	-	-
Environment & development	18,987	-	-	280,090	-	-	299,077
Research & information services	-	-	-	-	183	-	183
Transportation	2,169,648	24,086	24,556,240	-	183	-	26,750,157
Workforce development	-	-	-	-	1,118,969	-	1,118,969
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,212,429	25,123	24,619,727	283,014	1,128,915	14,720	28,283,928
EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES	532	13	(540,897)	(1,104)	238	7	(541,211)
OTHER FINANCING SOURCES AND USES							
Transfers in	-	-	541,555	1,138	-	-	542,693
Transfers out	(532)	(13)	(658)	(34)	(238)	(7)	(1,482)
TOTAL OTHER FINANCING SOURCES AND USES	(532)	(13)	540,897	1,104	(238)	(7)	541,211
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
FUND BALANCES - BEGINNING OF YEAR	-	-	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2014**

	State and Locally Administered Funds				
	CJD	CSEC	LOCAL		TDA
			Transportation	Other	
REVENUES					
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
State administered grants	959,226	6,627,544	-	-	20,667
Local contributions	209,152	-	2,008,312	3,991,283	-
In-Kind	-	-	(8)	-	-
Program income	-	-	-	-	-
Interest income	-	450	8,381	-	-
TOTAL REVENUES	1,168,378	6,627,994	2,016,685	3,991,283	20,667
EXPENDITURES					
Current:					
Agency administration	25,387	64,950	63,176	995,933	841
Agency management	-	138	-	-	-
Community services	1,064,576	5,786,845	-	45,006	-
Emergency preparedness	5,092	-	-	568,386	-
Environment & development	-	-	40,138	1,332,759	20,229
Research & information services	1,312	-	-	892,767	-
Transportation	1,446	406	1,777,211	188	-
Workforce development	-	-	-	230	-
Capital Outlay	-	773,345	-	8,023	-
TOTAL EXPENDITURES	1,097,813	6,625,684	1,880,525	3,843,292	21,070
EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES	70,565	2,310	136,160	147,991	(403)
OTHER FINANCING SOURCES AND USES					
Transfers in	-	-	3,071	3,354	429
Transfers out	(904)	(2,310)	(139,231)	(248,633)	(26)
TOTAL OTHER FINANCING SOURCES AND USES	(904)	(2,310)	(136,160)	(245,279)	403
NET CHANGE IN FUND BALANCES	69,661	-	-	(97,288)	-
FUND BALANCES - BEGINNING OF YEAR	86,064	-	5,129,542	864,201	-
FUND BALANCES - END OF YEAR	\$ 155,725	\$ -	\$ 5,129,542	\$ 766,913	\$ -

State and Locally Administered Funds

TCEQ		DADS	TDPS	TWC	TVC	TXDOT	TXWD	Total
Transportation	Other							
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,351,992	601,318	6,819,762	2,140,943	56,380,376	132,866	22,634,139	-	99,668,833
-	-	120,587	-	-	-	1,478,778	-	7,808,112
-	-	6,730,045	1,046,774	2,735,591	-	526,870	-	11,039,272
62,898	-	237,051	-	143,416	-	23,712	-	467,077
965	227	-	-	-	-	5,188	-	15,211
<u>3,415,855</u>	<u>601,545</u>	<u>13,907,445</u>	<u>3,187,717</u>	<u>59,259,383</u>	<u>132,866</u>	<u>24,668,687</u>	<u>-</u>	<u>118,998,505</u>
13,990	16,185	166,591	124,410	676,573	6,244	718,147	-	2,872,427
-	-	-	-	-	-	-	-	138
-	-	13,731,082	12,761	-	-	65,993	-	20,706,263
-	-	-	3,237,236	6,102	-	-	-	3,816,816
-	587,747	-	-	2,616	-	59,894	-	2,043,383
19,808	-	2,997	38,549	1,546,992	-	247,571	-	2,749,996
3,384,370	103	5,377	-	7,021	-	23,056,327	-	28,232,449
-	-	-	-	56,911,829	126,613	-	-	57,038,672
-	-	-	12,189	102,456	-	118,034	-	1,014,047
<u>3,418,168</u>	<u>604,035</u>	<u>13,906,047</u>	<u>3,425,145</u>	<u>59,253,589</u>	<u>132,857</u>	<u>24,265,966</u>	<u>-</u>	<u>118,474,191</u>
<u>(2,313)</u>	<u>(2,490)</u>	<u>1,398</u>	<u>(237,428)</u>	<u>5,794</u>	<u>9</u>	<u>402,721</u>	<u>-</u>	<u>524,314</u>
2,805	1,022	2,250	238,522	-	-	131,403	-	382,856
(412)	(673)	(3,648)	(1,094)	(5,794)	(9)	(528,935)	-	(931,669)
<u>2,393</u>	<u>349</u>	<u>(1,398)</u>	<u>237,428</u>	<u>(5,794)</u>	<u>(9)</u>	<u>(397,532)</u>	<u>-</u>	<u>(548,813)</u>
80	(2,141)	-	-	-	-	5,189	-	(24,499)
483	2,441	-	-	-	-	64,606	117,997	6,265,334
<u>\$ 563</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,795</u>	<u>\$ 117,997</u>	<u>\$ 6,240,835</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2014**

	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 1,738,843	\$ 1,662,109
Benefits	<u>755,292</u>	<u>732,990</u>
Indirect personnel	2,494,135	2,395,099
Legal	8,453	20,000
Audit	86,250	91,000
Contract services	261,301	309,400
Travel	11,110	17,900
Equipment use fee	39,164	35,000
Consumable supplies	40,242	122,200
Insurance & bonding	36,375	36,200
Rent	394,229	466,600
Printing & publications	27,982	34,600
Equipment rental	6,525	0
Advertising	3,114	4,000
Maintenance & repairs	95,954	125,000
Employee recruitment	1,401	2,600
Communications	14,764	17,800
Postage	9,439	10,400
Subscriptions & dues	120,937	162,300
Other	<u>357,357</u>	<u>168,871</u>
TOTAL	4,008,732	4,018,970
Less: Contributions to Indirect costs	<u>(22,821)</u>	<u>(10,000)</u>
NET INDIRECT COSTS	<u>\$ 3,985,911</u>	<u>\$ 4,008,970</u>
Indirect costs rate computations:		
Net indirect costs	\$ <u>3,985,911</u>	\$ <u>4,008,970</u>
Direct salaries & benefits - all funds	\$ 22,567,372 = 17.66%	\$ 22,650,814 = 17.70%

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS - ALL FUNDS
YEAR ENDED SEPTEMBER 30, 2014**

Full Time Benefits Programs	<u>Actual</u>	<u>Projected</u>
Medicare insurance	\$ 272,020	\$ 284,974
Medical insurance	2,290,017	2,359,493
Worker's compensation	49,750	56,728
Flexible benefit plan	7,511	11,662
Life & disability insurance	141,263	144,490
Other benefits	29,315	112,000
Unemployment insurance	70,407	41,796
Retirement	2,177,589	2,058,406
Vacation	1,121,720	1,094,909
Sick leave	529,416	576,424
Holiday leave	766,953	768,565
Other leave	<u>88,527</u>	<u>56,701</u>
TOTAL	\$ <u>7,544,488</u>	\$ <u>7,566,148</u>
 Employee benefits rate computations:		
Total full-time benefits	\$ <u>7,544,488</u>	\$ <u>7,566,148</u>
Total regular salaries	\$ 17,268,278 = 43.69%	\$ 17,156,802 = 44.10%
 Total personnel costs recap:		
Salaries	\$ 17,268,278	\$ 17,156,802
Benefits	<u>7,544,488</u>	<u>7,566,148</u>
 Personnel - NCTCOG	 <u>\$ 24,812,766</u>	 <u>\$ 24,722,950</u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST LIMITATIONS TEST
 FISCAL YEAR 2014 ACTUAL
 OCTOBER 1, 2013 - SEPTEMBER 30, 2014**

Total Indirect Costs	\$ 3,985,911		
Expenditures:			
General Fund	4,733,617		
Special Revenue Fund	146,758,119		
Proprietary Fund	4,428,093		
Enterprise Fund	1,639,004		
Interdepartmental Transfers for Direct Charges and Indirect Costs	<u>(8,765,357)</u>		
Total Expenditures	148,793,476	=	2.7%
Less:			
Pass-Through Funds ⁽¹⁾	(47,914,796)		
In-Kind Expenditures	(16,177,614)		
Contract Services	(35,366,112)		
Capital Expenditures	<u>(1,021,314)</u>		
Adjusted Expenditures	48,313,640	=	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, 2014**

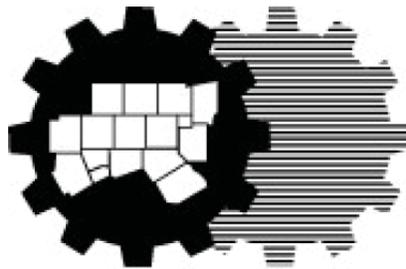
	<u>Totals</u>
CAPITAL ASSETS	
Equipment	\$ 13,367,919
Furniture	328,428
Leasehold Improvements	<u>2,349,823</u>
Total Capital Assets	<u>\$ 16,046,170</u>
SOURCES	
NCTCOG	
Equipment	\$ 9,966,945
Furniture	89,693
Leasehold Improvements	<u>619,601</u>
	10,676,239
GRANT FUNDED	
Equipment	3,400,975
Furniture	238,736
Leasehold Improvements	<u>1,730,220</u>
	5,369,931
Less: Internal Service Fund Assets	538,115
Less: Enterprise Fund	<u>7,389,956</u>
Total General Capital Assets	<u>\$ 8,118,099</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2014**

	<u>Totals</u>
CAPITAL ASSETS	
Local Assistance	\$ 1,265,257
Transportation Planning-TxDOT	841,120
Regional Information Services	1,286,210
Environmental Resources	93,194
Emergency Preparedness	252,688
Workforce Development	3,352,543
Community Services	1,565,202
Enterprise Fund	<u>7,389,956</u>
 Total Capital Assets	 16,046,170
 Less: Internal Service Fund	 538,115
Less: Enterprise Fund	<u>7,389,956</u>
 Total General Capital Assets	 \$ <u><u>8,118,099</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2014**

	<u>2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>2014</u>
CAPITAL ASSETS				
Local assistance	\$ 1,298,343	\$ 15,290	\$ 48,376	\$ 1,265,257
Transportation planning-TxDOT	731,705	118,034	8,619	841,120
Regional information services	1,286,210	-	-	1,286,210
Environmental resources	99,054	-	5,860	93,194
Emergency preparedness	240,834	12,189	335	252,688
Workforce development	3,291,296	102,456	41,209	3,352,543
Community services	792,998	773,345	1,141	1,565,202
Enterprise fund	<u>7,383,536</u>	<u>6,420</u>	<u>-</u>	<u>7,389,956</u>
 Total capital assets	 15,123,976	 1,027,734	 105,540	 16,046,170
 Less: Internal service fund	 565,270	 -	 27,155	 538,115
Less: Enterprise fund	<u>7,383,536</u>	<u>6,420</u>	<u>-</u>	<u>7,389,956</u>
 Total General Capital Assets	 <u>\$ 7,175,170</u>	 <u>\$ 1,021,314</u>	 <u>\$ 78,385</u>	 <u>\$ 8,118,099</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>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities			
Net investment in capital assets	\$ 1,493,197	\$ 951,869	\$ 1,131,432
Restricted	5,473,922	5,401,133	6,231,665
Unrestricted	<u>5,714,552</u>	<u>5,226,610</u>	<u>4,312,103</u>
Total governmental activities net position	<u>\$ 12,681,671</u>	<u>\$ 11,579,612</u>	<u>\$ 11,675,200</u>
Business-type activities			
Net investment in capital assets	\$ 18,502	\$ 25,791	\$ 13,260
Unrestricted	<u>36,409</u>	<u>20,801</u>	<u>67,769</u>
Total business-type activities net position	<u>\$ 54,911</u>	<u>\$ 46,592</u>	<u>\$ 81,029</u>
Primary government			
Investment in capital assets	\$ 1,511,699	\$ 977,660	\$ 1,144,692
Restricted	5,473,922	5,401,133	6,231,665
Unrestricted	<u>5,750,961</u>	<u>5,247,411</u>	<u>4,379,872</u>
Total primary governmental net position	<u>\$ 12,736,582</u>	<u>\$ 11,626,204</u>	<u>\$ 11,756,229</u>

Source: Comprehensive Annual Financial Report

Note: Accrual-basis financial information for the NCTCOG as a whole is only available back to 2003, the year GASB Statement 34 was implemented.

TABLE 1

Fiscal Year						
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 1,368,144	\$ 1,161,862	\$ 1,497,753	\$ 1,255,488	\$ 484,470	\$ 498,220	\$ 546,788
14,061,433	27,942,962	38,909,613	53,519,795	40,565,985	202,931	144,383
4,122,881	3,816,701	3,646,310	3,776,966	3,254,971	2,900,375	2,729,099
<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>	<u>\$ 3,420,270</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>	<u>\$ -</u>
\$ 1,390,244	\$ 1,161,862	\$ 1,497,753	\$ 2,472,795	\$ 4,243,561	\$ 7,025,368	\$ 546,788
14,061,433	27,942,962	38,909,613	53,519,795	40,565,985	202,931	144,383
4,178,537	3,906,842	3,713,655	3,905,481	3,160,800	3,008,683	2,729,099
<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>	<u>\$ 3,420,270</u>

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

	Fiscal Year			
	2014	2013	2012	2011
Expenses				
Governmental activities:				
Agency administration	\$ 5,775,899	\$ 5,463,174	\$ 5,276,175	\$ 5,201,324
Agency management	754,076	706,873	759,547	848,942
Community services	20,385,330	24,883,533	18,522,455	22,909,179
Emergency preparedness	3,672,635	1,426,129	2,062,309	3,539,299
Environment and development	2,302,909	3,310,704	2,074,557	4,587,918
RIS local assistance	2,748,710	3,040,498	2,637,422	3,446,598
Transportation	53,195,247	55,148,280	56,170,198	76,151,018
Workforce development	57,742,893	59,152,671	55,962,878	58,952,928
Total governmental activities expenses	<u>146,577,699</u>	<u>153,131,862</u>	<u>143,465,541</u>	<u>175,637,206</u>
Business-type activities:				
Shared service center	1,639,004	1,868,172	1,936,213	1,947,896
Total business-type activities expenses	<u>1,639,004</u>	<u>1,868,172</u>	<u>1,936,213</u>	<u>1,947,896</u>
Total primary government expenses	<u>\$ 148,216,703</u>	<u>\$ 155,000,034</u>	<u>\$ 145,401,754</u>	<u>\$ 177,585,102</u>
Program Revenues				
Governmental activities:				
Operating grants:				
Agency administration	\$ 5,359	\$ -	\$ 120,965	\$ 238,845
Community services	14,445,171	18,843,748	13,050,047	17,129,937
Emergency preparedness	2,102,303	872,066	1,658,836	3,378,498
Environment and development	835,146	2,123,277	1,003,473	3,799,786
RIS local assistance	-	-	-	37,938
Transportation	47,130,223	44,801,874	37,113,912	48,336,809
Workforce development	57,642,394	59,198,773	55,814,882	59,195,722
Local grants and contributions	24,839,146	26,477,435	26,132,659	26,264,855
Total governmental activities program revenues	<u>146,999,742</u>	<u>152,317,173</u>	<u>134,894,774</u>	<u>158,382,390</u>
Business-type activities:				
Charges for services:				
Shared services	1,643,984	1,833,735	1,939,496	1,939,738
Total business-type activities program revenues	<u>1,643,984</u>	<u>1,833,735</u>	<u>1,939,496</u>	<u>1,939,738</u>
Total primary government program revenues	<u>\$ 148,643,726</u>	<u>\$ 154,150,908</u>	<u>\$ 136,834,270</u>	<u>\$ 160,322,128</u>
Net (Expenses) Revenue				
Governmental activities	\$ 422,043	\$ (814,689)	\$ (8,570,767)	\$ (14,254,816)
Business-type activities	4,980	(34,437)	3,283	(8,158)
Total primary government net expenses	<u>\$ 427,023</u>	<u>\$ (849,126)</u>	<u>\$ (8,567,484)</u>	<u>\$ (14,262,974)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Membership dues	\$ 664,694	\$ 657,054	\$ 651,539	\$ 663,091
Interest on investments	18,661	62,047	41,970	218,421
Transfers in (out)	(3,339)	-	-	4,237
Total governmental activities	<u>680,016</u>	<u>719,101</u>	<u>693,509</u>	<u>885,749</u>
Business-type activities:				
Transfers in (out)	3,339	-	-	(4,237)
Total business-type activities	<u>3,339</u>	<u>-</u>	<u>-</u>	<u>(4,237)</u>
Total primary government	<u>\$ 683,355</u>	<u>\$ 719,101</u>	<u>\$ 693,509</u>	<u>\$ 881,512</u>
Change in Net Position				
Governmental activities	\$ 1,102,059	\$ (95,588)	\$ (7,877,258)	\$ (13,369,067)
Business-type activities	8,319	(34,437)	3,283	(12,395)
Total primary government	<u>\$ 1,110,378</u>	<u>\$ (130,025)</u>	<u>\$ (7,873,975)</u>	<u>\$ (13,381,462)</u>

Source: Comprehensive Annual Financial Report

Note: Accrual-basis financial information for the NCTCOG as a whole is only available back to 2003, the year GASB Statement 34 was implemented.

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

TABLE 2

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 5,227,937	\$ 5,269,854	\$ 5,355,259	\$ 4,802,438	\$ 3,655,700	\$ 2,909,373
776,145	853,457	571,395	558,360	610,618	947,451
20,488,403	22,490,067	19,668,658	14,732,789	15,019,016	13,912,338
2,781,337	2,435,347	4,461,768	6,766,770	1,129,860	1,090,853
4,614,671	5,709,613	4,343,873	5,520,315	2,960,701	5,607,103
2,487,667	3,486,236	2,979,893	2,227,484	2,279,069	2,987,476
75,614,317	63,238,757	59,886,873	47,265,285	14,443,094	12,346,155
59,043,491	53,269,187	48,193,206	49,917,806	44,205,070	43,430,365
<u>171,033,968</u>	<u>156,752,518</u>	<u>145,460,925</u>	<u>131,791,247</u>	<u>84,303,128</u>	<u>83,231,114</u>
1,987,466	2,861,816	4,023,843	4,484,126	2,094,538	114,631
<u>1,987,466</u>	<u>2,861,816</u>	<u>4,023,843</u>	<u>4,484,126</u>	<u>2,094,538</u>	<u>114,631</u>
<u>\$ 173,021,434</u>	<u>\$ 159,614,334</u>	<u>\$ 149,484,768</u>	<u>\$ 136,275,373</u>	<u>\$ 86,397,666</u>	<u>\$ 83,345,745</u>
\$ 123,814	\$ 100,626	\$ 78,732	\$ 829,212	\$ 770,046	\$ 133,036
15,802,837	17,634,359	14,759,657	10,043,056	10,341,041	9,827,308
3,087,356	2,262,037	4,547,830	6,846,840	1,140,891	1,157,462
1,795,328	4,353,732	1,943,294	2,430,434	1,920,421	3,942,280
158,382	200,903	159,905	1,115,696	1,405,433	13,906
56,793,123	42,882,386	46,223,986	29,793,889	13,173,525	13,040,326
58,439,547	51,946,951	50,814,449	51,347,719	45,422,270	44,466,690
22,639,979	21,644,684	38,238,325	66,241,118	9,393,181	9,871,427
<u>158,840,366</u>	<u>141,025,678</u>	<u>156,766,178</u>	<u>168,647,964</u>	<u>83,566,808</u>	<u>82,452,435</u>
2,010,262	1,583,339	1,704,745	1,513,590	8,729,994	114,631
<u>2,010,262</u>	<u>1,583,339</u>	<u>1,704,745</u>	<u>1,513,590</u>	<u>8,729,994</u>	<u>114,631</u>
<u>\$ 160,850,628</u>	<u>\$ 142,609,017</u>	<u>\$ 158,470,923</u>	<u>\$ 170,161,554</u>	<u>\$ 92,296,802</u>	<u>\$ 82,567,066</u>
\$ (12,193,602)	\$ (15,726,840)	\$ 11,305,253	\$ 36,856,717	\$ (736,320)	\$ (778,679)
22,796	(1,278,477)	(2,319,098)	(2,970,536)	6,635,456	-
<u>\$ (12,170,806)</u>	<u>\$ (17,005,317)</u>	<u>\$ 8,986,155</u>	<u>\$ 33,886,181</u>	<u>\$ 5,899,136</u>	<u>\$ (778,679)</u>
\$ 654,835	\$ 645,519	\$ 632,215	\$ 617,503	\$ 595,578	\$ 579,019
406,616	582,748	2,308,855	3,230,180	321,998	294,684
-	-	-	-	-	-
<u>1,061,451</u>	<u>1,228,267</u>	<u>2,941,070</u>	<u>3,847,683</u>	<u>917,576</u>	<u>873,703</u>
-	-	-	-	-	-
<u>\$ 1,061,451</u>	<u>\$ 1,228,267</u>	<u>\$ 2,941,070</u>	<u>\$ 3,847,683</u>	<u>\$ 917,576</u>	<u>\$ 873,703</u>
\$ (11,132,151)	\$ (14,498,573)	\$ 14,246,323	\$ 40,704,400	\$ 181,256	\$ 95,024
22,796	(1,278,477)	(2,319,098)	(2,970,536)	6,635,456	-
<u>\$ (11,109,355)</u>	<u>\$ (15,777,050)</u>	<u>\$ 11,927,225</u>	<u>\$ 37,733,864</u>	<u>\$ 6,816,712</u>	<u>\$ 95,024</u>

**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>	<u>2007</u>
General Fund				
Reserved ^a	\$ 10,946	\$ 3,158	\$ 13,322	\$ 15,555
Unreserved	4,988,995	4,884,409	4,708,103	4,256,017
Total general fund	<u>\$ 4,999,941</u>	<u>\$ 4,887,567</u>	<u>\$ 4,721,425</u>	<u>\$ 4,271,572</u>
All Other Governmental Funds				
Reserved for:				
Prepaid items	\$ 79,881	\$ 55,054	\$ 47,588	\$ 48,359
Grants	221,448	796,364	645,283	437,221
Local transportation projects	27,721,514	38,113,249	52,874,512	40,148,643
Unreserved, reported in:				
Special revenue funds	-	-	-	(66,059)
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 28,022,843</u>	<u>\$ 38,964,667</u>	<u>\$ 53,567,383</u>	<u>\$ 40,568,164</u>
	Fiscal Year - Post GASB 54			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Non Spendable:				
Non Spendable	\$ 51,512	\$ 67,473	\$ 55,616	\$ 80,646
Spendable:				
Unassigned	5,504,106	5,266,892	5,029,314	4,918,967
Total General Fund	<u>\$ 5,555,618</u>	<u>\$ 5,334,365</u>	<u>\$ 5,084,930</u>	<u>\$ 4,999,613</u>
All Other Governmental Funds				
Non Spendable:				
Non Spendable	\$ 162,150	\$ 98,930	\$ 57,990	\$ 36,339
Spendable:				
Restricted for grants	344,380	271,591	193,244	181,786
Restricted for local transportation	5,129,542	5,129,542	6,038,421	13,877,396
Assigned	604,763	765,271	248,498	204,827
Total all other governmental funds	<u>\$ 6,240,835</u>	<u>\$ 6,265,334</u>	<u>\$ 6,538,153</u>	<u>\$ 14,300,348</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>2006</u>	<u>2005</u>
\$ 142,193	\$ 169,310
<u>3,612,647</u>	<u>3,309,101</u>
<u>\$ 3,754,840</u>	<u>\$ 3,478,411</u>
\$ 51,762	\$ 42,122
104,684	102,261
-	-
-	-
-	-
<u>\$ 156,446</u>	<u>\$ 144,383</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
REVENUES				
Federal grants	\$ 22,491,763	\$ 20,631,697	\$ 10,839,413	\$ 12,979,109
State administered grants	99,668,833	105,208,041	97,922,702	119,138,426
Membership dues	664,694	657,054	651,539	663,091
Local contributed cash	8,144,514	12,964,481	6,000,683	7,718,250
In-Kind	16,227,555	13,125,408	19,820,625	21,228,282
Program income	467,077	387,546	311,351	318,323
Interest income	18,661	62,047	41,970	218,421
TOTAL REVENUES	147,683,097	153,036,274	135,588,283	162,263,902
EXPENDITURES				
Current:				
Agency administration	6,190,755	6,020,958	6,123,956	6,037,841
Agency management	782,985	570,521	522,548	602,541
Community services	20,908,926	25,323,042	18,967,988	23,368,882
Emergency preparedness	3,816,952	1,549,436	2,199,152	3,703,670
Environment & development	2,480,694	3,480,494	2,237,449	4,814,780
Research & information services	3,049,466	3,308,621	2,875,759	3,691,229
Transportation	55,083,003	56,926,135	57,792,540	77,753,457
Workforce development	58,157,641	59,530,189	56,271,929	59,235,482
Capital outlay	1,021,314	168,034	229,057	793,319
	151,491,736	156,877,430	147,220,378	180,001,201
Indirect cost allocation	(3,985,911)	(3,799,890)	(3,634,081)	(3,718,074)
Contributions to indirect costs	(22,821)	(17,882)	(321,138)	(292,163)
TOTAL EXPENDITURES	147,483,004	153,059,658	143,265,159	175,990,964
EXCESS OF REVENUES OVER EXPENDITURES	200,093	(23,384)	(7,676,876)	(13,727,062)
OTHER FINANCING SOURCES AND USES				
Capital-related debt issued (note payable)	-	-	-	-
Transfers In	963,409	1,239,823	1,144,310	1,234,411
Transfers out	(966,748)	(1,239,823)	(1,144,310)	(1,230,174)
Total other financing sources (uses)	(3,339)	-	-	4,237
NET CHANGE IN FUND BALANCES	\$ 196,754	\$ (23,384)	\$ (7,676,876)	\$ (13,722,825)

TABLE 4

FISCAL YEAR					
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 12,842,963	\$ 3,391,827	\$ 4,796,333	\$ 2,130,761	\$ 695,214	\$ 311,125
123,357,424	115,989,167	113,731,520	100,276,085	73,478,413	72,269,883
654,835	645,519	632,215	617,503	595,578	579,019
7,242,670	9,694,057	26,908,819	44,262,299	4,342,999	5,383,009
15,055,527	11,505,589	10,893,201	21,514,892	4,565,843	3,934,202
341,782	445,038	436,305	463,927	484,339	554,216
406,616	582,748	2,308,855	3,230,180	321,998	294,684
<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>	<u>83,326,138</u>
6,149,666	6,239,753	5,380,601	4,780,155	3,681,798	3,301,741
611,201	617,456	580,135	569,182	636,145	959,325
20,913,065	22,810,881	20,020,526	15,051,041	15,442,386	14,097,463
2,919,321	2,555,857	4,527,038	6,892,294	1,144,842	1,144,296
4,842,179	5,906,678	4,380,767	5,612,603	3,020,890	5,774,954
2,688,156	3,660,746	3,000,855	2,215,495	2,323,786	3,119,094
77,112,327	64,537,300	60,937,748	48,098,352	14,761,367	12,949,745
59,291,468	53,457,071	49,234,539	51,333,120	45,410,697	43,633,788
198,978	614,578	1,423,653	374,854	201,959	348,945
<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>	<u>85,329,351</u>
(3,614,978)	(3,359,333)	(2,860,926)	(2,872,021)	(2,160,816)	(2,186,536)
(380,116)	(378,949)	(366,759)	(363,527)	(352,543)	(279,397)
<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>	<u>82,863,418</u>
(10,829,450)	(14,408,093)	13,449,071	40,804,099	373,873	462,720
-	-	-	149,887	-	-
717,919	1,058,306	627,426	314,725	218,893	330,534
(717,919)	(1,086,787)	(627,426)	(340,564)	(303,970)	(424,710)
<u>-</u>	<u>(28,481)</u>	<u>-</u>	<u>124,048</u>	<u>(85,077)</u>	<u>(94,176)</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>	<u>\$ 368,544</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>	
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
2005	579,019	294,684	5,383,009	3,934,202	554,216	10,745,130

Notes: (1) Includes General and Special Revenue

TABLE 5

GRANTS			GRAND
<u>State</u>	<u>Federal</u>	<u>TOTAL</u>	TOTAL
\$ 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
72,269,883	311,125	72,581,008	83,326,138

**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>
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

Year	Estimated Population ^a	Personal Income ^b	Per Capita Personal Income ^b	School Enrollment ^c	Unemployment Rate ^d
2014	6,841,530 *	\$ 324,248,246,715 *	\$ 47,608 *	1,336,653 *	4.5%
2013	6,752,640	320,035,384,000	46,989	1,312,126	5.7%
2012	6,671,280	311,008,898,000	46,400	1,289,298	6.7%
2011	6,602,560	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%
2005	6,047,800	218,771,377,000	37,872	1,086,599	5.2%

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

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

2009		
Employer ^a	Employees	Percentage of Total NCTCOG Employment
Wal-Mart	37,100	1.21%
American Airlines	21,935	0.72%
Baylor Health Care System	18,000	0.59%
Texas Health Resources	17,485	0.57%
AT&T	14,400	0.47%
Lockheed Martin Aeronautics	14,100	0.46%
Verizon Communication	14,000	0.46%
HCA	12,300	0.40%
JPMorgan Chase	10,000	0.33%
Citi	9,100	0.30%
Total	168,420	5.51%

Total NCTCOG Region Employees ^b 3,059,028

Source: ^a Dallas Business Journal, Book of Lists 2010
^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

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Agency Management	3	3	3	3	3	3	3	3	3	3
Agency Administration	39	39	38	39	39	39	34	30	27	24
Public Affairs	2	2	3	4	4	4	4	4	4	4
Research and Information Services	27	27	26	30	32	32	31	27	26	24
Community Services	47	44	44	45	41	40	38	34	32	31
Environment & Development	12	12	18	23	23	24	26	24	24	24
Transportation	149	149	153	158	149	154	145	116	108	90
Workforce Development	34	31	28	25	22	22	24	23	28	28
Emergency Preparedness	12	12	13	18	18	13	11	9	6	6
Total	325	319	326	345	331	331	316	270	258	234

Source:

Agency Annual Fiscal Program

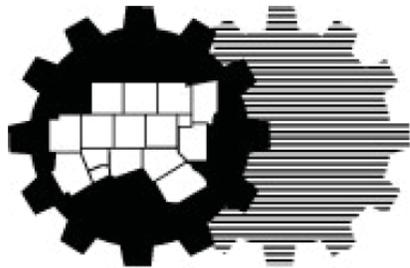
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Function/Program	Fiscal Year			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Local assistance	\$ 1,265,257	\$ 1,298,343	\$ 1,284,610	\$ 1,220,486
Transportation - TxDOT	841,120	731,705	731,705	726,435
Regional information services	1,286,210	1,286,210	1,301,023	1,301,023
Environmental resources	93,194	99,054	99,054	99,054
Emergency preparedness	252,688	240,834	241,709	241,709
Workforce development	3,352,543	3,291,296	3,291,867	3,234,064
Community services	1,565,202	792,998	697,102	600,545
Enterprise Fund	7,389,956	7,383,536	7,361,554	7,361,554
Prior Year Balance	-	-	-	-

Source: Comprehensive Annual Financial Report

TABLE 10

Fiscal Year					
<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 1,188,120	\$ 1,185,086	\$ 1,208,926	\$ 772,363	\$ 583,680	\$ 580,468
617,517	617,517	540,975	414,588	344,444	334,216
1,264,710	1,264,710	1,102,440	837,499	800,347	753,631
99,054	99,054	99,054	99,054	99,054	135,912
215,893	188,670	88,164	67,451	59,186	39,307
2,659,095	2,592,517	2,530,547	2,076,129	2,026,134	2,081,390
600,545	501,362	376,749	151,005	130,390	164,217
7,335,034	7,335,034	7,335,034	8,080,514	8,080,514	553,333
-	-	-	-	3,967,800	3,967,800



**North Central Texas
Council of Governments**