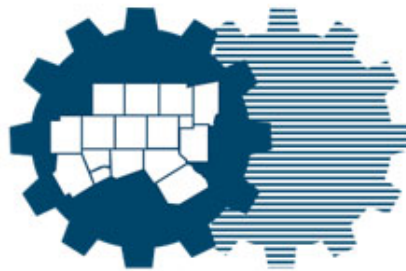


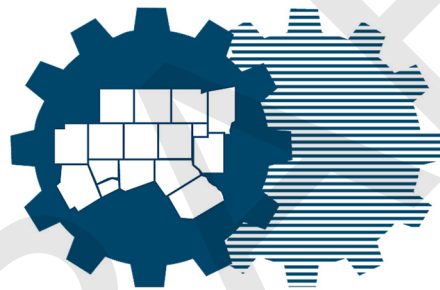


ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2021



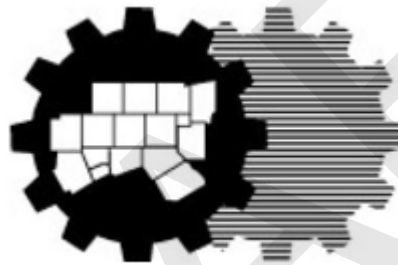
North Central Texas
Council of Governments



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

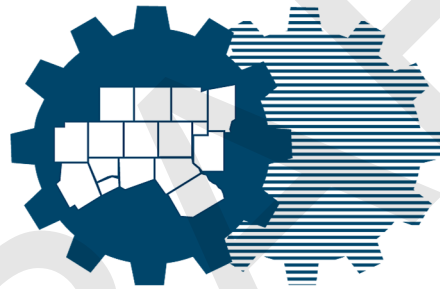
Executive Director
Mike Eastland



Deputy Executive Director
Monte Mercer, CPA

PREPARED BY
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**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

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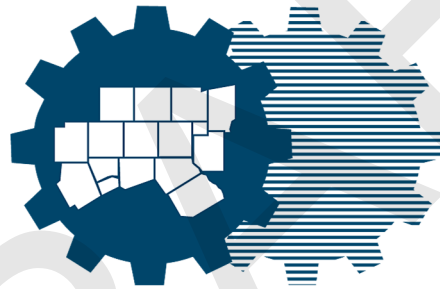
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INTRODUCTORY SECTION



**North Central Texas
Council of Governments**



North Central Texas Council of Governments

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

February 24, 2022

Members of the Executive Board:

The Annual comprehensive Financial Report of the North Central Texas Council of Governments (NCTCOG, ‘the Council’ or ‘the Agency’) for the fiscal year ended September 30, 2021, is hereby submitted. This report was prepared for the Agency by NCTCOG’s Department of Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of NCTCOG as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Council’s financial affairs have been included.

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

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

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

Organizational Profile

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

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

The Agency is an organization of, by, and for local governments. Its purpose is to strengthen both the individual and collective power of local governments – and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to assist in the implementation of those decisions. The NCTCOG is governed by a general assembly composed of one voting representative from each of the 228-member governments and the Executive Board, which is composed of 17 local officials elected by the General Assembly, and one ex-officio non-voting member of the legislature.

North Central Texas consists of a 16-county metropolitan region centered around the cities of Dallas and Fort Worth. It has a population of over 7 million, which is larger than 37 states, and an area of nearly 12,800 square miles, which is larger than nine states. NCTCOG’s 228-member governments are comprised of 16 counties, 169 municipalities, 19 independent school districts, and 24 special purpose districts.

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

Economic Condition and Outlook

NCTCOG’s regional population increased by approximately 158,540 persons during 2021 for a January 1, 2021 total estimated population of 7.9 million.

The November 2021 unadjusted unemployment rate for the 16 county NCTCOG region was 3.9%, which was below the Texas rate of 4.5% and equal to the national figure of 3.9%.

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)- The NCTCOG Transportation Department received \$800,000 in Department of Defense of Local Defense Community Cooperation (OLDCC) funds as part of the Industry Resiliency Program in the North Central Texas region. The program includes \$80,000 in local match contribution from participating program partners. The North Central Texas Agile Curriculum Development Program will develop a sustainable curriculum founded on communication and relationship-building of, by, and for program stakeholders, setting in place a framework for developing agile curriculum to meet the needs of industry partners, and recruiting and training students from existing employees and new applicants. Development of the agile curriculum materials will drive the appropriate degree, certificate, or internship programs within existing educational institutions and industry partners; expedite more workers with job-ready skills needed in the industries; and deliver the training programs to upskill and reskill employees and

new hires. This effort will be led by a governing body made up of industry, educational, and agency stakeholders to guide curriculum development and implementation.

In Fiscal Year 2021, the NCTCOG Transportation Department procured a consultant to deliver a virtual public engagement platform. As public involvement transitions back to in-person, there is a need to continue to provide virtual options for those who may not be able to attend meetings. The platform will allow for hybrid public meetings, online-only public engagement, surveys, interactive maps, and combines with a customer relations manager and email distribution system to engage the public through one platform. The virtual public engagement platform efforts are expected to continue into Fiscal Year 2022.

NCTCOG is developing a comprehensive public transportation plan for cities in Eastern Dallas County that are not members of Dallas Area Rapid Transit, as well as Kaufman and Rockwall Counties. During fiscal year 2021, staff began initial stakeholder outreach, developed a scope of work, study workplan, project management timeline and have commenced work on the study in-house. The East Dallas, Kaufman, and Rockwall Counties Regional Transit study will identify transit options, funding and implementation strategies, governance structure and institutional delivery approach of recommended services or projects, and potential impacts on the community. A transit vision, along with specific goals and objectives will be developed that guide the transit planning process, recommendations, and implementation.

NCTCOG is implementing a regional planning study on Intermodal Transportation Hubs for colleges and universities. During fiscal year 2021, staff began initial stakeholder outreach, developed a scope of work for the study and initiated a procurement process for consultant assistance to begin in FY2022. The goal of this project is to assist colleges and universities in the North Central Texas region with planning potential intermodal transportation hub locations and associated traffic pattern impacts. This will include the impact to transit ridership, bicycle and pedestrian mobility, and other modes used for on-campus traffic circulation.

In July 2021, NCTCOG received \$400,000 from the Federal Transit Administration to develop a comprehensive public transportation plan for Denton County, particularly for cities and portions of the county that are not members of the Denton County Transportation Authority. During Fiscal Year 2021, staff began initial stakeholder outreach, developed a scope of work for the study and initiated a procurement process for consultant assistance to begin in FY2022. The study will identify transit options, funding and implementation strategies, governance structure and institutional delivery approach of recommended services or projects, and potential impacts on the community. A transit vision, along with specific goals and objectives will be developed that guide the transit planning process, recommendations, and implementation.

During Fiscal Year 2021, the NCTCOG Transportation Department received \$2,498,086 from the Environmental Protection Agency (EPA) Diesel Emission Reduction Act (DERA) National Grants Program to award rebates for replacing diesel vehicles, equipment, or engines; installing electric recharging infrastructure if necessary; and/or installing idle-reduction technology for public-sector fleets or private companies operating in the 10-county ozone nonattainment area.

An additional \$114,000 was received from the Department of Energy (DOE), through the National Renewable Energy Laboratory as a DOE contracting agent, to continue performing work as the Dallas-Fort Worth Clean Cities Coalition.

A donation in the amount of \$25,000 was provided by Burlington North Sante Fe Railway toward the purchase of the Local Governments for Sustainability ClearPath tool, to quantify greenhouse gas (GHG) emissions for the Regional GHG Emissions Inventory Program. This included cohort training and use of the tool by NCTCOG and local cities interested in conducting city-wide GHG emissions inventories.

Funding was received from the Texas Commission on Environmental Quality to conduct emissions inventories for North Central Texas. These inventories will be used to develop forecasted ozone estimates

and be included into State Implementation Plan revisions. The amount of funding included \$30,000 for the Dallas-Fort Worth (DFW) on-road mobile vehicle miles traveled offset emissions inventories; \$90,000 for the 2008 eight-hour ozone standard DFW Reasonable Further Progress (RFP) on-road mobile emissions inventories; \$90,000 for the 2015 eight-hour ozone standard DFW RFP on-road mobile emissions inventories; and \$75,000 for 2019, 2023, and 2026 DFW attainment demonstration on-road emissions inventories.

In-kind support was provided by the Environmental Defense Fund through three summer fellowships. Fellows worked on identifying energy efficiency emission reduction strategies for a regional greenhouse gas control strategy catalogue in addition to working with a local city's vehicle fleet to identify alternative fuel vehicle options.

Surface Transportation Block Grant Program funds in the amount of \$2,103,750 were received to advance the Regional Aerial Photography Data Collection Study. The initiative included digital aerial imagery for the entire expanded NCTCOG region as a Regional Information Services (RIS) department initiative with 3-inch/6-inch Frame and 6-inch Pushbroom capture methods, and post processing contour data. In addition, Light Detection and Ranging (LIDAR) was included for specific locations throughout the region for greater aerial enhancement supporting detailed environmental and engineering analyses performed via NCTCOG and other partnering agencies.

During Fiscal Year 2021, NCTCOG continued the Regional Rail Information System (RRIS) with regional rail partners. The RRIS will analyze aggregated data on train movements, enhance freight and passenger rail operations, and eliminate operational bottlenecks in real time. In addition, the system will be able to identify rail network issues and patterns over time, for the purpose of improved capital project selection and enhanced effectiveness of rail mobility development programs and investments. Funding for this project includes \$7,100,000 in Surface Transportation Block Grant Program funds, \$2,500,000 in Better Utilizing Investments to Leverage Development (BUILD) Discretionary Grant Program funds and \$400,000 in local funds. In FY2021, a consultant was identified to help develop and operate the system. In FY2022, an agreement with the consultant will be completed and work on the system will begin.

NCTCOG's Transportation Technology and Innovation Program launched the projects which form the Automated Vehicle 2.0 (AV2.0) Program. During 2021, the first sub-program, AV2.1 Regional Planning Exercise for Local Partners, was launched following a successful consultant procurement in early 2021. Later in Fiscal Year 2021, NCTCOG received the first round of proposals for the AV2.0 Program's technology deployment initiatives (sub-programs AV2.2 and AV2.3). These projects represent a wide variety of use cases for emerging transportation technology, including 1) a smart infrastructure and automated vehicle circulator district, 2) sidewalk delivery robots taking organic produce to households within a food desert, 3) community college automated vehicle circulator; 4) community college workforce development program; and 5) deployment of electric and automated buses along a route serving an airport and surrounding community. Work on these projects is expected to begin during late 2022 or early 2023, and, together with AV2.1, represents approximately \$23 million in Surface Transportation Block Grant Program funding.

NCTCOG procured consultant services to create standardized guidelines for developing replicable automated transportation systems for use throughout the region. These consultant efforts began in FY2021 and will continue into FY2022, utilizing approximately \$850,000 in Surface Transportation Block Grant Program funds.

NCTCOG received \$1,237,600 in Surface Transportation Block Grant Program funds to continue expanding an internet-based software application, Revenue and Project Tracking System (RAPTS), so that funded transportation projects/programs data would be available to the public to provide excellent reporting

capabilities and be simple to navigate. This system currently allows NCTCOG employees and regional partners to manage transportation project data in an efficient manner, increasing their effectiveness on a day-to-day basis. Staff is expected to provide ongoing technical support, repair known issues, and expand the existing system by deploy updates to the existing Transportation Improvement Program Modification (TIP) Submission, TIP Modification Editing, Invoicing, Projects, and Reports modules as well as deploy new modules including TIP Development and Funding Allocation modules through database and web page development, maintenance, support, and coordination.

Area Agency on Aging (AAA) - The Aging program continued to benefit from pandemic relief legislation that resulted in incremental funding for its Area Agency on Aging (NCTAAA) and Aging and Disability Resource Center (NCTADRC). Specifically, it expended \$3,566,123 in pandemic relief funding as it expanded services for older adults and family caregivers. Specifically, it assisted older adults and persons with disabilities make rental payments necessary to avoid eviction, made utility payments necessary to avoid shut-off, purchased emergency groceries, and provided electronic tablets and internet access to those who lacked such access. In addition, it invested in personal protective equipment for staff and volunteer ombudsmen as they prepared for re-entry to nursing and assisted living facilities.

In addition to Pandemic Relief funding, the Aging program received the following revenues:

- Funding for the NCTAAA from Texas Health and Human Services (HHSC) in the amount of \$8,079,385 to administer social service programs (e.g., nutrition, transportation, case management, and long-term care ombudsman) for North Central Texans age 60 and over and their family caregivers.
- Funding for the NCTADRC from HHSC in the amount of \$392,103 to provide information and referral, respite, housing navigation, and options counseling services for North Central Texans who are older and/or have disabilities.
- Relocation funding in the amount of \$842,737, under contracts with Amerigroup, Cigna, Molina Health Care, and United Health Care, to help nursing home residents return to the community.
- Fall prevention funding, awarded by the United Way of Tarrant County, in the amount of \$28,900, to conduct fall prevention workshops.
- A \$1M three-year competitive national grant from the Administration for Community Living (ACL) to expand supports for people with dementia and their family caregivers in a 28-county region. It spent Fiscal Year 2021 planning for new services under the grant and will begin implementing those services in Fiscal Year 2022.
- CHOICE/Project Empower: Grant funding in the amount of \$132,290 from a local health system to support home-delivered meal, transportation, volunteer, and counseling services for older persons who lived in Springtown (Parker County).
- Senior Medicare Patrol: A \$20,000 subgrant from the Better Business Bureau to educate Medicare beneficiaries about program fraud.

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

Community Services

Criminal Justice Planning - During Fiscal Year 2021 the Criminal Justice Program focused its efforts on meeting requirements set forth in the Interlocal Cooperation Agreement between NCTCOG and the Office of the Governor's Public Safety Office (PSO). Staff provided technical and operational assistance to more than 100 agencies for 187 criminal justice grant applications; conducted three virtual grant application workshop sessions; oversaw strategic planning efforts; and carried out other tasks that met administrative requirements of the PSO.

Training & Development Institute (TDI) - Over the 2021 Fiscal Year, and during the restrictions mandated due to the national pandemic spanning the first three quarters of the fiscal year impacting our ability to hold in-person training courses, TDI successfully facilitated 54 individual courses for the region, including two Recurring Cohort Programs for Municipal Management Professionals in the Region, additionally developing and implementing one new Cohort Program overviewing Municipal Finance for Non-finance Executives in the Region, and one off-site training course for First-Responders in the region.

Of the courses offered this fiscal year, nine were TCEQ-sanctioned water and wastewater courses. These courses are completed by individuals pursuing or renewing Texas Commission on Environmental Quality operator licenses. We had 102 participants successfully complete these 20-hour courses.

Through a partnership with the University of North Texas' Center for Public Management, the TDI hosted 15 Public Funds Investment Act training dates which are required for all public finance and investment officers in the State of Texas; 497 participants received their certificates of completion for this training course during the 2021 Fiscal Year through our participation.

In cooperation with NCTCOG's Transportation Department, the TDI hosted five Traffic Incident Management Safety courses for First Responders & Managers, that consisted of 111 participants from a variety of agencies. Three of the courses were hosted at our NCTCOG offices and one was hosted in Allen, Texas at their City Hall training facilities.

In addition to the courses outlined above, the TDI facilitated and built out the course offerings in the areas of Public Works, Planning and Zoning, Pavement and Infrastructure, Leadership and Management Academies Best Practices, and ADA Compliance. The TDI staff additionally helps provide support when needed for special requests by NCTCOG departmental staff including providing requested training and/or project facilitation support to internal departments.

Regional Law Enforcement Training (RPA) - During 2020/2021 From 1/1/2020 up to July 29, 2021, the Regional Police Academy conducted 13 Basic Peace Officer Courses and graduated 317 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy submitted 181 training rosters submitted for a total of 287,249 contact hours and 2,622 students to the Texas Commission on Law Enforcement. This included recruit, in-service and satellite courses.

Emergency Preparedness (EP) - Regional Emergency Preparedness Member Program: In 2021, the North Central Texas Regional Emergency Preparedness Program, managed by the Emergency Preparedness Department, collected \$457,000 in membership dues. Membership funds were used to meet stakeholder needs through advocacy, planning, training and exercise assistance, meeting coordination, regional program/project implementation and management, and multiple other support services. Program funds additionally supported: The Regional Emergency Preparedness Planning Council (EPPC), the Department's oversight council composed of regional elected officials; the Regional Emergency Preparedness Advisory Committee (REPAC), composed of emergency management subject matter experts, and response leaders guiding Homeland Security Grant priorities and advising EPPC; and regional Working Groups, which work to create regional approaches to training, exercise, and education.

Homeland Security Program: The Homeland Security Grant Program (HSGP) consists of both the State Homeland Security Grant Program (SHSP) and the Urban Area Security Initiative (UASI) Grant Program. HSGP funds support thirty-two core capabilities across the five mission areas of prevention, protection, mitigation, response, and recovery. Expenditures close capability gaps identified in the Threat and Hazard Identification and Risk Assessment (THIRA), Stakeholder Preparedness Review (SPR), Regional Implementation Plan (RIP), UASI Strategy, and After-Action Reports (AARs) from exercises or real-world events that have occurred within our region. Homeland Security funds have helped our region increase

response capabilities by developing/updating plans, equipping special response teams, training first responders, and exercising emergency management and other special teams. In 2021, the region received \$1,584,482 in SHSP grant funds, and \$16,900,000 in UASI grant funds. These monies funded many projects throughout the region with a terrorism nexus, including training and exercises, hazardous materials, law enforcement, search and rescue, explosive ordnance disposal, interoperable communications, public works, cyber security, and others.

Citizen Corps Program: Citizen preparedness, training, and education continued to be supported by \$50,000 in HSGP funds allocated to north central Texas (NCT) Citizen Corps programs in 2021. The funds helped sustain various citizen volunteer programs, most notably Community Emergency Response Teams (CERT), and supported an NCT Citizen Corps Coordinator to facilitate and coordinate regional CERT meetings, trainings, exercises, and other efforts. In 2021 CERT program members served NCT in support roles such as wide area search, damage assessment, triage, and first responder rehab. Programs also continued training in shelter operation, Stop the Bleed, CPR, and other partner preparedness offerings.

Mitigation Program: The Mitigation Program consists of all activities related to hazard mitigation plans. Funding streams include FEMA’s Hazard Mitigation Assistance Grants and the U.S. Department of Housing and Urban Development Community Development Block Grant- Mitigation (CDBG-MIT). The main task of our Mitigation Program is to develop or update hazard mitigation plans for the jurisdictions in North Central Texas. Mitigation planning helps communities identify hazards and develop mitigation actions to reduce or eliminate vulnerability to those hazards. Once a hazard mitigation plan is approved and adopted, participating jurisdictions become eligible to apply for FEMA mitigation grant funds.

In November 2020 the Department was awarded a total of \$497,700 in federal PDM-19 grant funds, supporting hazard mitigation planning for 34 North Central Texas jurisdictions in Ellis, Johnson, Navarro, Somervell, and Wise Counties. Mitigation plans for the participating jurisdictions in these counties is entering the final planning process. Additionally, the mitigation plans for the 33 jurisdictions in Erath, Hood, Hunt, Palo Pinto, and Parker Counties, funded by total of \$324,00 in PDM-17 grant funds , were approved in 2021 and will expire in five years between May and August of 2025.

Safe Room Project: From July 2013 to date, the EP Department has received \$4,619,948.00 in federal Hazard Mitigation Grant Program (HMGP) funds to administer the Individual Safe Room Rebate Program in north central Texas. These safe room grants have resulted in 1,733 installed safe rooms and \$4,471,231.36 in awarded rebates. The North Central Texas Safe Room Rebate Program retired December 2020.

Collaborative Adaptive Sensing of the Atmosphere (CASA WX) Member Program: The Collaborative Adaptive Sensing of the Atmosphere (CASA WX) program is a weather observation system paradigm based on a low power, low cost, overlapping network of radars capable of providing rapid, enhanced weather data. To support the weather radar system in the Dallas Fort Worth area in 2021, the EP Department continued to manage the CASA WX membership program, collecting membership dues from local jurisdictions totaling \$180,750. Membership dues go towards sustaining operational expenses of the radar network, currently consisting of seven radars. Local jurisdictions that are members of the CASA WX program gain access to the CASA website, allowing them to see CASA WX radar data down to the neighborhood level with minute-to-minute updates. This information helps reduce uncertainty during weather events, enhances decision-making, and can potentially save lives and reduce damage to property.

Environment & Development (E&D)- The overall theme for NCTCOG’s environmental resource and development initiatives continued to be Sustainable Environmental Excellence. The department’s efforts continue to have a focus on planning for the future of this growing region in a collaborative and cost-effective way for the benefit of all North Central Texas. The Department of Environment and Development

(E&D) addresses this growth primarily within six different program areas – Materials Management, Natural Resources, Public Works, Regional Codes, Watershed Management, and Development Excellence.

In the Materials Management program area, the FY 20-21 biennial cycle of the Texas Commission on Environmental Quality (TCEQ) grant continued, including administration and closing out of 16 local government projects totaling \$1,141,698.80 and two Resource Conservation Council (RCC) requested regional projects totaling \$220,000, including a Western Area Waste Disposal Capacity Technical Study and two annual Waste Characterization Studies for comparison to the 2018 baseline data. In addition, the first of two calls for projects were performed for the FY 22-23 biennial cycle, one preapplication webinar was hosted, technical assistance to the region was provided by responding to questions via phone and email, and resources were developed and posted for grant applicants, including Grant Application Guidelines and a recording of the preapplication webinar. A scoring process was conducted for 22 solid waste grant applications with assistance from the RCC, and selection and awards were provided for 13 local government projects totaling \$714,711.32 for the first call for projects. For the Western Area Waste Disposal Capacity Technical Study regional project, NCTCOG held six meetings of the Policy Advisory Group to receive input on the Study, reviewed materials from the contractor, and developed and maintained the project website, which can be found here: www.nctcog.org/westernsolidwaste. TimetoRecycle.com, ReportDFWDumping.org, and our solid waste management websites were updated and maintained (200,054 combined pageviews) and the Regional Recycling Campaign continued including public outreach adds and social media posts. Four Resource Conservation Council meetings, five COVID-19 Solid Waste Response Conference Calls, and three Recycle Roundtable meetings were hosted. NCTCOG hosted three stakeholder webinars showcasing regional projects on organic waste diversion and renewable natural gas (RNG); initiated the EPA-funded North Texas Organic Waste to Fuel Feasibility Study in partnership with the University of Texas Arlington; began developing a Project Advisory Group to provide input on organic waste and RNG goals in the region; attended eighteen association meetings/conferences, hosted a regional scrap tire stakeholder meeting, and provided five presentations to partner organizations. 34 state legislative bills related to solid waste were monitored during the 87th Texas Legislative Session, and a toolkit was developed for stakeholders in response to Senate Bill 1376. In addition, 27 Closed Landfill Inventory requests were responded to and 662 illegal dump site reports from ReportDFWdumping.org and the hotline were forwarded to the appropriate city or county authorities for cleanup action. In a connection between trash and watersheds, through our EPA funded grant for Trash Free Texas, NCTCOG conducted two pre-project surveys, one geared to litter clean-up volunteers and coordinators, the other to Texas COGs; held one project related webinar (Trash Free Texas Webinar: Connecting Volunteers with Litter Cleanup Locations); co-hosted two joint webinars with a related program (Wrangling Trash from Waterways – Texas Style, and North Texas Community Cleanup Challenge Informational Webinar); developed a NCTCOG Trash Free Waters project website and newsletters (www.nctcog.org/trashfreewaters); made a presentation and discussed the project with Texas COGs at a meeting of the Texas Association of Regional Councils; coordinated with communities and restaurant stakeholders in North Central Texas and Houston regions at a Recycle Roundtable meeting; researched and documented existing resources and tools for restaurants, coordinated with the Texas Restaurant Association, and conducted a survey of Texas-based restaurants all in an effort to develop a potential pilot program and toolkit for restaurants to help reduce the use of single-use plastics; coordinated with Keep Texas Beautiful and the Houston Advanced Research Center to get a link of the Texas Litter Database added to Trash Free Texas website; held the first of three Recreation and Litter Cleanup Advisory Group meetings; drafted toolkits to be posted on Trash Free Texas website (Mayor’s Challenge Toolkit and Local Government Trash Reduction and Educational Toolkit); assisted with the development of a “Frequently Asked Questions” document that was posted to the Trash Free Texas website; posted to social media accounts about the project; assisted project partners with having 17 entities add 635 Adopt-a-Spot locations to the Trash Free Texas map.

In the Natural Resources program area, four Water Resources Council (WRC) committee meetings, one Total Maximum Daily Load (TMDL) Coordination Committee meeting, five TMDL Technical

Subcommittee meetings, and two Upper Trinity River Coordination Committee meetings were hosted. Both Region C Water Planning Group in-person meetings were hosted at our offices. Coordination with regional Watershed Protection Plan managers was maintained and the regional Water Quality Management Plan was updated and submitted to TCEQ. Over 400 participants attended four NCTCOG organized water quality training webinars. The annual North Central Texas Watershed Stakeholders meeting was facilitated, and seven Clean Water State Revolving Fund projects were reviewed. With guidance from our Water Resources Council, NCTCOG finalized and published the Water for North Texas Online Library and also published an outreach video entitled Importance of Properly Maintained Water and Wastewater Infrastructure. In continued partnership with our Transportation Department and the State Energy Conservation Office (SECO): issued Energy Efficiency and Renewable Energy Newsletters to approximately 200 contacts; produced draft water/wastewater energy nexus Fact Sheet; researched and developed new performance measures for the Conserve North Texas website; collected data for water and impervious surface performance measures; produced Solar Ready Opinion Statement through the Regional Codes Coordinating Committee; hosted multiple PACE Roundtables; hosted one Local Government Energy Reporting Roundtable; hosted one SolSmart Roundtable; and, prepared for Regional Energy Resilience Roundtable. The Conserve North Texas website had a total of 16,411 pageviews, and the Go Solar Texas website had a total of 49,183 pageviews. Hosted “Environmental Matchmaking Tools” webinar, sent quarterly newsletter emails, posted monthly social media posts, and conducted a user survey to promote the Regional Ecosystem Framework, Permittee Responsible Mitigation Database (web-based tool to connect landowners with developers or entities needing to rehabilitate or restore streams or wetlands to offset construction impacts elsewhere), and Economic & Environmental Benefits of Stewardship (web-based tool to demonstrate the economic and environmental benefits of natural resource stewardship for transportation and development projects) tools.

In the Public Works program area, NCTCOG hosted four Public Works Council meetings, eight Sustainable Public Rights-of-Way Subcommittee (SPROW) meetings, and four Integrated Stormwater Management (iSWM) Implementation Subcommittee meetings. The 22nd Annual Public Works Roundup was hosted which was attended in-person by 182 individual public works professionals; NCTCOG hosted 11 subcommittee meetings for continued standard drawing updates to the region’s Fifth Edition, 2017 Standard Specifications for Public Works Construction publication; hosted a New Inspector Workshop, Construction Contracts Training for 40 attendees, and an Addressing Workforce Needs: A Labor Market Data Deep Dive and Discussion for 25 attendees. The Regional Public Works Training Calendar was maintained; updates the integrated Stormwater Management (iswm.nctcog.org) website were performed; revisions to the iSWM Site Development Controls Manual, Early Stormwater Planning BMP Tools, and Guidance on Developing a Regional Detention Program were provided; a presentation at the Transportation Green Infrastructure workshop to share iSWM program materials was given; and the 85th percentile rainfall requirements were re-evaluated at the request of our membership. In addition, three meetings of the Wastewater Roundtable committee (WATER) were hosted; one Grease Interceptor Inspection Training and Roundtable was hosted; four educational explainer videos related to Defend Your Drains North Texas were created; facilitated outreach to the general public via Twitter, Facebook, and Instagram related to Defend Your Drains North Texas; coordinated and promoted the Holiday Grease Roundup (with 33 participants and 6,700 gallons of grease/cooking oil collected); and maintained the DefendYourDrainsNorthTexas.com website (20,852 pageviews). NCTCOG also provided support for the Community Development Block Grant (TxCDBG) program through updates and trainings, hosting a webinar on Community Development Week for 39 attendees, gathered and disseminated information on the updated Section 3 HUD policy and provided information on available grants and population data to non-entitlement communities in accordance with the Texas Community Development Block Grant (TxCDBG) through Texas Department of Agriculture.

In the Regional Codes program area, five Regional Codes Coordinating Committee (RCCC) meetings were hosted along with additional virtual COVID-19 Response meetings with building officials in the region. Twenty-six Advisory Council meetings were held resulting in adopted regional code amendment

recommendations for the 2021 International Code Council Suite of Codes. These are posted on our website at <https://www.nctcog.org/envir/regional-building-codes/amendments>. The 2021 annual code survey was published to the website and building officials were encouraged to adopt the latest codes and to consider adoption of the regional amendments.

In the Watershed Management program area, four Stormwater Management Coordinating Council meetings, one Pollution Prevention (P2) Task Force meeting, four Public Education Task Force meetings, three Illicit Discharge Detection and Elimination task force meetings, and two Stormwater Monitoring meetings were hosted. Activities completed include: created Social Media Templates and/or Toolkits for regional Stormwater Public Education Task Force programs (Texas SmartScape, Doo the Right Thing, Aquatic Plastic Pollution Prevention); administered annual public Doo The Right Thing online photo contest; completed development of North Texas Community Cleanup Challenge website; launched first ever North Texas Community Cleanup Challenge; held four webinars/trainings for stormwater programs (Rethinking Approach to Rain Gardens and Green Infrastructure, North Texas Community Cleanup Challenge Informational Webinar, and Healthy Creeks and Waterways-Vegetation and the Flow of Healthy Waterways); co-hosted 2 joint webinars/trainings with related programs (Wrangling Trash from Waterways-Texas Style and Municipal BMP “Show and Tell”); completed Spanish translations of 6 videos on preventing stormwater pollution (Introduction: What Can We Do; Fleet Maintenance and Material Handling; Street and Drainage Maintenance; Construction Activities and Land Disturbances; Parks and Ground Maintenance; and Solid Waste Management); facilitated the Intermediate/Advanced Dry Weather Workshop; submitted the Regional Wet Weather Characterization Report, and created and distributed a spreadsheet to assist monitoring members with Best Management Practice Analysis and Evaluation Plan (BANEP) items. The Trinity River COMMON VISION program continued with the integration of updated regulatory mapping and modeling for the Upper Trinity River Corridor into the Corridor Development Certificate (CDC) Manual and process, and 17 CDC applications were processed. The CDC application process was streamlined through the development and release of TrinityRiverCDC.com, a model storage and permit tracking software solution. Five coordination meetings of the Flood Management Task Force and one Trinity River Common Vision Steering Committee meeting were hosted. Efforts for expansion of the Common Vision footprint to include the communities along the East Fork of the Trinity River upstream from the Trinity Main Stem to the Lake Ray Hubbard dam continued as well as the communities upstream from the Elm Fork to the Lake Grapevine dam. Further progress towards the integration of a georeferenced and consolidated CDC model, tying together the resources needed for FEMA, USACE, and CDC development applications was made and is nearing completion. In Cooperation with our North Texas SHARE program, the Regional Early Flood Warning Software platform continued to be promoted for adoption by all of our members. In partnership with FEMA and the TWDB, Environment and Development hosted a virtual four-day floodplain management course (in lieu of the FEMA L-273 “Managing Floodplains through the National Flood Insurance Program” four-day course, as COVID prevented that offering). In collaboration with the Texas Floodplain Managers Association (TFMA), Floodplain Manager/Community Rating System (CRS) Users Group meetings were held three times, including our annual Elected Officials Seminar. Additionally, as a part of our Cooperating Technical Partner (CTP) relationship with FEMA, administration of the FEMA CTP FY18 Mary’s Creek Flood Risk Study in Parker County was concluded. The CTP FY19 Harriet Creek (Denton County) and Waxahachie Creek (Midlothian, Waxahachie, and Ellis County) Flood Risk Studies continued. A FY20 Flood Risk Study on Catherine Branch in Denton County was initiated along with initial communications/outreach funding approval for our Integrated Transportation and Stormwater Management project area. For CTP FY21 projects; one Community Outreach and Mitigation Strategies (COMS) Project to advance Community Health and Resource Management (CHARM) workshops in Spring 2022, two flood risk identification projects (East Fork and Hog Branch), program management, and an Upper West Fork Trinity Discovery was submitted and approved for funding. An application was submitted and approved by the Texas Water Development Board for \$3 million in funding to support the Integrated Transportation and Stormwater Infrastructure (TSI) project, for the upper end of the Trinity River basin in portions of 7 of our less developed counties,

which included \$3M match from the Surface Transportation Block Grant (STBG) funds from the Regional Transportation Council. A survey was conducted of TSI cities and counties to collect initial watershed management data. Meetings to refine scopes of work for use in Interlocal Agreements (ILAs) with project partners were scheduled. 130 miles of the Trinity River within the developed metropolitan area of DFW has been designated by the National Park Service as a National Water Trail. NCTCOG has partnered with the Trinity Coalition to support a newly formed Trinity River National Water Trail Task Force to sustain a regional initiative to promote recreation along the Trinity River Paddling Trail and maintain its designation as a National Parks Service trail.

In the Development Excellence program area, support for the Center of Development Excellence (DevEx) and the 12 Principles of Development Excellence continued. Redesign of the DevEx website was completed making it more modern, user-friendly, and searchable, to provide a broader coverage of DevEx topic areas, and to focus on added example projects and case studies. The 2021 Celebrating Leadership in Development Excellence (CLIDE) Awards competition and recognition event was conducted with nine awardees. Two follow-up webinars were held for the region that focused on Development Excellence, its Principles, and the CLIDE winners for 2021. Eleven monthly Development Excellence newsletters were issued. Four meetings were hosted for the Regional Integration of Sustainability Efforts (RISE) Coalition participants, and the annual work program, committee bylaws, and websites were maintained. A Meadows Foundation grant was prepared and submitted to add support to the program and the ongoing regional greenhouse gas inventory project. Presentations were given for support of the RISE Coalition at the Arlington Citizens Environmental Committee, the Surface Transportation Technical Committee, and the Regional Transportation Council. A RISE Coalition Climate Change Workshop in partnership with the Regional Center of Expertise for Sustainable Development was also conducted.

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

Focus on Efficiency: NCTCOG departments, local governments, and others find data from RIS programs indispensable for their planning and decision-making activities. RIS is exploring ways to leverage available data to develop new datasets and improve existing ones. One example is the use of detailed data from local appraisal districts to improve the precision of the land use inventory.

Focus on Customer Needs: The Spatial Data Cooperative Program provides local governments and other participants with high-quality digital imagery and related products. This initiative provides a cost-savings for not just the initial participants, but anyone who purchases the products available through the program. In response to customer needs, RIS recently developed a unique contour data layer and added a recurring imagery service option to the program. Another high-value layer--building footprints--is currently under development. RIS also improved the purchase site, through which non-participants can acquire the data. The updated purchase site and an associated landing page are designed to accommodate future enhancements, improve the purchasing experience, and offer additional value for the customer.

Focus on Innovation: RIS recently added machine learning capabilities to its suite of competencies. Currently, the applications have focused on work for the Demographic Forecasting. RIS is exploring the potential expansion of these capabilities to other programs such as the small area estimates program.

Workforce Development (WF)- Workforce Overview: Workforce Solutions for North Central Texas (WSNCT) consists of a Board of Directors and a network of 12 workforce centers serving the 14 counties in the North Central Texas service area. Our Board oversees the planning, oversight, policy guidance and design of services to ensure we fulfill our vision, mission and values. Our workforce centers provide services to the entire population, which includes unemployed and under-employed individuals seeking a better career, or those interested in exploring other career options. In counties where workforce centers are not physically located, services are provided using our Mobile Workforce Unit.

Continuing to Adapt

Workforce Solutions for North Central Texas (WSNCT) continues to do our part in stopping the spread of the virus. We continue to prioritize the safety of our staff, customers, and partners by supporting technology infrastructure, providing virtual communications as needed, and offering specific protocols and processes to effectively and efficiently serve our customers.

Serving Our Career Seekers Virtually and In-Person

Overall Career Seeker Assistance:

We are proud to report that over fifty-one thousand career seekers were served virtually or in-person across our fourteen county region through our workforce programs. Programs consisted of the following:

- Job Search Assistance
- Program Workshops and Job Readiness
- Training
- Support Services
- Tuition Assistance
- Online Learning

Career Seeker Hiring Event(s):

WSNCT hosted our 9th Annual Hiring Red, White and You! career fair in November 2020. This virtual career fair helped military heroes, their spouses and family members successfully transition into the civilian workforce. Statistics below on the event:

- 1,788 Career Seekers Served
- 147 Employers Attended
- 9 Resource Agencies Attended
- 891 Job Postings Offered
- 5,387 Job Opportunities Available

Workforce Solutions for North Central Texas also offered one hundred and fifty-four additional virtual hiring events throughout the year to safely connect career seekers across our region with employers who were hiring. Statistics below on the virtual hiring events:

- 154 Virtual Hiring Events
- 10,844 Career Seekers Served
- 896 Employers Attended
- 20,318 Job Openings

Serving Employers

WSNCT also supported more than eight thousand four hundred local businesses by offering access to grants for training and upskilling employees, regional labor market information, and strategic planning to address current and future workforce needs.

Registered Apprenticeships:

Finding workers with the right mix of experience and technical skill is always a challenge for employers. While the workforce skills gap is growing nationwide, one way WSNCT is working to narrow it in North Central Texas is by collaborating with and connecting local businesses to the U.S. Department of Labor (DOL) Registered Apprenticeship (RA) program.

Registered Apprenticeships help employers recruit and develop a highly skilled workforce while improving productivity and profitability. Workers receive paid on-the-job training and can earn an industry-recognized and nationally accepted credential or academic credit toward a college degree.

In 2021, Workforce Solutions for North Central Texas was involved in the development of three programs in our region to help sustain the productivity and vitality of our employer community.

Registered Apprenticeships Collaborations Include:

- Freshpet
- Greenville Advanced Manufacturing Alliance
- Furthering the skills of Manufacturing Occupations

Serving Youth

iWork Initiative:

WSNCT Virtual iWork Youth Career Exploration event, held on November 20, 2021, provided 80 students with a glimpse into the intersection of weather and workforce. We teamed with STEMBrains, a nonprofit organization whose mission is to connect communities, inspire young minds, and to expose students to Science, Technology, Engineering and Math (STEM) careers. As part of this virtual learning experience, STEMBrains inspired students in our region as they learned about careers related to extreme weather events. We provided each student with a book on pioneers in science as well as a Climate and Weather Science Kit that included 23 hands-on experiments related to weather phenomena to extend their learning beyond the virtual program limitations.

More than \$4,600 in scholarship awards were given to the first-, second- and third-place student teams (17 students overall) that completed the Escape Room challenge in the least amount of time.

Student HireAbility Navigator Initiative:

Our Student HireAbility Navigators advocate on behalf of students with disabilities to support, expand and enhance pre-employment transition services that are provided through our partner, Texas Workforce Solutions Vocational Rehabilitation Services (TWS-VR). Navigators collaborate with employers, independent school districts (ISDs), colleges and community organizations to help them develop the right programs and processes to provide an inclusive work and educational environment for students with disabilities.

Our HireAbility Navigators collaborated with the Texas Workforce Solutions Vocational Rehabilitation Services Community Awareness Outreach Specialist for Region 2 in an effort to bring awareness to current initiatives for persons with disabilities throughout our Board Area. This partnership led to many collaboration opportunities such as presenting at the Dyslexia Symposium, Partners Resource Network symposium, the Charting the Course events hosted by Education Service Centers 10 and 11 and many more. Throughout the COVID-19 pandemic, our HireAbility Navigators were able to support our current partners and community stakeholders, by building a knowledge library that consisted of a plethora of resources that

was constantly updated and distributed as a COVID-19 Resource database. Our HireAbility Navigators also supported our TWS-VR partners by assisting and providing input on all virtual events such as job fairs, resource fairs and webinars for local employers, ISD's and community stakeholders.

Summer Earn and Learn Program for Youth:

WSNCT are advocates of inclusive environments and equal opportunity, and so are our employer partners. That's what makes our Summer Earn and Learn (SEAL) Program such a success. In 2021, 96 employers in our region participated in the statewide SEAL program, which provides students with disabilities employability skills training and paid work experience for five weeks during the summer.

Foster Youth Initiatives:

WSNCT meets biweekly with Transition Resource Action Center (TRAC) to discuss referrals new and existing referrals on how to better service the youth. We have received 15 referrals with 2 successful enrollments and 1 placement into Subsidized Work Experience (SWE). We also partnered with Texas Department of Family and Protective Services (DFPS) on their Aging Out Seminars and Youth Leadership Committees to bring awareness of WIOA Youth services and financial literacy.

Adult Education and Literacy Regional Coalition:

The Adult Education & Literacy/North Central Texas Workforce Regional Coalition (AEL/Workforce Regional Coalition) continues to work collaboratively to address transitional issues, share information and best practices, and explore systems/services for continuous improvement in order to close strategic and operational gaps within the 14-county North Central Texas Workforce Board area. The AEL/Workforce Regional Coalitions' prime objective is to promote integration, cooperation, and collaboration between Adult Education & Literacy providers and Workforce Solutions Center staff to ensure the occurrence of aligned services across all systems.

Participating partners of the AEL/Workforce Regional Coalition are as follows:

Denton Independent School District (ISD)
Grayson College
Navarro College
Paris Junior College (PJC)
Weatherford Independent School District (ISD)
Hiring Red, White and You! Career Fair Serving Veterans

Serving Early Learning Providers

Workforce Solutions for North Central Texas (WSNCT) offered training opportunities to early learning programs (ELP) as a part of its initiative to promote quality early learning practices.

- 51 Early Childhood Professionals graduated from the 120-hour Child Development Associate (CDA) Preparation course. So far, 12 have completed the process and achieved their CDA Credential.
- 41 Early Childhood Professionals were awarded an ECMI Administrator's Credential.
- 10 Early Childhood Professionals, who were employed at Texas Rising Star (TRS) facilities, were awarded scholarships to take classes in early childhood education and child development at colleges or universities.
- 33 trainings were offered throughout the region and over 1800 early childhood professionals benefitted from quality trainings in early childhood education and child development.

Texas Rising Star Program:

Workforce Solutions for North Central Texas was also excited to offer our Texas Rising Star early learning programs with a Shared Services opportunity in collaboration with Child Care Associates, Inc. for access

to Texas Child Care Tools. This is a resource site full of business tools for early learning programs to use. It provides a pathway to quality early learning practices and provides tools to strengthen business practices. 59 Texas Rising Star programs have been given access to this platform.

Early Childhood Conference:

The “Bright From the Start” Early Childhood Conference was held virtually in June 2021. 218 Early Learning Professionals earned up to 5.5 clock hours of training related to early childhood education, child development, business, and leadership.

Equipment and Material Grants:

Workforce Solutions for North Central Texas provided over \$76,000 in grants for FY21 Texas Rising Star programs. These grants allowed programs to enhance their programs with new equipment and materials specific to learning environments by providing natural playground enhancements for outdoor learning and by providing indoor gardens to promote nutrition and enhance curriculum.

WSNCT also launched a pilot project through the LENA Foundation using the LENA Grow Professional Development system. The LENA Grow project is designed to provide coaching to teachers based on data gathered using the LENA devices (language pedometers) that analyze the amount of talk and conversational turns that early learning programs use when interacting with young children in classroom. Early Learning programs saw an average of 9% increase per child in conversation turns between the teachers and children in the classroom over the course of the program.

Child Care Corner Social Media Presence:

WSNCT launched a Facebook group called “WSNCT Child Care Corner” for early learning programs in the North Central Texas area to join and engage. It is a “one stop shop” for Texas Rising Star updates, training announcements, and educational resources for Directors, Owners, and Teachers of the ELPs we serve.

Texas Rising Star Mentoring:

WSNCT has a team of Early Childhood Specialists who provide one-on-one mentoring support for aspiring and existing Texas Rising Star (TRS) early learning programs. In FY21, this team provided over 430 virtual and in-person mentoring sessions to more than 113 Early Learning Programs in our region. Our Early Childhood Specialists brought 23 new programs into the TRS program virtually, assessing early learning centers and classroom environments using business communications and videoconferencing platforms. The mentoring consisted of discussing the Texas Rising Star program expectations and guidelines. They conducted document reviews and orientations as a part of TRS assessment preparation. Staff worked with each ELP to create goals for improving early learning practices and environments in correlation with TRS standards. Implementation was ensured through classroom observations, modeling, and one-on-one feedback sessions with directors and teachers.

Factors Affecting Financial Condition

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

In developing and evaluating the Council’s accounting system, consideration is given to the adequacy of internal control. Internal control is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of

financial records for preparing financial statements and maintaining accountability or assets. The concept of reasonable assurance recognized that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. It is believed that NCTCOG's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As part of NCTCOG's single audit, tests are made to determine the adequacy of internal control including that portion related to federal financial assistance programs, as well as to determine that NCTCOG has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended September 30, 2021, 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 2022 budget is approximately 84% grant funding and as new funding opportunities arise throughout the year; they are presented to the Executive Board for approval.

Other Information

Independent Audit

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

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Central Texas Council of Governments for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the twenty-first consecutive year that NCTCOG has achieved this prestigious award. To be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Administration. Appreciation is expressed to the members of the

Department who assisted and contributed to its preparation. The Executive Board is also commended for their interest and support in planning and conducting the financial operations of NCTCOG in a responsible and progressive manner.

Acknowledgment is also given to the representatives of Whitley Penn LLP for their invaluable assistance in producing the final document.

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Mike Eastland
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Deputy Executive Director

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Molly Rendon
Director of Administration

DRAFT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

North Central Texas Council of Governments

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

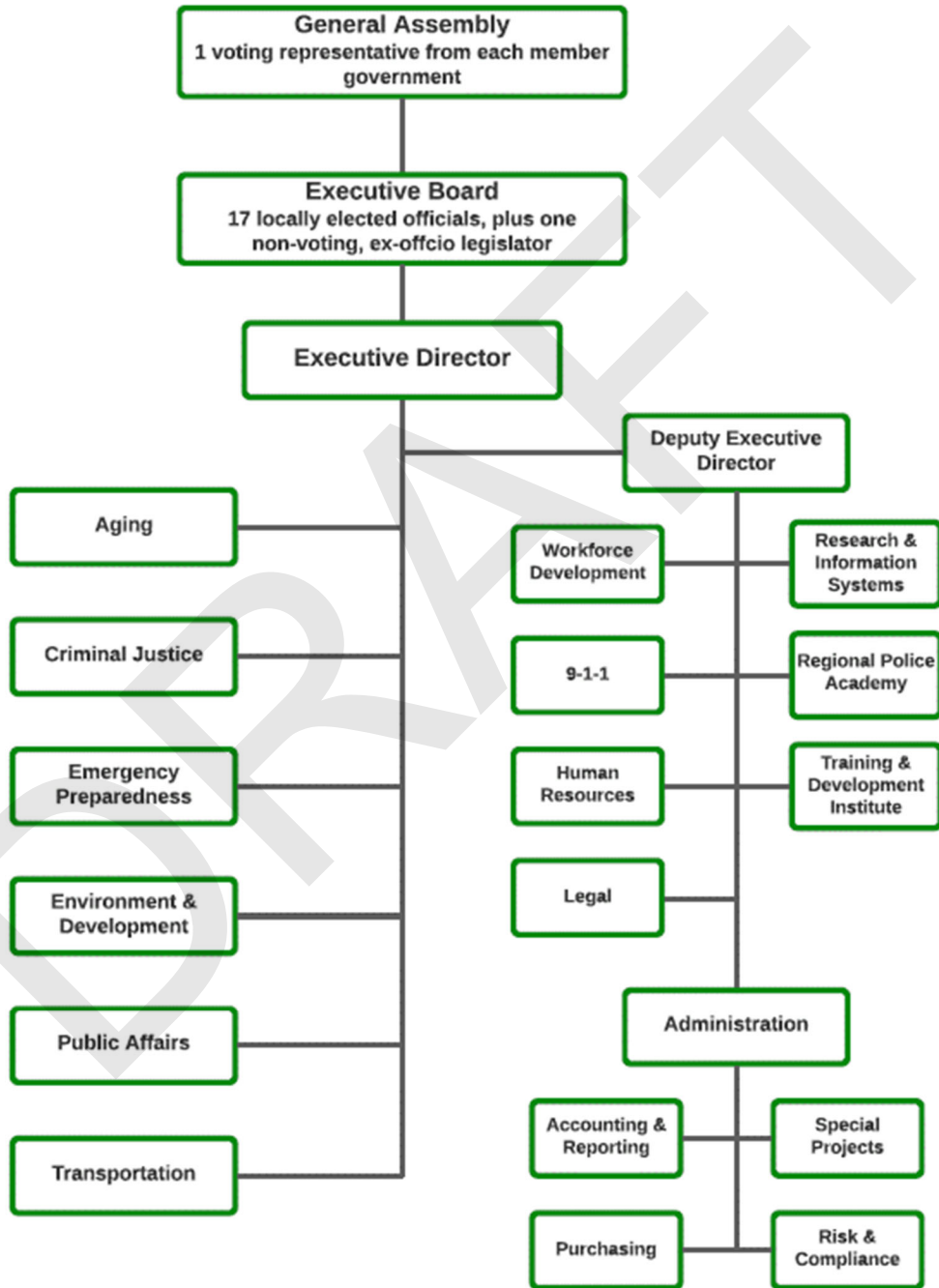
September 30, 2020

Christopher P. Morill

Executive Director/CEO

Organizational Chart

North Central Texas Council of Governments



NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
2021- 2022 EXECUTIVE BOARD

President
David Sweet
County Judge
Rockwall County

Vice President
Andrew Piel
Councilmember
City of Arlington

Secretary-Treasurer
Bill Heidemann
Mayor
City of Corinth

Past President
Ray Smith
Mayor
Town of Prosper

Director
Clay Jenkins
County Judge
Dallas County

Director
B. Glen Whitley
County Judge
Tarrant County

Director
Chris Hill
County Judge
Collin County

Director
Bobbie Mitchell
Commissioner
Denton County

Director
Cara Mendelsohn
Councilmember
City of Dallas

Director
Rick Carmona
Mayor
City of Terrell

Director
Michael Crain
Councilmember
City of Fort Worth

Director
Jorja Clemson
Councilmember
City of Grand Prairie

Director
Kevin Falconer
Councilmember
City of Carrollton

Director
Clyde Hairston
Mayor
City of Lancaster

Director
Kayci Prince
Mayor Pro Tem
City of Plano

Director
Alfonso Campos
County Judge
Erath County

Director
Tammy Dana-Bashian
Mayor
City of Rowlett

Ex Officio Nonvoting Member
Dr. Glenn Rogers
State Representative
District 60

Executive Director
Mike Eastland

ADMINISTRATIVE STAFF

Deputy Executive Director
Monte Mercer

Director, Transportation
Michael Morris

Director, Research and Information Services
Tim Barbee

Director, Environment and Development
Edith Marvin

Director, Emergency Preparedness
Molly McFadden

Director, Area Agency on Aging
Doni Green

Director, Regional NCT9-1-1
Christy Williams

Director, Workforce Development
Phedra Redifer

Director, Agency Administration
Molly Rendon

Executive Director, Public Employee Benefits
Cooperative
Dolores Lewis

Mission Statement

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

North Central Texas Council of Governments



Values:

REGIONALISM

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

GOVERNANCE

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

SERVICE

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

EMPLOYEES

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

ETHICS

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

INNOVATION

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (228)**

Counties (16)

Collin
Dallas
Denton
Ellis
Erath
Hood

Hunt
Johnson
Kaufman
Navarro
Palo Pinto
Parker

Rockwall
Somervell
Tarrant
Wise

Cities (169)

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (228)**

Cities (169) - continued

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 (19)

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

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

Midlothian ISD
Plano ISD
Rockwall ISD
Terrell ISD
Weatherford ISD

Special Districts (24)

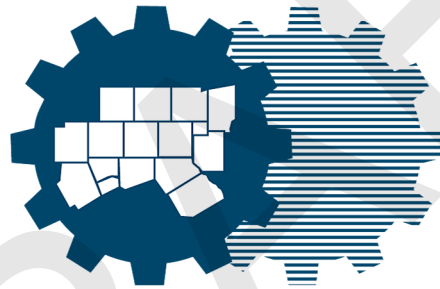
Acton Municipal Utility District
Benbrook Water and Sewer
Authority
Central Appraisal District of
Johnson County
Collin County Central
Appraisal District
Dallas Area Rapid Transit
Dallas County College
Dallas County Flood Control
District #1
Dallas County Park Cities
Municipal Utility District
Dallas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

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

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



FINANCIAL SECTION



**North Central Texas
Council of Governments**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of North Central Texas Council of Governments (the "Council"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council'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 Council'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 of activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Council, as of September 30, 2021, and the respective changes in financial position and 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 on pages 5 to 13 and budgetary comparison information on pages 48 to 49 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 as listed in the table of contents 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.

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.

To the Board of Directors
North Central Texas Council of Governments

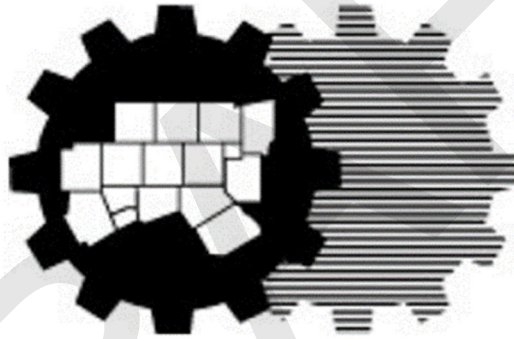
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022 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 Council's internal control over financial reporting and compliance.

Whitley Penn LLP

Fort Worth, Texas
February 24, 2022

DRAFT



**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - xvii of this report.

Financial Highlights

- NCTCOG's assets exceeded liabilities at the close of the most recent fiscal year by \$18,462,993 (net position). Of this amount \$10,147,382 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- Net position increased a \$1,239,681 or 7%, in the current fiscal year comprised of a \$215,416 decrease in net capital assets and a \$1,455,097 increase in restricted and unrestricted funds.
- NCTCOG's governmental funds reported combined ending fund balances of \$17,300,619, an increase of \$975,787 or a 6% increase in comparison with the prior year. Of the total fund balance, approximately 35% is restricted for local transportation projects, 5% is restricted for grants, 2% is non-spendable, 42% is available for spending at the government's discretion (unassigned) and 16% is assigned for other agency projects.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include the general, special revenue and proprietary funds as shown on pages 17 and 18 of this report, as well as the discretely presented component unit, NCT911.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 19 and 21 of this report.

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

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

The *enterprise 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 23-25 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-44 of this report.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 pages 47-49 of this report.

The combining schedule referred to earlier in connection with the major special revenue fund is presented immediately following the required supplemental information on pages 53-56 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the NCTCOG, total assets exceeded liabilities by \$18,462,993 at the close of the most recent fiscal year. Following is a summary of the Government-wide Statement of Net Position:

COMPARATIVE SCHEDULE OF NET POSITION

September 30, 2021, and 2020

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 87,605,418	\$ 94,852,931	\$ 322,626	\$ 210,516	\$ 87,928,044	\$ 95,063,447
Capital assets	1,326,876	1,542,292	-	-	1,326,876	1,542,292
Total Assets	<u>88,932,294</u>	<u>96,395,223</u>	<u>322,626</u>	<u>210,516</u>	<u>89,254,920</u>	<u>96,605,739</u>
Other liabilities	68,701,351	77,378,268	57,906	34,542	68,759,257	77,412,810
Long-term liabilities	2,032,670	1,969,617	-	-	2,032,670	1,969,617
Total Liabilities	<u>70,734,021</u>	<u>79,347,885</u>	<u>57,906</u>	<u>34,542</u>	<u>70,791,927</u>	<u>79,382,427</u>
Net position						
Investment in capital assets	1,326,876	1,542,292	-	-	1,326,876	1,542,292
Restricted	6,988,735	7,201,769	-	-	6,988,735	7,201,769
Unrestricted	9,882,662	8,303,277	264,720	175,974	10,147,382	8,479,251
Total Net Position	<u>\$ 18,198,273</u>	<u>\$ 17,047,338</u>	<u>\$ 264,720</u>	<u>\$ 175,974</u>	<u>\$ 18,462,993</u>	<u>\$ 17,223,312</u>

A portion of NCTCOG's net position, \$1,326,876 (7%) reflects its investment in capital assets (e.g., equipment). NCTCOG uses these assets to provide grant related services, they are restricted for specific use related to grant services; consequently, these assets are not available for future spending.

In addition, a portion of NCTCOG's net position, \$6,988,735 (38%) is restricted. Of this amount \$6,084,105 is for Regional Transportation Council approved projects related to transportation funded initiatives. The remaining \$904,630 is restricted for grants with limitations specified by the funding agencies.

\$10,147,382 (55%) 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 THE YEAR ENDED SEPTEMBER 30, 2021**

Governmental Activities. For the year ended September 30, 2021, NCTCOG's net position for governmental activities increased \$1,150,935, or 6%, in the current fiscal year comprised of \$215,416 decrease in net capital assets and \$1,366,351 increase in restricted and unrestricted funds. Following is a summary of the government-wide Statement of Activities:

COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION

For the years ended September 30, 2021 and 2020

	Government Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Federal administered grants	\$ 12,541,382	\$ 9,665,896	\$ -	\$ -	\$ 12,541,382	\$ 9,665,896
State administered grants	116,230,240	123,057,730	-	-	116,230,240	123,057,730
Local administered grants	29,947	16,814	-	-	29,947	16,814
Local contracts and in-kind	16,344,089	23,983,472	1,371,952	1,369,081	17,716,041	25,352,553
General revenues:						
Membership dues	752,591	734,911	-	-	752,591	734,911
Interest income	26,597	524,598	-	-	26,597	524,598
Total revenues	<u>145,924,846</u>	<u>157,983,421</u>	<u>1,371,952</u>	<u>1,369,081</u>	<u>147,296,798</u>	<u>159,352,502</u>
Expenses						
Agency administration	7,908,178	7,582,566	-	-	7,908,178	7,582,566
Agency management	1,169,150	1,278,501	-	-	1,169,150	1,278,501
Area Agency on Aging	12,680,904	12,754,861	-	-	12,680,904	12,754,861
Community Service	1,451,305	1,266,452	168,457	221,255	1,619,762	1,487,707
Emergency preparedness	1,708,521	2,806,164	-	-	1,708,521	2,806,164
Environment and development	3,822,302	2,799,729	-	-	3,822,302	2,799,729
RIS local assistance	4,002,173	3,493,105	1,134,749	1,105,864	5,136,922	4,598,969
Transportation planning	44,451,924	40,638,495	-	-	44,451,924	40,638,495
Workforce development	67,559,454	84,339,773	-	-	67,559,454	84,339,773
Total expenses	<u>144,753,911</u>	<u>156,959,646</u>	<u>1,303,206</u>	<u>1,327,119</u>	<u>146,057,117</u>	<u>158,286,765</u>
Increase in net position	1,170,935	1,023,775	68,746	41,962	1,239,681	1,065,737
Transfers	(20,000)	-	20,000	-	-	-
Increase in net position	<u>1,150,935</u>	<u>1,023,775</u>	<u>88,746</u>	<u>41,962</u>	<u>1,239,681</u>	<u>1,065,737</u>
Net position - beginning	17,047,338	16,023,563	175,974	134,012	17,223,312	16,157,575
Net position - ending	<u>\$ 18,198,273</u>	<u>\$ 17,047,338</u>	<u>\$ 264,720</u>	<u>\$ 175,974</u>	<u>\$ 18,462,993</u>	<u>\$ 17,223,312</u>

Significant components of the net position activity are as follows:

Governmental activities total revenues decreased \$12,058,575 or 8% in the current year. This decrease is comprised of the following major components:

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

- Federal revenues increased a net \$2,875,486 (30%) in the current year, primarily comprised of the following:
 - \$2,930,592 of this increase relates to Federal Transit Administration (FTA) programs. The main increase is due to the DFW High Speed TR Connections Study, the Innovative Coordinated Access and Mobility (ICAM) Pilot Program, and Coronavirus Aid, Relief, and Economic Security Act (CARES) funding that started late FY2020 and the 5307 grants.
- State revenues decreased a net \$6,827,490 (6%) in the current year, primarily comprised of the following:
 - \$13,805,191 decrease from the Texas Workforce Commission (TWC). Most of the reduction in FY21 was due to several Workforce programs not meeting targets as well as additional challenges due to COVID-19.
 - \$4,050,893 increased funding from the Texas Department of Transportation (TXDOT) due to four STBG grants that started at the end of FY20 or in FY21 and had an average of \$1.5M revenue.
 - \$404,672 decrease from the Texas Division of Emergency Management (TDEM). The decrease is due to the retirement of SafeRoom Rebate program and reduction in Pre-Disaster Mitigation Program.
 - \$1,785,770 increased funding from the Texas Commission on Environmental Quality (TCEQ). The increase is mostly comprised of the Solid Waste Grant which is on a biennium with the bulk of the activity occurring in year two.
 - \$434,437 increase from the Office of the Governor (OOG). Most of this change was due to resuming Homeland Security Grant Programs (HSGP), which were placed on hold during 2020 due to the pandemic.
 - \$131,750 decrease from the Texas Veterans Commission (TXVC). TX VC was consolidated under TWC in FY20. Starting in FY21 Veterans projects are part of TWC.
- In-Kind and Local revenue decreased a net \$7,639,383 (32%) in the current year, primarily comprised of the following:
 - FTA in-kind and local contracts decreased \$3,885,536. The decrease is because \$3,466,042 in-kind was recorded in FY20 for the Dallas Street Car project. Also, Local Contracts also decreased as more grants have Transportation Development Credits (TDCs) as match.
 - TWC in-kind and program income decreased \$3,540,798. In FY21 Workforce did not meet the expense targets to require the additional match that was necessary in FY20.
 - Environmental Protection Agency (EPA) in-kind increased \$537,414 relating to DERA Subrecipients provided more in-kind in FY21.
 - Health and Human Services Commission (HHSC) in-kind, local contracts, and program income decreased \$1,091,852. This variance is primarily due to the expansion of the nutrition program.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Due to COVID-19, Aging received and passed-through additional funds to cover almost 100% of the meals served by the subrecipients. Unfunded meals in prior years were reported as cash match generating significant match exceeding the 10% requirement for the programs. With not many unfunded meals in FY21, Cash match contributions decreased.

- Other local revenues increased \$711,154. This increase was due to the following:
 - RIS – Expenditures increased \$706,767 due to additional consultant expenditures on the RIS Orthos program.
 - WF - In FY21, we began the SEAL program with an increase of \$647,794. We also had Vocational Rehabilitation (VR) One-Time costs in FY21 with a difference of \$124,129. Workforce is in the process of implementing VR staff into the Workforce Centers. This will cause the VR recurring costs to increase each year until all staff have been implemented. This year the increase in VR recurring costs was \$214,250.
 - These increases were offset by a decrease in Emergency Preparedness of \$643,350. This is mostly related to the resuming of grant related activity after a large local response in 2020 at the onset of COVID-19.

➤ General revenues decreased \$480,321 (92%) because of lower interest income; due to lower rates.

Governmental activities total expenses decreased \$12,205,735 or 8% in the current year. Key elements of the changes are as follows:

- Workforce Development decreased \$16,780,319 or 20% due to several Workforce programs not meeting targets as well as additional challenges due to COVID-19.
- Transportation expenses increased a net of \$3,813,429 or 9% when compared with 2020. The main increase was due to the TXDOT STBG grants, and the FTA grants listed above.
- Environment & development expenses increased \$1,022,573 or 37% when compared to 2020. As mentioned above, this primarily relates to the 2nd year Solid Waste activity.
- Research and Information Services expenditures increased \$509,068 or 15% when compared with 2020. Contributing factors were increased consultant expenses on the Orthos project.
- Emergency preparedness expenses decreased \$1,097,643 or 39% when compared to 2020. The decrease is due to the retirement of SafeRoom Rebate program, reduced travel expenses due to pandemic, and a reduction in Pre-Disaster Mitigation program. In addition, there was a reduction in staff.

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

\$17,300,619 an increase of \$975,787 in comparison with the prior year. Approximately 42% of this total amount (\$7,258,184) 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 \$7,362,308. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 5% of total governmental fund expenditures.

General Fund. The fund balance of NCTCOG's general fund increased by \$345,131 during the current fiscal year.

Special Revenue Fund. The fund balance of NCTCOG's special revenue fund increased by a net of \$630,656 during the current fiscal year primarily due to an increases of \$60,700 for TXDOT programs and \$685,362 for other agency local projects offset by used funds of \$55,582 for Criminal Justice programs and \$59,693 for transportation local programs.

General Fund Budgetary Highlights

There were administrative adjustments made among functions that resulted in no net change in fund balance between the original and final budget. The net change in fund balance between the final budget and actual amounts resulted in an increase of \$338,316 which represents 5% of budgeted total current expenditures, primarily due to savings on various projects of 936,531 offset by a lower than budgeted indirect cost allocation of 625,860.

Capital Asset and Long-Term Liability Administration

Capital assets. The NCTCOG's investment in capital assets as of September 30, 2021, and 2020 amounted to \$1,326,876 and \$1,542,292 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and leasehold improvements. Detailed information on the NCTCOG's capital assets can be found in Note G on pages 41-42 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 2022 is estimated at \$768,690.

NCTCOG is primarily funded by state and federal grants which fluctuate from year to year based on many factors including federal and state initiatives, demographics, and competitive grants awarded. Management reviews and makes the operational changes necessary to address these fluctuations. NCTCOG total estimated revenues and program expenses for fiscal year 2022 increased a net of \$55.479 million from fiscal year 2021.

- Major state and federal program net decrease in funding of \$53.3 million mainly comprised of
 - Workforce – \$52.7 million net increase comprised of:
 - Texas Workforce Commission (TWC) – (\$52.7 million increase)
 - Transportation – \$968 thousand net increase, primarily comprised of:
 - Texas Department of Transportation (TXDOT) – (\$6.5 million increase)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

- Environmental Protection Agency (EPA) – (\$1.7 million increase)
- U.S. Department of Transportation (US DOT) – (\$425 thousand increase)
- Department of Defense (DOD) – (\$229 thousand increase)
- Texas Commission on Environmental Quality (TCEQ) – (\$32 thousand increase)
- Federal Transit Administration (FTA) – (\$7.9 million decrease)
- Department of Energy (DOE) – (\$41 thousand decrease)
- Federal Highway Administration (FHWA) – (\$41 thousand decrease)

- Area Agency on Aging – \$947 thousand increase comprised of:
 - Texas Health and Human Services (HHS) – (\$708 thousand increase)
 - U.S. Health and Human Services (US HHS) – (\$239 thousand increase)

- Environment & Development – \$637 thousand net decrease, primarily comprised of:
 - Texas Commission on Environmental Quality (TCEQ) – (\$920 thousand decrease)
 - Federal Emergency Management Agency (FEMA) – (\$278 thousand decrease)
 - Environmental Protection Agency (EPA) – (\$289 thousand increase)
 - Texas Water Development Board (TWDB) – (\$272 thousand increase)

- Emergency Preparedness – \$622 thousand net decrease, primarily comprised of:
 - Texas Department of Public Safety – (\$664 thousand decrease)
 - Governor's Office – (\$42 thousand increase)

- Local Contracts & Other Revenue – \$447 thousand net increase, primarily due to:
 - Transportation – (\$3.8 million increase).
 - Research and Information Services for Aerial Services – (\$3.1 million decrease).
 - Environment and Development – (\$153 thousand decrease).
 - Area Agency on Aging – (\$164 thousand decrease).
 - Community Services – (\$98 thousand decrease).
 - Emergency Preparedness – (\$94 thousand decrease).
 - Separate Entities:
 - NCT9-1-1 District – (\$317 thousand increase).
 - Public Employee Benefits Cooperative – (\$19 thousand decrease).

- In-Kind Match Funds – \$1.7 million net increase, primarily due to:
 - Transportation – (\$1.8 million increase).
 - Area Agency on Aging Title III – (\$207 thousand increase).
 - Workforce Development – (\$55 thousand increase).
 - Emergency Preparedness – (\$316 thousand decrease).

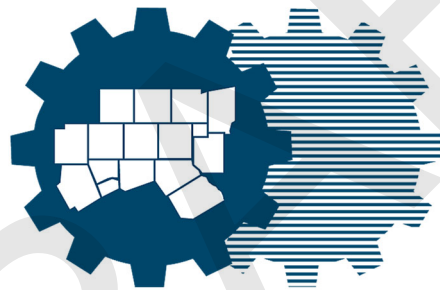
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Requests for Information

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

The NCT911 Financial Report is available on the NCT9-1-1 website, [Board of Managers - NCT9-1-1](#)

DRAFT



**North Central Texas
Council of Governments**

BASIC FINANCIAL STATEMENTS

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

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

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



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>NCT-911</u>
	<u>Activities</u>	<u>Activities</u>		<u>Total</u>
Assets				
Cash and cash equivalents	\$ 2,763,207	\$ -	\$ 2,763,207	\$ 1,627,712
Investments	60,394,141	-	60,394,141	2,150,287
Receivables	23,774,016	12,136	23,786,152	733,020
Internal balances	(225,100)	225,100	-	-
Due From Component Unit	238,436	-	238,436	-
Prepaid items	660,718	85,390	746,108	296,543
Capital assets, net of accumulated depreciation	1,326,876	-	1,326,876	889,246
Total Assets	<u>88,932,294</u>	<u>322,626</u>	<u>89,254,920</u>	<u>5,696,808</u>
Liabilities				
Accounts payable and accrued expenses	16,388,127	-	16,388,127	-
Unearned revenue	52,313,224	57,906	52,371,130	170,665
Advances	-	-	-	-
Due to Primary Government	-	-	-	238,436
Long-term liabilities				
Due within one year	126,139	-	126,139	-
Due in more than one year	1,906,531	-	1,906,531	-
Total Liabilities	<u>70,734,021</u>	<u>57,906</u>	<u>70,791,927</u>	<u>409,101</u>
Net Position				
Net investment in capital assets	1,326,876	-	1,326,876	889,246
Restricted for:				
Grants	904,630	-	904,630	-
Transportation projects	6,084,105	-	6,084,105	-
Unrestricted	9,882,662	264,720	10,147,382	4,398,461
Total Net Position	<u>\$ 18,198,273</u>	<u>\$ 264,720</u>	<u>\$ 18,462,993</u>	<u>\$ 5,287,707</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Net (Expenses) Revenue and Change in Net Position						
		Operating Grants and Contributions			Primary Government		Component Unit	
		Federal Funding	State/State Admin/ Local Grant Funding	Local Contracts and Inkind Contributions	Governmental Activities	Business Type Activities	Total	Total
Primary Government:								
Governmental Activities:								
Agency administration	\$ 7,908,178	\$ -	\$ -	\$ 1,723,161	\$ (6,185,017)	\$ -	\$ (6,185,017)	\$ -
Agency management	1,169,150	225,333	-	168,613	(775,204)	-	(775,204)	-
Area Agency on Aging	12,680,904	2,909	9,773,810	3,905,145	1,000,960	-	1,000,960	-
Community services	1,451,305	-	805,373	624,948	(20,984)	-	(20,984)	-
Emergency preparedness	1,708,521	-	1,386,785	551,972	230,236	-	230,236	-
Environment and development	3,822,302	499,486	2,066,592	1,475,005	218,781	-	218,781	-
RIS local assistance	4,002,173	-	-	1,300,893	(2,701,280)	-	(2,701,280)	-
Transportation planning	44,451,924	11,813,654	31,492,809	5,073,388	3,927,927	-	3,927,927	-
Workforce development	67,559,454	-	70,734,818	1,520,964	4,696,328	-	4,696,328	-
Total Governmental Activities	\$ 144,753,911	\$ 12,541,382	\$ 116,260,187	\$ 16,344,089	\$ 391,747		\$ 391,747	\$ -
Business-Type Activities:								
Shared Service Center	1,303,206	-	-	1,371,952	-	68,746	68,746	-
Total Primary Government	\$ 146,057,117	\$ 12,541,382	\$ 116,260,187	\$ 17,716,041	\$ 391,747	\$ 68,746	\$ 460,493	\$ -
Component-Type Activities:								
NCT9-1-1	10,718,586	-	-	10,865,118				146,532
Total Component Unit	\$ 10,718,586	\$ -	\$ -	\$ 10,865,118				\$ 146,532
General Revenues:								
Membership dues					\$ 752,591	\$ -	\$ 752,591	\$ -
Interest income					26,597	-	26,597	-
Transfer in (out)					(20,000)	20,000	-	-
Total general revenues					\$ 759,188	\$ 20,000	\$ 779,188	\$ -
Change in net position					1,150,935	88,746	1,239,681	146,532
Net position-beginning					17,047,338	175,974	17,223,312	5,141,175
Net position-ending					\$ 18,198,273	\$ 264,720	\$ 18,462,993	\$ 5,287,707

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 2,608,543	\$ 154,664	\$ 2,763,207
Investments	9,188,062	51,206,079	60,394,141
Accounts receivable:			
Federal grants	-	3,415,569	3,415,569
State and local administered grants	-	18,195,657	18,195,657
Local grants		2,140,473	2,140,473
Other	21,804	-	21,804
Due from other funds	8,436,810	-	8,436,810
Due from component unit	238,436	-	238,436
Prepays	104,124	254,157	358,281
Total Assets	<u>\$ 20,597,779</u>	<u>\$ 75,366,599</u>	<u>\$ 95,964,378</u>
Liabilities			
Accounts payable	\$ 11,313,461	\$ -	\$ 11,313,461
Accrued liabilities	58,975	3,173,243	3,232,218
Accrued payroll and employee benefits	1,842,448	-	1,842,448
Due to other funds	-	9,962,408	9,962,408
Unearned revenue	20,587	52,292,637	52,313,224
Total Liabilities	<u>13,235,471</u>	<u>65,428,288</u>	<u>78,663,759</u>
Fund Balance			
Non-spendable	104,124	254,157	358,281
Restricted for:			
Grants	-	904,630	904,630
Transportation projects	-	6,084,105	6,084,105
Assigned	-	2,695,419	2,695,419
Unassigned	7,258,184	-	7,258,184
Total Fund Balance	<u>7,362,308</u>	<u>9,938,311</u>	<u>17,300,619</u>
Total Liabilities and Fund Balance	<u>\$ 20,597,779</u>	<u>\$ 75,366,599</u>	<u>\$ 95,964,378</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, 2021**

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

Total Fund Balance - total governmental funds (page 19)	\$ 17,300,619
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,181,352
Internal service funds are used by management to charge the cost of certain activities such as network services. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	1,748,971
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,032,670)</u>
Net position of governmental activities (page 17)	<u><u>\$ 18,198,273</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, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Federal grants	\$ -	\$ 12,541,382	\$ 12,541,382
State administered grants	-	116,230,240	116,230,240
Local administered grants	-	29,947	29,947
Membership dues	752,591	-	752,591
Local contributed cash	569	10,740,184	10,740,753
Interest income	4,483	22,114	26,597
Program Income	-	165,902	165,902
In-Kind	-	5,437,434	5,437,434
Total Revenues	757,643	145,167,203	145,924,846
Expenditures			
Current:			
Agency administration	4,818,713	3,691,582	8,510,295
Agency management	840,305	370,788	1,211,093
Area Agency on Aging	-	13,040,536	13,040,536
Community services	12,089	1,540,008	1,552,097
Emergency preparedness	-	1,823,853	1,823,853
Environment & development	124,687	3,934,768	4,059,455
Research & information services	82,695	4,336,178	4,418,873
Transportation	148,994	47,428,670	47,577,664
Workforce development	19,464	68,126,705	68,146,169
Capital outlay	-	158,093	158,093
	6,046,947	144,451,181	150,498,128
Indirect cost allocation	(5,555,948)	-	(5,555,948)
Contributions to indirect costs	(13,121)	-	(13,121)
Total Expenditures	477,878	144,451,181	144,929,059
Excess of Revenues Over Expenditures	279,765	716,022	995,787
Other Financing Sources (Uses)			
Transfers in	129,634	553,632	683,266
Transfers out	(64,268)	(638,998)	(703,266)
Total Other Financing Sources and (Uses)	65,366	(85,366)	(20,000)
Net changes in fund balance	345,131	630,656	975,787
Fund balance - beginning	7,017,177	9,307,655	16,324,832
Fund balance - ending	\$ 7,362,308	\$ 9,938,311	\$ 17,300,619

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, 2021**

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

Net Change in Fund Balances-total governmental funds (page 21)	\$ 975,787
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	158,093
The internal service funds are used by management to charge the costs of certain activities such as network service to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	471,267
Current year changes in the long-term liability for compensated absences does not require the use of current financial resources and, therefore, is not reported as expenditure in the governmental funds.	(63,054)
Depreciation expense on capital assets does not require the use of current financial resources and, therefore, is not reported as expenditure in the governmental funds.	(391,158)
Change in net position (page 18)	<u>\$ 1,150,935</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Assets		
Accounts receivable	\$ 12,136	\$ 510
Due from other funds	225,100	1,300,499
Prepays	85,390	302,437
Total Current Assets	<u>322,626</u>	<u>1,603,446</u>
Capital assets, net of accumulated depreciation	<u>-</u>	<u>145,525</u>
Total Assets	<u>322,626</u>	<u>1,748,971</u>
Current Liabilities		
Unearned revenue	<u>57,906</u>	<u>-</u>
Total Liabilities	<u>57,906</u>	<u>-</u>
Net Position		
Investment in capital assets	-	145,525
Unrestricted	<u>264,720</u>	<u>1,603,446</u>
Total Net Position	<u>\$ 264,720</u>	<u>\$ 1,748,971</u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

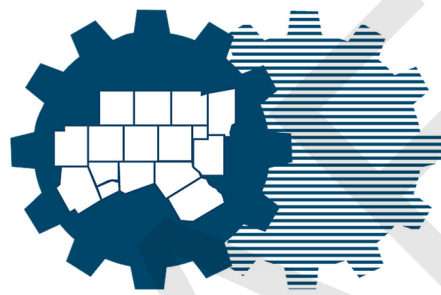
	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating Revenues		
Service charges	\$ 1,371,952	\$ 6,694,788
Total Operating Revenues	<u>1,371,952</u>	<u>6,694,788</u>
Operating Expenses		
Personnel	86,534	1,488,731
Indirect	13,486	232,010
Contract services	598,352	246,032
Travel	2,995	1,301
Depreciation	-	71,750
Other costs	601,839	4,183,697
Total Operating Expenses	<u>1,303,206</u>	<u>6,223,521</u>
Operating Income	<u>68,746</u>	<u>471,267</u>
Transfers in	<u>20,000</u>	<u>-</u>
Change in Net Position	88,746	471,267
Net Position - Beginning	<u>175,974</u>	<u>1,277,704</u>
Net Position - Ending	<u>\$ 264,720</u>	<u>\$ 1,748,971</u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<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	\$ 1,368,596	\$ 6,263,340
Payments to other funds for indirect and other costs	(13,486)	(232,010)
Payments to suppliers for goods and services	(1,288,576)	(4,453,200)
Payments to employees	(86,534)	(1,488,731)
Net Cash Provided by (Used in) Operating Activities	<u>(20,000)</u>	<u>89,399</u>
Cash Flows from Noncapital Financing Activities		
Transfers in	20,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>20,000</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Additions to capital assets	-	(89,399)
Net Cash Provided (Used) by Capital Financing Activities	<u>-</u>	<u>(89,399)</u>
Net Change in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents-Beginning of Year	-	-
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income	68,746	471,267
Adjustment to reconcile operating income to Net cash provided by (used in) operating activities:		
Depreciation expense	-	71,750
Increase in prepaid expenses	(85,390)	(22,170)
Decrease in unearned revenue	23,365	-
(Increase) in accounts receivable	70,859	(510)
Decrease (Increase) in due from other funds	(97,579)	(430,937)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (20,000)</u>	<u>\$ 89,399</u>

See accompanying notes to the basic financial statements.



**North Central Texas
Council of Governments**

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE A - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

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

Summary of Significant Accounting Policies

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

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

1. Reporting Entity

Primary Government

Membership in NCTCOG is voluntary. Any county, city or special purpose district within the North Central Texas region may become a member of the independent association by passing a resolution to join the Council and paying annual dues. Each member government is entitled to have one voting representative in the Council's General Assembly, which is NCTCOG's governing body. Each year the General Assembly elects a seventeen (17) member Executive Board that is the policymaking and oversight body for the Council.

The financial reporting entity is determined in accordance with GASB No. 14 "The Financial Reporting Entity", as amended by GASB No. 39, "Determining Whether Certain Organizations are Component Units". The North Central Texas Emergency Communications District (NCT9-1-1) is a discretely presented component unit and is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Discretely presented component unit.

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

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

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

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

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

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

2. Basis of Presentation

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

Fund Financial Statements:

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

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

General Fund

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

Special Revenue 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 accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net position. The Council has presented the following proprietary funds:

Enterprise Fund - accounts for charges to outside customers for full costs of services provided, including City Net shared services and the Training and Development Institute (TDI).

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

3. Measurement Focus and Basis of Accounting

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

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

The governmental fund types (General Fund and Special Revenue 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:

Federal, State, and Local Grant Revenue

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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.

Member Government Dues

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

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

Local Contributed Cash

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

In-Kind and Contributed Services

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

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

4. Leave Policies

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

Based on full time or part time accrual rates employees may accrue, during the first five years of employment, up to ten (10) days of vacation leave per year. During the second five years of employment, an employee accrues up to fifteen (15) days per year, and after ten years of employment, up to twenty (20) days per year. The maximum of unused vacation leave a full-time and eligible part-time employee may accumulate is the number of days, which the employee would accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for reviewing the personnel manual. The liability for accumulated vacation (\$2,032,670 on September 30, 2021) for governmental fund types, which represents normal accumulations, has been recorded. The current portion of accrued vacation pay, which would be liquidated with expendable available resources, is not material.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

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

5. Investments

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

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

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

6. Prepaid Items

Prepaid balances are for payments made by the agency for which benefits extend beyond September 30, 2021. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

7. Encumbrances

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

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

8. State Administered Grants

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

9. Internal Transfers

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

10. Allocation of Employee Benefits and Indirect Costs

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

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

11. Transactions between Funds

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

12. Capital Assets

Capital assets, which include equipment, furniture, 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 reported at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. See Note G for details on capital assets.

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

13. Risk Management

NCTCOG is exposed to various risks of loss related to torts; theft or, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. NCTCOG maintains workers' compensation and other risks of loss coverage through commercial insurance carriers. NCTCOG's management believes such coverage is sufficient to preclude any significant uninsured losses. There were no significant reductions in insurance coverage from coverage in the prior year. There were no insurance settlements which exceeded insurance coverage in any of the past three years.

The NCTCOG participates in the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) to provide workers' compensation coverage 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 2021, the Council contributed \$141,4274 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, 2021.

14. Cash and Cash Equivalents

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

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

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

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

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

Committed fund balance – includes fund balance amounts that are constrained for specific purposes that are internally imposed by NCTCOG through formal action of the highest level of decision-making authority. Committed fund balance is reported pursuant to resolution passed by NCTCOG's Board of

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Directors. It also includes amounts that can be used only for the specific purposes determined by the Executive Board. Commitments may be changed or lifted only by the Executive Board.

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

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

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

16. Implementation of New Accounting Standards.

Effective for fiscal year 2021 reporting the Council adopted the following new standards issued by the Governmental Accounting Standards Board (GASB):

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Statement No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Governments with activities meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. This statement did not have an impact on the financial statements.

Statement No. 90, Majority Equity Interests. This statement specifies that a majority equity interest in a legally separate organization should be reported as a component unit. The government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method if the definition of an investment is met. This statement did not have an impact on the financial statements

Statement No. 98, The *Annual Comprehensive Financial Report* was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

NOTE B - CASH AND INVESTMENTS

1. Legal and Contractual Provisions Governing Deposits and Investments

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

(1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes and the NCTCOG’s investment policy authorized the NCTCOG to invest in the following investments as summarized in the table below:

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE B - CASH AND INVESTMENTS (continued)

Cash and investments as of September 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government

Total Cash and Investments	\$ 63,157,348
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Cash and Investments as of September 30, 2021, consist of the following:

Deposits with Financial Institutions	\$ 2,762,757
Cash on Hand	450
Investments	60,394,141
Total Cash and Investments	\$ 63,157,348

2. Disclosures Relating to Interest Rate Risk

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

3. Disclosures Relating to Credit Risk

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)⁽¹⁾</u>	<u>Minimum Rating Required</u>	<u>Rating as of Year End</u>
Primary Government				
TexPool	\$ 19,842,846	37	AAAm	AAAm
Logic	470	43	AAAm	AAAm
TexStar	40,550,825	27	AAAm	AAAm
	\$ 60,394,141	34		

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE B - CASH AND INVESTMENTS (continued)

As of September 30, 2021, NCTCOG, did not invest in any securities which are highly sensitive to interest rate fluctuations.

Following the criteria for GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, TexPool, TexStar and LOGIC use amortized cost to value portfolio assets.

As of September 30, 2021, the Council had investments in local government investment pools at totaling \$60,394,141 which are recorded at amortized cost.

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, 2021, other than external investment pools, NCTCOG did not have 5% or more of its investments with any one issuer.

5. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The Public Funds Investment Act and NCTCOG's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits or investment other than the following provision for deposits: The Public Funds Collateral Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must always equal at least the bank balance less the FDIC insurance. On September 30, 2021, all the Council's deposits had a carrying amount of \$2,762,757 and a bank ledger balance of \$3,196,235. Pledged Collateral of \$3,715,445 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

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

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE B - CASH AND INVESTMENTS (continued)

6. Investment in Local Government Investment Pools

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

NOTE C – FEDERAL AND STATE ADMINISTERED GRANT RECEIVABLES

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

NOTE D – CHANGES IN LONG-TERM LIABILITIES

A summary of long-term liability transactions for the year ended September 30, 2021, is presented below. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented.

	Balance September <u>30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance September <u>30, 2021</u>	<u>Due Within One Year</u>
Accrued Vacation	\$ 1,969,616	\$ 231,148	\$ 168,094	\$ 2,032,670	\$ 126,139

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 \$25,428 during 2021. The Council contributed a matching \$23,743 as the employer’s match, 3.75% of gross salaries. Part-time employees are 100% vested in the plan from the first contribution.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE F – INTERNAL TRANSACTIONS AND TRANSFERS

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

The following is a summary of interfund transfers for the year ended September 30, 2021:

Transfers- In/Out Other Funds:

<u>Transfer- In</u>	<u>Transfer- Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Fund	\$ 129,634	Recovery of depreciation
Special Revenue Fund	General Fund	54,268	Local match dollars
Enterprise Fund	General Fund	10,000	Local match dollars
Enterprise Fund	Special Revenue Fund-Local	10,000	Local match dollars
Special Revenue Fund-Local	Special Revenue Fund-Local	20,832	Local funded projects
Special Revenue Fund-State/Federal	Special Revenue Fund-State/Federal	68,937	Match dollars
Special Revenue Fund-State/Federal	Special Revenue Fund-Local	78,874	Match dollars
Special Revenue Fund	Special Revenue Fund-Foundation	37,300	Local match dollars
Special Revenue Fund-Local	Special Revenue Fund-State/Federal	293,421	Match dollars
	Total	<u>\$ 703,266</u>	

Due To/From Other Funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 8,436,809	\$ -
Special Revenue Fund	-	9,962,408
Enterprise Fund	225,101	-
Internal Service Fund	1,300,498	-
Total	<u>\$ 9,962,408</u>	<u>\$ 9,962,408</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, 2021

NOTE G – CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended September 30, 2021, follows:

<u>Governmental activities:</u>	Balance September 30, 2020	Increases	Decreases/ Transfers	Balance September 30, 2021
<u>General Capital Assets</u>				
Capital assets not being depreciated				
Leasehold improvements in progress	\$ 263,475	\$ -	\$ (263,475)	\$ -
Total capital assets not being depreciated	<u>263,475</u>	<u>-</u>	<u>(263,475)</u>	<u>-</u>
Capital assets being depreciated:				
Equipment	5,301,803	158,093	(1,970,084)	3,489,812
Furniture	223,279	-	-	223,279
Leasehold improvements	2,500,013	-	(875,904)	1,624,109
Total capital assets being depreciated	<u>8,025,095</u>	<u>158,093</u>	<u>(2,845,988)</u>	<u>5,337,200</u>
Accumulated depreciation				
Equipment	4,681,525	320,549	(1,970,084)	3,031,990
Furniture	223,279	-	-	223,279
Leasehold improvements	1,969,349	70,609	(1,139,379)	900,579
Total accumulated depreciation	<u>6,874,153</u>	<u>391,158</u>	<u>(3,109,463)</u>	<u>4,155,848</u>
Total governmental funds capital assets, net	<u>1,414,417</u>	<u>(233,065)</u>	<u>263,475</u>	<u>1,181,352</u>
<u>Internal Service Fund Capital Assets</u>				
Capital assets being depreciated:				
Equipment	993,320	82,115	(102,417)	973,018
Furniture	1,005	-	-	1,005
Leasehold improvements	25,667	7,284	-	32,951
Total capital assets being depreciated	<u>1,019,992</u>	<u>89,399</u>	<u>(102,417)</u>	<u>1,006,974</u>
Accumulated Depreciation				
Equipment	873,802	69,108	(102,417)	840,493
Furniture	2,565	1,101	-	3,666
Leasehold improvements	15,750	1,541	-	17,291
Total accumulated depreciation	<u>892,117</u>	<u>71,750</u>	<u>(102,417)</u>	<u>861,450</u>
Total governmental funds capital assets, net	<u>127,875</u>	<u>17,649</u>	<u>-</u>	<u>145,524</u>
Governmental activities capital assets, net	<u>\$ 1,542,292</u>	<u>\$ (215,416)</u>	<u>\$ 263,475</u>	<u>\$ 1,326,876</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE G – CAPITAL ASSETS (continued)

	Balance September 30, 2020	Increases	Decreases	Balance September 30, 2021
Equipment	\$ 7,483,991	\$ -	\$(7,483,991)	\$ -
Furniture	-	-	-	-
Leasehold improvements	-	-	-	-
Total capital assets being depreciated	<u>7,483,991</u>	<u>-</u>	<u>(7,483,991)</u>	<u>-</u>
Equipment	7,483,991	-	(7,483,991)	-
Furniture	-	-	-	-
Leasehold improvements	-	-	-	-
Total accumulated depreciation	<u>7,483,991</u>	<u>-</u>	<u>(7,483,991)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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	\$ 12,604
Agency management	845
Community services-Aging	8,548
Community services-CJD	2,407
Emergency preparedness	2,636
Environment & development	5,500
RIS local assistance	10,154
Transportation planning	145,692
Workforce development	202,773
Internal service fund	<u>71,750</u>
Total depreciation expense - governmental activities	<u>\$ 462,909</u>
Business-Type Activities:	
Shared service center	<u>-</u>
Total depreciation expense - business type activities	<u>\$ -</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 eligible employees. The Council contributed an amount of \$3,568,880 during fiscal year 2021 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Participating employees also contributed an amount of \$1,784,440 during 2021 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$30,772,996 including \$29,740,670 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 non-cancellable and cancellable operating leases primarily for office space and equipment. Rental expenditures under all NCTCOG operating lease agreements were \$4,599,169 for 2021.

Future minimum rental payments required under operating leases, including those signed after September 30, 2021, for NCTCOG and its subcontractors that have initial or remaining lease terms more than one year, are as follows:

Year Ended September 30	Amount
2022	\$4,784,483
2023	4,723,785
2024	4,665,533
2025	4,756,546
Thereafter (2026-2033)	34,994,914
	<u>\$53,925,261</u>

The Council had no encumbrances during 2021.

NOTE J – CONTINGENCIES

For most 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 subrecipients are required to have an annual independent audit. The Council requires each agency to submit a copy of the audit reports. If such audits disclose expenditures not in accordance with terms of the grants, the grantor agency could disallow the costs and require

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE J – CONTINGENCIES (continued)

reimbursement of the disallowed costs either from the Council or the delegate agency. The Council generally has the right of recovery from the subrecipients.

For the year ended September 30, 2021, agency costs of various amounts were disbursed for which the audits have not been received. Based on prior experience, management believes that the Council will not incur significant losses from possible grant disallowances.

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

NOTE K – FUND BALANCE

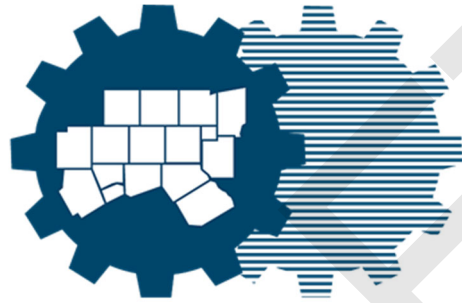
In accordance with GASB 54, the NCTCOG classifies governmental fund balances as follows:

	General Fund	Major Special Revenue Fund					Total	Governmental Funds
		FEMA	OOG	Local	TCEQ	TXDOT		TOTAL
Fund Balances:								
Non- spendable:								
Prepays	\$ 104,124	\$ -	\$ -	\$ 252,964	\$ -	\$ 1,193	\$ 254,157	\$ 358,281
Restricted:								
Grants	-	118,873	165,667	-	10,094	609,996	904,630	904,630
Local Transportation	-	-	-	6,084,105	-	-	6,084,105	6,084,105
Assigned:								
Shared Services Initiatives	-	-	-	578,050	-	-	578,050	578,050
*Other	-	-	-	2,117,369	-	-	2,117,369	2,117,369
Unassigned	7,258,184	-	-	-	-	-	-	7,258,184
Total Fund Balances	\$ 7,362,308	\$ 118,873	\$ 165,667	\$ 9,032,488	\$10,094	\$611,189	\$ 9,938,311	\$ 17,300,619

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

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REQUIRED SUPPLEMENTAL SCHEDULES



**North Central Texas
Council of Governments**

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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Budget Basis Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Member dues	\$ 753,221	\$ 753,221	\$ 752,591	\$ (630)
Local contributed cash	22,500	22,500	569	(21,931)
Interest Income	20,000	20,000	4,483	(15,517)
Total revenues	<u>795,721</u>	<u>795,721</u>	<u>757,643</u>	<u>(38,078)</u>
Expenditures				
Current:				
Agency administration	5,182,578	5,167,578	4,735,858	431,720
Agency management	999,779	999,779	692,949	306,830
Public affairs	221,950	221,950	147,356	74,594
RIS local assistance	225,000	225,000	188,722	36,278
Community services	-	15,000	12,089	2,911
Environmental & development	140,000	140,000	125,023	14,977
Transportation planning	218,222	218,222	149,001	69,221
	<u>6,987,529</u>	<u>6,987,529</u>	<u>6,050,998</u>	<u>936,531</u>
Indirect cost allocation	(6,181,808)	(6,181,808)	(5,555,948)	(625,860)
Contributions to indirect costs	(10,000)	(10,000)	(13,121)	3,121
Total expenditures	<u>795,721</u>	<u>795,721</u>	<u>481,929</u>	<u>313,792</u>
Excess of revenues				
Over expenditures	-	-	275,714	275,714
Other Financing Sources				
Transfers in	-	-	129,634	129,634
Transfers out	-	-	(64,268)	(64,268)
Charge for use of assets	136,300	136,300	133,685	(2,615)
Indirect allocation to special revenue fund	(129,485)	(129,485)	(129,634)	(149)
Total other financing sources	<u>6,815</u>	<u>6,815</u>	<u>69,417</u>	<u>62,602</u>
Net changes in fund balances	<u>6,815</u>	<u>6,815</u>	<u>345,131</u>	<u>338,316</u>
Fund balances - beginning	<u>7,017,177</u>	<u>7,017,177</u>	<u>7,017,177</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,023,992</u>	<u>\$ 7,023,992</u>	<u>\$ 7,362,308</u>	<u>\$ 338,316</u>

See accompanying notes to the required supplemental information.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2021

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.

General Fund

Total Net Expenditures (GAAP Basis)	\$ 477,878
Plus: Charge for use of assets	133,685
Less: Use of assets recovered through indirect cost allocated to special revenue fund	<u>(129,634)</u>
Total expenditures (budget basis)	<u>\$ 481,929</u>
Total Other Sources (GAAP Basis)	\$ 65,366
Plus: charge for use of assets	133,685
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(129,634)</u>
Total other sources (budget basis)	<u>\$ 69,417</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2021

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.
- 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.



**North Central Texas
Council of Governments**

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OTHER SUPPLEMENTAL INFORMATION



**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2021**

	Federal Funds Total	State and Locally Administered Total	Combined Total
Revenues			
Federal Grants/Contracts	\$ 12,541,382	\$ -	\$ 12,541,382
State Grants & Contracts	-	116,230,240	116,230,240
Local Administered Grants	-	29,947	29,947
Local Contracts	179,596	10,560,588	10,740,184
In-Kind	2,547,968	2,889,466	5,437,434
Program Income	-	165,902	165,902
Interest	-	22,114	22,114
Total Revenues	<u>15,268,946</u>	<u>129,898,257</u>	<u>145,167,203</u>
Expenditures			
Current:			
Agency Administration	21,421	3,670,161	3,691,582
Agency Management	342,679	28,109	370,788
Community Service	-	1,540,008	1,540,008
Area Agency on Aging	2,899	13,037,637	13,040,536
Emergency Preparedness	-	1,823,853	1,823,853
Environment & Development	534,906	3,399,862	3,934,768
Research & Info Svcs	-	4,336,178	4,336,178
Transportation	14,360,407	33,068,263	47,428,670
Workforce Development	-	68,126,705	68,126,705
Capital Outlay	-	158,093	158,093
Total Expenditures	<u>15,262,312</u>	<u>129,188,869</u>	<u>144,451,181</u>
Excess of Revenues Over Expenditures	<u>6,634</u>	<u>709,388</u>	<u>716,022</u>
Other Financing Sources (Uses)			
Transfers In - Projects	9,098	544,534	553,632
Transfers Out - Projects	<u>(16,744)</u>	<u>(622,254)</u>	<u>(638,998)</u>
Total Other Financing (Uses)	<u>(7,646)</u>	<u>(77,720)</u>	<u>(85,366)</u>
Net Change In Fund Balance	(1,012)	631,668	630,656
Fund Balances-Beginning of Year	<u>119,885</u>	<u>9,187,770</u>	<u>9,307,655</u>
Fund Balances-End of Year	<u>\$ 118,873</u>	<u>\$ 9,819,438</u>	<u>\$ 9,938,311</u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2021

	FEDERAL FUNDS							TOTAL
	DOD	EPA	FEMA	DOE	FTA	DOC	HHSC	
Revenues								
Federal Grants/Contracts	\$ 50,518	\$ 734,600	\$ 317,036	\$ 5,516	\$ 11,205,466	\$ 225,338	\$ 2,908	\$ 12,541,382
Local Contracts	7,453	-	53,292	-	118,851	-	-	179,596
In-Kind	-	1,693,344	-	-	733,186	121,438	-	2,547,968
Total Revenues	57,971	2,427,944	370,328	5,516	12,057,503	346,776	2,908	15,268,946
Agency Administration	-	6,184	11,900	-	-	3,337	-	21,421
Agency Management	-	-	-	-	-	342,679	-	342,679
Area Agency on Aging	-	-	-	-	-	-	2,899	2,899
Environment & Development	-	176,006	358,900	-	-	-	-	534,906
Transportation	57,810	2,245,404	234	5,516	12,051,443	-	-	14,360,407
Total Expenditures	57,810	2,427,594	371,034	5,516	12,051,443	346,016	2,899	15,262,312
Excess/(Deficiencies) of Revenues	161	350	(706)	-	6,060	760	9	6,634
Over/(Under) Expenditures								
Other Financing Sources (Uses)								
Transfers In - Projects	1,936	-	7,162	-	-	-	-	9,098
Transfers Out - Projects	(2,097)	(350)	(7,468)	-	(6,060)	(760)	(9)	(16,744)
Total Other Financing Uses	(161)	(350)	(306)	-	(6,060)	(760)	(9)	(7,646)
Net Change In Fund Balance	-	-	(1,012)	-	-	-	-	(1,012)
Fund Balances-Beginning of Year	-	-	119,885	-	-	-	-	119,885
Fund Balances-End of Year	\$ -	\$ -	\$ 118,873	\$ -	\$ -	\$ -	\$ -	\$ 118,873

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2021**

	STATE AND LOCALLY ADMINISTERED FUNDS					
	OOG	TDA	TWC	TCEQ	TX DOT	
Revenues				Transportation	Other	
State Grants & Contracts	\$ 2,040,222	\$ 21,755	\$ 70,734,924	\$ 169,918	\$ 2,044,836	\$ 31,292,876
Local Administered Grants	-	-	-	-	-	-
Local Contracts	426,336	-	-	-	-	158,167
In-Kind	-	-	-	140,763	-	87,596
Program Income	-	-	(14,318)	-	-	675
Interest	-	-	-	128	557	7,325
Total Revenues	2,466,558	21,755	70,720,606	310,809	2,045,393	31,546,639
Agency Administration	80,629	1,864	958,671	-	22,753	6,690
Agency Management	-	-	-	-	-	-
Area Agency on Aging	-	-	-	-	-	-
Community Service	1,197,690	-	-	-	-	-
Emergency Preparedness	1,005,327	-	-	-	-	-
Environment & Development	-	19,824	-	-	2,017,004	7,182
Research & Info Svcs	1,545	-	2,785,307	-	1,819	245,880
Transportation	215	-	19,195	312,349	917	31,275,529
Workforce Development	-	-	66,773,748	-	-	-
Capital Outlay	-	-	158,093	-	-	-
Total Expenditures	2,285,406	21,688	70,695,014	312,349	2,042,493	31,535,281
Excess/(Deficiencies) of Revenues	181,152	67	25,592	(1,540)	2,900	11,358
Over/(Under) Expenditures						
Other Financing Sources (Uses)						
Transfers In - Projects	23,746	-	-	2,133	-	103,236
Transfers Out - Projects	(260,480)	(67)	(25,592)	(465)	(2,147)	(53,894)
Total Other Financing Sources (Uses)	(236,734)	(67)	(25,592)	1,668	(2,147)	49,342
Net Change In Fund Balance	(55,582)	-	-	128	753	60,700
Fund Balances-Beginning of Year	221,249	-	-	4,821	4,392	550,489
Fund Balances-End of Year	\$ 165,667	\$ -	\$ -	\$ 4,949	\$ 5,145	\$ 611,189

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2021**

	STATE AND LOCALLY ADMINISTERED FUNDS					TOTAL
	TDEM	LOCAL	CFOHIO	HHSC		
Revenues						
State Grants & Contracts	\$ 151,921	Transportation \$ -	Other \$ -	\$ -	\$ 9,773,788	\$ 116,230,240
Local Administered Grants	-	-	-	29,947	-	29,947
Local Contracts	-	2,132,417	7,808,118	-	35,550	10,560,588
In-Kind	105,428	-	3,054	-	2,552,625	2,889,466
Program Income	-	-	-	-	179,545	165,902
Interest	-	14,104	-	-	-	22,114
Total Revenues	257,349	2,146,521	7,811,172	29,947	12,541,508	129,898,257
Agency Administration	16,396	759,742	1,619,586	-	203,830	3,670,161
Agency Management	-	-	28,109	-	-	28,109
Area Agency On Aging	-	-	710,997	-	12,326,640	13,037,637
Community Service	-	-	342,318	-	-	1,540,008
Emergency Preparedness	256,316	-	562,210	-	-	1,823,853
Environment & Development	-	-	1,355,852	-	-	3,399,862
Research & Info Svcs	365	-	1,300,134	-	1,128	4,336,178
Transportation	-	1,364,227	61,194	29,873	4,764	33,068,263
Workforce Development	-	-	1,352,957	-	-	68,126,705
Capital Outlay	-	-	-	-	-	158,093
Total Expenditures	273,077	2,123,969	7,333,357	29,873	12,536,362	129,188,869
Excess/(Deficiencies) of Revenues	(15,728)	22,552	477,815	74	5,146	709,388
Over/(Under) Expenditures						
Other Financing Sources (Uses)						
Transfers In - Projects	52,002	30,000	330,290	-	3,127	544,534
Transfers Out - Projects	(36,274)	(112,245)	(122,743)	(74)	(8,273)	(622,254)
					-	
Total Other Financing Sources (Uses)	15,728	(82,245)	207,547	(74)	(5,146)	(77,720)
Net Change In Fund Balance	-	(59,693)	685,362	-	-	631,668
Fund Balances-Beginning of Year	-	6,348,503	2,058,316	-	-	9,187,770
Fund Balances-End of Year	\$ -	\$ 6,288,810	\$ 2,743,678	\$ -	\$ -	\$ 9,819,438

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)
GENERAL FUND
YEAR ENDED OF SEPTEMBER 30, 2021**

	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 2,473,996	\$ 2,688,764
Benefits	<u>1,158,475</u>	<u>1,285,429</u>
Indirect personnel	3,632,471	3,974,193
Legal	5,414	20,000
Audit	105,757	137,000
Contract services	280,832	374,538
Travel	122	32,000
Equipment use fee	133,685	136,300
Consumable supplies	60,214	117,500
Insurance & bonding	58,473	40,000
Rent	570,907	550,050
Printing & publications	11,084	35,000
Advertising	218	4,000
Maintenance & repairs	149,003	145,000
Employee recruitment	3,943	7,500
Communications	13,294	15,000
Postage	4,819	9,000
Subscriptions & dues	222,822	270,000
Other	<u>316,011</u>	<u>324,727</u>
 TOTAL	 5,569,069	 6,191,808
Less: Contributions to Indirect costs	 <u>(13,121)</u>	 <u>(10,000)</u>
 NET INDIRECT COSTS	 <u>\$ 5,555,948</u>	 <u>\$ 6,181,808</u>

Indirect costs rate computations:

Net indirect costs	<u>\$ 5,555,948</u>		<u>\$ 6,181,808</u>
Direct salaries & benefits - all funds	\$ 35,650,721	= 15.58%	\$ 34,927,004 = 17.70%

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS – ALL FUNDS
YEAR ENDED SETEMBER 30, 2021**

Full Time Benefits Programs	<u>Actual</u>	<u>Projected</u>
Medicare insurance	\$ 422,346	\$ 433,642
Medical insurance	4,572,338	4,674,865
Worker's compensation	72,101	70,862
Flexible benefit plan	9,098	9,468
Life & disability insurance	209,674	208,197
Other benefits	57,113	97,000
Unemployment insurance	106,958	67,860
Retirement	3,203,574	3,188,769
Vacation	1,556,449	1,583,927
Sick leave	622,047	673,993
Holiday leave	1,602,506	1,458,860
Other leave	<u>66,928</u>	<u>140,275</u>
TOTAL	<u>\$ 12,501,132</u>	<u>\$ 12,607,718</u>
 Employee benefits rate computations:		
Total full-time benefits	<u>\$ 12,501,132</u>	<u>\$ 12,607,718</u>
Total regular salaries	\$ 26,440,534 = 47.28%	\$ 26,049,366 = 48.40%
 Total personnel costs recap:		
Salaries	\$ 26,440,534	\$ 26,049,366
Benefits	<u>12,501,132</u>	<u>12,607,718</u>
 Personnel - NCTCOG	 <u>\$ 38,941,666</u>	 <u>\$ 38,657,084</u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST
LIMITATION TEST
FISCAL YEAR 2021 ACTUAL
OCTOBER 1, 2020-SEPTEMBER 30, 2021**

Total Indirect Costs	\$ 5,555,948		
Expenditures:			
General Fund	6,046,947		
Special Revenue Fund	144,451,181		
NCT9-1-1	8,848,993		
Proprietary Fund	6,223,521		
Enterprise Fund	1,303,206		
Interdepartmental Transfers for Direct Charges and Indirect Costs	<u>(12,250,736)</u>		
Total Expenditures	\$ 154,623,112	=	3.6%
Less:			
Pass-Through Funds ⁽¹⁾	(62,842,908)		
In-Kind Expenditures	(5,437,434)		
Contract Services	(26,165,972)		
Capital Expenditures	<u>(158,093)</u>		
Adjusted Expenditures	\$ 60,018,705	=	9.3%

⁽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, 2021**

	<u>Totals</u>
Capital Assets	
Equipment	\$ 4,462,831
Furniture	224,284
Leasehold improvements	<u>1,657,060</u>
Total capital assets	<u><u>\$ 6,344,175</u></u>
Sources	
NCTCOG	
Equipment	\$ 1,398,046
Furniture	77,685
Leasehold improvements	906,057
	2,381,788
Grant Funded	
Equipment	3,064,784
Furniture	146,599
Leasehold improvements	<u>751,003</u>
	3,962,386
Less: Internal service fund assets	<u>1,006,974</u>
Total general capital assets	<u><u>\$ 5,337,200</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2021**

	<u>2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>2021</u>
Capital Assets				
Area Agency on Aging	\$ 30,063	\$ -	\$ 30,063	\$ -
Community services	65,790	-	65,790	-
Emergency preparedness	271,949	-	38,097	233,852
Environmental resources	110,290	-	84,651	25,639
Local assistance	2,042,435	263,475	457,892	1,848,018
Regional information services	1,598,761	89,399	389,190	1,298,970
Transportation planning	1,101,781	-	310,867	790,914
Workforce development	3,824,018	158,093	1,835,330	2,146,781
Enterprise fund	<u>7,483,991</u>	<u>-</u>	<u>7,483,991</u>	<u>-</u>
Total capital assets	16,529,078	510,967	10,695,871	6,344,174
Less: Internal service fund	1,019,992	89,399	102,417	1,006,974
Less: Enterprise fund	<u>7,483,991</u>	<u>-</u>	<u>7,483,991</u>	<u>-</u>
Total general capital assets	<u>\$ 8,025,095</u>	<u>\$ 421,568</u>	<u>\$ 3,109,463</u>	<u>\$ 5,337,200</u>



STATISTICAL SECTION



**North Central Texas
Council of Governments**

**STATISTICAL SECTION
(UNAUDITED)**

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

Contents

Table #s

Financial Trends

1, 2, 3 & 4

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

Revenue Capacity

5

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

Demographic and Economic Indicators

6 & 7

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

Operating Information

8 & 9

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 1,326,876	\$ 1,542,292	\$ 1,150,206	\$ 6,488,405
Restricted	6,988,735	7,201,769	6,816,436	6,124,568
Unrestricted	<u>9,882,662</u>	<u>8,303,277</u>	<u>8,056,921</u>	<u>7,898,500</u>
Total governmental activities net position	<u>\$ 18,198,273</u>	<u>\$ 17,047,338</u>	<u>\$ 16,023,563</u>	<u>\$ 20,511,473</u>
Business-type activities				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ 728
Unrestricted	<u>264,720</u>	<u>175,974</u>	<u>134,012</u>	<u>87,519</u>
Total business-type activities net position	<u>\$ 264,720</u>	<u>\$ 175,974</u>	<u>\$ 134,012</u>	<u>\$ 88,247</u>
Primary government				
Net investment in capital assets	\$ 1,326,876	\$ 1,542,292	\$ 1,150,206	\$ 6,489,133
Restricted	6,988,735	7,201,769	6,816,436	6,124,568
Unrestricted	<u>10,147,382</u>	<u>8,479,251</u>	<u>8,190,933</u>	<u>7,986,019</u>
Total primary governmental net position	<u>\$ 18,462,993</u>	<u>\$ 17,223,312</u>	<u>\$ 16,157,575</u>	<u>\$ 20,599,720</u>

Source: Annual Comprehensive Financial Report

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Table 1

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 4,848,728	\$ 5,805,480	\$ 2,920,629	\$ 1,493,197	\$ 951,869	\$ 1,131,432
5,924,051	5,649,654	5,634,043	5,473,922	5,401,133	6,231,665
<u>6,496,927</u>	<u>6,038,512</u>	<u>5,930,520</u>	<u>5,714,552</u>	<u>5,226,610</u>	<u>4,312,103</u>
<u>\$ 17,269,706</u>	<u>\$ 17,493,646</u>	<u>\$ 14,485,192</u>	<u>\$ 12,681,671</u>	<u>\$ 11,579,612</u>	<u>\$ 11,675,200</u>
\$ 21,997	\$ 53,520	\$ 76,899	\$ 18,502	\$ 25,791	\$ 13,260
44,713	17,040	52,248	36,409	20,801	67,769
<u>66,710</u>	<u>70,560</u>	<u>129,147</u>	<u>54,911</u>	<u>46,592</u>	<u>81,029</u>
\$ 4,870,725	\$ 5,859,000	\$ 2,997,528	\$ 1,511,699	\$ 977,660	\$ 1,144,692
5,924,051	5,649,654	5,634,043	5,473,922	5,401,133	6,231,665
6,541,640	6,055,552	5,982,768	5,750,961	5,247,411	4,379,872
<u>\$ 17,336,416</u>	<u>\$ 17,564,206</u>	<u>\$ 14,614,339</u>	<u>\$ 12,736,582</u>	<u>\$ 11,626,204</u>	<u>\$ 11,756,229</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2021	2020	2019	2018
Expenses				
Governmental activities:				
Agency administration	\$ 7,908,178	\$ 7,582,566	\$ 8,204,880	\$ 7,852,410
Agency management	1,169,150	1,278,501	1,394,848	885,791
* Area agency on aging	12,680,904	12,754,861	16,739,462	16,601,140
Community services	1,451,305	1,266,452	1,361,640	1,364,502
* 9-1-1 Planning	-	-	5,903,968	14,423,825
Emergency preparedness	1,708,521	2,806,164	3,457,062	4,434,937
Environment and development	3,822,302	2,799,729	4,349,585	2,212,906
RIS local assistance	4,002,173	3,493,105	3,674,309	2,704,069
Transportation planning	44,451,924	40,638,495	42,090,520	38,551,550
Workforce development	67,559,454	84,339,773	69,845,277	61,478,270
Total governmental activities expenses	144,753,911	156,959,646	157,021,551	150,509,400
Business-type activities:				
Shared service center	1,303,206	1,327,119	1,435,971	1,445,222
Total business-type activities expenses	1,303,206	1,327,119	1,435,971	1,445,222
Total primary government expenses	146,057,117	158,286,765	158,457,522	151,954,622
Program Revenues				
Governmental activities:				
Operating grants:				
Agency administration	-	-	-	-
Agency management	225,333	96,372	31,216	104,093
* Area agency on aging	9,776,719	8,568,158	7,846,815	7,460,116
Community Service	805,373	740,503	862,656	976,123
* 9-1-1 Planning	-	-	8,848,567	16,926,172
Emergency preparedness	1,386,785	1,421,866	2,273,508	2,757,243
Environment and development	2,566,078	1,385,954	2,748,162	960,517
Transportation planning	43,306,463	35,855,717	37,524,433	38,464,100
Workforce development	70,734,818	84,671,870	69,910,835	61,521,158
Local grants and contributions	16,344,089	23,983,472	28,307,953	22,945,328
Total governmental activities program revenues	145,145,658	156,723,912	158,354,145	152,114,850
Business-type activities:				
Charges for services:				
Shared service center	1,371,952	1,369,081	1,445,236	1,440,309
Total business-type activities program revenues	1,371,952	1,369,081	1,445,236	1,440,309
Total primary government program revenues	146,517,610	158,092,993	159,799,381	153,555,159
Net (Expenses) Revenue				
Governmental activities	391,747	(235,734)	1,332,594	1,605,450
Business-type activities	68,746	41,962	9,265	(4,913)
Total primary government net expenses	460,493	(193,772)	1,341,859	1,600,537
General Revenues				
and Other Changes in Net Position				
Governmental activities:				
Membership fees	752,591	734,911	722,858	708,243
Interest on investments	26,597	524,598	1,665,142	954,524
Transfers in (out)	(20,000)	-	(63,075)	(26,450)
** Special item	-	-	(8,145,429)	-
Total governmental activities	759,188	1,259,509	(5,820,504)	1,636,317
Business-type activities:				
Transfers in (out)	20,000	-	36,500	26,450
Total business-type activities	20,000	-	36,500	26,450
Total primary government	779,188	1,259,509	(5,784,004)	1,662,767
Change in Net Position				
Governmental activities	1,150,935	1,023,775	(4,487,910)	3,241,767
Business-type activities	88,746	41,962	45,765	21,537
Total Change in Net Position	1,239,681	1,065,737	(4,442,145)	3,263,304

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

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

Table 2

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 7,410,029	\$ 7,126,021	\$ 6,796,651	\$ 5,775,899	\$ 5,463,174	\$ 5,276,175
802,210	641,576	740,381	754,076	706,873	759,547
15,557,099	15,727,538	14,240,408	13,508,941	-	-
1,140,500	1,089,685	1,265,731	1,289,674	24,883,533	18,522,455
8,056,787	7,937,736	7,297,342	5,586,715	-	-
2,926,935	3,814,764	2,650,262	3,672,635	1,426,129	2,062,309
3,293,253	2,554,177	3,436,397	2,302,909	3,310,704	2,074,557
4,847,837	3,121,551	3,643,793	2,748,710	3,040,498	2,637,422
44,387,187	40,574,850	57,414,019	53,195,247	55,148,280	56,170,198
60,308,475	60,257,318	56,808,063	57,742,893	59,152,671	55,962,878
<u>148,730,312</u>	<u>142,845,216</u>	<u>154,293,047</u>	<u>146,577,699</u>	<u>153,131,862</u>	<u>143,465,541</u>
<u>1,354,760</u>	<u>1,560,006</u>	<u>1,398,101</u>	<u>1,639,004</u>	<u>1,868,172</u>	<u>1,936,213</u>
<u>1,354,760</u>	<u>1,560,006</u>	<u>1,398,101</u>	<u>1,639,004</u>	<u>1,868,172</u>	<u>1,936,213</u>
<u>150,085,072</u>	<u>144,405,222</u>	<u>\$ 155,691,148</u>	<u>\$ 148,216,703</u>	<u>\$ 155,000,034</u>	<u>\$ 145,401,754</u>
-	-	-	-	-	120,965
8,631	47,526	51,597	5,359	-	-
7,878,659	8,166,710	7,709,678	6,819,762	-	-
965,583	1,010,092	1,012,142	997,865	18,843,748	13,050,047
9,844,978	11,634,747	9,447,330	6,627,544	-	-
2,039,596	2,426,230	1,513,243	2,102,303	872,066	1,658,836
2,387,730	1,318,498	2,241,342	835,146	2,123,277	1,003,473
43,518,006	37,874,414	38,065,646	47,130,223	44,801,874	37,113,912
59,606,274	59,051,999	56,715,045	57,642,394	59,198,773	55,814,882
21,255,533	23,553,737	38,635,349	24,839,146	26,477,435	26,132,659
<u>147,504,990</u>	<u>145,083,953</u>	<u>155,391,372</u>	<u>146,999,742</u>	<u>152,317,173</u>	<u>134,894,774</u>
<u>1,314,460</u>	<u>1,474,969</u>	<u>1,472,337</u>	<u>1,643,984</u>	<u>1,833,735</u>	<u>1,939,496</u>
<u>1,314,460</u>	<u>1,474,969</u>	<u>1,472,337</u>	<u>1,643,984</u>	<u>1,833,735</u>	<u>1,939,496</u>
<u>148,819,450</u>	<u>146,558,922</u>	<u>\$ 156,863,709</u>	<u>\$ 148,643,726</u>	<u>\$ 154,150,908</u>	<u>\$ 136,834,270</u>
(1,225,322)	2,238,737	\$ 1,098,325	\$ 422,043	\$ (814,689)	\$ (8,570,767)
(40,300)	(85,037)	74,236	4,980	(34,437)	3,283
<u>(1,265,622)</u>	<u>2,153,700</u>	<u>\$ 1,172,561</u>	<u>\$ 427,023</u>	<u>\$ (849,126)</u>	<u>\$ (8,567,484)</u>
697,285	685,727	678,492	664,694	657,054	651,539
340,547	110,440	26,704	18,661	62,047	41,970
(36,450)	(26,450)	-	(3,339)	-	-
-	-	-	-	-	-
<u>1,001,382</u>	<u>769,717</u>	<u>705,196</u>	<u>680,016</u>	<u>719,101</u>	<u>693,509</u>
<u>36,450</u>	<u>26,450</u>	<u>-</u>	<u>3,339</u>	<u>-</u>	<u>-</u>
<u>36,450</u>	<u>26,450</u>	<u>-</u>	<u>3,339</u>	<u>-</u>	<u>-</u>
<u>1,037,832</u>	<u>796,167</u>	<u>\$ 705,196</u>	<u>\$ 683,355</u>	<u>\$ 719,101</u>	<u>\$ 693,509</u>
(223,940)	3,008,454	\$ 1,803,521	\$ 1,102,059	\$ (95,588)	\$ (7,877,258)
(3,850)	(58,587)	74,236	8,319	(34,437)	3,283
<u>(227,790)</u>	<u>2,949,867</u>	<u>\$ 1,877,757</u>	<u>\$ 1,110,378</u>	<u>\$ (130,025)</u>	<u>\$ (7,873,975)</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

General Fund	Fiscal Year			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Non-Spendable:				
Non-Spendable:	\$ 104,124	\$ 125,792	\$ 60,316	\$ 104,680
Spendable:				
Assigned	-	344,087	-	-
Unassigned	<u>7,258,184</u>	<u>6,547,298</u>	<u>6,924,202</u>	<u>6,763,649</u>
Total General Fund	<u>\$ 7,362,308</u>	<u>\$ 7,017,177</u>	<u>\$ 6,984,518</u>	<u>\$ 6,868,329</u>
Non-Spendable:				
Non-Spendable:	\$ 254,157	\$ 74,486	\$ 322,851	\$ 748,494
Spendable:				
Restricted for grants	904,630	900,069	802,476	699,983
Restricted for local transportation	6,084,105	6,301,700	6,013,960	5,424,585
Assigned	<u>2,695,419</u>	<u>2,031,400</u>	<u>1,383,590</u>	<u>354,764</u>
Total all other governmental funds	<u>\$ 9,938,311</u>	<u>\$ 9,307,655</u>	<u>\$ 8,522,877</u>	<u>\$ 7,227,826</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 3

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 57,469	\$ 40,417	\$ 44,133	\$ 51,512	\$ 67,473	\$ 55,616
-	-	-	-	-	-
<u>6,426,703</u>	<u>6,156,230</u>	<u>5,788,867</u>	<u>5,504,106</u>	<u>5,266,892</u>	<u>5,029,314</u>
<u>\$ 6,484,172</u>	<u>\$ 6,196,647</u>	<u>\$ 5,833,000</u>	<u>\$ 5,555,618</u>	<u>\$ 5,334,365</u>	<u>\$ 5,084,930</u>
\$ 124,116	\$ 93,484	\$ 123,393	\$ 162,150	\$ 98,930	\$ 57,990
719,573	574,167	646,082	344,380	271,591	193,244
5,204,478	5,075,487	4,987,961	5,129,542	5,129,542	6,038,421
<u>285,208</u>	<u>318,268</u>	<u>478,494</u>	<u>604,763</u>	<u>765,271</u>	<u>248,498</u>
<u>\$ 6,333,375</u>	<u>\$ 6,061,406</u>	<u>\$ 6,235,930</u>	<u>\$ 6,240,835</u>	<u>\$ 6,265,334</u>	<u>\$ 6,538,153</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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues				
Federal grants	\$ 12,541,382	\$ 9,665,896	\$ 7,867,231	\$ 6,122,920
State administered grants	116,230,240	123,057,730	122,167,014	122,996,621
* Local administered grants	29,947	16,814	11,947	49,981
Membership dues	752,591	734,911	722,858	708,243
Local contributed cash	10,740,753	9,769,285	11,883,148	7,862,199
In-Kind	5,437,434	13,990,073	16,081,552	14,768,786
Program income	165,902	224,114	343,253	314,343
Interest income	26,597	524,598	1,665,142	954,524
	<u>145,924,846</u>	<u>157,983,421</u>	<u>160,742,145</u>	<u>153,777,617</u>
Expenditures				
Current:				
Agency administration	8,510,295	8,848,655	8,420,241	8,297,167
Agency management	1,211,093	1,294,516	1,407,127	927,382
Community services	1,552,097	1,327,938	1,446,168	1,457,306
** Area Agency on Aging	13,040,536	13,064,008	17,046,773	16,923,077
*** 9-1-1 Planning	-	-	5,842,660	12,120,927
Emergency preparedness	1,823,853	2,952,309	3,609,118	4,594,979
Environment & development	4,059,455	2,988,871	4,520,625	2,390,973
Research & information services	4,418,873	3,850,291	4,126,173	3,085,187
Transportation	47,577,664	43,080,787	44,377,829	40,975,838
Workforce development	68,146,169	84,824,493	70,289,424	61,961,130
Capital outlay	158,093	762,959	3,777,855	4,963,607
	<u>150,498,128</u>	<u>162,994,827</u>	<u>164,863,993</u>	<u>157,697,573</u>
Indirect cost allocation	(5,555,948)	(5,820,026)	(5,582,753)	(5,199,871)
Contributions to indirect costs	(13,121)	(8,817)	(13,410)	(25,143)
Total expenditures	<u>144,929,059</u>	<u>157,165,984</u>	<u>159,267,830</u>	<u>152,472,559</u>
Excess of revenues over expenditures	995,787	817,437	1,474,315	1,305,058
Other Financing Sources and (Uses)				
Transfers in	683,266	612,298	126,583	283,218
Transfers out	(703,266)	(612,298)	(189,658)	(309,668)
Total other financing sources (uses)	<u>(20,000)</u>	<u>-</u>	<u>(63,075)</u>	<u>(26,450)</u>
Net change in fund balance	<u>\$ 975,787</u>	<u>\$ 817,437</u>	<u>\$ 1,411,240</u>	<u>\$ 1,278,608</u>

*In 2016 NCTCOG began the breakout of Local administered grants

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting) (Unaudited)

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 9,417,021	\$ 9,130,586	\$ 13,357,415	\$ 22,491,763	\$ 20,631,697	\$ 10,839,413
116,521,194	112,250,105	103,398,608	99,668,833	105,208,041	97,922,702
311,242	149,525	-	-	-	-
697,285	685,727	678,492	664,694	657,054	651,539
7,032,388	7,212,111	15,874,027	8,144,514	12,964,481	6,000,683
13,838,816	15,901,151	22,288,500	16,227,555	13,125,408	19,820,625
384,331	440,475	472,822	467,077	387,546	311,351
340,547	110,440	26,704	18,661	62,047	41,970
<u>148,542,824</u>	<u>145,880,120</u>	<u>156,096,568</u>	<u>147,683,097</u>	<u>153,036,274</u>	<u>135,588,283</u>
7,626,153	7,427,418	7,166,721	6,190,755	6,020,958	6,123,956
821,879	663,102	767,169	782,985	570,521	522,548
1,180,134	1,150,646	1,428,428	1,390,999	25,323,042	18,967,988
15,691,248	15,911,917	14,384,061	13,731,082	-	-
8,230,234	8,163,109	7,521,090	5,786,845	-	-
2,997,823	3,909,795	2,775,433	3,816,952	1,549,436	2,199,152
3,374,010	2,678,049	3,580,973	2,480,694	3,480,494	2,237,449
5,035,633	3,382,440	3,916,598	3,049,466	3,308,621	2,875,759
45,519,190	42,021,853	59,104,042	55,083,003	56,926,135	57,792,540
60,598,233	60,614,440	57,182,521	58,157,641	59,530,189	56,271,929
1,739,299	4,212,490	2,143,073	1,021,314	168,034	229,057
<u>152,813,836</u>	<u>150,135,259</u>	<u>159,970,109</u>	<u>151,491,736</u>	<u>156,877,430</u>	<u>147,220,378</u>
(4,851,794)	(4,456,006)	(4,127,471)	(3,985,911)	(3,799,890)	(3,634,081)
(15,161)	(14,706)	(18,547)	(22,821)	(17,882)	(321,138)
<u>147,946,880</u>	<u>145,664,547</u>	<u>155,824,091</u>	<u>147,483,004</u>	<u>153,059,658</u>	<u>143,265,159</u>
595,944	215,573	272,477	200,093	(23,384)	(7,676,876)
886,189	412,599	364,834	963,409	1,239,823	1,144,310
<u>(922,639)</u>	<u>(439,049)</u>	<u>(364,834)</u>	<u>(966,748)</u>	<u>(1,239,823)</u>	<u>(1,144,310)</u>
<u>(36,450)</u>	<u>(26,450)</u>	<u>-</u>	<u>(3,339)</u>	<u>-</u>	<u>-</u>
<u>\$ 559,494</u>	<u>\$ 189,123</u>	<u>\$ 272,477</u>	<u>\$ 196,754</u>	<u>\$ (23,384)</u>	<u>\$ (7,676,876)</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	LOCAL					Total
	Member Dues	Interest (1)	Contributions (1)	In-Kind	Program	
2021	\$ 752,591	\$ 26,597	\$ 10,740,753	\$ 5,437,434	\$ 165,902	\$ 17,123,277
2020	734,911	524,598	9,769,285	13,990,073	224,114	25,242,981
2019	722,858	1,665,142	11,883,148	16,081,552	343,253	30,695,953
2018	708,243	954,524	7,862,199	14,768,786	314,343	24,608,095
2017	697,285	340,547	7,032,388	13,838,816	384,331	22,293,366
2016	685,727	110,440	7,212,111	15,901,151	440,475	24,349,904
2015	678,492	26,704	15,874,027	22,288,500	472,822	39,340,545
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

Notes: (1) Includes General and Special Revenue

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
REVENUES BY SOURCE
LAST TEN FISCAL YEAR
(Unaudited)

Table 5

		GRANTS			GRAND				
*Local		State	Federal	Total	TOTAL				
\$	29,947	\$	116,230,240	\$	12,541,382	\$	128,801,569	\$	145,924,846
	16,814		123,057,730		9,665,896		132,740,440		157,983,421
	11,947		122,167,014		7,867,231		130,046,192		160,742,145
	49,981		122,996,621		6,122,920		129,169,522		153,777,617
	311,242		116,521,194		9,417,021		126,249,457		148,542,824
	149,525		112,250,105		9,130,586		121,530,216		145,880,120
	-		103,398,608		13,357,415		116,756,023		156,096,568
	-		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

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

Table 6

<u>Year</u>	<u>Estimated Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^b</u>	<u>School Enrollment^c</u>	<u>Unemployment Rate^d</u>
2021	7,874,950 *	\$ 483,334,703,725 *	\$ 62,819	1,420,331	3.9%
2020	7,716,410	473,604,117,000	61,554	1,452,149	7.1%
2019	7,556,910	444,730,277,000	58,725	1,434,859	3.1%
2018	7,395,780	417,480,600,000	55,886	1,425,257	3.2%
2017	7,255,690	392,145,500,000	52,995	1,405,496	3.4%
2016	7,129,550	369,614,741,000	51,099	1,379,534	4.0%
2015	7,010,220	362,947,715,000	50,593	1,349,982	4.0%
2014	6,904,230	344,279,922,000	49,506	1,329,571	5.0%
2013	6,793,750	320,035,384,000	46,989	1,312,126	5.7%
2012	6,700,010	311,008,898,000	46,400	1,289,298	6.7%

Sources: ^aYearly NCTCOG Population Estimates. Each year the entire time series is updated.

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

^cTexas Education Agency

^dBureau of Labor Statistics; bls.gov

Other: N/A - Data not available.

* - Approximation only, as information not published yet

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

Table 7

2021			2012		
Employer ^a	Employees	Percentage of Total NCTCOG Employment	Employer ^a	Employees	Percentage of Total NCTCOG Employment
Wal-Mart Stores Inc.	37,000	0.97%	American Airlines Group Inc.	24,700	0.77%
Texas Health Resources	26,000	0.68%	Bank of America	20,000	0.62%
Lockheed Martin	22,950	0.60%	Texas Health Resources	19,230	0.60%
Dallas Independent School District	22,222	0.58%	Dallas ISD	18,314	0.57%
University of Texas Southwest Medical Center	20,167	0.53%	Baylor Health Care System	17,097	0.53%
Baylor Scott & White Health	18,195	0.48%	AT&T Inc.	15,800	0.49%
Medical City Healthcare	17,000	0.45%	Lockheed Martin Aeronautics	14,126	0.44%
University of North Texas System	14,730	0.39%	JPMorgan Chase	13,500	0.42%
Bank of America	13,650	0.36%	UT Southwestern Medical Center	13,122	0.41%
Parkland Health & Hospital System	13,095	0.34%	City of Dallas	12,836	0.40%
Total	205,009	5.39%	Total	168,725	5.26%
Total NCTCOG Region Employees ^b	3,804,843		Total NCTCOG Region Employees ^b	3,209,334	

Source: ^a Dallas Business Journal, Book of Lists 2020; RIS department

^b Bureau of Economic Analysis (W&S)

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

^b Bureau of Economic Analysis (W&S)

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

Table 8

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Agency Management	4	4	3	3	3	3	3	3	3	3
Agency Administration	50	48	48	46	45	44	42	41	39	38
*Area Agency on Aging	24	24	24	24	21	22	-	-	-	-
Community Services	9	9	9	8	8	7	47	46	44	44
**9-1-1 Planning/(NCT9-1-1)	33	33	33	32	26	24	-	-	-	-
Emergency Preparedness	10	12	12	12	11	11	11	12	12	13
Environment & Development	15	14	14	14	13	13	13	12	12	18
Public Affairs	2	2	2	2	2	2	2	2	2	3
Research and Information Services	35	35	35	35	35	29	27	27	27	26
Transportation	176	167	169	166	161	158	148	149	149	153
Workforce Development	48	48	44	37	40	40	34	34	31	28
Total	406	396	393	379	365	353	327	326	319	326

Source: Agency Annual Fiscal Program

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

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

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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
*Area agency on aging	\$ -	\$ 30,063	\$ 30,063	\$ 30,063
**9-1-1 planning	-	-	-	13,034,335
Community services	-	65,790	65,790	65,790
Emergency preparedness	233,852	271,949	271,949	271,949
Environmental resources	25,639	110,290	110,290	110,290
Local assistance	1,848,018	1,824,996	1,824,996	1,330,459
Regional information services	1,298,970	1,528,166	1,528,166	1,983,373
Transportation	790,914	1,482,432	1,482,432	1,329,239
Workforce development	2,146,782	3,637,483	3,637,483	4,145,950
Enterprise fund	-	7,483,991	7,483,991	7,483,991

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

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

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

Table 9

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063	\$ -	\$ -
8,291,207	6,747,587	3,312,911	1,452,079	-	-
65,790	65,790	83,061	83,060	792,998	697,102
262,583	262,583	252,688	252,688	240,834	241,709
110,290	110,290	110,810	93,194	99,054	99,054
1,305,119	1,296,232	1,268,031	1,265,257	1,298,343	1,284,610
1,983,373	1,818,749	1,435,746	1,286,210	1,286,210	1,301,023
1,310,706	1,307,581	841,120	841,120	731,705	731,705
3,959,340	3,829,235	3,597,104	3,352,543	3,291,296	3,291,867
7,483,991	7,483,991	7,467,896	7,389,956	7,383,536	7,361,554

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