

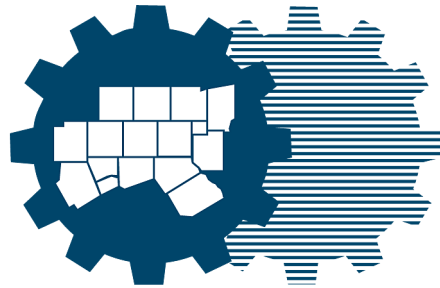


ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2023



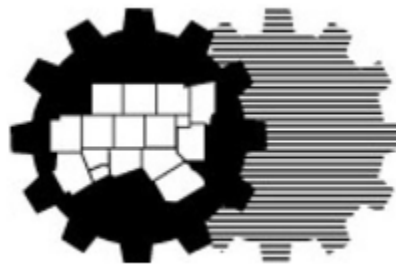
**North Central Texas
Council of Governments**



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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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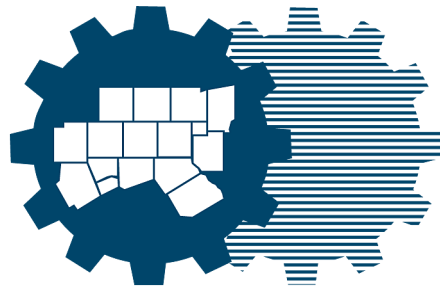
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**North Central Texas
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NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

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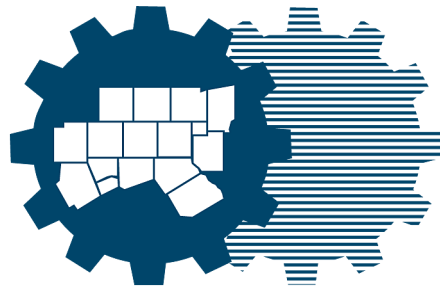
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INTRODUCTORY SECTION



**North Central Texas
Council of Governments**



**North Central Texas
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North Central Texas Council of Governments

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

February 22, 2024

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, 2023, is hereby submitted. This report was prepared for the Agency by NCTCOG’s Department of Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of NCTCOG as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Council’s financial affairs have been included.

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

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

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

Organizational Profile

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

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

The Agency is an organization of, by, and for local governments. Its purpose is to strengthen both the individual and collective power of local governments – and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to assist in the implementation of those decisions. The NCTCOG is governed by a general assembly composed of one voting representative from each of the 235-member governments and the Executive Board, which is composed of 17 local officials elected by the General Assembly, and one ex-officio non-voting member of the legislature.

North Central Texas consists of a 16-county metropolitan region centered around the cities of Dallas and Fort Worth. It has a population of over 7 million, which is larger than 37 states, and an area of nearly 12,800 square miles, which is larger than nine states. NCTCOG’s 235-member governments are comprised of 16 counties, 170 municipalities, 20 independent school districts, and 29 special purpose districts.

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

Economic Condition and Outlook

NCTCOG’s regional population increased by approximately 187,712 persons during 2023 for a January 1, 2024 total estimated population of 8.3 million.

The October 2023 unadjusted unemployment rate for the 16 county NCTCOG region was 3.6%, which was below the Texas rate of 4.1% as well as the national figure of 3.8%.

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 North Central Texas Council of Governments (NCTCOG) Transportation Department has authorized an agreement with the Texas Department of Transportation Dallas District (TxDOT Dallas) for \$300,000 in funding for travel demand modeling and traffic forecasting assistance. In Fiscal Year (FY) 2023, NCTCOG will assist TxDOT Dallas with activities such as forecasting, feasibility studies, environmental analyses, and other initiatives. Travel modeling technical assistance will also be provided to support toll road feasibility/viability assessments, corridor studies, and environmental analyses.

In FY2023, the Transportation Department initiated the multi-year Integrated Transportation and Stormwater Management Infrastructure (TSI) Study with \$6,270,000 in total funds authorized through a \$3,000,000 Texas Water Development Board grant, \$2,970,000 in Surface Transportation Block Grant Program (STBG) funds from TxDOT, and \$300,000 in Regional Transportation Council (RTC) Local

funds. The study will proactively integrate regional stormwater management, community development, transportation and environmental planning in the fact of rapid urbanization and the increasing frequency/severity of extreme rainfall events, resulting in a transferable “roadmap” for addressing flood risk awareness and resiliency. This year’s initiation occurred through approval of interdepartmental agreements with the NCTCOG Environmental & Development (E&D) and Research and Information Services (RIS) departments, as well as finalization of all interagency agreements, including with the United States Army Corps of Engineers, Federal Emergency Management Agency, Tarrant Regional Water District, University of Texas at Arlington, and Texas A&M AgriLife. A Request for Proposal (RFP) was issued to procure Subject Matter Expert consultant assistance, with contract authorization provided in May 2023, and a limited notice to proceed given shortly after the end of FY2023. Significant efforts this year focused on literature review, initial data collection/analysis, and extensive preliminary stakeholder engagement, including meetings conducted through establishment of a TSI Study Technical Advisory Group, Steering Committee, a mini-Technical Assistance Panel formulated through a partnership with the Urban Land Institute and numerous other outreach events or communications.

NCTCOG supported initiation of the Everman Area Integrated Stormwater/Flooding Management Study, through use of \$105,000 in RTC Local funds, for Tarrant County to procure consultant assistance to prepare a baseline assessment of flood risks and necessary locations/practices for integrating stormwater management and transportation needs. The baseline would be critical to establishing the appropriate design elements for the future widening of Forest Hill Drive in the cities of Everman, Forest Hill, and Fort Worth. Study activities, initial findings, and a preliminary schedule for completion was provided for inclusion during the September 2023 Forest Hill Drive Study public meeting presentation, and final study results are anticipated by early 2024.

The multi-year North Oak Cliff/Oak Farms Regional Corridor Conceptual Engineering Study commenced in FY2023 with \$3,370,950 in STBG funds authorized by TxDOT. With emphasis on future multimodal mobility and connectivity needs for the Houston and Jefferson Street viaducts, preliminary coordination and scope of work development activities with the City of Dallas concerned linkages to multiple other active/planned projects in the surrounding area, including the Oak Farms Dairy Redevelopment Area, Southern Gateway Deck Park, IH 30 Downtown Dallas “Canyon” Kay Bailey Hutchison Convention Center Dallas Redevelopment Master Plan, Texas Central Railway Dallas High-Speed Rail Station, and the Trinity Park Conservancy/West Dallas Gateway projects. A Request for Proposals was issued to procure Subject Matter Expert consultant assistance, with a proposed dual-purpose contract combining scopes of work between this project and the TSI Study. Contract authorization was provided in May 2023, and a limited Notice to Proceed was given shortly after conclusion of FY2023.

With \$45,000 in Transportation Planning Funds provided this year to the University Partnership Program, the University of Texas at Arlington aided NCTCOG in completion of the Bridge Asset Condition Maintenance and Improvement through Logical and Cost-Effective Interventions Project. Involving a comprehensive inspection report review of 90 selected Dallas-Fort Worth area bridges utilizing the TxDOT AssetWise database, analyzed data enabled a thorough categorization of bridge deficiencies, with a particular emphasis on those categorized in “poor” or “fair” condition. Historical data and inspection reports were evaluated to identify overarching trends and key influences that impact bridge conditions, and quantitative analysis revealed essential connections between bridge conditions and specific defect categories. Drawing from those critical insights into the factors contributing to bridge deterioration, the project team recommended discrete recommendations for feasible interventions designed to enhance bridge ratings and prevent further degradation. A comprehensive cost analysis was conducted, incorporating TxDOT unit prices to estimate proposed intervention costs, along with calculated benefit-cost ratios (BCRs) to assess cost-effectiveness. These efforts ultimately resulted in a user-friendly software tool enabling users to input relevant bridge-specific data, yielding personalized intervention suggestions, cost estimates, and BCR values for various individual bridge component treatments. It is hoped this tool may empower

stakeholders and bridge planners/engineers toward a more efficient/accountable process for asset management.

In July 2023, the Regional Transportation Council approved \$1,000,000 of Surface Transportation Block Grant Program funds to support the ongoing Automated Transportation System (ATS) Initiative. An ATS is an automated, track-free vehicle running on a dedicated, elevated surface transporting either people or cargo; this initiative seeks to leverage flexible vehicle technology, coupled with future-proofed infrastructure and wireless charging technology, by advancing a standardized approach to implement applications within the Dallas-Fort Worth region. This latest round of funding will support engineering a retrofit of Las Colinas's existing guideway infrastructure, custom built for the previous people mover technology, for a track-free ATS vehicle. Additionally, this funding will support project development activities for other applications such as a people circulator in the dense urban redevelopment plan for Dallas's International District and the wireless charging test bridge in Arlington that will also serve as the General Motors Plant connection to the Union Pacific railhead.

NCTCOG received \$1,000,000 in Surface Transportation Block Grant Program funds to identify and simulate roadway safety improvements, roadway alignment alternatives, and bicycle/pedestrian connections along Grand Avenue (State Highway 78) in Dallas from the 3G intersection (Grand Avenue/Garland Road/Gaston Avenue) to Interstate Highway 30. Transportation Development Credits in the amount of 200,000 will be utilized in lieu of non-federal matching funds. Activities under this grant will include the review and technical analysis of plans impacting Grand Avenue and pedestrian and roadway safety performance measures, as well as the identification and simulation of roadway and alignment options. Public and partner outreach will be conducted to determine impacted groups and offer solutions for public and stakeholder review. The goal of the project is to identify opportunities to provide slower roadway speeds, introduce improved intersection design, create opportunities for connections to regional trails, eliminate wrong-way driving, and, ultimately, establish a path forward to transition toward implementation.

The Transportation Department received \$1,086,000 in Surface Transportation Block Grant Program funds to continue the Regional Air Quality Initiatives project, which includes work to facilitate fleet transition to fuels and technologies that reduce emissions, activities to reduce emissions from consumer vehicles and increase electric vehicle adoption, and initiatives to support the development of alternative fueling/charging infrastructure and related best management practices.

An additional \$159,000 was received from the Department of Energy (DOE), (\$114,000 through the National Energy Technology Laboratory as a DOE contracting agent and \$45,000 through the National Renewable Energy Laboratory as a DOE contracting agent) to continue performing work as the Dallas-Fort Worth Clean Cities Coalition.

Funding in the amount of \$1,000,000 was received from the Environmental Protection Agency under the Climate Pollution Reduction Grant program. This funding will be used to develop a Dallas-Fort Worth Air Quality Improvement Plan, which will outline measures that the region will pursue to improve air quality through reductions in ozone-forming pollutants, fine particulate matter, and greenhouse gases. The Transportation Department will lead this project, but funding will also support efforts of the NCTCOG Environment and Development and Workforce Solutions departments on this project.

In-kind support was provided by the Environmental Defense Fund with a summer fellowship. The Fellow worked on identifying water, wastewater, and solid waste energy reduction strategies for a regional greenhouse gas control strategy catalogue. All work was provided in a final report and presentation.

The FY2023 Regional Geospatial Imagery project is obtaining high-resolution color digital imagery and related data products for areas of North Central Texas. The resulting imagery will be used for a wide variety of planning purposes, including improvements to travel demand modeling, corridor alignment planning and engineering analysis, watershed hydrology modeling, environmental support, and tracking for changes in population/employment, land uses, and impervious surface cover. Additional work will include post-processing, analysis, and creation of new data products derived from imagery products. Funding for this work includes \$800,000 in Surface Transportation Block Grant Program funds and \$200,000 in Texas Department of Transportation funds.

The Transportation Technology and Innovation Program (TTIP) worked to progress the Work Zone Data Exchange (WZDx) initiative with regional vendors and municipal stakeholders. A regional roundtable was held to introduce the five WZDx vendors that were selected through the TXShare program. Staff also planned a funding strategy to implement WZDx activities throughout the NCTCOG Metropolitan Planning Organization region, which is ongoing and will continue into FY2024. The funding for WZDx planning became available through the Advanced High Speed Automated Vehicle Project in FY2023 with approximately \$250,000 in Surface Transportation Block Grant Program funding.

Surface Transportation Block Grant Program funding in the amount of \$495,000 was received to initiate a thoroughfare plan review facilitating the future reconstruction and widening of Forest Hill Drive within the cities of Forest Hill, Fort Worth, and Everman. This project will focus on the storm water impacts, intersection design, and pedestrian/bike connections. In order to obtain needed consensus, public involvement will be conducted at the neighborhood level, and computer simulations of expected vehicle volumes between now and 2045 will be produced. Coordination between the three cities, Tarrant County, landowners, and developers continued with the goal of developing the final planning direction to present to stakeholders and the public in FY2024.

In September 2023, the NCTCOG Transportation Department received \$269,698 through the Federal Transit Administration's Areas of Persistent Poverty 2021 Program Grant to undertake a planning study to address transit needs in Fort Worth's 76104 ZIP code. The study will conduct a transit needs assessment to identify innovative transit solutions to increase mobility and access for residents to food, healthcare, housing, and jobs in a part of Fort Worth identified as an area of persistent poverty. The planning study will also identify strategies to reduce greenhouse gas emissions related to transit. During FY2023, staff began project coordination for the study to begin in FY2024.

Area Agency on Aging (AAA) – The Aging program continued to benefit from pandemic-relief legislation that increased funding for its Area Agency on Aging (NCTAAA) and Aging and Disability Resource Center (NCTADRC). Specifically, it expended \$1,964,110 in funding from the American Rescue Plan Act (ARPA), CDC Vaccine and No Wrong Door (NWD) Vaccine during Fiscal Year 2023. These funding sources allowed the NCTAAA to expand its core services (including home-delivered meals and transportation) and to engage in greater outreach to raise awareness of program services and the importance of receiving COVID vaccinations.

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

- Funding for the NCTAAA from Texas Health and Human Services (HHSC) in the amount of \$11,056,738 to administer social service programs (e.g., nutrition, transportation, case management, and long-term care ombudsman) for North Central Texans aged 60 and over and their family caregivers.
- Funding for the NCTADRC from HHSC in the amount of \$417,212 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 \$921,091 under contracts with Amerigroup, Molina Health Care, and United Health Care, to help nursing home residents return to the community.
- A \$1M three-year competitive national grant from the Administration for Community Living (ACL) to expand support for people with dementia and their family caregivers in a 28-county region. New services include dementia education for caregivers and individualized consultation to help them better care for their loved ones with dementia and themselves.
- Senior Medicare Patrol: A \$23,500 subgrant from the Better Business Bureau to educate Medicare beneficiaries about program fraud.

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

Community Services

Criminal Justice Planning - During Fiscal Year 2023 the Criminal Justice Program focused its efforts on meeting requirements set forth in the Interlocal Cooperation Agreement between NCTCOG and the Office of the Governor's Public Safety Office (PSO). Staff provided technical and operational assistance to more than 100 agencies for over 160 criminal justice grant applications; conducted four grant application workshop sessions; provided oversight to the Criminal Justice Policy Development Committee, oversaw strategic planning efforts; and carried out other tasks that met administrative requirements of the PSO.

Training & Development Institute (TDI)- Over the 2023 Fiscal Year, TDI successfully facilitated 80 individual courses for the region, including four Recurring Cohort Programs for Municipal Management Professionals in the Region. TDI additionally developed and implemented one new Cohort Program directed to New & Emerging Procurement Officials in the Region, and one off-site training course for First-Responders in the region. Of the courses offered this fiscal year, 10 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 109 participants successfully complete these 20-hour courses. TDI additionally hosted 12 Public Funds Investment Act training dates which are required for all public finance and investment officers in the State of Texas; 344 participants received their certificates of completion for this training course during the 2023 Fiscal Year through our participation. In cooperation with NCTCOG's Transportation Department, the TDI hosted six Traffic Incident Management Safety courses for First Responders & Managers, that consisted of 104 participants from a variety of agencies. Five of the courses were hosted at our NCTCOG offices, and one was hosted in Fort Worth at a TXDoT training facility. In addition to the courses outlined above, the TDI facilitated and built out the course offerings in the areas of Public Works, Planning and Zoning, 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 9/1/2022 to 8/31/2023, the Regional Police Academy conducted 8 Basic Peace Officer Courses and graduated 208 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy submitted 146 training rosters for a total of 192,011 contact hours and 2,269 Students to the Texas Commission on Law Enforcement. This included recruitment, in-service and satellite courses.

Emergency Preparedness (EP) - Regional Emergency Preparedness Member Program: In FY23, the North Central Texas Regional Emergency Preparedness Program, managed by the Emergency Preparedness Department, collected \$485,000 in membership dues. Membership funds were used to meet stakeholder needs through advocacy, planning, training and exercise assistance, meeting coordination, regional program/project implementation and management, and multiple other support services. The NCTCOG

Emergency Preparedness (EP) Program is one of the largest and most effective emergency preparedness efforts in the United States. It facilitates collaborative planning, projects and programs that help to build both local and regional capabilities, which in turn enhances the protection of our north central Texas populations and critical infrastructure. Member dues are used to fund a diverse variety of services aimed at creating a stronger, safer region through lasting partnerships and proactive emergency preparedness initiatives. The overarching expense from this funding stream is organizational support. Deliverables are intended to embrace the needs of a wide spectrum of disciplines associated with emergency preparedness and management, including public service, police, fire, emergency management, public works, transportation, special districts, emergency medical services, and others. FY2024 member dues will directly support identified regional emergency preparedness goals, bring information and training to meet regional needs, and support standard functions such as regional trainings, exercise support, working group facilitation, grant assistance and management, project facilitation and support; and advocacy services when appropriate. As a result, the Emergency Preparedness Department is able provide these, and other identified services, while accomplishing regional goals and objectives that may not otherwise be met.

Homeland Security Program: The Homeland Security Grant Program (HSGP) consists of both the State Homeland Security Grant Program (SHSP) and the Urban Area Security Initiative (UASI) Grant Program. HSGP funds support thirty-two core capabilities across the five mission areas of prevention, protection, mitigation, response, and recovery. Expenditures close capability gaps identified in the Threat and Hazard Identification and Risk Assessment (THIRA), Stakeholder Preparedness Review (SPR), UASI Strategy, and After-Action Reports (AARs) from exercises or real-world events that have occurred within our region. Homeland Security funds have helped our region increase response capabilities by developing/updating plans, equipping special response teams, training first responders, and exercising emergency management and other special teams. In FY2024, the D/FW/A Urban Area will receive approximately \$16,646,500 in GY2023 Urban Area Security Initiative (UASI) funds from the U.S. Department of Homeland Security (DHS). These funds were available for use beginning October 1, 2023, with 38% of the overall funding award, \$5,826,275 regionally, dedicated toward law enforcement activities. An overall 30% must be allocated in DHS identified national priority areas of: Cyber Security, Soft Targets/Crowded Places, Intelligence and Information Sharing, Community Preparedness and Resilience, Domestic Violence Extremism, and Election Security. Once funds are received, allocations are awarded to regional projects, the three UASI core cities (Dallas, Fort Worth, and Arlington), four metro counties (Collin, Dallas, Denton, and Tarrant), and jurisdictions with a population of 100,000 within those counties.

Additionally, the region received \$1,548,400.89 from the GY2023 State Homeland Security Program (SHSP) grant funds from the U.S. Department of Homeland Security (DHS). These funds will be expended, beginning October 1, 2023. Additionally, 37.59% of the SHSP award was dedicated toward law enforcement activities, totaling \$581,970.89. The state had to meet an overall 30% allocation of DHS funds to identified national priority areas of: Cyber Security, Soft Targets/Crowded Places, Intelligence and Information Sharing, Community Preparedness and Resilience, Domestic Violence Extremism and Election Security. Funding from the GY2023 SHSP Grant supports the implementation of State Homeland Security Strategies addressing the capability targets established in the regional Threat and Hazard Identification and Risk Assessment (THIRA), Regional Implementation Plan (RIP), and the Regional Strategy. The Regional Emergency Preparedness Advisory Committee (REPAC) utilized regional working groups to create and submit projects to benefit the region. These projects are intended to close capability gaps and build new capabilities by enhancing citizen preparedness in disaster events, providing equipment and training to regional special response teams, and fund regional full-scale training and exercise events. As a result of these funded projects, local governments throughout the region build on their capacity and enhance their ability to prevent, protect, mitigate, respond to, and recover from a terrorist incident or other catastrophic event.

Mitigation Program: The Mitigation program has undergone some transition due to mitigation grants to create update multijurisdictional, multi-hazard mitigation plans coming to an end of performance period and three Federal Emergency Management Agency (FEMA) grant projects applied for in FY22 did not get accepted for funding. EP has one mitigation staff member contracted through a staffing agency to handle mitigation issues as needed. 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. These plans are in the final review process with FEMA and in FY24 it is anticipated they will be formally approved. These hazard mitigation plans identify the hazards faced by participating jurisdictions, vulnerabilities to these hazards, and mitigation to lessen the negative impact of these hazards. The plans fulfill the requirements of the Federal Disaster Mitigation Act as administered by the Texas Division of Emergency Management (TDEM) and FEMA.

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 2023, the EP Department continued to manage the CASA WX membership program, collecting membership dues from local jurisdictions totaling \$138,375. Membership dues go towards sustaining operational expenses of the radar network and CASA organizational support. Local jurisdictions that are members of the CASA WX program gain access to the CASA website, allowing them to see CASA WX radar data down to the neighborhood level with minute-to-minute updates. This information helps reduce uncertainty during weather events, enhances decision-making, and can potentially save lives and reduce damage to property. Organizational support includes coordination of the CASA WX Executive Council and in collaboration with the CASA researchers at the University of Massachusetts and engineers at Colorado State University.

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

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

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

Focus on Innovation - RIS recently added machine learning capabilities to its suite of competencies. Currently, the applications have focused on work for 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 Solutions for North Central Texas (WSNCT) leads the way in developing today's workforce and anticipating the occupations and skills needed for tomorrow. We help our local economy thrive through our talent development strategies, workforce programs and network of partnerships in our 14-county region. Through our programs and partnerships, we bring tens of millions in funding into the North Central Texas region each year, leading to effective and lasting change for our residents, communities and businesses.

The Workforce Development Board and staff of WSNCT work together to identify the priorities of the region and the role the organization plays in propelling the region forward. We are laser focused on building economic prosperity, developing a sustainable and skilled workforce and attracting additional employers to strengthen and bolster North Texas. This has helped refine and amplify the key strategic pillars of WSNCT's work: Child Care Quality, Career Pathways, and Industry and Workforce Engagement.

Quality Child Care

Through a partnership with Camp Fire First Texas, WSNCT provided funding for 38 early childhood educators to participate in the two-year apprenticeship program. Twelve participants graduated from the program in 2023 and received a stipend for completion. The Apprenticeship Program is designed to ensure early learning educators earn non-expiring credentials and increase their knowledge in early childhood education. The apprenticeship program is offered at no cost to the participants.

WSNCT has a leadership role in helping Early Learning Programs (ELPs) attain Two-Star, Three-Star and Four-Star certification levels through the Texas Rising Star program. WSNCT has a team of Early Childhood Specialists who meet regularly with early learning program directors and coach and mentor the ELP staff members. WSNCT Early Childhood Specialists provide observations, suggestions, resources, and a support system for the programs as they participate in the program and become certified. The Early Childhood Specialists team provided more than 200 hours of professional development training to ELP staff. The Texas Rising Star program grew this past fiscal year from 120 certified ELPs to 192, and our team provided more than 12,600 hours of virtual and in-person mentoring and coaching sessions to programs throughout our region.

Additional Child Care Quality milestones for FY23 include:

- \$259,380 in professional development scholarships and training opportunities were made available for early childhood education and child development. More than 850 early learning educators participated in the opportunities provided.
- \$500,000 in grants were awarded for the purchase of equipment and material to enhance learning environments. More than 50 Early Learning Programs received grants and additional support.
- \$340,500 in grants were awarded for the purchase of curricula and training to 150 early learning programs.
- \$1,380,000 in wage supplements were provided to 2,192 early learning educators. Participating programs were required to participate in business coaching with a business advisor to connect them with resources to support their business' practices including employee retention.
- 64 Child Development Associate scholarships were provided to early childhood educators of which 13 have completed their CDA course and are in the process of obtaining certification. An additional 26 early childhood educators who received scholarships the previous year completed their CDA certification and were awarded stipends.

Career Pathways

Developing a vibrant, diverse and sustainable workforce to meet the needs of regional employers is a priority for WSNCT. We support career seekers through our 11 workforce centers as well as through a

number of special initiatives that target specific populations. Our workforce centers are strategically located throughout the 14-county service area, and each center provides support to career seekers and area employers through administration of workforce development programs, partnerships with community organizations, distribution of training funds and building connections with local area employers.

Our Adult Education and Literacy (AEL) program contracts with five providers that support our region to provide GED, HiSet, ESL and various trainings for upskilling. Through our partnerships with Denton ISD, Grayson College, Navarro College, Paris Jr. College, and Weatherford ISD, we served 5,642 individuals during the 22-23 program year (July 2022-June 2023).

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

Our iWork Teacher Externship program helps school districts and their educators connect more meaningfully with local employers while also bringing workforce and occupational perspective back to students in the classroom. This year, nearly 50 teachers spent several days on location with employers to gain valuable information on current workplace practices, requirements, tools, trends and skills. Armed with this information, teachers created lesson plans that are preparing more than 6,300 middle and high school students for futures in a myriad of local professions and career opportunities.

WSNCT iWork: Youth Career Exploration Events are held annually and are region-wide, bridging the gap between students/youth, and Industry. At these events, employers, community colleges and universities, community organizations, and military branches gather to network with youth from across the region. In FY23, WSNCT partnered with Collin College Technical Campus, TEXO Foundation and Stephenville Economic Development Authority to deliver hands-on career exploration opportunities to 1,072 students across the region. Students interacted with employers that offer various high-demand career opportunities and learned about the training and technical skills required for those jobs. Students also practiced networking and employability skills that are essential for career success.

Our Summer Earn and Learn (SEAL) program gives students with disabilities the opportunity for meaningful work as a pathway to future careers. Through SEAL, the skills and interests of students ages 14 to 22 are matched with companies willing to provide work-based learning opportunities that could potentially lead to filling critical positions. FY23 outcomes include:

- 431 work experience opportunities identified
- More than 300 students placed with a company
- Nearly 200 students completed five weeks of work experience with their host companies
- 21 students hired into full-time positions.

United We Work is a Career Exploration Job Shadow Day for students with disabilities. Our inaugural event in FY23 was a collaborative effort hosted by WSNCT and sponsored by Amerigroup, along with local employers, Weatherford College, Parker County school districts and Texas Workforce Commission Vocational Rehabilitation Services. Students spent the day job shadowing employees at the employer locations, experienced hands-on activities, and learned about appropriate job interview skills, work attire and many other job readiness activities. More than 50 students participated in the event from seven high schools, and eight local businesses hosted students. The event concluded with a keynote speaker and an awards ceremony for the students.

Workforce and Industry Engagement

In 2023, WSNCT initiated Accelerator Sessions, a new way to connect with our county-level partners to better assess how we can more effectively leverage our services to meet local needs. We held six meetings with counties (or cluster of counties with similar demographics and workforce challenges) throughout our region that brought together dozens of our Chief Elected Officials, Economic Development Corporations, Chambers, Colleges, School District representatives and Community partners. The in-depth conversations and resulting working sessions allowed us to meet pressing local workforce demands as well as sharpen the focus of our Sector Partnership initiative from a regional perspective to one that is customized to meet specific industry challenges in each county. These sector partnerships bring together business leaders, educational partners and community-based organizations to generate solutions to near- and long-term workforce challenges. Accelerator Sessions are foundational to each of our three strategic priorities, increasing our impact and making us more effective in delivering on the promise of our strategic plan.

Registered Apprenticeship Programs (RAPs) continue to garner attention. Through this training model, employers can train new and existing employees to the exact specifications needed. In turn, workers gain new skills and certifications that can propel them forward in their career. There are 44 RAPs in North Central Texas. WSNCT's partnership with the U.S. Department of Labor allows us to work with employers through the apprenticeship program development and registration process, making it simple and rewarding for both employers and their workers. During FY23, WSNCT held two Apprenticeship Forum events to increase awareness and educate industry leaders about the benefits of this workforce development model. More than 120 employers across a spectrum of industries attended to hear from companies and organizations that have used apprenticeships to train highly effective and productive workforces. WSNCT was recently recognized for our registered apprenticeship efforts and received \$100,000 and first place in the state. We continue to promote this training model to industry throughout our region and collaborate with local DOL representatives to provide support in program development and expansion.

In FY23, we collaborated with our education, industry and community partners to support grant applications for projects and programs that support our mutual goals in building a robust and skilled workforce. As of January 2024, more than \$22.5 million in FY23 funding has been awarded to these partners, including:

- Skills Development Fund Grants: \$491,280
- Education and Training Grants: \$22,070,021

FY23 WSNCT Statistics At A Glance

Employers Served – 10,492

Career Seekers Served – 101,543

Job Openings posted to WorkinTexas.com – 18,734

Average Number of Children Served Per Day Through Child Care Scholarships – 6,141

Hiring Events

- In Person – 183
- Career Seekers Served – 1,819
- Employers Attended – 613

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

Factors Affecting Financial Condition

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

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

As part of NCTCOG's single audit, tests are made to determine the adequacy of internal control including that portion related to federal financial assistance programs, as well as to determine that NCTCOG has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended September 30, 2023, 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 Fund. NCTCOG's fiscal year 2024 budget is approximately 88% grant funding and as new funding opportunities arise throughout the year; they are presented to the Executive Board for approval.

Other Information

Independent Audit

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

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Central Texas Council of Governments for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the twenty-third consecutive year that NCTCOG has achieved this prestigious award. To be

awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

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

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Mike Eastland
Executive Director

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Monte Mercer, CPA
Deputy Executive Director

DocuSigned by:

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Molly Rendon
Director of Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

North Central Texas Council of Governments

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

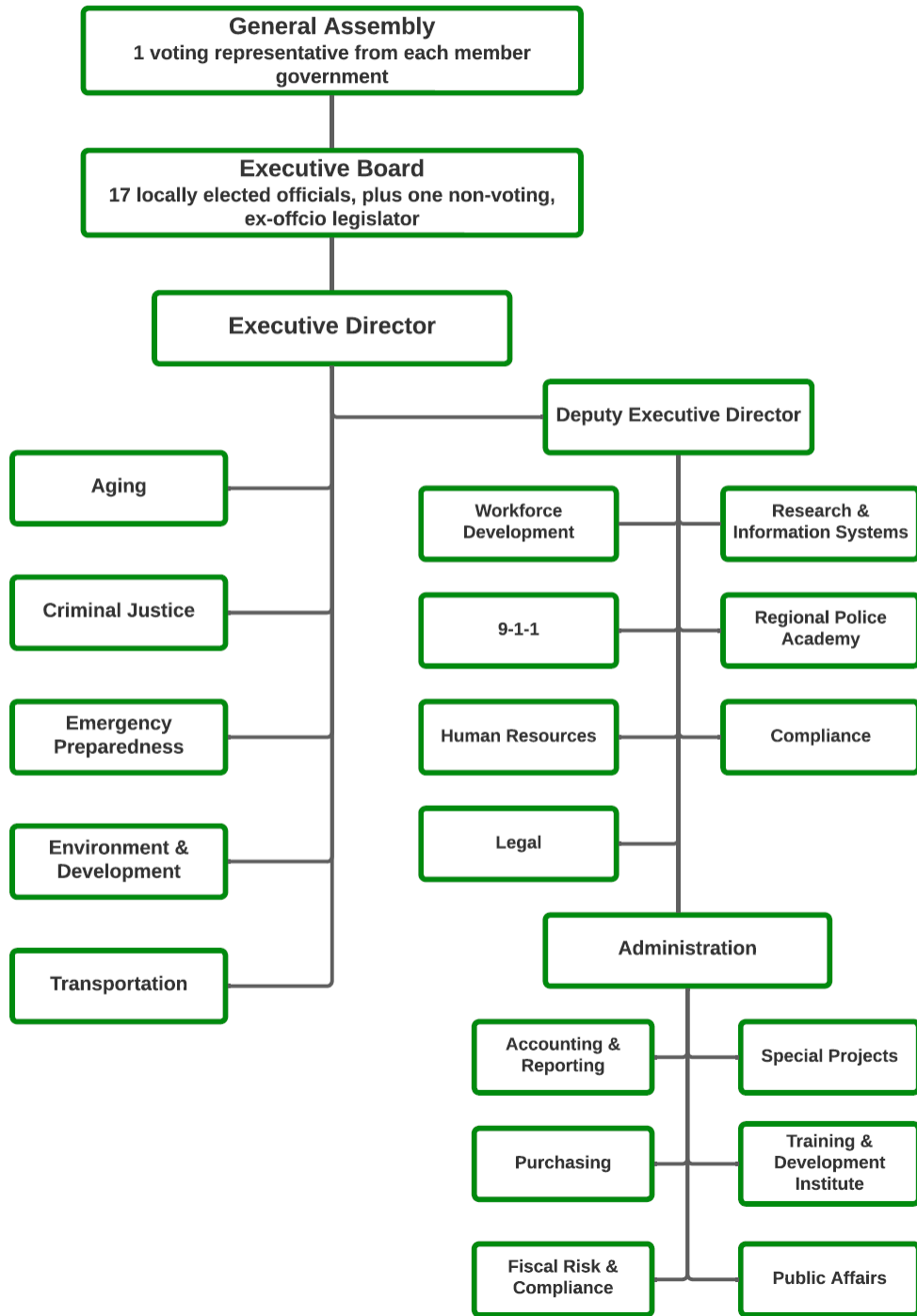
September 30, 2022

Christopher P. Morill

Executive Director/CEO

Organizational Chart

North Central Texas Council of Governments



NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
2023- 2024 EXECUTIVE BOARD

President
BILL HEIDMANN
Mayor
City of Corinth

Vice President
CHRIS HILL
County Judge
Collin County

Secretary-Treasurer
VICTORIA JOHNSON
Councilmember
City of Burleson

Past President
ANDREW PIEL
Councilmember
City of Arlington

Director
CLAY JENKINS
County Judge
Dallas County

Director
TIM O'HARE
County Judge
Tarrant County

Director
CARA MENDELSON
Councilmember
City of Dallas

Director
CARLOS FLORES
Councilmember
City of Fort Worth

Director
BOBBIE MITCHELL
Commissioner
Denton County

Director
J. D. CLARK
County Judge
Wise County

Director
TODD LITTLE
County Judge
Ellis County

Director
BOWIE HOGG
Councilmember
City of Arlington

Director
KAMERON RABURN, PE
Commissioner
City of Ennis

Director
NICK STANLEY
Mayor
City of Aledo

Director
LINDA MARTIN
Mayor
City of Euless

Director
JENNIFER JUSTICE
Councilmember
City of Richardson

Director
JORJA CLEMSON
Deputy Mayor Pro Tem
City of Grand Prairie

Ex Officio Member
VICTORIA NEAVE CRIADO
State Representative
District 107

Executive Director
MIKE EASTLAND

ADMINISTRATIVE STAFF

Deputy Executive Director
Monte Mercer

Director, Transportation
Michael Morris

Director, Research and Information Services
Tim Barbee

Director, Environment and Development
Susan Alvarez

Director, Emergency Preparedness
Maribel Martinez

Director, Area Agency on Aging
Doni Green

Director, Regional NCT9-1-1
Christy Williams

Director, Workforce Development
Phedra Redifer

Director, Agency Administration
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 (235)**

Counties (16)

Collin
Dallas
Denton
Ellis
Erath
Hood

Hunt
Johnson
Kaufman
Navarro
Palo Pinto
Parker

Rockwall
Somervell
Tarrant
Wise

Cities (170)

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

Double Oak
Dublin
Duncanville
Edgecliff Village
Ennis
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
Lowry Crossing
Lucas
Mabank
Mansfield
McKinney
McLendon-Chisholm
Melissa
Mesquite
Midlothian
Milford
Millsap
Mineral Wells
Murphy
New Fairview
New Hope
Newark
North Richland Hills
Northlake
Oak Point
Ovilla
Pantego
Paradise
Parker
Pecan Hill
Pilot Point
Plano
Ponder
Princeton
Prosper
Quinlan
Red Oak
Reno
Rhome

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

Cities (170) - continued

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

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

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

School Districts (20)

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

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

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

Special Districts (29)

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

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

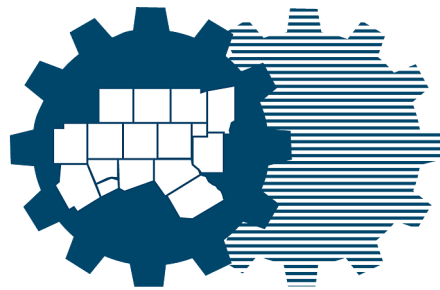
North Texas Municipal Water
District
North Texas Tollway Authority
Tarrant County College
Tarrant County Regional Water
District
Trinity Metro
Trinity River Authority
Trinity Valley Community
College
Trophy Club Municipal Utility
District #1
Weatherford College
Wise County Water Control &
Improvement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



FINANCIAL SECTION



**North Central Texas
Council of Governments**



**North Central Texas
Council of Governments**



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of North Central Texas Council of Governments (the "Council"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Council as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2023 the Council adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

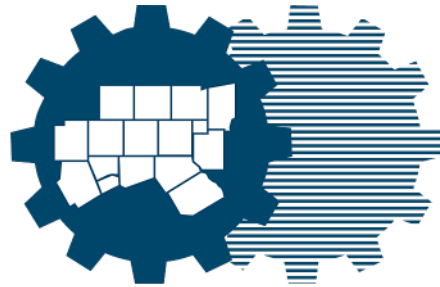
Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

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

Waco, Texas
February 22, 2024



**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - xiii of this report.

Financial Highlights

- NCTCOG's assets exceeded liabilities at the close of the most recent fiscal year by \$22,178,523 (net position). Of this amount \$12,935,427 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- Net position increased \$2,502,038 or 13%, in the current fiscal year comprised of a \$ 697,381 decrease in net capital assets and a \$3,199,419 increase in restricted and unrestricted funds.
- NCTCOG's governmental funds reported combined ending fund balances of \$22,251,176, an increase of \$3,495,735 or a 19% increase in comparison with the prior year. Of the total fund balance, approximately 34% is restricted for local transportation projects, 6% is restricted for grants, 3% is non-spendable, 40% is available for spending at the government's discretion (unassigned) and 17% is assigned for other agency projects.

Overview of the Financial Statements

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

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The government-wide financial statements include information reported in the general, special revenue and proprietary funds as shown on pages 13 and 14 of this report, as well as the discretely presented component unit, NCT9-1-1.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 15 and 17 of this report.

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-45 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found on pages 47-49 of this report.

The combining schedule referred to earlier in connection with the major special revenue fund is presented immediately following the required supplementary information on pages 51-54 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of NCTCOG, total assets exceeded liabilities by \$ 22,178,523 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, 2023 and 2022**

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 99,608,537	\$ 96,555,375	\$ 100,505	\$ 210,719	\$ 99,709,042	\$ 96,766,094
Capital assets	26,353,220	26,246,975	-	-	26,353,220	26,246,975
Total Assets	<u>125,961,757</u>	<u>122,802,350</u>	<u>100,505</u>	<u>210,719</u>	<u>126,062,262</u>	<u>123,013,069</u>
Other liabilities	79,042,303	78,878,883	-	-	79,042,303	78,878,883
Long-term liabilities	24,841,436	24,457,701	-	-	24,841,436	24,457,701
Total Liabilities	<u>103,883,739</u>	<u>103,336,584</u>	<u>-</u>	<u>-</u>	<u>103,883,739</u>	<u>103,336,584</u>
Net position						
Net investment in capital assets	221,830	919,211	-	-	221,830	919,211
Restricted	9,021,266	7,316,656	-	-	9,021,266	7,316,656
Unrestricted	12,834,922	11,229,899	100,505	210,719	12,935,427	11,440,618
Total Net Position	<u>\$ 22,078,018</u>	<u>\$ 19,465,766</u>	<u>\$ 100,505</u>	<u>\$ 210,719</u>	<u>\$ 22,178,523</u>	<u>\$ 19,676,485</u>

A portion of NCTCOG's net position, \$221,830 (1%) reflects its investment in capital assets (e.g., equipment). NCTCOG uses these assets to provide grant related services, they are restricted for specific use related to grant services; consequently, these assets are not available for future spending.

In addition, a portion of NCTCOG's net position, \$9,021,266 (41%) is restricted. Of this amount \$7,586,691 is for Regional Transportation Council approved projects related to transportation funded initiatives. The remaining \$1,434,575 is restricted to grants with limitations specified by the funding agencies.

\$12,935,427 (58%) is considered unrestricted and may be used to meet the government's ongoing obligations to creditors and for service implementation.

Governmental Activities. For the year ended September 30, 2023, NCTCOG's net position for governmental activities increased \$2,612,252 or 13%, in the current fiscal year comprised of \$697,385

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FOR THE YEAR ENDED SEPTEMBER 30, 2023**

decrease in net capital assets and \$3,309,637 increase in restricted and unrestricted funds. Following is a summary of the government-wide Statement of Activities:

**COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION
September 30, 2023 and 2022**

	<u>Government Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program revenues:						
Federal administered grants	\$ 16,301,470	\$ 11,278,841	\$ -	\$ -	\$ 16,301,470	\$ 11,278,841
State administered grants	139,729,245	132,997,272	-	-	139,729,245	132,997,272
Local contracts and in-kind	22,618,012	23,310,618	1,270,716	1,249,731	23,888,728	24,560,349
General revenues:						
Membership dues	796,303	767,990	-	-	796,303	767,990
Interest income	2,759,236	423,608	-	-	2,759,236	423,608
Total revenues	<u>182,204,266</u>	<u>168,778,329</u>	<u>1,270,716</u>	<u>1,249,731</u>	<u>183,474,982</u>	<u>170,028,060</u>
Expenses						
Agency administration	8,977,018	8,534,517	-	-	8,977,018	8,534,517
Agency management	1,140,322	1,006,989	-	-	1,140,322	1,006,989
Area Agency on Aging	17,078,521	14,431,784	-	-	17,078,521	14,431,784
Community Service	1,703,370	1,409,757	-	-	1,703,370	1,409,757
Emergency preparedness	1,750,743	1,936,861	-	-	1,750,743	1,936,861
Environment and development	3,322,555	3,083,689	-	-	3,322,555	3,083,689
RIS local assistance	4,571,140	3,325,267	1,380,930	1,364,330	5,952,070	4,689,597
Transportation planning	53,213,409	47,936,945	-	-	53,213,409	47,936,945
Workforce development	87,834,936	85,784,429	-	-	87,834,936	85,784,429
Total expenses	<u>179,592,014</u>	<u>167,450,238</u>	<u>1,380,930</u>	<u>1,364,330</u>	<u>180,972,944</u>	<u>168,814,568</u>
Increase (decrease) in net position	2,612,252	1,328,091	(110,214)	(114,599)	2,502,038	1,213,492
Transfers	-	(60,598)	-	60,598	-	-
Increase (decrease) in net position	<u>2,612,252</u>	<u>1,267,493</u>	<u>(110,214)</u>	<u>(54,001)</u>	<u>2,502,038</u>	<u>1,213,492</u>
Net position - beginning	19,465,766	18,198,273	210,719	264,720	19,676,485	18,462,993
Net position - ending	<u>\$ 22,078,018</u>	<u>\$ 19,465,766</u>	<u>\$ 100,505</u>	<u>\$ 210,719</u>	<u>\$ 22,178,523</u>	<u>\$ 19,676,485</u>

Significant components of the net position activity are as follows:

Governmental activities total revenues increased \$13,425,937 or 8% in the current year. This increase is comprised of the following major components:

- Federal revenues increased a net \$5,022,629 (45%) in the current year, primarily comprised of the following:
 - \$6,389,298 increase related to Federal Transit Administration (FTA) programs due to the purchase of 32 buses for use at STAR and PTS. There was also an increase in CARES expenditure and consultant expenditure for travel surveys and data collection.
 - \$1,623,631 decrease related to Environmental Protection Agency (EPA) programs is due largely to the Diesel Emissions Reduction Act (DERA) expenditures decreasing over last FY. DERA 2017 funds were fully expended by the end of FY22.

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- \$301,708 increase related to Health and Human Services (HHS). The increase in FY23 is the result of a grant from the Administration for Community Living (ACL) used to expand support for people with dementia and their families.
 - \$190,494 decrease related to Department of Commerce (DOC) due to reduction in total staff working in EDO department and completion of projects on grant that ended 6/30/2022.
 - \$126,699 increase related to Department of Defense (DOD) programs due to increased staff time and consultant expenditures on the Agile Curriculum Program.
- State revenues increased a net \$6,731,973 (5%) in the current year, primarily comprised of the following:
- \$3,265,529 increase from the Texas Workforce Commission (TWC). Most of the increase in FY23 is the result of additional funding received for the Workforce Innovation and Opportunity Act (WIOA) programs.
 - \$2,159,932 increase from the Health and Human Services Commission (HHSC). The increase is additional funding received in response to the 2020 pandemic. In addition to the American Rescue Plan Act funding (ARPA), the Area Agency on Aging (AAA) has been able to expend carry-over funding from FY2021 and FY2022 to expand several programs.
 - \$584,889 increase in funding from the Texas Commission on Environmental Quality (TCEQ) due mostly to the full expenditure of the FY22/23 Solid waste funding. There were carryover funds from the previous year.
 - \$333,370 increased funding from the Texas Department of Transportation (TXDOT) due to increased expenditures on the Transportation Planning Funds (TPF) grant.
 - \$320,730 increase in funding from the Office of the Governor (OOG). Most of the increase in FY23 is the result of additional funding received from the State Homeland Security Program (SHSP) during the fiscal year.
- In-Kind and Local revenue decreased a net \$692,606 (3%) in the current year, primarily comprised of the following:
- EPA in-kind decreased \$3,100,384 due to the DERA 2017 grant being fully expended in FY22 and the replacement of 5 tractors.
 - TXDOT in-kind and local contracts increased \$2,493,982. Primarily due to software updates from Carma to version 2 and version 3.
 - TWC in-kind and local income decreased \$1,086,508, primarily related to the childcare program. In-kind collected in FY 2022 exceeded the amount collected in FY 2023.
 - FTA in-kind and local contracts increased \$392,015 due to new grant starting at the end of FY22. FY22 costs were primarily focused on administrative costs while FY23 had mostly capital expenditures.

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- Other local revenues increased \$638,168. \$576,742 is from the RIS Orthos program. FY23 was a full flight year.

➤ General revenues increased \$2,363,941 (555%) almost entirely due to higher interest income, due to higher rates.

Governmental activities total expenses increased \$12,141,776 or 7% in the current year. Key elements of the changes are as follows:

- Transportation expenses increased a net of \$5,276,464 or 11% when compared with 2022 due to the large increase in capital expenditures during FY23 over the prior year.
- Area Agency on Aging expenses increased \$2,646,737 or 18%. The increase is due to the continued expansion of the nutrition and transportation programs, Evidence-based Intervention programs and In-home services (Homemaker, Personal Assistance and Respite-in-Home) which continue to see high demand.
- Workforce Development increased \$2,050,507 or 2%. Most of the increase in FY23 is the result of additional funding received for the Workforce Innovation and Opportunity Act (WIOA) programs.
- RIS local assistance increased \$1,245,873 or 37%. Most of the increase is the result of additional expenses for Aerial Photography, Departmental IT support, and Shared Services.
- Agency administration increased \$442,501 or 5%. This was due to increased amortization on leases and subscription assets along with additional audio video equipment purchased for the agency.
- Community Service expenses increased 293,613 or 21%. This was mainly due to increased activity in the Regional Police Academy as well as the addition of the Government Treasurers' Organization of Texas (GTOT)
- Environment & development expenses increased \$238,866 or 8% when compared to 2022 due mainly to the start of work on the Texas Water Development Board (TWDB) TSI-Stormwater project.
- Emergency Preparedness expenses decreased 186,118 or 2%, mostly due to reduced activity in their Pre-Disaster Mitigation (PDM) Grant Program.

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
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\$22,251,176, an increase of \$3,495,735 in comparison with the prior year. Approximately 40% of this total amount (\$8,998,944) 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 \$9,021,740. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 5% of total governmental fund expenditures.

General Fund. The fund balance of NCTCOG’s general fund increased by \$1,195,097 during the current fiscal year. This is mainly due to membership dues and interest income.

Special Revenue Fund. The fund balance of NCTCOG’s special revenue fund increased by a net of \$2,300,638 during the current fiscal year primarily due to increases of \$628,696 for TXDOT programs, \$1,311,020 for other agency local projects and \$596,750 for transportation local programs, \$48,307 increase in Texas Commission on Environmental Quality (TCEQ) offset by a decrease of \$125,085 for FEMA programs and \$159,050 in Office of the Governor (OOG) funds.

General Fund Budgetary Highlights

There were administrative adjustments made among functions that resulted in no net change in fund balance between the original and final budget. The net change in fund balance between the final budget and actual amounts resulted in an increase of \$1,189,432 which represents 15% of budgeted total current expenditures. The change is primarily due to savings on various projects of \$720,517, increased interest revenue of \$642,935 due to higher interest rates offset by a lower than budgeted indirect cost allocation of \$265,834.

Capital Asset and Long-Term Liability Administration

Capital assets. The NCTCOG’s net investment in capital assets as of September 30, 2023, and 2022 amounted to \$221,830 and \$919,211 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, leasehold improvements, and capital leases. Major capital assets events during the fiscal year include the purchase of \$212,179 in audio visual equipment and \$457,146 in right to use leased assets. Detailed information on the NCTCOG’s capital assets can be found in Note G on pages 38-39 of this report. Detailed information on the related debt to these assets can be found in Note D (page 35), I and J (pages 39-45).

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 2024 are estimated at \$812,221.

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 2024 increase a net of \$8.054 million from fiscal year 2023.

- Major state and federal program net increase in funding of \$7.4 million mainly comprised of:

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FOR THE YEAR ENDED SEPTEMBER 30, 2023**

- Workforce – \$5.2 million net increase comprised of:
 - Texas Workforce Commission (TWC) – (\$5.2 million increase)

- Transportation – \$1.7 million net increase, primarily comprised of:
 - Federal Transit Administration (FTA) – (\$9.9 million increase)
 - Federal Highway Administration (FHWA) – (\$181 thousand increase)
 - Texas Department of Transportation (TXDOT) – (\$6.7 million decrease)
 - Environmental Protection Agency (EPA) – (\$768 thousand decrease)
 - Department of Defense (DOD) – (\$568 thousand decrease)
 - Texas Commission on Environmental Quality (TCEQ) – (\$344 thousand decrease)

- Area Agency on Aging – \$104 thousand net decrease comprised of:
 - Texas Health and Human Services (HHS) – (\$104 thousand decrease)

- Environment & Development – \$474 thousand net increase, primarily comprised of:
 - General Land Office (GLO) – (\$1.1 million increase)
 - Texas Water Development Board (TWDB) – (\$455 thousand increase)
 - State Energy Conservation Office (SECO) – (\$200 thousand increase)
 - Texas Commission on Environmental Quality (TCEQ) – (\$760 thousand decrease)
 - Federal Emergency Management Agency (FEMA) – (\$322 thousand decrease)
 - Environmental Protection Agency (EPA) – (\$205 thousand decrease)

- Emergency Preparedness – \$143 thousand net increase, primarily comprised of:
 - Texas Department of Public Safety (DPS) – (\$225 thousand decrease)
 - Governor's Office – (\$368 thousand increase)

- Local Contracts & Other Revenue – \$2.8 million net decrease, primarily due to:
 - Transportation – (\$1.9 million decrease)
 - Research and Information Services – (\$846 thousand decrease)
 - Environment and Development – (\$308 thousand decrease)
 - TDI – (\$153 thousand increase)

- In-Kind Match Funds – \$135 thousand net increase, primarily due to:
 - Emergency Preparedness – (\$56 thousand decrease)
 - Area Agency on Aging – (\$191 thousand increase)

Requests for Information

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

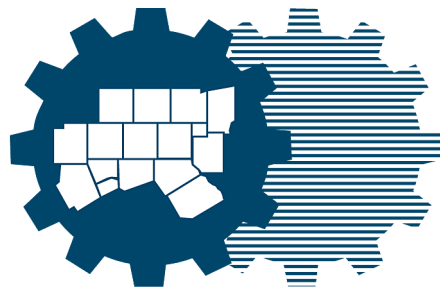
The NCT9-1-1 Financial Report is available on the NCT9-1-1 website, [Board of Managers - NCT9-1-1](#).

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	NCT-911 Total
Assets				
Cash and cash equivalents	\$ 154,664	\$ -	\$ 154,664	\$ 1,782,157
Investments	65,187,781	-	65,187,781	5,901,635
Receivables	32,208,708	3,321	32,212,029	2,018,098
Internal balances	(11,399)	11,399	-	-
Due From Component Unit	1,070,166	-	1,070,166	-
Prepaid items	998,617	85,785	1,084,402	196,513
Capital assets, net of accumulated depreciation	26,353,220	-	26,353,220	868,353
Total Assets	<u>125,961,757</u>	<u>100,505</u>	<u>126,062,262</u>	<u>10,766,756</u>
Liabilities				
Accounts payable and accrued expenses	19,337,227	-	19,337,227	512,619
Unearned revenue	56,368,708	-	56,368,708	154,595
Due to Primary Government	-	-	-	1,070,166
Long-term liabilities				
Due within one year	3,336,368	-	3,336,368	126,336
Due in more than one year	24,841,436	-	24,841,436	56,443
Total Liabilities	<u>103,883,739</u>	<u>-</u>	<u>103,883,739</u>	<u>1,920,159</u>
Net Position				
Net investment in capital assets	221,830	-	221,830	685,574
Restricted for:				
Grants	1,434,575	-	1,434,575	-
Transportation projects	7,586,691	-	7,586,691	-
Unrestricted	12,834,922	100,505	12,935,427	8,161,023
Total Net Position	<u>\$ 22,078,018</u>	<u>\$ 100,505</u>	<u>\$ 22,178,523</u>	<u>\$ 8,846,597</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, 2023**

Functions/Programs	Expenses	Operating Grants and Contributions				Net (Expenses) Revenue and Change in Net Position			Component Unit Total
		Federal Funding	State/ State Admin Funding	Charges for Services	Local Contracts and In-kind Contributions	Primary Government		Total	
						Governmental Activities	Business Type Activities		
Primary Government:									
Governmental Activities:									
Agency administration	\$ 8,977,018	\$ -	\$ -	\$ -	\$ 1,701,531	\$ (7,275,487)	\$ -	\$ (7,275,487)	\$ -
Agency management	1,140,322	102,179	-	-	202,518	(835,625)	-	(835,625)	-
Area Agency on Aging	17,078,521	334,993	13,535,922	-	4,175,182	967,576	-	967,576	-
Community services	1,703,370	-	854,314	-	971,431	122,375	-	122,375	-
Emergency preparedness	1,750,743	-	1,557,128	-	669,769	476,154	-	476,154	-
Environment and development	3,322,555	715,849	1,673,431	-	923,090	(10,185)	-	(10,185)	-
RIS local assistance	4,571,140	-	-	-	811,695	(3,759,445)	-	(3,759,445)	-
Transportation planning	53,213,409	15,148,449	33,694,264	-	8,460,148	4,089,452	-	4,089,452	-
Workforce development	87,834,936	-	88,414,186	-	4,702,648	5,281,898	-	5,281,898	-
Total Governmental Activities	\$ 179,592,014	\$ 16,301,470	\$ 139,729,245	\$ -	\$ 22,618,012	\$ (943,287)	\$ -	\$ (943,287)	\$ -
Business-Type Activities:									
Shared Service Center	1,380,930	-	-	1,270,716	-	-	(110,214)	(110,214)	-
Total Primary Government	\$ 180,972,944	\$ 16,301,470	\$ 139,729,245	\$ 1,270,716	\$ 22,618,012	\$ (943,287)	\$ (110,214)	\$ (1,053,501)	\$ -
Component-Type Activities:									
NCT9-1-1	10,481,924	-	1,060,085	-	11,952,116	-	-	-	2,530,277
Total Component Unit	\$ 10,481,924	\$ -	\$ 1,060,085	\$ -	\$ 11,952,116	\$ -	\$ -	\$ -	\$ 2,530,277
General Revenues:									
Membership dues						796,303	-	796,303	-
Interest income						2,759,236	-	2,759,236	226,948
Total general revenues						\$ 3,555,539	\$ -	\$ 3,555,539	\$ 226,948
Change in net position						2,612,252	(110,214)	2,502,038	2,757,225
Net position-beginning						19,465,766	210,719	19,676,485	6,089,372
Net position-ending						\$ 22,078,018	\$ 100,505	\$ 22,178,523	\$ 8,846,597

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ -	\$ 154,664	\$ 154,664
Investments	19,253,974	45,933,807	65,187,781
Accounts receivable:			
Federal grants	-	6,960,000	6,960,000
State and local administered grants	-	22,988,731	22,988,731
Local grants	-	2,202,220	2,202,220
Other	56,716	-	56,716
Due from other funds	4,132,176	-	4,132,176
Due from component unit	1,070,166	-	1,070,166
Prepays	15,548	535,564	551,112
Other assets	7,248	-	7,248
Total Assets	<u>\$ 24,535,828</u>	<u>\$ 78,774,986</u>	<u>\$ 103,310,814</u>
Liabilities			
Accounts payable	\$ 14,442,660	\$ -	\$ 14,442,660
Accrued liabilities	102,679	3,792,575	3,895,254
Accrued payroll and employee benefits	962,313	-	962,313
Due to other funds	-	5,390,703	5,390,703
Unearned revenue	6,436	56,362,272	56,368,708
Total Liabilities	<u>15,514,088</u>	<u>65,545,550</u>	<u>81,059,638</u>
Fund Balance			
Nonspendable	22,796	535,564	558,360
Restricted for:			
Grants	-	1,434,575	1,434,575
Transportation projects	-	7,586,691	7,586,691
Assigned	-	3,672,606	3,672,606
Unassigned	8,998,944	-	8,998,944
Total Fund Balance	<u>9,021,740</u>	<u>13,229,436</u>	<u>22,251,176</u>
Total Liabilities and Fund Balance	<u>\$ 24,535,828</u>	<u>\$ 78,774,986</u>	<u>\$ 103,310,814</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, 2023**

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

Total fund balance - total governmental funds (page 15)	\$22,251,176
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	26,353,220
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.	1,660,073
Accrued interest payable on long-term debt	(8,647)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(28,177,804)</u>
Net position of governmental activities (page 13)	<u><u>\$22,078,018</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, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues			
Federal grants	\$ -	\$ 16,301,470	\$ 16,301,470
State administered grants	-	139,729,245	139,729,245
Membership dues	796,303	-	796,303
Local contributed cash	13,657	12,175,525	12,189,182
Interest income	762,935	1,996,301	2,759,236
Program income	-	268,435	268,435
In-kind	-	10,160,395	10,160,395
Total Revenues	<u>1,572,895</u>	<u>180,631,371</u>	<u>182,204,266</u>
Expenditures			
Current:			
Agency administration	5,660,594	3,738,529	9,399,123
Agency management	848,589	288,527	1,137,116
Area agency on aging	-	17,474,614	17,474,614
Community services	13,561	1,815,977	1,829,538
Emergency preparedness	-	1,888,338	1,888,338
Environment & development	124,453	3,383,543	3,507,996
Research & information services	100,870	4,901,151	5,002,021
Transportation	185,753	56,034,618	56,220,371
Workforce development	-	86,942,985	86,942,985
Debt service			
Interest	126	100,862	100,988
Financing principal	4,836	1,412,158	1,416,994
Capital outlay	<u>22,734</u>	<u>723,634</u>	<u>746,368</u>
	<u>6,961,516</u>	<u>178,704,936</u>	<u>185,666,452</u>
Indirect cost allocation	(6,469,693)	-	(6,469,693)
Indirect cost reimbursement	(25,018)	-	(25,018)
Contributions to indirect costs	<u>(6,064)</u>	<u>-</u>	<u>(6,064)</u>
Total Expenditures	<u>460,741</u>	<u>178,704,936</u>	<u>179,165,677</u>
Excess of revenues over expenditures	<u>1,112,154</u>	<u>1,926,435</u>	<u>3,038,589</u>
Other financing sources (uses)			
Transfers in	87,220	958,894	1,046,114
Transfers out	(11,810)	(1,034,304)	(1,046,114)
Leases (as lessee)	<u>7,533</u>	<u>449,613</u>	<u>457,146</u>
Total other financing sources and (uses)	<u>82,943</u>	<u>374,203</u>	<u>457,146</u>
Net changes in fund balance	1,195,097	2,300,638	3,495,735
Fund balance - beginning	<u>7,826,643</u>	<u>10,928,798</u>	<u>18,755,441</u>
Fund balance - ending	<u>\$ 9,021,740</u>	<u>\$ 13,229,436</u>	<u>\$ 22,251,176</u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

Net Change in Fund Balances-total governmental funds (page 17)	\$3,495,735
Financing principal	1,416,994
Accrued interest expense on long term debt	(8,647)
Lease issued	(457,146)
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.	746,368
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.	(676,759)
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.	(91,868)
Depreciation / amortization expense on capital assets does not require the use of current financial resources and, therefore, is not reported as expenditure in the governmental funds.	<u>(1,812,425)</u>
Change in net position (page 14)	<u><u>\$2,612,252</u></u>

See accompanying notes to the basic financial statements.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business Type Activities	Governmental Activities
	<u>Enterprise</u>	<u>Internal Service</u>
Assets		
Accounts receivable	\$ 3,321	\$ 1,041
Due from other funds	11,399	1,247,128
Prepays	<u>85,785</u>	<u>440,257</u>
Total current assets	100,505	1,688,426
Capital assets, net of accumulated depreciation	<u>-</u>	<u>18,322,667</u>
Total assets	<u>100,505</u>	<u>20,011,093</u>
Current liabilities		
Accounts payable	-	28,353
Due within one year: financed assets	<u>-</u>	<u>1,712,431</u>
Total current liabilities	-	1,740,784
Noncurrent liabilities		
Due in more than one year: financed assets	<u>-</u>	<u>17,333,370</u>
Total liabilities	<u>-</u>	<u>19,074,154</u>
Net position		
Net investment in capital assets	-	(723,134)
Unrestricted	<u>100,505</u>	<u>1,660,073</u>
Total net position	<u>\$ 100,505</u>	<u>\$ 936,939</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
SEPTEMBER 30, 2023

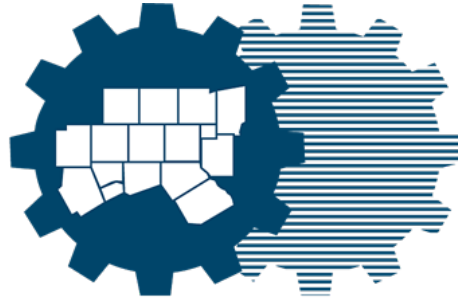
	Business Type Activities	Governmental Activities
	<u>Enterprise</u>	<u>Internal Service</u>
Operating revenues		
Service charges	\$ <u>1,270,716</u>	\$ <u>6,821,775</u>
Total operating revenues	<u>1,270,716</u>	<u>6,821,775</u>
Operating expenses		
Personnel	20,280	1,549,952
Indirect	3,447	263,468
Contract services	693,095	301,411
Travel	-	14,666
Depreciation	-	2,269,618
Other costs	<u>664,108</u>	<u>2,759,558</u>
Total operating expenses	<u>1,380,930</u>	<u>7,158,673</u>
Operating income (loss)	<u>(110,214)</u>	<u>(336,898)</u>
Nonoperating expenses		
Interest	<u>-</u>	<u>339,861</u>
Change in net position	(110,214)	(676,759)
Net position - beginning	<u>210,719</u>	<u>1,613,698</u>
Net position - ending	<u>\$ <u>100,505</u></u>	<u>\$ <u>936,939</u></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, 2023**

	Business Type Activities	Governmental Activities
	Enterprise	Internal Service
Cash flows from operating activities		
Receipts from service charges	\$ 1,376,202	\$ 7,122,169
Payments to other funds for indirect and other costs	(3,447)	(263,468)
Payments to suppliers for goods and services	(1,352,475)	(3,305,632)
Payments to employees	(20,280)	(1,564,618)
Net cash provided by (used in) operating activities	<u>-</u>	<u>1,988,451</u>
Cash flows from capital and related financing activities		
Additions to capital assets	-	(25,341)
Payments on lease principal	-	(1,623,249)
Interest paid on financed assets	-	(339,861)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,988,451)</u>
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents-Beginning of Year	-	-
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ -</u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(110,214)	(336,898)
Adjustment to reconcile operating income/ (loss) to		
Net cash provided by (used in) operating activities:		
Depreciation expense/amortization	-	2,269,618
Increase in prepaid expenses	4,728	(250,513)
(Increase) in accounts receivable	(3,321)	(1,041)
Decrease (Increase) in due from other funds	108,807	301,435
Increase in accounts payable	-	5,850
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ 1,988,451</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, 2023**

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, 2023

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, 2023

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

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

Fund Financial Statements:

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

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

General Fund

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

Special Revenue Fund

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

Proprietary Fund Type

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

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

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

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

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

3. Measurement Focus and Basis of Accounting

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

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

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

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

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

Federal, State, and Local Grant Revenue

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

Member Government Dues

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

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

Local Contributed Cash

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

In-Kind and Contributed Services

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

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

4. Leave Policies

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

Based on full-time or part-time accrual rates employees may accrue, during the first five years of employment, up to ten (10) days of vacation leave per year. During the second five years of employment, an employee accrues up to fifteen (15) days per year, and after ten years of employment, up to twenty (20) days per year. The maximum unused vacation leave a full-time and eligible part-time employee may accumulate is the number of days, which the employee would accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for reviewing the personnel manual. The liability for accumulated vacation (\$2,046,414 on September 30, 2023) 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, 2023

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, 2023. 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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

8. State Administered Grants

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

9. Internal Transfers

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

10. Allocation of Employee Benefits and Indirect Costs

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

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

11. Transactions Between Funds

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

12. Capital Assets

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

13. Leases

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

14. Subscription-Based Information Technology Arrangements

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

15. Risk Management

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

The NCTCOG participates in the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) to provide workers' compensation coverage 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 2023, the Council contributed \$170,248 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, 2023.

16. Cash and Cash Equivalents

Cash of all funds is pooled into a common bank account in order to maximize investment opportunities. The external investment pools satisfy the definition of cash equivalents; however, it is the Council's policy to treat these as investments rather than cash equivalents. NCTCOG elects to exclude investments with an

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

original maturity of one year or less from the date of purchase from fair value reporting. These investments are reported at amortized cost.

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

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

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

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

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

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

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

Unassigned fund balance – residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. The general fund is the only fund that reports a positive unassigned fund balance amount.

Unrestricted fund balance - total of committed fund balance, assigned fund balance, and unassigned fund balance. To ensure the continuance of sound financial management of public resources, a portion the Council's unrestricted fund balance will be maintained in the General Fund. This will provide the Council with sufficient funds to address emergencies, sudden loss of revenue or operating needs, and unexpected downturns without borrowing.

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

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

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

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

It is the policy of the Council that expenditures for which more than one category of fund balance could be used, that the order of use is: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A schedule of NCTCOG fund balances is provided in Note L.

18. Implementation of New Accounting Standards.

Effective for fiscal year 2023 reporting the Council adopted the following new standards issued by the Governmental Accounting Standards Board (GASB):

Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement did not have an impact on the financial statements.

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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B - CASH AND INVESTMENTS (continued)

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

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

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

Cash and investments as of September 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government

Total Cash and Investments	\$ <u>65,342,445</u>
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Cash and Investments as of September 30, 2023 consist of the following

Deposits with Financial Institutions	\$ 154,664
Investments	<u>65,187,781</u>
Total Cash and Investments	\$ <u>65,342,445</u>

2. Disclosures Relating to Interest Rate Risk

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE B - CASH AND INVESTMENTS (continued)

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</u>
Primary Government		
TexPool	\$24,519,396	93
Logic	497	83
TexStar	40,667,888	57
	<u>\$65,187,781</u>	<u>71</u>

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

As of September 30, 2023, 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, 2023, the Council had investments in local government investment pools totaling \$65,187,781 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, 2023, 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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B - CASH AND INVESTMENTS (continued)

pledged securities in the collateral pool must always equal at least the bank balance less the FDIC insurance. On September 30, 2023, all the Council's deposits had a carrying amount of \$154,664 and a bank ledger balance of \$968,191. Pledged Collateral of \$896,186 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

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

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

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

6. Investment in Local Government Investment Pools

NCTCOG is a voluntary participant in various investment pools organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible entities of the State of Texas to jointly invest their funds in permitted investments. NCTCOG's investments in local 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, 2023, is presented below. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented.

	Balance September 30, 2022	Increases	Decreases	Balance September 30, 2023	Due Within One Year
Accrued Vacation	\$ 1,954,544	\$ 283,506	\$ 191,636	\$ 2,046,414	\$ 219,257
Leases	28,232,203	457,146	2,851,705	25,837,644	2,919,782
Subscription Arrangements	482,284	-	188,538	293,746	197,329
Total	<u>\$ 30,669,031</u>	<u>\$ 740,652</u>	<u>\$ 3,231,879</u>	<u>\$ 28,177,804</u>	<u>\$ 3,336,368</u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE E – DEFERRED COMPENSATION PLAN

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

The Council also contributes to a Section 457 deferred compensation plan for part-time employees. This plan is also administered by Mission Square. Part-time employees contributed \$35,354 during 2023. The Council contributed a matching \$30,360 as the employer’s match, 3.75% of gross salaries. Part-time employees are 100% vested in the plan from the first contribution.

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, 2023:

Transfers- In/Out Other Funds:

<u>Transfer- In</u>	<u>Transfer- Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Fund	\$ 82,374	Recovery of depreciation
General Fund	Special Revenue Fund	4,846	Local match dollars
Special Revenue Fund	General Fund	11,810	Local match dollars
Special Revenue Fund-Local	Special Revenue Fund-Local	49,049	Local funded projects
Special Revenue Fund-State/Federal	Special Revenue Fund-State/Federal	23,768	Match Dollars
Special Revenue Fund	Special Revenue Fund-Foundation	7,100	Local match dollars
Special Revenue Fund-Local	Special Revenue Fund-State/Federal	520,398	Local funded projects
Special Revenue Fund-State/Federal	Special Revenue Fund-Local	346,769	Match Dollars
	Total	<u>\$ 1,046,114</u>	

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE F – INTERNAL TRANSACTIONS AND TRANSFERS (continued)

Due To/From Other Funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 4,132,176	\$ -
Special Revenue Fund	-	5,390,703
Enterprise Fund	11,399	-
Internal Service Fund	<u>1,247,128</u>	<u>-</u>
Total	<u><u>\$ 5,390,703</u></u>	<u><u>\$ 5,390,703</u></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, 2023

NOTE G – CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended September 30, 2023, follows:

Governmental activities:

	Restated Balance September 30, 2022	Increases	Decreases	Balance September 30, 2023
<u>General Capital Assets</u>				
Capital assets being depreciated:				
Equipment	\$ 2,506,073	277,569	(330,106)	\$ 2,453,536
Furniture	223,279	-	-	223,279
Leasehold improvements	1,680,675	11,653	-	1,692,328
Right-to-use leased equipment	53,147	156,890	(53,147)	156,890
Right-to-use leased buildings	9,091,145	300,256	(165,089)	9,226,312
Right-to-use subscription	189,645	-	-	189,645
Total capital assets being depreciated	<u>13,743,964</u>	<u>746,368</u>	<u>(548,342)</u>	<u>13,941,990</u>
Accumulated depreciation/amortization				
Equipment	2,142,784	254,170	(330,106)	2,066,848
Furniture	223,279	-	-	223,279
Leasehold improvements	945,691	82,445	-	1,028,136
Right-to-use leased equipment	42,518	32,877	(53,147)	22,248
Right-to-use leased buildings	1,207,479	1,367,686	(79,486)	2,495,679
Right-to-use subscription	-	75,247	-	75,247
Total accumulated depreciation/amortization	<u>4,561,751</u>	<u>1,812,425</u>	<u>(462,739)</u>	<u>5,911,437</u>
Total governmental funds capital assets, net	<u>9,182,213</u>	<u>(1,066,057)</u>	<u>(85,603)</u>	<u>8,030,553</u>
<u>Internal Service Fund Capital Assets</u>				
Capital assets being depreciated:				
Equipment	601,430	25,341	(214,048)	412,723
Right-to-use-leased equipment	19,939	-	(19,939)	-
Right-to-use-leased buildings	21,827,739	-	-	21,827,739
Subscription-based information technology arrangem	292,640	-	-	292,640
Leasehold improvements	25,658	-	-	25,658
Total capital assets being depreciated	<u>22,767,406</u>	<u>25,341</u>	<u>(233,987)</u>	<u>22,558,760</u>
Accumulated depreciation/amortization				
Equipment	458,492	80,712	(214,048)	325,156
Right-to-use-leased equipment	15,951	3,988	(19,939)	-
Right-to-use-leased buildings	1,714,515	2,081,613	-	3,796,128
Subscription-based information technology arrangem	-	101,121	-	101,121
Leasehold improvements	11,503	2,185	-	13,688
Total accumulated depreciation/amortization	<u>2,200,461</u>	<u>2,269,619</u>	<u>(233,987)</u>	<u>4,236,093</u>
Total governmental funds capital assets, net	<u>20,566,945</u>	<u>(2,244,278)</u>	<u>-</u>	<u>18,322,667</u>
Governmental activities capital assets, net	<u>\$ 29,749,158</u>	<u>(3,310,335)</u>	<u>(85,603)</u>	<u>\$ 26,353,220</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
Right-to-use assets	Shorter of length of remaining contract or useful life

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G CAPITAL ASSETS (continued)

Right-to-use (RTU) asset value is calculated based on the net present value of future lease payments using the incremental borrowing rate (IBR) and capitalized with the following thresholds.

(RTU) Assets	
Equipment	\$50,000
Buildings/Office Space	\$50,000
Subscription	\$100,000

Amortization will occur over the shorter of the lease term or the useful life of the underlying asset. The Council utilizes straight-line recognition to account for amortization.

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

Governmental Activities:	
Agency administration	69,946
Agency management	201
Community services-Aging	5,932
Community services-CJD	20,572
Emergency preparedness	2,125
Environment & development	2,945
RIS local assistance	11,042
Transportation planning	95,781
Workforce development	1,603,884
Internal service fund	2,269,616
Total depreciation/amortization expense - governmental activities	<u><u>4,082,044</u></u>

NOTE H – RETIREMENT PLAN

Mission Square administers the Council’s 401(a) retirement plan. It is a defined contribution retirement plan, which provides retirement benefits for all eligible employees. The Council contributed an amount of \$3,858,538 during fiscal year 2023 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Participating employees also contributed an amount of \$1,929,269 during 2023 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$33,278,599 including \$32,154,476 payroll covered by the plan. Employees become 40 percent (40%) vested in the Council's contributions after three full years of employment. An additional 15 percent (15%) is vested for each additional full year of employment. An employee becomes fully vested after seven years of employment. The Council’s retirement plan was formed under the authority of the Council Executive Board and the Executive Board has the authority to amend/or terminate the retirement plan and/or contribution requirements at any time.

NOTE I – LEASES

In accordance with GASB 87 the following existing leases were recorded:

On 10/01/2021, NCTCOG entered into a 138-month lease as Lessee for the use of 624 Six Flags Drive, Centerpoint I. An initial lease liability was recorded in the amount of \$3,391,168. As of 09/30/2023, the value of the lease liability is \$2,932,392. The required monthly fixed payment is \$38,413. The lease has an interest rate of 1.5270%. The value of the right to use asset as of 09/30/2023 is \$3,391,168 with accumulated amortization of \$589,768.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – LEASES (continued)

On 10/01/2021, NCTCOG entered into a 138-month lease as Lessee for the use of 616 Six Flags Drive, Centerpoint II. An initial lease liability was recorded in the amount of \$12,189,548. As of 09/30/2023, the value of the lease liability is \$10,537,068. The required monthly fixed payment is \$136,650. The lease has an interest rate of 1.5270%. The value of the right to use asset as of 09/30/2023 is \$12,189,548 with accumulated amortization of \$2,119,921.

On 10/01/2021, NCTCOG entered into a 138-month lease as Lessee for the use of 600 Six Flags Drive, Centerpoint III. An initial lease liability was recorded in the amount of \$6,247,024. As of 09/30/2023, the value of the lease liability is \$5,396,575. The required monthly fixed payment is \$68,578. The lease has an interest rate of 1.5270%. The value of the right to use asset as of 09/30/2023 is \$6,247,023 with accumulated amortization of \$1,086,439.

On 01/02/2023, NCTCOG entered into a 60-month lease as Lessee for the use of Xerox Copier - C8155, Centerpoint Buildings. An initial lease liability was recorded in the amount of \$30,251. As of 09/30/2023, the value of the lease liability is \$25,954. The required monthly fixed payment is \$932. The lease has an interest rate of 2.2870%. The value of the right to use asset as of 09/30/2023 is \$30,251 with accumulated amortization of \$4,458. NCTCOG has the option to purchase the Equipment for \$1.00.

The following Workforce development leases were recorded:

On 10/01/2021, NCTCOG entered into a 52-month lease as Lessee for the use of 109 Tejas Dr., Terrell. An initial lease liability was recorded in the amount of \$494,821. As of 09/30/2023, the value of the lease liability is \$256,592. The required monthly fixed payment is \$13,287. The lease has an interest rate of 0.5550%. The value of the right to use asset as of 09/30/2023 is \$494,821 with accumulated amortization of \$228,379.

On 06/01/2023, NCTCOG entered into a 24-month lease as Lessee for the use of Greenville Exchange Building Extension. An initial lease liability was recorded in the amount of \$213,770. As of 09/30/2023, the value of the lease liability is \$179,126. The required monthly fixed payment is \$15,174. The lease has an interest rate of 2.6100%. The value of the right to use asset as of 09/30/2023 is \$213,770 with accumulated amortization of \$35,628. One extension option(s), each for 60 months, is available.

On 10/01/2021, NCTCOG entered into a 25-month lease as Lessee for the use of 1030 E. Highway 377, Granbury. An initial lease liability was recorded in the amount of \$105,950. As of 09/30/2023, the value of the lease liability is \$4,264. The required monthly fixed payment is \$5,951. The lease has an interest rate of 0.3280%. The value of the right to use asset as of 09/30/2023 is \$105,950 with accumulated amortization of \$101,712. One extension option(s), each for 60 months, is available.

On 10/01/2021, North Central Texas Council of Governments, TX entered into a 63-month lease as Lessee for the use of 291 W.Eldorado Parkway, McKinney. An initial lease liability was recorded in the amount of \$942,088. As of 09/30/2023, the value of the lease liability is \$586,994. The required monthly fixed payment is \$21,280. The lease has an interest rate of 0.7120%. The value of the right to use asset as of 09/30/2023 is \$942,088 with accumulated amortization of \$358,891. One extension option(s), each for 60 months, is available.

On 10/01/2021, North Central Texas Council of Governments, TX entered into a 46-month lease as Lessee for the use of Jupiter North Technology Park, Plano. An initial lease liability was recorded in the amount

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – LEASES (continued)

of \$439,962. As of 09/30/2023, the value of the lease liability is \$217,415. The required monthly fixed payment is \$13,359. The lease has an interest rate of 0.5550%. The value of the right to use asset as of 09/30/2023 of \$439,962 with accumulated amortization of \$229,546 is included with Buildings on the Lease Class activities table found below. One extension option(s), each for 60 months, is available.

On 01/01/2022, North Central Texas Council of Governments, TX entered into a 120-month lease as Lessee for the use of Workforce and Emerging Technologies Buildings, Weatherford. An initial lease liability was recorded in the amount of \$1,596,263. As of 09/30/2023, the value of the lease liability is \$1,313,508. The required monthly fixed payment is \$15,690. The lease has an interest rate of 1.3050%. The value of the right to use asset as of 09/30/2023 is \$1,596,263 with accumulated amortization of \$279. Two extension option(s), each for 60 months, are available.

On 10/01/2021, North Central Texas Council of Governments, TX entered into a 69-month lease as Lessee for the use of 202 Hyde Park, in Cleburne. An initial lease liability was recorded in the amount of \$628,045. As of 09/30/2023, the value of the lease liability is \$427,361. The required monthly fixed payment is \$10,850. The lease has an interest rate of 2.5360%. The value of the right to use asset as of 09/30/2023 is \$628,045 with accumulated amortization of \$218,450. One extension option(s), each for 60 months, is available.

On 10/01/2021, North Central Texas Council of Governments, TX entered into a 56-month lease as Lessee for the use of 2165 West South Loop, Stephenville. An initial lease liability was recorded in the amount of \$263,723. As of 09/30/2023, the value of the lease liability is \$151,680. The required monthly fixed payment is \$5,837. The lease has an interest rate of 0.7120%. The value of the right to use asset as of 09/30/2023 is \$263,723 with accumulated amortization of \$113,024.

On 03/01/2023, North Central Texas Council of Governments, TX entered into a 36-month lease as Lessee for the use of 624 Six Flags Drive Suite 226, Arlington. An initial lease liability was recorded in the amount of \$86,487. As of 09/30/2023, the value of the lease liability is \$70,280. The required monthly fixed payment is \$2,552. The lease has an interest rate of 1.5270%. The value of the right to use asset as of 09/30/2023 is \$86,487 with accumulated amortization of \$16,817.

On 10/01/2021, North Central Texas Council of Governments, TX entered into a 117-month lease as Lessee for the use of Stonehill Center, Denton. An initial lease liability was recorded in the amount of \$4,455,203. As of 09/30/2023, the value of the lease liability is \$3,623,181. The required monthly fixed payment is \$46,191. The lease has an interest rate of 1.4140%. The value of the right to use asset as of 09/30/2023 is \$4,455,203 with accumulated amortization of \$913,887. One extension option(s), each for 120 months, is available.

On 01/02/2023, North Central Texas Council of Governments, TX entered into a 63-month lease as Lessee for the use of Xerox Copiers - C8145, Workforce Centers. An initial lease liability was recorded in the amount of \$126,639. As of 09/30/2023, the value of the lease liability is \$115,254. The required monthly fixed payment is \$2,713. The lease has an interest rate of 2.2870%. The value of the right to use asset as of 09/30/2023 is \$126,639 with accumulated amortization of \$17,789. NCTCOG has the option to purchase the Equipment for \$1.00.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – LEASES (continued)

GENERAL FUND ACTIVITIES:	Balance as of		Balance as of	
	October 1, 2022	Additions	Reductions	September 30, 2023
Lease Liability				
Equipment				
Xerox Copiers - COG	\$ 1,747	\$ -	\$ 1,747	\$ -
Xerox Copier - C8155 Centerpoint Buildings	-	7,532	1,070	6,462
Total Equipment Lease Liability	1,747	7,532	2,817	6,462
Total Lease Liability	\$ 1,747	\$ 7,532	\$ 2,817	\$ 6,462

SPECIAL REVENUE FUND-WORKFORCE ACTIVITIES:	Balance as of		Balance as of	
	October 1, 2022	Additions	Reductions	September 30, 2023
Lease Liability				
Buildings				
109 Tejas Dr, Terrell	\$ 376,911	\$ -	\$ 120,319	\$ 256,592
Greenville Exchange Building, Greenville	67,041	213,770	101,685	179,126
1030 E. Highway 377, Granbury	55,347	-	51,083	4,264
291 W.Eldorado Parkway, McKinney	764,892	-	177,899	586,993
Jupiter North Technology Park, Plano	330,544	-	113,129	217,415
Workforce and Emerging Technologies Buildings, Weatherford	1,468,380	-	154,872	1,313,508
202 Hyde Park, Cleburne	534,632	-	107,271	427,361
2165 West South Loop, Stephenville	207,822	-	56,142	151,680
624 Six Flags Drive Suite 226, Centerpoint I	-	86,487	16,206	70,281
Stonehill Center, Denton	4,041,832	-	418,651	3,623,181
Total Building Lease Liability	7,847,401	300,257	1,317,257	6,830,401
Equipment				
Xerox Copiers	6,647	-	6,647	-
Xerox Copiers - C8145- Workforce Centers	-	126,639	11,385	115,254
Xerox Copier - C8155 Centerpoint Buildings	-	7,593	1,078	6,515
Total Equipment Lease Liability	6,647	134,232	19,110	121,769
Total Lease Liability	\$ 7,854,048	\$ 434,489	\$ 1,336,367	\$ 6,952,170

SPECIAL REVENUE FUND-LOCAL-TRANSPORTATION	Balance as of		Balance as of	
	October 1, 2022	Additions	Reductions	September 30, 2023
Lease Liability				
Equipment				
Xerox Copier - C8155 Centerpoint Buildings	\$ -	\$ 15,125	\$ 2,148	\$ 12,977
Total Equipment Lease Liability	-	15,125	2,148	12,977
Total Lease Liability	\$ -	\$ 15,125	\$ 2,148	\$ 12,977

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – LEASES (continued)

INTERNAL SERVICE FUND ACTIVITIES:	Balance as of		Additions		Reductions		Balance as of	
	October 1, 2022						September 30, 2023	
Lease Liability								
Equipment								
Xerox Copiers - COG	\$	2,620	\$	-	\$	2,620	\$	-
Total Equipment Lease Liability		2,620		-		2,620		-
Buildings								
624 Six Flags Drive, Centerpoint I		3,166,019		-		233,627		2,932,392
616 Six Flags Drive, Centerpoint II		11,378,358		-		841,290		10,537,068
600 Six Flags Drive, Centerpoint III		5,829,411				432,836		5,396,575
Total Building Lease Liability		20,373,788		-		1,507,753		18,866,035
Total Lease Liability	\$	20,376,408	\$	-	\$	1,510,373	\$	18,866,035

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	31,054,052	6,291,810
Equipment	156,890	22,248
Total Leases	31,210,942	6,314,058

Principal and Interest Requirements to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	1,591,693	277,091	1,868,784
2025	1,678,090	252,185	1,930,275
2026	1,767,036	225,942	1,992,978
2027	1,858,596	198,323	2,056,919
2028	1,952,832	169,287	2,122,119
2029 - 2033	10,017,788	362,397	10,380,185
Total Principal Payments	18,866,035		
Cumulative Variance as of Fiscal Year-End			
Total Remaining Liability	18,866,035		
Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	1,328,089	88,006	1,416,095
2025	1,283,183	70,268	1,353,451
2026	1,022,265	54,831	1,077,096
2027	786,987	41,537	828,524
2028	651,639	31,183	682,822
2029 - 2033	1,899,448	39,335	1,938,783
Total Principal Payments	6,971,611		
Cumulative Variance as of Fiscal Year-End			
Total Remaining Liability	6,971,611		

The council had no encumbrances during 2023.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended 9/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 10/01/2022, NCTCOG entered into a 28-month subscription for the use of TR-Media Valet. An initial subscription liability was recorded in the amount of \$102,995. As of 09/30/2023, the value of the subscription liability is \$68,629. The required annual fixed payments are \$34,468. The subscription has an interest rate of 0.2980%. The value of the right to use asset as of 09/30/2023 is \$102,995 with accumulated amortization of \$44,141. Two extension option(s), each for 12 months, are available.

On 10/01/2022, North Central Texas Council of Governments, TX entered into a 33-month subscription for the use of Digital Line Unlimited Standard - Cloud Based Application. An initial subscription liability was recorded in the amount of \$199,720. As of 09/30/2023, the value of the subscription liability is \$100,736. The required annual fixed payment is \$201,715. The subscription has an interest rate of 3.3780%. The value of the right to use asset as of 09/30/2023 is \$199,720 with accumulated amortization of \$72,261.

On 10/01/2022, North Central Texas Council of Governments, TX entered into a 35-month subscription for the use of Arc GIS Desktop Extensions - Cloud Database Extension. An initial subscription liability was recorded in the amount of \$179,569. As of 09/30/2023, the value of the subscription liability is \$124,383. The required annual fixed payment is \$115,294. The subscription has an interest rate of 3.3780%. The value of the right to use asset as of 09/30/2023 is \$179,569 with accumulated amortization of \$59,968.

GOVERNMENTAL ACTIVITIES:	Balance as of		Balance as of	
	October 1, 2022	Additions	Reductions	September 30, 2023
Subscription Liability				
Software				
Digital Line Unlimited Standard	\$ 77,891	\$ -	\$ 38,604	\$ 39,287
Media Valet	102,995	-	34,366	68,629
Arc GIS Desktop Extensions	8,759	-	2,692	6,067
Total Software Subscription Liability	189,645	-	75,662	113,983
Total Subscription Liability	\$ 189,645	\$ -	\$ 75,662	\$ 113,983
BUSINESS-TYPE ACTIVITIES:	Balance as of		Balance as of	
	October 1, 2022	Additions	Reductions	September 30, 2023
Subscription Liability				
Software				
Digital Line Unlimited Standard	\$ 121,829	\$ -	\$ 60,381	\$ 61,448
Arc GIS Desktop Extensions	170,810	-	52,495	118,315
Total Software Subscription Liability	292,639	-	112,876	179,763
Total Subscription Liability	\$ 292,639	\$ -	\$ 112,876	\$ 179,763

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	482,285	176,369
Total Subscriptions	482,285	176,369

Principal and Interest Requirements to Maturity

Fiscal Year	Business-Type Activities			Total Payments
	Principal Payments	Interest Payments		
2024	120,738	6,072		126,810
2025	59,026	1,994		61,020

Fiscal Year	Governmental Activities			Total Payments
	Principal Payments	Interest Payments		
2024	76,591	1,737		78,328
2025	37,393	205		37,598

NOTE K – FUND BALANCE

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

DETAILED FUND BALANCE DISCLOSURE

	General Fund		Major Special Revenue Fund				Governmental Funds	
			FEMA	Local	TCEQ	TXDOT	Total	TOTAL
Fund balances:								
Non spendable:								
Prepays	\$ 15,548	\$ -	\$ 531,964	\$ -	\$ 3,600	\$ 535,564	\$ 551,112	
Inventory	7,248	-	-	-	-	-	7,248	
Restricted:								
Grants	-	72,329	-	61,820	1,300,426	1,434,575	1,434,575	
Local Transportation	-	-	7,586,691	-	-	7,586,691	7,586,691	
Assigned:								
Shared Services Initiatives	-	-	846,063	-	-	846,063	846,063	
*Other	-	-	2,826,543	-	-	2,826,543	2,826,543	
Unassigned	8,998,944	-	-	-	-	-	8,998,944	
Total fund balances	\$9,021,740	\$72,329	\$11,791,261	\$61,820	\$1,304,026	\$13,229,436	\$22,251,176	

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

NOTE L – 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.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE L – CONTINGENCIES (continued)

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 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, 2023, agency costs of various amounts were disbursed for which the audits have not been received. Based on prior experience, management believes that the Council will not incur significant losses from possible grant disallowances.

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

REQUIRED SUPPLEMENTARY INFORMATION



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<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	\$ 796,901	\$ 796,901	796,303	\$ (598)
Local contributed cash	22,500	22,500	13,657	(8,843)
Interest Income	120,000	120,000	762,935	642,935
Total revenues	<u>939,401</u>	<u>939,401</u>	<u>1,572,895</u>	<u>633,494</u>
Expenditures				
Current:				
Agency administration	5,662,681	5,662,681	5,552,489	110,192
Agency management	1,113,687	1,098,687	677,600	421,087
Public affairs	225,818	225,818	170,994	54,824
RIS local assistance	236,250	236,250	211,627	24,623
Community services	-	15,000	13,567	1,433
Environmental & development	140,000	140,000	124,664	15,336
Transportation planning	241,342	241,342	185,773	55,569
Debt Service				
Interest	150	150	126	24
Financing principal	5,000	5,000	4,836	164
Capital outlay	60,000	60,000	22,735	37,265
	<u>7,684,928</u>	<u>7,684,928</u>	<u>6,964,411</u>	<u>720,517</u>
Indirect cost allocation	(6,735,527)	(6,735,527)	(6,469,693)	(265,834)
Contributions to indirect costs	(10,000)	(10,000)	(31,082)	21,082
Total expenditures	<u>939,401</u>	<u>939,401</u>	<u>463,636</u>	<u>475,765</u>
Excess (deficiencies) of revenues				
Over/(under) expenditures	-	-	1,109,259	1,109,259
Other financing sources and (uses)				
Transfers in	-	-	87,220	87,220
Transfers out	-	-	(11,810)	(11,810)
Leases (as lessee)	-	-	7,533	7,533
Charge for use of assets	136,300	113,300	85,269	(28,031)
Indirect allocation to special revenue fund	(129,485)	(107,635)	(82,374)	25,261
Total other financing sources and (uses)	<u>6,815</u>	<u>5,665</u>	<u>85,838</u>	<u>80,173</u>
Net changes in fund balances	<u>6,815</u>	<u>5,665</u>	<u>1,195,097</u>	<u>1,189,432</u>
Fund balances - beginning	<u>7,023,992</u>	<u>7,023,992</u>	<u>7,826,643</u>	<u>802,651</u>
Fund balances - ending	<u>\$ 7,030,807</u>	<u>\$ 7,029,657</u>	<u>9,021,740</u>	<u>\$ 1,992,083</u>

See accompanying notes to the required supplementary information.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2023

Note A: Financial Statement Presentation – Budget Basis

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

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

General Fund

Total Net Expenditures (GAAP Basis)	\$	460,741
Plus charge for use of assets		85,269
Less: Use of assets recovered through indirect cost allocated to special revenue fund		<u>(82,374)</u>
Total expenditures (budget basis)	\$	<u><u>463,636</u></u>

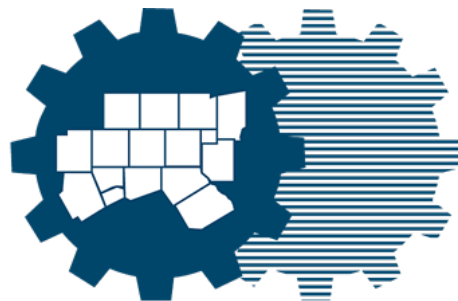
Total Other Financing Sources (GAAP Basis)	\$	82,943
Plus charge for use of assets		85,269
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund		<u>(82,374)</u>
Total other sources (budget basis)	\$	<u><u>85,838</u></u>

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2023

Note B: Budgetary Controls

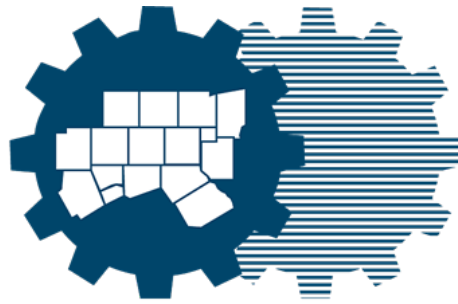
NCTCOG follows these procedures in establishing the General Fund budgetary data reflected in the basic financial statements:

- a. Prior to October 1, the Executive Director submits to the Executive Board a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Prior to October 1, the Executive Board formally approves the budget document following a public hearing.
- c. The approved annual budget is used as a control device for the General Fund. The individual grant contracts are used as the control device within the Special Revenue Fund
- d. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except 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**

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, 2023**

	<u>Federal Funds Total</u>	<u>State and Locally Administered Funds Total</u>	<u>Combined Total</u>
Revenues			
Federal Grants/Contracts	\$ 16,301,470	\$ -	\$ 16,301,470
State Grants & Contracts	-	139,729,245	139,729,245
Local Contracts	81,774	12,093,751	12,175,525
In-Kind	1,990,212	8,170,183	10,160,395
Program Income	-	268,435	268,435
Interest	-	1,996,301	1,996,301
Total Revenues	<u>18,373,456</u>	<u>162,257,915</u>	<u>180,631,371</u>
Expenditures			
Current:			
Agency Administration	32,994	3,705,535	3,738,529
Agency Management	287,987	540	288,527
Community Service	-	1,815,977	1,815,977
Area Agency On Aging	361,099	17,113,515	17,474,614
Emergency Preparedness	-	1,888,338	1,888,338
Environment & Development	835,994	2,547,549	3,383,543
Research & Info Svcs	-	4,901,151	4,901,151
Transportation	16,980,679	39,053,939	56,034,618
Workforce Development	-	86,942,985	86,942,985
Debt service:			
Interest	-	100,862	100,862
Financing Principal	-	1,412,158	1,412,158
Capital Outlay:	-	723,634	723,634
Total Expenditures	<u>18,498,753</u>	<u>160,206,183</u>	<u>178,704,936</u>
Excess of Revenues Over Expenditures	<u>(125,297)</u>	<u>2,051,732</u>	<u>1,926,435</u>
Other Financing Sources (Uses)			
Transfers In - Projects	33,168	925,726	958,894
Transfers Out - Projects	(32,956)	(1,001,348)	(1,034,304)
Leases (As Lessee)	-	449,613	449,613
Total Other Financing Sources (Uses)	<u>212</u>	<u>373,991</u>	<u>374,203</u>
Net Change In Fund Balance	(125,085)	2,425,723	2,300,638
Fund Balances-Beginning	<u>197,414</u>	<u>10,731,384</u>	<u>10,928,798</u>
Fund Balance-Ending	\$ <u><u>72,329</u></u>	\$ <u><u>13,157,107</u></u>	\$ <u><u>13,229,436</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2023**

	FEDERAL FUNDS								TOTAL
	DOD	EPA	FEMA	DOE	FTA	DOC	HHS		
Revenues									
Federal Grants/Contracts	\$ 344,826	\$ 775,832	\$ 498,615	\$ 44,770	\$ 14,200,255	\$ 102,179	\$ 334,993	\$ 16,301,470	
Local Contracts	55,900	-	-	-	25,874	-	-	81,774	
In-Kind	-	1,073,841	-	-	680,577	188,862	46,932	1,990,212	
Total Revenues	400,726	1,849,673	498,615	44,770	14,906,706	291,041	381,925	18,373,456	
Expenditures									
Current:									
Agency Administration	-	3,533	6,091	-	-	2,850	20,520	32,994	
Agency Management	-	-	-	-	-	287,987	-	287,987	
Area Agency On Aging	-	-	-	-	-	-	361,099	361,099	
Environment & Development	-	214,401	621,593	-	-	-	-	835,994	
Transportation	400,148	1,631,816	-	44,713	14,904,002	-	-	16,980,679	
Total Expenditures	400,148	1,849,750	627,684	44,713	14,904,002	290,837	381,619	18,498,753	
Excess/(Deficiencies) Of Revenues									
Over/(Under) Expenditures	578	(77)	(129,069)	57	2,704	204	306	(125,297)	
Other Financing Sources (Uses)									
Transfers In - Projects	17,715	295	15,027	-	131	-	-	33,168	
Transfers Out - Projects	(18,293)	(218)	(11,043)	(57)	(2,835)	(204)	(306)	(32,956)	
Leases (As Lessee)	-	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	(578)	77	3,984	(57)	(2,704)	(204)	(306)	212	
Net Change In Fund Balance	-	-	(125,085)	-	-	-	-	(125,085)	
Fund Balances-Beginning	-	-	197,414	-	-	-	-	197,414	
Fund Balance-Ending	\$ -	\$ -	\$ 72,329	\$ -	\$ -	\$ -	\$ -	\$ 72,329	

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2023**

	STATE AND LOCALLY ADMINISTERED FUNDS						
	OOG	TDA	TWC	TCEQ		TX WDB	TX DOT
				Transportation	Other		
Revenues							
State Grants & Contracts	\$ 2,358,692	\$ 12,907	\$ 88,414,186	\$ 295,363	\$ 1,515,580	\$ 144,911	\$ 33,403,455
Local Contracts	444,566	-	-	-	-	-	75,751
In-Kind	-	-	2,810,739	(140,763)	-	-	2,707,369
Program Income	-	-	20,739	-	-	-	-
Interest	-	-	-	4,352	43,954	-	628,696
Total Revenues	2,803,258	12,907	91,245,664	158,952	1,559,534	144,911	36,815,271
Expenditures							
Current:							
Agency Administration	71,482	346	1,012,035	-	11,175	1,231	8,149
Agency Management	-	-	-	-	-	-	-
Area Agency On Aging	-	-	-	-	-	-	-
Community Service	1,288,437	-	-	-	-	-	-
Emergency Preparedness	1,190,504	-	-	-	-	-	-
Environment & Development	-	12,539	-	-	1,503,457	117,600	108,062
Research & Info Svcs	21,621	-	3,563,194	-	-	297	501,243
Transportation	-	-	28,659	154,516	-	25,783	35,536,749
Workforce Development	-	-	85,112,633	-	-	-	-
Debt service:							
Interest	-	-	100,541	-	-	-	-
Financing Principal	-	-	1,374,971	-	-	-	-
Capital Outlay	235,702	-	472,044	-	-	-	-
Total Expenditures	2,807,746	12,885	91,664,077	154,516	1,514,632	144,911	36,154,203
Excess/(Deficiencies) Of Revenues Over/(Under) Expenditures	(4,488)	22	(418,413)	4,436	44,902	-	661,068
Other Financing Sources (Uses)							
Transfers In - Projects	368,185	-	-	-	-	-	2,411
Transfers Out - Projects	(522,747)	(22)	(16,075)	(85)	(946)	-	(34,783)
Leases (As Lessee)	-	-	434,488	-	-	-	-
Total Other Financing Sources (Uses)	(154,562)	(22)	418,413	(85)	(946)	-	(32,372)
Net Change In Fund Balance	(159,050)	-	-	4,351	43,956	-	628,696
Fund Balances-Beginning	159,050	-	-	6,881	6,632	-	675,330
Fund Balance-Ending	\$ -	\$ -	\$ -	\$ 11,232	\$ 50,588	\$ -	\$ 1,304,026

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2023**

	STATE AND LOCALLY ADMINISTERED FUNDS (continued)					
	TDEM	LOCAL		CFOHIO	HHSC	TOTAL
		Transportation	Other			
Revenues						
State Grants & Contracts	\$ 52,751	\$ -	\$ -	\$ (4,522)	\$ 13,535,922	139,729,245
Local Contracts	-	3,981,623	7,591,811	-	-	12,093,751
In-Kind	-	-	10,381	-	2,782,457	8,170,183
Program Income	-	-	-	-	247,696	268,435
Interest	-	1,319,299	-	-	-	1,996,301
Total Revenues	52,751	5,300,922	7,602,192	(4,522)	16,566,075	162,257,915
Expenditures						
Current:						
Agency Administration	1,728	731,089	1,592,989	-	275,311	3,705,535
Agency Management	-	-	540	-	-	540
Area Agency On Aging	-	-	837,116	-	16,276,399	17,113,515
Community Service	-	-	527,540	-	-	1,815,977
Emergency Preparedness	50,944	-	646,890	-	-	1,888,338
Environment & Development	-	23,461	782,430	-	-	2,547,549
Research & Info Svcs	-	4,133	810,663	-	-	4,901,151
Transportation	-	3,176,493	121,995	909	8,835	39,053,939
Workforce Development	-	-	1,830,352	-	-	86,942,985
Debt service:						
Interest	-	315	6	-	-	100,862
Financing Principal	-	36,514	673	-	-	1,412,158
Capital Outlay	-	15,125	763	-	-	723,634
Total Expenditures	52,672	3,987,130	7,151,957	909	16,560,545	160,206,183
Excess/(Deficiencies) Of Revenues						
Over/(Under) Expenditures	79	1,313,792	450,235	(5,431)	5,530	2,051,732
Other Financing Sources (Uses)						
Transfers In - Projects	-	28,717	520,933	5,432	48	925,726
Transfers Out - Projects	(79)	(46,614)	(374,418)	(1)	(5,578)	(1,001,348)
Leases (As Lessee)	-	15,125	-	-	-	449,613
Total Other Financing Sources (Uses)	(79)	(2,772)	146,515	5,431	(5,530)	373,991
Net Change In Fund Balance	-	1,311,020	596,750	-	-	2,425,723
Fund Balances-Beginning	-	6,489,391	3,394,100	-	-	10,731,384
Fund Balance-Ending	\$ -	\$ 7,800,411	\$ 3,990,850	\$ -	\$ -	\$ 13,157,107

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 2,931,683	\$ 2,995,393
Benefits	<u>1,415,392</u>	<u>1,426,970</u>
Indirect personnel	4,347,075	4,422,363
Legal	6,376	20,000
Audit	106,147	108,300
Contract services	318,972	339,000
Travel	16,353	32,000
Equipment use fee	85,269	113,300
Consumable supplies	196,117	203,064
Insurance & bonding	78,774	82,000
Rent	584,470	600,000
Printing & publications	6,951	20,000
Equipment rental	10,963	15,000
Advertising	1,587	4,000
Maintenance & repairs	144,631	160,000
Employee recruitment	31,591	32,500
Communications	14,661	15,000
Postage	5,264	8,000
Subscriptions & dues	245,510	246,000
Other	<u>300,064</u>	<u>325,000</u>
 TOTAL	 6,500,775	 6,745,527
Less: Contributions to Indirect costs	 <u>(31,082)</u>	 <u>(10,000)</u>
 NET INDIRECT COSTS	 <u>\$ 6,469,693</u>	 <u>\$ 6,735,527</u>

Indirect costs rate computations:

Net indirect costs	\$ <u>6,469,693</u>	\$ <u>6,735,527</u>
Direct salaries & benefits - all funds	\$ 38,060,471 = 17.00%	\$ 38,051,443 = 17.70%

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS – ALL FUNDS
YEAR ENDED SETEMBER 30, 2023**

Full Time Benefits Programs	<u>Actual</u>	<u>Projected</u>
Medicare insurance	\$ 459,410	\$ 473,501
Medical insurance	4,765,852	4,770,157
Worker's compensation	74,048	74,613
Flexible benefit plan	8,858	13,552
Life & disability insurance	219,972	230,572
Other benefits	96,206	97,000
Unemployment insurance	4,473	17,141
Retirement	3,664,500	3,668,601
Vacation	1,881,259	1,882,114
Sick leave	815,502	845,935
Holiday leave	1,653,717	1,654,781
Other leave	<u>77,068</u>	<u>78,585</u>
TOTAL	<u>\$ 13,720,865</u>	<u>\$ 13,806,552</u>
 Employee benefits rate computations:		
Total full-time benefits	<u>\$ 13,720,865</u>	<u>\$ 13,806,552</u>
Total regular salaries	<u>\$ 28,327,901 = 48.44%</u>	<u>\$ 28,293,587 = 48.80%</u>
 Total personnel costs recap:		
Salaries	\$ 28,327,901	\$ 28,293,587
Benefits	<u>13,720,865</u>	<u>13,806,552</u>
 Personnel - NCTCOG	 <u>\$ 42,048,766</u>	 <u>\$ 42,100,139</u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST
LIMITATION TEST
FISCAL YEAR 2023 ACTUAL
OCTOBER 1, 2022-SEPTEMBER 30, 2023**

Total Indirect Costs	\$ 6,469,693	
Expenditures:		
General Fund	6,961,516	
Special Revenue Fund	178,704,936	
NCT9-1-1	10,770,030	
Proprietary Fund	7,158,673	
Enterprise Fund	1,380,930	
Interdepartmental Transfers for Direct Charges and Indirect Costs	<u>(13,291,468)</u>	
Total Expenditures	191,684,617 =	3.4%
Less:		
Pass-Through Funds ⁽¹⁾	(75,946,150)	
In-Kind Expenditures	(10,160,395)	
Contract Services	(30,560,900)	
Contract Services NCT9-1-1	(790,173)	
Capital Expenditures	(746,368)	
Capital Expenditures NCT9-1-1	<u>(438,292)</u>	
Adjusted Expenditures	73,042,339 =	8.9%

⁽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, 2023**

	<u>Totals</u>
Capital Assets	
Equipment	\$ 3,023,149
Buildings	31,054,051
Subscriptions	482,285
Furniture	223,279
Leasehold improvements	<u>1,717,986</u>
Total capital assets	<u><u>36,500,750</u></u>
 Sources	
NCTCOG	
Equipment	915,940
Buildings	21,827,738
Subscriptions	301,399
Furniture	76,680
Leasehold improvements	<u>928,056</u>
	24,049,813
Grant Funded	
Equipment	2,107,209
Buildings	9,226,313
Subscriptions	180,886
Furniture	146,599
Leasehold improvements	<u>789,930</u>
	12,450,937
Less: Internal service fund assets	<u>22,558,760</u>
Total general capital assets	<u><u>13,941,990</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 AS OF SEPTEMBER 30, 2023**

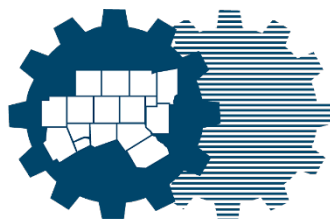
	<u>Totals</u>
Capital Assets	
Local and Administrative	\$ 23,923,933
Transportation planning	457,595
Regional information services	728,256
Environmental resources	17,616
Emergency preparedness	41,460
Workforce development	11,233,398
Community services	<u>98,492</u>
Total Capital Assets	36,500,750
Less: Internal Service Fund	<u>22,558,760</u>
Total General Capital Assets	<u>\$ 13,941,990</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2023**

	<u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>2023</u>
Capital Assets					
Community services	\$ 14,646	\$ 83,846	\$ -	\$ -	\$ 98,492
Emergency preparedness	233,852	763	193,155	-	41,460
Environmental resources	25,639	-	8,023	-	17,616
Local and Administrative	23,842,287	162,722	33,231	(47,845)	23,923,933
Regional information services	948,832	37,210	214,048	(43,738)	728,256
Transportation planning	493,893	15,125	56,077	4,654	457,595
Workforce development	<u>10,952,221</u>	<u>472,043</u>	<u>277,795</u>	<u>86,929</u>	<u>11,233,398</u>
 Total capital assets	 36,511,370	 771,709	 782,329	 -	 36,500,750
 Less: Internal service fund	 <u>22,767,406</u>	 <u>25,341</u>	 <u>233,987</u>	 <u>-</u>	 <u>22,558,760</u>
 Total general capital assets	 <u>\$ 13,743,964</u>	 <u>\$ 746,368</u>	 <u>\$ 548,342</u>	 <u>\$ -</u>	 <u>\$ 13,941,990</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.

<u>Contents</u>	<u>Table #s</u>
Financial Trends These schedules contain trend information to help the reader understand how NCTCOG's financial performance and well-being have changed over time.	1, 2, 3 & 4
Revenue Capacity 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.	5
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.	6
Demographic and Economic Indicators These schedules offer demographic and economic indicators to help the reader understand the environment within which NCTCOG's financial activities take place.	7 & 8
Operating Information 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.	9 & 10

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities				
Net investment in capital assets	\$ 221,830	\$ 919,211	\$ 1,326,876	\$ 1,542,292
Restricted	9,021,266	7,316,656	6,988,735	7,201,769
Unrestricted	<u>12,834,922</u>	<u>11,229,899</u>	<u>9,882,662</u>	<u>8,303,277</u>
Total governmental activities net position	<u>\$ 22,078,018</u>	<u>\$ 19,465,766</u>	<u>\$ 18,198,273</u>	<u>\$ 17,047,338</u>
Business-type activities				
Net investment in capital assets	-	-	-	-
Unrestricted	<u>100,505</u>	<u>210,719</u>	<u>264,720</u>	<u>175,974</u>
Total business-type activities net position	<u>\$ 100,505</u>	<u>\$ 210,719</u>	<u>\$ 264,720</u>	<u>\$ 175,974</u>
Primary government				
Net investment in capital assets	\$ 221,830	\$ 919,211	\$ 1,326,876	\$ 1,542,292
Restricted	9,021,266	7,316,656	6,988,735	7,201,769
Unrestricted	<u>12,935,427</u>	<u>11,440,618</u>	<u>10,147,382</u>	<u>8,479,251</u>
Total primary governmental net position	<u>\$ 22,178,523</u>	<u>\$ 19,676,485</u>	<u>\$ 18,462,993</u>	<u>\$ 17,223,312</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NET POSITION BY COMPONENT**

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

Table 1

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,150,206	\$ 6,488,405	\$ 4,848,728	\$ 5,805,480	\$ 2,920,629	\$ 1,493,197
6,816,436	6,124,568	5,924,051	5,649,654	5,634,043	5,473,922
8,056,921	7,898,500	6,496,927	6,038,512	5,930,520	5,714,552
<u>\$ 16,023,563</u>	<u>\$ 20,511,473</u>	<u>\$ 17,269,706</u>	<u>\$ 17,493,646</u>	<u>\$ 14,485,192</u>	<u>\$ 12,681,671</u>
-	728	21,997	53,520	\$ 76,899	\$ 18,502
134,012	87,519	44,713	17,040	52,248	36,409
<u>\$ 134,012</u>	<u>\$ 88,247</u>	<u>\$ 66,710</u>	<u>\$ 70,560</u>	<u>\$ 129,147</u>	<u>\$ 54,911</u>
\$ 1,150,206	\$ 6,489,133	\$ 4,870,725	\$ 5,859,000	\$ 2,997,528	\$ 1,511,699
6,816,436	6,124,568	5,924,051	5,649,654	5,634,043	5,473,922
8,190,933	7,986,019	6,541,640	6,055,552	5,982,768	5,750,961
<u>\$ 16,157,575</u>	<u>\$ 20,599,720</u>	<u>\$ 17,336,416</u>	<u>\$ 17,564,206</u>	<u>\$ 14,614,339</u>	<u>\$ 12,736,582</u>

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

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses				
Governmental activities:				
Agency administration	\$ 8,977,018	\$ 8,534,517	\$ 7,908,178	\$ 7,582,566
Agency management	1,140,322	1,006,989	1,169,150	1,278,501
* Area agency on aging	17,078,521	14,431,784	12,680,904	12,754,861
Community services	1,703,370	1,409,757	1,451,305	1,266,452
* 9-1-1 Planning	-	-	-	-
Emergency preparedness	1,750,743	1,936,861	1,708,521	2,806,164
Environment and development	3,322,555	3,083,689	3,822,302	2,799,729
RIS local assistance	4,571,140	3,325,267	4,002,173	3,493,105
Transportation planning	53,213,409	47,936,945	44,451,924	40,638,495
Workforce development	87,834,936	85,784,428	67,559,454	84,339,773
Total governmental activities expenses	<u>179,592,014</u>	<u>167,450,237</u>	<u>144,753,911</u>	<u>156,959,646</u>
Business-type activities:				
Shared service center	<u>1,380,930</u>	<u>1,364,330</u>	<u>1,303,206</u>	<u>1,327,119</u>
Total business-type activities expenses	<u>1,380,930</u>	<u>1,364,330</u>	<u>1,303,206</u>	<u>1,327,119</u>
Total primary government expenses	<u>180,972,944</u>	<u>168,814,567</u>	<u>146,057,117</u>	<u>158,286,765</u>
Program revenues				
Governmental activities:				
Operating grants:				
Agency management	102,179	292,677	225,333	96,372
* Area agency on aging	13,870,915	11,409,319	9,776,719	8,568,158
Community Service	854,314	718,717	805,373	740,503
* 9-1-1 Planning	-	-	-	-
Emergency preparedness	1,557,128	1,436,501	1,386,785	1,421,866
Environment and development	2,389,280	2,048,151	2,566,078	1,385,954
Transportation planning	48,842,713	43,221,236	43,306,463	35,855,717
Workforce development	88,414,186	85,148,508	70,734,818	84,671,870
Local grants and contributions	<u>22,618,012</u>	<u>23,311,622</u>	<u>16,344,089</u>	<u>23,983,472</u>
Total governmental activities program revenues	<u>178,648,727</u>	<u>167,586,731</u>	<u>145,145,658</u>	<u>156,723,912</u>
Business-type activities:				
Charges for services:				
Shared service center	<u>1,270,716</u>	<u>1,249,731</u>	<u>1,371,952</u>	<u>1,369,081</u>
Total business-type activities program revenues	<u>1,270,716</u>	<u>1,249,731</u>	<u>1,371,952</u>	<u>1,369,081</u>
Total primary government program revenues	<u>179,919,443</u>	<u>168,836,462</u>	<u>146,517,610</u>	<u>158,092,993</u>
Net (expenses) revenue				
Governmental activities	(943,287)	136,493	391,747	(235,734)
Business-type activities	<u>(110,214)</u>	<u>(114,599)</u>	<u>68,746</u>	<u>41,962</u>
Total primary government net expenses	<u>(1,053,501)</u>	<u>21,894</u>	<u>460,493</u>	<u>(193,772)</u>
General revenues and other changes in net position				
Governmental activities:				
Membership fees	796,303	767,990	752,591	734,911
Interest on investments	2,759,236	423,608	26,597	524,598
Transfers in (out)	-	(60,598)	(20,000)	-
** Special item	-	-	-	-
Total governmental activities	<u>3,555,539</u>	<u>1,131,000</u>	<u>759,188</u>	<u>1,259,509</u>
Business-type activities:				
Transfers in (out)	-	60,598	20,000	-
Total business-type activities	<u>-</u>	<u>60,598</u>	<u>20,000</u>	<u>-</u>
Total primary government	<u>3,555,539</u>	<u>1,191,598</u>	<u>779,188</u>	<u>1,259,509</u>
Change in net position				
Governmental activities	2,612,252	1,267,493	1,150,935	1,023,775
Business-type activities	<u>(110,214)</u>	<u>(54,001)</u>	<u>88,746</u>	<u>41,962</u>
Total Change in net position	<u>2,502,038</u>	<u>1,213,492</u>	<u>1,239,681</u>	<u>1,065,737</u>

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

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

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

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

Table 2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	8,204,880	\$ 7,852,410	\$ 7,410,029	\$ 7,126,021	\$ 6,796,651	\$ 5,775,899
	1,394,848	885,791	802,210	641,576	740,381	754,076
	16,739,462	16,601,140	15,557,099	15,727,538	14,240,408	13,508,941
	1,361,640	1,364,502	1,140,500	1,089,685	1,265,731	1,289,674
	5,903,968	14,423,825	8,056,787	7,937,736	7,297,342	5,586,715
	3,457,062	4,434,937	2,926,935	3,814,764	2,650,262	3,672,635
	4,349,585	2,212,906	3,293,253	2,554,177	3,436,397	2,302,909
	3,674,309	2,704,069	4,847,837	3,121,551	3,643,793	2,748,710
	42,090,520	38,551,550	44,387,187	40,574,850	57,414,019	53,195,247
	69,845,277	61,478,270	60,308,475	60,257,318	56,808,063	57,742,893
	<u>157,021,551</u>	<u>150,509,400</u>	<u>148,730,312</u>	<u>142,845,216</u>	<u>154,293,047</u>	<u>146,577,699</u>
	<u>1,435,971</u>	<u>1,445,222</u>	<u>1,354,760</u>	<u>1,560,006</u>	<u>1,398,101</u>	<u>1,639,004</u>
	<u>1,435,971</u>	<u>1,445,222</u>	<u>1,354,760</u>	<u>1,560,006</u>	<u>1,398,101</u>	<u>1,639,004</u>
	<u>158,457,522</u>	<u>151,954,622</u>	<u>150,085,072</u>	<u>144,405,222</u>	<u>\$ 155,691,148</u>	<u>\$ 148,216,703</u>
	31,216	104,093	8,631	47,526	51,597	5,359
	7,846,815	7,460,116	7,878,659	8,166,710	7,709,678	6,819,762
	862,656	976,123	965,583	1,010,092	1,012,142	997,865
	8,848,567	16,926,172	9,844,978	11,634,747	9,447,330	6,627,544
	2,273,508	2,757,243	2,039,596	2,426,230	1,513,243	2,102,303
	2,748,162	960,517	2,387,730	1,318,498	2,241,342	835,146
	37,524,433	38,464,100	43,518,006	37,874,414	38,065,646	47,130,223
	69,910,835	61,521,158	59,606,274	59,051,999	56,715,045	57,642,394
	28,307,953	22,945,328	21,255,533	23,553,737	38,635,349	24,839,146
	<u>158,354,145</u>	<u>152,114,850</u>	<u>147,504,990</u>	<u>145,083,953</u>	<u>155,391,372</u>	<u>146,999,742</u>
	<u>1,445,236</u>	<u>1,440,309</u>	<u>1,314,460</u>	<u>1,474,969</u>	<u>1,472,337</u>	<u>1,643,984</u>
	<u>1,445,236</u>	<u>1,440,309</u>	<u>1,314,460</u>	<u>1,474,969</u>	<u>1,472,337</u>	<u>1,643,984</u>
	<u>159,799,381</u>	<u>153,555,159</u>	<u>148,819,450</u>	<u>146,558,922</u>	<u>\$ 156,863,709</u>	<u>\$ 148,643,726</u>
	1,332,594	1,605,450	(1,225,322)	2,238,737	\$ 1,098,325	\$ 422,043
	9,265	(4,913)	(40,300)	(85,037)	74,236	4,980
	<u>1,341,859</u>	<u>1,600,537</u>	<u>(1,265,622)</u>	<u>2,153,700</u>	<u>\$ 1,172,561</u>	<u>\$ 427,023</u>
	722,858	708,243	697,285	685,727	678,492	664,694
	1,665,142	954,524	340,547	110,440	26,704	18,661
	(63,075)	(26,450)	(36,450)	(26,450)	-	(3,339)
	(8,145,429)	-	-	-	-	-
	<u>(5,820,504)</u>	<u>1,636,317</u>	<u>1,001,382</u>	<u>769,717</u>	<u>705,196</u>	<u>680,016</u>
	36,500	26,450	36,450	26,450	-	3,339
	36,500	26,450	36,450	26,450	-	3,339
	<u>(5,784,004)</u>	<u>1,662,767</u>	<u>1,037,832</u>	<u>796,167</u>	<u>\$ 705,196</u>	<u>\$ 683,355</u>
	(4,487,910)	3,241,767	(223,940)	3,008,454	\$ 1,803,521	\$ 1,102,059
	45,765	21,537	(3,850)	(58,587)	74,236	8,319
	<u>(4,442,145)</u>	<u>3,263,304</u>	<u>(227,790)</u>	<u>2,949,867</u>	<u>\$ 1,877,757</u>	<u>\$ 1,110,378</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 - Post GASB 54			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Non Spendable:				
Non spendable	\$ 22,796	\$ 16,206	\$ 104,124	\$ 125,792
Spendable:				
Assigned	-	-	-	344,087
Unassigned	8,998,944	7,810,437	7,258,184	6,547,298
Total General Fund	<u>\$ 9,021,740</u>	<u>\$ 7,826,643</u>	<u>\$ 7,362,308</u>	<u>\$ 7,017,177</u>
Non Spendable:				
Non spendable	\$ 535,564	\$ 260,035	\$ 254,157	\$ 74,486
Spendable:				
Restricted for grants	1,434,575	1,044,273	904,630	900,069
Restricted for local transportation	7,586,691	6,272,383	6,084,105	6,301,700
Assigned	3,672,606	3,352,107	2,695,419	2,031,400
Total all other governmental funds	<u>\$ 13,229,436</u>	<u>\$ 10,928,798</u>	<u>\$ 9,938,311</u>	<u>\$ 9,307,655</u>

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

Table 3

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 60,316	\$ 104,680	\$ 57,469	\$ 40,417	\$ 44,133	\$ 51,512
-	-	-	-	-	-
6,924,202	6,763,649	6,426,703	6,156,230	5,788,867	5,504,106
<u>\$ 6,984,518</u>	<u>\$ 6,868,329</u>	<u>\$ 6,484,172</u>	<u>\$ 6,196,647</u>	<u>\$ 5,833,000</u>	<u>\$ 5,555,618</u>
\$ 322,851	\$ 748,494	\$ 124,116	\$ 93,484	\$ 123,393	\$ 162,150
802,476	699,983	719,573	574,167	646,082	344,380
6,013,960	5,424,585	5,204,478	5,075,487	4,987,961	5,129,542
1,383,590	354,764	285,208	318,268	478,494	604,763
<u>\$ 8,522,877</u>	<u>\$ 7,227,826</u>	<u>\$ 6,333,375</u>	<u>\$ 6,061,406</u>	<u>\$ 6,235,930</u>	<u>\$ 6,240,835</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues				
Federal grants	\$ 16,301,470	\$ 11,278,841	\$ 12,541,382	\$ 9,665,896
State administered grants	139,729,245	132,997,272	116,230,240	123,057,730
* Local administered grants	-	-	29,947	16,814
Membership dues	796,303	767,990	752,591	734,911
Local contributed cash	12,189,182	11,753,216	10,740,753	9,769,285
In-Kind	10,160,395	11,280,633	5,437,434	13,990,073
Program income	268,435	276,769	165,902	224,114
Interest income	2,759,236	423,608	26,597	524,598
Total revenues	<u>182,204,266</u>	<u>168,778,329</u>	<u>145,924,846</u>	<u>157,983,421</u>
Expenditures				
Current:				
Agency administration	9,399,123	9,099,867	8,510,295	8,848,655
Agency management	1,137,116	1,058,962	1,211,093	1,294,516
Community services	1,829,538	1,540,291	1,552,097	1,327,938
** Area Agency on Aging	17,474,614	14,827,524	13,040,536	13,064,008
*** 9-1-1 Planning	-	-	-	-
Emergency preparedness	1,888,338	2,055,196	1,823,853	2,952,309
Environment & development	3,507,996	3,292,365	4,059,455	2,988,871
Research & information services	5,002,021	3,766,499	4,418,873	3,850,291
Transportation	56,220,371	51,118,788	47,577,664	43,080,787
Workforce development	86,942,985	85,062,880	68,146,169	84,824,493
**** Debt service				
Interest	100,988	82,732	-	-
Financing principal	1,416,994	1,202,895	-	-
Capital outlay	746,368	1,885,804	158,093	762,959
	<u>185,666,452</u>	<u>174,993,803</u>	<u>150,498,128</u>	<u>162,994,827</u>
Indirect cost allocation	(6,469,693)	(6,113,167)	(5,555,948)	(5,820,026)
Contributions to indirect costs	(31,082)	(21,463)	(13,121)	(8,817)
Total expenditures	<u>179,165,677</u>	<u>168,859,173</u>	<u>144,929,059</u>	<u>157,165,984</u>
Excess of revenues over expenditures	3,038,589	(80,844)	995,787	817,437
Other Financing Sources and (Uses)				
Transfers in	1,046,114	236,269	683,266	612,298
Transfers out	(1,046,114)	(296,866)	(703,266)	(612,298)
Leases (as lessee)	457,146	1,596,263	-	-
Total other financing sources (uses)	<u>457,146</u>	<u>1,535,666</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,495,735</u>	<u>\$ 1,454,822</u>	<u>\$ 975,787</u>	<u>\$ 817,437</u>

Debt service as a percentage
of noncapital expenditures

0.82% 0.74%

*In 2016 NCTCOG began the breakout of Local administered grants

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

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

****GASB 87 and 96

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

Table 4

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 7,867,231	\$ 6,122,920	\$ 9,417,021	\$ 9,130,586	\$ 13,357,415	\$ 22,491,763
122,167,014	122,996,621	116,521,194	112,250,105	103,398,608	99,668,833
11,947	49,981	311,242	149,525	-	-
722,858	708,243	697,285	685,727	678,492	664,694
11,883,148	7,862,199	7,032,388	7,212,111	15,874,027	8,144,514
16,081,552	14,768,786	13,838,816	15,901,151	22,288,500	16,227,555
343,253	314,343	384,331	440,475	472,822	467,077
1,665,142	954,524	340,547	110,440	26,704	18,661
<u>160,742,145</u>	<u>153,777,617</u>	<u>148,542,824</u>	<u>145,880,120</u>	<u>156,096,568</u>	<u>147,683,097</u>
8,420,241	8,297,167	7,626,153	7,427,418	7,166,721	6,190,755
1,407,127	927,382	821,879	663,102	767,169	782,985
1,446,168	1,457,306	1,180,134	1,150,646	1,428,428	1,390,999
17,046,773	16,923,077	15,691,248	15,911,917	14,384,061	13,731,082
5,842,660	12,120,927	8,230,234	8,163,109	7,521,090	5,786,845
3,609,118	4,594,979	2,997,823	3,909,795	2,775,433	3,816,952
4,520,625	2,390,973	3,374,010	2,678,049	3,580,973	2,480,694
4,126,173	3,085,187	5,035,633	3,382,440	3,916,598	3,049,466
44,377,829	40,975,838	45,519,190	42,021,853	59,104,042	55,083,003
70,289,424	61,961,130	60,598,233	60,614,440	57,182,521	58,157,641
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,777,855</u>	<u>4,963,607</u>	<u>1,739,299</u>	<u>4,212,490</u>	<u>2,143,073</u>	<u>1,021,314</u>
<u>164,863,993</u>	<u>157,697,573</u>	<u>152,813,836</u>	<u>150,135,259</u>	<u>159,970,109</u>	<u>151,491,736</u>
(5,582,753)	(5,199,871)	(4,851,794)	(4,456,006)	(4,127,471)	(3,985,911)
(13,410)	(25,143)	(15,161)	(14,706)	(18,547)	(22,821)
<u>159,267,830</u>	<u>152,472,559</u>	<u>147,946,880</u>	<u>145,664,547</u>	<u>155,824,091</u>	<u>147,483,004</u>
1,474,315	1,305,058	595,944	215,573	272,477	200,093
126,583	283,218	886,189	412,599	364,834	963,409
(189,658)	(309,668)	(922,639)	(439,049)	(364,834)	(966,748)
-	-	-	-	-	-
<u>(63,075)</u>	<u>(26,450)</u>	<u>(36,450)</u>	<u>(26,450)</u>	<u>-</u>	<u>(3,339)</u>
<u>\$ 1,411,240</u>	<u>\$ 1,278,608</u>	<u>\$ 559,494</u>	<u>\$ 189,123</u>	<u>\$ 272,477</u>	<u>\$ 196,754</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	
2023	\$796,303	\$2,759,236	\$12,189,182	\$10,160,395	\$268,435	\$26,173,551
2022	767,990	423,608	11,753,216	11,280,633	276,769	24,502,216
2021	752,591	26,597	10,740,753	5,437,434	165,902	17,123,277
2020	734,911	524,598	9,769,285	13,990,073	224,114	25,242,981
2019	722,858	1,665,142	11,883,148	16,081,552	343,253	30,695,953
2018	708,243	954,524	7,862,199	14,768,786	314,343	24,608,095
2017	697,285	340,547	7,032,388	13,838,816	384,331	22,293,367
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

Notes: (1) Includes general and special revenue

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

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

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

Table 5

	GRANTS				GRAND
<u>*Local</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>		TOTAL
\$ -	\$139,729,245	\$16,301,470	\$156,030,715		\$182,204,266
796,303	132,997,272	11,278,841	145,072,416		169,574,632
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

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

Table 6

Fiscal Year	Governmental Activities			Debt to Personal- Income-Ratio ⁽¹⁾	Total Debt per Capita ⁽¹⁾
	Leases	Subscriptions	Total Debt		
2023	\$ 25,837,646	\$ 293,746	\$ 26,131,392	0.0046%	\$ 3.15
2022	27,262,503	-	27,262,503	0.0049%	3.37
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-

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

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

Table 7

Year	Estimated State of Texas Population ^a	Estimated Regional Population ^a	Personal Income ^b	Per Capita Personal Income ^b	School Enrollment ^c	Unemployment Rate ^d
2023	30,503,301	8,284,892 * \$	572,952,055,161 *\$	74,416	1,458,368	3.6%
2022	30,029,572	8,097,180	559,970,576,000	70,493	1,441,135	3.8%
2021	29,558,864	7,939,600	517,778,595,000	66,727	1,420,331	3.9%
2020	29,232,474	7,831,768	473,604,117,000	61,554	1,452,149	7.1%
2019	28,995,881	7,556,910	444,730,277,000	58,725	1,434,859	3.1%
2018	28,628,666	7,395,780	417,480,600,000	55,886	1,425,257	3.2%
2017	28,295,273	7,255,690	392,145,500,000	52,995	1,405,496	3.4%
2016	27,914,410	7,129,550	369,614,741,000	51,099	1,379,534	4.0%
2015	27,470,056	7,010,220	362,947,715,000	50,593	1,349,982	4.0%
2014	26,964,333	6,904,230	344,279,922,000	49,506	1,329,571	5.0%

Sources:

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

^bDallas-Fort Worth-Arlington, Tx Metropolitan Statistical Area; bea.gov
(not adjusted for inflation)

^cTexas Education Agency

^dBureau of Labor Statistics; bls.gov

Notes:

N/A - Data not available.

Other:

* - Approximation only, as information not published yet

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago (Unaudited)**

Table 8

2023			2014		
Employer ^a	Employees	Percentage of Total NCTCOG Employment	Employer ^a	Employees	Percentage of Total NCTCOG Employment
American Airlines Group Inc.	30,000	0.71%	Wal-Mart Stores	52,700	1.55%
Texas Health Resources	27,000	0.64%	American Airlines Group, Inc.	23,700	0.70%
Wal-Mart Stores Inc.	25,534	0.60%	Baylor Health Care System	22,000	0.65%
Baylor Scott & White Health	23,865	0.56%	Dallas ISD	20,793	0.61%
Dallas Independent School District	22,222	0.53%	Texas Health Resources	16,205	0.48%
Lockheed Martin	22,000	0.52%	Bank of America	15,400	0.45%
University of Texas Southwestern Medical Center	21,539	0.51%	City of Dallas	13,000	0.38%
Medical City Healthcare	17,000	0.40%	JP Morgan Chase Bank N.A.	13,000	0.38%
Bank of America	13,850	0.33%	Texas Instruments Inc.	13,000	0.38%
University of North Texas System	13,275	0.31%	Lockheed Martin Aeronautics Co.	12,600	0.37%
Total	<u>216,285</u>	<u>5.12%</u>	Total	<u>202,398</u>	<u>5.94%</u>
Total NCTCOG Region Employees ^b	4,227,720		Total NCTCOG Region Employees	3,409,594	

Source: ^a Dallas Business Journal, Book of Lists 2023; NCTCOG
^b Bureau of Economic Analysis (W&S)

Source: ^a Dallas Business Journal, Book of Lists 2015
^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 9

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Agency Management	4	4	4	4	3	3	3	3	3	3
Agency Administration	45	50	50	48	48	46	45	44	42	41
*Area Agency on Aging	30	28	24	24	24	24	21	22	-	-
Community Services	10	9	9	9	9	8	8	7	47	46
**9-1-1 Planning/(NCT9-1-1)	33	33	33	33	33	32	26	24	-	-
Emergency Preparedness	7	6	10	12	12	12	11	11	11	12
Environment & Development	16	15	15	14	14	14	13	13	13	12
Public Affairs	2	2	2	2	2	2	2	2	2	2
Research and Information Services	35	35	35	35	35	35	35	29	27	27
Transportation	193	184	176	167	169	166	161	158	148	149
Workforce Development	55	50	48	48	44	37	40	40	34	34
Total	430	416	406	396	393	379	365	353	327	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)**

Function/Program	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
*Area agency on aging	\$ -	\$ -	\$ -	\$ 30,063
**9-1-1 planning	-	-	-	-
Community services	98,492	14,646	-	65,790
Emergency preparedness	41,460	233,852	233,852	271,949
Environmental resources	17,616	25,639	25,639	110,290
Local and administrative	23,923,933	21,731,475	1,848,018	1,824,996
Regional information services	728,256	647,433	1,298,970	1,528,166
Transportation	457,595	390,898	790,914	1,482,432
Workforce development	11,233,398	9,962,244	2,146,782	3,637,483
Enterprise fund	-	-	-	7,483,991

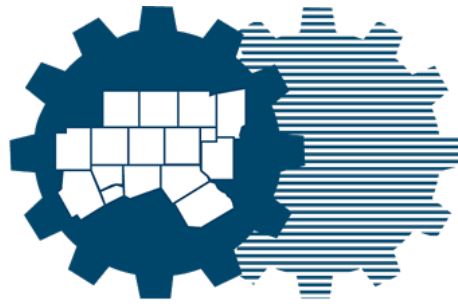
*NCTCOG began the break out of the Area agency on aging and 9-1-1 planning from Community services in FY2016

**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)**

Table 10

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063	\$ 30,063
-	13,034,335	8,291,207	6,747,587	3,312,911	1,452,079
65,790	65,790	65,790	65,790	83,061	83,060
271,949	271,949	262,583	262,583	252,688	252,688
110,290	110,290	110,290	110,290	110,810	93,194
1,824,996	1,330,459	1,305,119	1,296,232	1,268,031	1,265,257
1,528,166	1,983,373	1,983,373	1,818,749	1,435,746	1,286,210
1,482,432	1,329,239	1,310,706	1,307,581	841,120	841,120
3,637,483	4,145,950	3,959,340	3,829,235	3,597,104	3,352,543
7,483,991	7,483,991	7,483,991	7,483,991	7,467,896	7,389,956



**North Central Texas
Council of Governments**