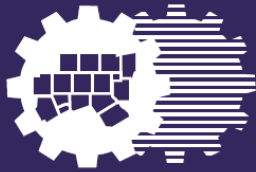


# Comprehensive Annual Financial Report

Fiscal Year Ending  
September 30, 2010



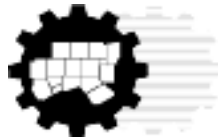
North Central Texas  
Council of Governments



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Executive Director**

Mike Eastland

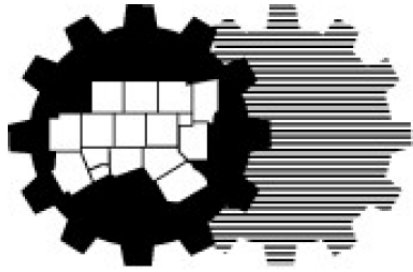


**Deputy Executive Director**

Monte Mercer, CPA

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS**

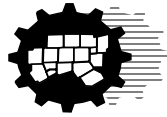
<b>I. INTRODUCTORY SECTION</b>	<b><u>PAGE</u></b>
Transmittal Letter	i
GFOA Certificate of Achievement	xiv
Principal Officials	xv
Organizational Chart	xvi
Mission Statement	xvii
Map of the North Central Texas Region	xviii
Member Governments	xix
<b>II. FINANCIAL SECTION</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Assets - Proprietary Funds	16
Statement of Revenues, Expenses and Changes in	
Fund Net Assets - Proprietary Funds	17
Statement of Cash Flows - Proprietary Funds	18
Statement of Fiduciary Assets and Liabilities - Agency Fund	19
Notes to the Basic Financial Statements	20
Required Supplemental Information	
Budgetary Comparison - General Fund	35
Notes to Required Supplemental Financials	36
Other Supplemental Information	
Combining and Individual Fund Schedules:	
Combining Schedule of Revenues, Expenditures, and Changes in	
Fund Balances - Federal, State and Locally Administered Grants	38-41
Statement of Changes in Assets and Liabilities - Agency Fund	42
Schedule of Indirect Costs - General Fund	43
Schedule of Employee Benefits - All Funds	44
Texas Local Government Code Chapter 391 Indirect Cost Limitations Test	45
Capital Assets	
Schedule of Capital Assets by Source	46
Schedule of Capital Assets by Function and Activity	47
Schedule of Changes in Capital Assets by Function and Activity	48

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS**

<b>III. STATISTICAL SECTION</b>	<b><u>PAGE</u></b>
Net Assets by Component	Table 1 49-50
Changes in Net Assets	Table 2 51-52
Fund Balances, Governmental Funds	Table 3 53-54
Changes in Fund Balances, Governmental Funds	Table 4 55-56
Revenues by Source	Table 5 57-58
Outstanding Debt	Table 6 59
Demographic and Economic Statistics	Table 7 60
Principal Employers	Table 8 61
Full-Time Equivalent Council Employees by Function/Program	Table 9 62
Capital Assets Statistics by Function/Program	Table 10 63-64
Presentation of Pay Structure	Table 11 65



# Introductory Section



North Central Texas Council of Governments

February 18, 2011

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

Members of the Executive Board:

The Comprehensive Annual Financial Report (CAFR) of the North Central Texas Council of Governments (NCTCOG, 'the Council' or 'the Agency') for the fiscal year ended September 30, 2010, 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 CAFR consists of management's representations concerning the finances of NCTCOG. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, NCTCOG has established a comprehensive internal control framework that is designed both to protect the agency's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of NCTCOG's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh the benefit, NCTCOG's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The NCTCOG financial statements have been audited by Weaver and Tidwell, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the NCTCOG for the fiscal year ended September 30, 2010, are free of material misstatement. The independent audit involving examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the NCTCOG financial statements for the fiscal year ended September 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### **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 241 member governments and the Executive Board, which is composed of 13 local officials elected by the General Assembly. The reporting entity includes only the funds and the Council's functions and activities.

North Central Texas consists of a 16-county metropolitan region centered around the cities of Dallas and Fort Worth. It has a population of over 6.7 million, which is larger than 30 states, and an area of 12,800 square miles, which is larger than nine states. NCTCOG's 241 member governments are comprised of 16 counties, 169 municipalities, 24 independent school districts, and 32 special purpose districts.

The Council's functional activities include responsibilities in the following areas – community services, emergency preparedness, environment & development, a regional training center, a research and information services center, transportation and workforce development.

### **Economic Condition and Outlook**

NCTCOG's regional population increased by approximately 90,170 persons during 2009 for a January 1, 2010 total estimated population of 6.7 million.

The December 2010 unadjusted unemployment rate for the NCTCOG region was 8.2%, which was higher than the Texas rate of 8.0% and lower than the comparable national figure of 9.4%.

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



## **New Initiatives**

***Transportation (TR)*** - During fiscal year 2010, the Transportation Department worked on a number of new initiatives. The North Central Texas Council of Governments (NCTCOG) received \$4 million in new grant funding from federal and state agencies to administer clean vehicle and infrastructure initiatives. The State Energy Conservation Office provided NCTCOG \$2.5 million in American Recovery and Reinvestment Act (ARRA) funding for public sector alternative fuel and infrastructure projects. A portion of this grant (\$274,920) was awarded during the first round of funding to assist with the purchase of 5 light-duty hybrid-electric vehicles/plug-in hybrid-electric vehicles, 1 electric recharging site, and 17 heavy-duty compressed natural gas vehicles. A subsequent round of funding was made available in August 2010 to expend the remainder of the balance. The US Environmental Protection Agency (EPA) awarded NCTCOG \$1.5 million to administer diesel emissions reduction projects, specifically directed towards school buses, construction equipment, and truck stop electrification. Calls for projects to expend these funds will be opened in fall/winter 2010. NCTCOG also completed two ongoing funding programs in fiscal year 2010. The North Texas Green & Go Clean Partnership, supported by \$1.263 million in RTC Local funds, provided assistance towards the purchase of 171 hybrid-electric vehicles and 106 compressed natural gas vehicles for the regional taxicab and limousine fleet. The Heavy-Duty Vehicle and Equipment Grant Program (HDVEGP), supported by the Texas Commission on Environmental Quality (TCEQ), Texas Emissions Reduction Plan (TERP), and EPA funds, provided \$11.4 million in awards for idle reduction, construction equipment, and local government projects. Additional initiatives included development of a stakeholder group and coordination program, Electric Vehicles North Texas, to aid the region in preparation for the manufacturer release of electric vehicles and the Clean Construction Demonstration Project in which local governments are participating to collect data that will help quantify impacts of a clean construction bid specification for public construction projects.

Oil and natural gas exploration and production have increased significantly in recent years in the Barnett Shale formation. This shale formation encompasses several western counties in the North Central Texas Council of Governments service area, including those that are part of the existing ozone nonattainment area. Due to this increased activity and associated environmental concerns, NCTCOG staff began to offer assistance to this very technical and sensitive topic. For example, at the request of the Fort Worth City Council, NCTCOG staff participated in a Natural Gas Air Quality Study to look at associated Barnett Shale air quality issues and make a recommendation to the City Council on the qualifications of proposed companies and a scope of work for an air emission study. The tasks were to identify the study objectives, evaluate the qualifications of interested consultants, review the scope of work with candidate consultants, and recommend a consultant and study framework to the City Council. Other regional assistance was provided to address requests made by local municipalities, State, and federal government agencies, Regional Transportation Council (RTC) representatives, and other concerned citizens regarding air quality issues associated with the Barnett Shale.

The North Central Texas Council of Governments serves as the Federal Transit Administration (FTA) designated recipient for Job Access/Reverse Commute (JA/RC) and New Freedom Program funds within the urbanized areas of the region. In this role, NCTCOG is responsible for developing a competitive selection process, conducting regular Calls for Projects, certifying that the selection process is fair and equitable, certifying that projects selected for funding are derived from the North Central Texas Regional Public Transportation Coordination Plan, submitting the annual grant application, and maintaining oversight of recipients including grant management and compliance activities. In fiscal year 2010, NCTCOG executed the necessary grants with FTA for JA/RC and New Freedom funds awarded through the 2009 Call for Projects totaling over \$6.4 million. In addition to these funds, NCTCOG executed two agreements with the Texas Department of Transportation for the receipt of \$2.4 million in rural JA/RC program funds. These funds will be used by NCTCOG to expand its Regional Public Transportation Coordination initiatives to the rest of the region, and expedite the implementation of projects that are identified through this enhanced coordination effort.

In fiscal year 2010, NCTCOG staff also initiated work with local cities, regional airports, and transportation industry stakeholders on the development of a one-stop-shop for Regional Super Bowl

Limousine Permitting. The goals of this program are to maintain safe operations, ensure high quality and seamless service for the customer, and provide a high level of customer service to the industry by expediting the permitting process, offering inspections by appointment, and allowing for convenient payment methods. In addition, experience gained from this project will assist the region in moving forward on the development and implementation of a permanent Regional Vehicle-for-Hire Program.

Staff coordinated with the City of Dallas to update the 1985 Dallas Bike Plan, including the procurement and selection of Toole Design Group to conduct the study. Numerous committee and public meetings were held to provide an opportunity for comments and feedback. Technical analysis of the bicycle network and regional design guidelines are in the midst of development. Consideration will be given to both recreational purposes and sustainable development/air quality goals. Results of this effort will be used to guide NCTCOG staff in evaluating a comprehensive region-wide approach for planning and implementing additional bicycle and pedestrian facilities across the region.

NCTCOG's Transportation Department staff created a scope of work for the Metropolitan Planning Organization Coalition project and contracted with Gateway Planning Group to implement a planning project to develop an implementation program and institutional structure to break down federal, State, regional, and local silos and implement large regional projects that promote livability. Department staff submitted two applications to the US Department of Housing and Urban Development (HUD) Communities Challenge Grant and received funding for the Sustainable Military Land Use Planning project. Staff will continue to pursue additional funding as more Livability grant opportunities become available through the HUD-DOT-EPA's Interagency Partnership or other sources in the upcoming fiscal year.

NCTCOG staff completed Conceptual Engineering and Funding Study final reports for the Cotton Belt Corridor, BNSF/Frisco Corridor, McKinney Corridor and the Waxahachie Corridor. During fiscal year 2010, staff worked closely with regional transit agency partner staff and local government stakeholders through Stakeholder Team meetings and individual stakeholder meetings in support of these studies. Bi-monthly meetings with regional transit agency partner staff and local stakeholders were held to ensure the projects were properly moving forward in a timely manner. Work was performed on the environmental, traffic and transit ridership efforts as well as identification of potential funding sources. The project efforts concluded with final reports detailing staff work efforts and analyses. These reports are intended to provide a substantial foundation for the ensuing National Environmental Policy Act (NEPA) Environmental Impact Statement (EIS) process. In addition to the final report and in response to a request from the Fort Worth Transportation Authority and Dallas Area Rapid Transit Boards for NCTCOG to analyze viable funding options for implementing passenger rail service along the Cotton Belt Corridor, the Innovative Finance Initiative (iFi) was begun. NCTCOG hired the private-sector financial team of Partnership for Livable Communities to assist in this effort. The Cotton Belt Corridor is scheduled to be implemented in the east around 2028 and in the west around 2013, creating a 15-17 year delay between the two areas. Approximately half of the corridor is neither in DART's or The T's service area making the project difficult to implement. This effort will identify all available funding sources and investigate new and innovative funding sources to allow an expedited opening of the corridor. A recommendation for presentation to the DART and The T Boards of Directors will be formulated.

A priority for fiscal year 2010 was the provision of a transparent, accountable, and real-time accessible information system for use by the region to track Regional Toll Revenue funding and project information. Regional Toll Revenue (RTR) funds were received by the region from the North Texas Tollway Authority as a concession payment for the opportunity to construct, operate, and maintain SH 121 for 52 years. The Revenue and Project Tracking System (RAPTS) was developed and is a robust, interactive web-based reporting system that users across the region can utilize to track account balances and interest earned by county, expenses incurred (at both the fund and project levels), project status, etc. RAPTS has the ability to utilize data sources from multiple NCTCOG departments as well as from the Texas Department of Transportation. An outside consultant, Data Transfer solutions, Inc., and NCTCOG staff worked diligently to migrate complex financial and project programming reports to a web-based platform that maintains real-time data from

several data sources. Expansion of the system is underway and will include all projects, not just those funded with Regional Toll Revenue funds.

**Community Services (CS)** - NCTCOG's Interoperable Communications staff actively worked with public safety agencies in the region on numerous projects including Narrowbanding, Interoperable Communications Improvements to enhance interoperable radio communication capabilities within the region. Personnel worked through the State Homeland Security Grant Program and the Urban Area Securities Initiative to provide planning and coordination assistance to agencies throughout the region as well.

In addition, staff worked extensively on the Public Safety Interoperable Communications Grant. This grant, in the amount of \$3,596,246.00 (\$2,922,274.00 in grant funds plus \$673, 972.00 in matching funds from local jurisdictions), funded three projects: 1) a regional communications plan to improve radio communications interoperability; 2) a plan to provide a framework for a regional communications authority, and; (3) to fund a regional communications overlay radio system. All three projects must be completed by May 2011.

The Regional Communications Overlay is online and operating, enabling radio communications across four counties of the Region. The Public Safety Communication Governance Committee will continue to oversee work on the Public Safety Interoperable Communications projects, the Operations Working Group, and the Technical Working Group will continue to meet and advise NCTCOG on the progress of these projects.

NCTCOG staff worked to improve First Responder training by providing and hosting Communications Unit Leaders Courses. These Department of Homeland Security Courses train responders how to effectively control radio communication resources at an incident or event. Over 80 local, state and federal responders attended Communications Unit Leader training. In addition, two local responders and one staff member became Communications Unit Leader Instructors, which will allow training to continue for first responders throughout the region.

Staff provided assistance to the Regional Public Safety Communications Governance Committee who oversees regional communications projects. Staff also worked extensively with agencies locally working on the Super Bowl Interoperable Communications Planning. The Interoperable Emergency Communications Grant Program was utilized by staff to update and modify the Regional Interoperable Communications Plan, Communications Asset Survey and Mapping Program, and National Emergency Communications Plan (NECP).

In fiscal year 2010 the Criminal Justice Program focused its efforts on meeting the "Contract for Services" requirements with the Criminal Justice Division (CJD), Office of the Governor. As a result, technical and operational assistance was provided to more than 225 public and private agencies for the development and implementation of community plans, new and continuation of criminal justice programs, grant application workshops, preparation of grant applications, grant management workshops and to meet the administrative requirements of the Criminal Justice Division. Staff assisted county focus groups in updating community plans for the FY2011 grant cycle.

The Office of the Governor's Criminal Justice Division (CJD) requested each COG to process, prioritize, and provide technical assistance to Justice Assistance Grant (JAG) ARRA applicants. In May 2009, the Criminal Justice Program received an interlocal agreement from CJD for this JAG ARRA process. COG conducted JAG ARRA grant application workshops, scoring and prioritizing of over 130 projects, conducted grant management trainings for the grantees, and performed site visits to all agencies receiving these ARRA funds. This interlocal agreement ended on September 30, 2010.

The Law Enforcement Analysis Portal (LEAP) project continued to progress in fiscal year 2010. The LEAP project design is being expanded to connect 511 law enforcement agencies along drug and human trafficking corridors, as well as the auto theft corridor to El Paso, Houston, San Antonio, Austin

and Corpus Christi. Cooperative agreements have been developed with Tarleton State University to provide LEAP services to their rural law enforcement service area in 30 counties. Designated High Intensity Drug Trafficking Area's in Houston and Dallas will be connected via Automatic License Plate Recognition systems to identify vehicles of interest. In addition, discussions are continuing with neighboring states to implement LEAP's analysis tools within their jurisdictions.

NCTCOG's Aging program continued to broaden its scope of services and intensity of services. It was awarded two new grants to assist with outreach, counseling, and enrollment assistance for Medicare beneficiaries with low incomes who qualify for—but are not currently receiving—federal/state subsidies that reduce eligible persons' premiums deductibles, copayments. The Aging program received ARRA funds that were used to purchase additional congregate meals and to conduct enhanced fiscal monitoring of congregate meal providers.

The Agency was allocated significant funding to increase its nursing home relocation program. As part of the State's Promoting Independence initiative, staff and contract relocation specialists helped nursing home residents who live in a 19-county service to return to the community.

To increase the efficiency of its direct service programs, Aging contracted with Pecan Valley MHMR to provide care coordination, caregiver support coordination, and nursing home relocation services in a six-county region—including four of the five rural counties in the NCTCOG region. Through this sub contractual relationship, Aging has been able to increase its visibility in the affected counties, provide consumers more timely access to services, and control Agency cost. Aging continues to develop the Aging and Disability Resource Centers, by providing training for social service professionals on services for persons with disabilities, and by assisting consumers of all ages who have multiple, complex needs. As funding for the project's administrative activities will cease at the end of fiscal year 2010, Aging intends to continue the project with existing funds.

With encouragement from federal and state grant administrators, Aging is putting increasing emphasis on helping persons with disabilities remain safely in their homes. It is expanding its outreach to critical pathways, such as hospitals and rehabilitation facilities, that serve as the entry points to nursing homes and providing more intensive services that promote independent living. With encouragement from federal and state grant administrators, Aging is putting increasing emphasis on helping persons with disabilities remain safely in their homes. It is expanding its outreach to critical pathways, such as hospitals and rehabilitation facilities, that serve as the entry points to nursing homes and providing more intensive services that promote independent living.

In fiscal year 2010, the Regional Training Center had an overall increase of thirteen percent in the level of activities conducted. A total of one hundred seventy-two classes were scheduled for the fiscal year. New off-site classes were held at Granbury Airport, the City of Lewisville, North Richland Hills Fire Department and at the Wood County Appraisal District in Quitman, TX.

Management of the Technology Training Center was transferred from RIS to the Regional Training Center at the beginning of 2010. Seventeen Microsoft classes were successfully completed by the Regional Training Center. The Technology Training Center continues to be used by ESRI for Geographic Information System (GIS) training. Six non Microsoft courses, Adobe Acrobat, Xerox Electronic Ticket Training, On-Road Vehicle Emissions Enforcement, Tiers Training, Regional Rideshare Software Training, and WNI Summer Youth Staff TWIST Training classes, were held by the Regional Training Center.

During fiscal year 2010, the Regional Police Academy conducted Five Basic Peace Officer Courses and graduated 163 new law enforcement officers throughout the NCTCOG region. An Off-Site Training program allowed law enforcement officers in the sixteen county region of the NCTCOG to attend classes that otherwise would not be available to them. The Regional Police Academy conducted more than 150 law enforcement training courses, with over 1,575 law enforcement officers participating. Also during fiscal year 2010, the Regional Police Academy was awarded a JAG Grant that allowed the academy to purchase and completely update all the computers, projectors, and add

new Smart Podiums in all of the classrooms. This will allow instructors and students to have a more interactive learning environment during actual classroom instruction.

NCTCOG's 9-1-1 personnel conducted 59 courses in equipment, mapping and teletype communication for the deaf (TTY) at no charge to its counties. NCTCOG also provided TTY course materials online to all Texas agencies at no charge allowing them to conduct training at their agencies. NCTCOG's 44 Public Safety Answering Points and all of NCTCOG's 9-1-1 counties and agencies received training from NCTCOG 9-1-1 during fiscal year 2010.

The 9-1-1 Program is currently focusing on the implementation of the Next Generation 9-1-1, which will allow 9-1-1 access from any device, anytime, anywhere in the NCTCOG region and provides the capability to accept text, photos, video and other data. Next Generation 9-1-1 work is ongoing and will continue over the next several years. An additional focus is the transition from Vendor provided equipment maintenance to NCTCOG 9-1-1 personnel provided equipment maintenance. This should be complete by the end of fiscal year 2011.

***Emergency Preparedness (EP)*** - In fiscal year 2010, the North Central Texas Council of Governments region received funding from the Department of Homeland Security (DHS) through the State of Texas. These funds were appropriated to enhance and sustain the region's capacity to prevent, protect against, respond to, and recover from acts of terrorism.

Specific needs identified in the region include emergency planning, organization, equipment, training, and exercise. Fiscal year 2010 brought a focused approach to address specific capabilities that included; sustaining and enhancing Chemical, Biological, Radiological, Nuclear, Explosive, and Weapons of Mass Destruction(CBRNE-WMD) response; enhancing regional and local emergency operations centers, enhancing intelligence and information sharing; enhancing citizen preparedness and protection, enhancing interoperable communications, and protecting critical infrastructure and key resources. These funds were in two major program areas, Urban Area Security Initiative (UASI) at over \$24 million in funding, and Homeland Security Grant Program (HSGP) at approximately \$35 million which includes Citizen Corps Programs (CCP), State Homeland Security Program (SHSP), and Metropolitan Medical Response System (MMRS) at over \$5 million to the region. In fiscal year 2010, the Dallas/Fort Worth/Arlington Urban Area was classified by the Department of Homeland Security as a Tier I urban areas resulting in an additional \$6 million in grant funds.

The HSGP grants also allowed the opportunity for Emergency Preparedness staff to provide hands on technical assistance to jurisdictions for over 149 projects on the statewide grant management system, State Preparedness and Reporting System (SPARS). This included projects from the SHSP, UASI, MMRS, Buffer Zone Protection Program (BZPP), and Transit Security Grant Program (TSGP). This technical assistance provided the coordination between various programs thus reducing redundancy and improving effectiveness for both the jurisdictions and the state administrators.

Additionally, Emergency Preparedness organized a call for projects for the DHS Non-Profit Security Grant Program (NSGP). This program provides target hardening equipment and training to approved and qualified non-profit organizations that have proven they are at high risk for a potential terrorist attack. Staff currently provides technical assistance to these non-profits on behalf of the Dallas/Fort Worth/Arlington Urban Area as they work to implement their projects.

The Department of State Health Services (DSHS) contracted with Emergency Preparedness for the continued implementation of the Cities Readiness Initiative (CRI). The fiscal year 2010 allocation of \$603,619 provided project management support, special funding, training, and equipment to eight rural counties. The CRI program goal is to develop plans and infrastructure so that these jurisdictions may be prepared to provide mass prophylaxes to their entire populations within 48 hours of a biological event.

The Denton County Local Mitigation Strategy and Collin County Local Mitigation Strategy were completed and submitted to FEMA for approval during fiscal year 2010. The approval and adoption of these plans will allow participating jurisdictions to be eligible for future mitigation funding. The purpose of mitigation funding is to assist communities in reducing or eliminating their vulnerability to natural hazards. Potential projects include, but are not limited to: developing individual shelter programs, acquiring property in flood plains, and hardening infrastructure.

In planning, training, and exercising, Emergency Preparedness staff supported local jurisdictions and partner agencies in various ways resulting in over 80% coverage of the region with at least an intermediate emergency operations plan and one-third of the region at an advanced level. Staff also updated the Regional Training and Exercise Plan (RTEP). The RTEP is a federally mandated document to coordinate training and exercises across grant streams, within the Homeland Security Exercise and Evaluation Program (HSEEP).

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

In the SEE Less Trash program area, 47 local government projects were awarded funding of over \$3.1 million. The Resource Conservation Council's three solid waste goal subcommittees (Time To Recycle, Stop Illegal Dumping and Assuring Capacity for Trash) updated portions of the Regional Solid Waste Plan document and continue to make revisions. Draft data has been received and the recycling rate study is 35% complete. All counties in the region have been notified and have received their documents on the status of closed landfills in their respective county. Sixteen educational/training workshops were offered in fiscal year 2010 and 130 technical assistance requests to local governments were recorded.

In the SEE Safe, Clean and Green Watershed Management arena, a series of 14 watershed roundtable meetings were hosted across the North Central Texas Metropolitan Planning Area that featured good attendance and active participation by stakeholders in providing input on water supply reservoir protection. Detailed monthly progress reports were prepared and submitted to TCEQ, and the draft and final reports on the Assessment of Challenges to Watersheds of Water Supply Reservoirs was completed. The NCTCOG Water Resources Council and the Trust for Public Land selected pilot watersheds for Greenprint analyses, which is an evaluation process using comparison of digital map layers to identify strategic land resources. The participation phase with watershed stakeholders was also initiated. The Trinity River COMMON VISION Celebration was held in April where an advance copy of "The Trinity River COMMON VISION: Celebrating the First Twenty Years" was released and a new video presentation was debuted.

The Regional Storm Water Management Program continued to support over 60 local participants and provided a variety of products including a training DVD, training workshops, support for four seasonal campaigns, an annual storm water monitoring report, cooperative purchase opportunities, and an IDDE Field Guidance Manual. The 2010 Water Quality Management Plan for North Central Texas was submitted as the annual amended plan for state and federal agency review and comment.

In SEE Development Excellence, support for the Center of Development Excellence and the 10 Principles of Development Excellence continued. In the spring, a well-attended Regional Summit was held and "North Texas 2050", a regional document incorporating recommendations of participants addressing future development in the region, was released. On behalf of the Vision North Texas

partnership, a cooperative application for the Sustainable Community Regional Planning Grant was submitted in August. The SPROW (Sustainable Public Right of Way) interactive website was developed. The new iSWM Criteria manual has been adopted and implemented by several communities and its promotion continues. Partnering with FEMA and TFMA (Texas Floodplain Managers Association), E&D held a *Managing Floodplains through the National Flood Insurance Program* four-day course and hosted the TFMA Certified Floodplain Manager (CFM) Exam.

**Research and Information Services (RIS)** - RIS continued tracking major developments and major employers and developed a new web-based mapping interface and reporting system for dynamic interaction with the data. The major developments table now has over 15,300 records; the major employers table has over 4,600. The 2010 population and housing estimates were released on schedule with an updated and more attractive format. RIS continued to provide local census support including data dissemination and technical assistance. Progress continued on the 2040 Demographic Forecast including an extensive internal review of assumptions and input data sets.

The RIS Information Technology team responded to over 8,318 officially posted Agency and Workforce support requests. These requests included new computer requests, software management, and network connectivity between 16 sites spread across the region for phone and computer access.

RIS has continued to assist with the management and operations of several critical enterprise computer environments that support and serve data used throughout the region. One such system is the Data Management System for the Public Employees Benefit Cooperative where benefit information from 5 agencies is combined to leverage volume to receive discounted health care benefit services for over 14,000 people.

In addition to the ongoing support tasks RIS has undertaken several major implementation and enhancement projects. Over the past year RIS successfully updated the geographic information systems for the agency which includes web based mapping utilities that received over 1 million visits in the last year. RIS has also implemented several advanced communication and collaboration tools that allow for enhanced communication across the region. Among these systems is an Office Communicator Service that allows Workforce staff to hold on line video conferences with staff across the region thereby reducing travel expense and increase opportunities for face to face communication.

RIS has also expanded the use of the resource management tool Microsoft Dynamics CRM to track and manage the regional efforts of the Workforce team. In a continuing effort to improve on internal process and better serve our customers RIS implemented a continual change and project tracking practice. All changes to the enterprise infrastructure and environments are documented and examined by a team of IT staff representing all functional areas to ensure a more seamless and problem free operating environment for the customer. The RIS Information Security (IS) team participates in this examination in order to identify risks to the confidentiality, integrity, and availability of those systems.

The IS team also works to find and mitigate previously unidentified risks in existing systems. One such risk is the transmission of confidential data across unsecured networks. RIS mitigated this risk by implementing persistent secure e-mail transmissions to the Texas Workforce Commission using Transport Layer Security; and by implementing an encrypted file transfer system to use as an alternative to the Agency's File Transfer Protocol (FTP) servers. A "secure envelope" solution that can be used to deliver encrypted messages to any e-mail recipient has also been identified and a plan for implementation of the solution has been established.

The IS and IT teams also worked together to address deficiencies in the delivery of software security patches and the management of endpoint antivirus protection. RIS is now using an automated software configuration management tool to deliver software, patches, and antivirus definitions to endpoints. The tool also provides compliance reporting to ensure that all computer systems are

patched and updated to current levels, thereby protecting them from virus infection and attacks designed to exploit known software vulnerabilities. In addition to improvements in antivirus software delivery and reporting, RIS was also able to leverage an enterprise license agreement to replace a less cost effective antivirus solution with the one used today.

In addition to technological improvements to the Agency's security posture, RIS has continued to educate employees on the importance of adhering to security policies and has continued to inform employees about current threats, such as phishing campaigns. This is achieved through new employee orientation sessions, as they are needed, and monthly newsletters.

**Workforce Development (WF)** - Board staff is actively engaged in a number of projects and initiatives beyond the scope of our regular Workforce Investment Act (WIA) activities and contract management.

The Board received additional funding to administer a Summer Youth Employment Program. These funds were provided through the State. The Board received Temporary Aid for Needy Families (TANF) funding under the American Recovery and Reinvestment Act (ARRA) to initiate a Summer Youth Employment program. The contract required the Board to provide meaningful work experience opportunities for eligible, low income, youth participants aged 16-24 during the Summer of 2010. Workforce Solutions for North Central Texas served 780 youth via the TANF/ARRA Summer Youth program, which ended on September 30, 2010.

The Board received funding from the State to administer a reemployment initiative called Texas Back to Work (TBTW). TBTW is a wage subsidy program that matches enrolled employers who are hiring with program eligible jobseekers. Upon making a "match" the employer becomes eligible to receive a \$2000 wage subsidy for retaining the employee for 120 consecutive calendar days. A job seeker is determined eligible to participate based on Unemployment Insurance (UI) records that adhere to the following requirements: (1) Must be a first time UI recipient; (2) filed and received their first UI payment on or after September 1, 2009, and; (3) made no more than \$15 per hour in their previous employment. For the first six months of this initiative, we were first in the state in the number of placements with employers. At the end of the Fiscal Year, we had 483 active placements of UI beneficiaries with employers.

The Board has remained active in advancing the region's logistics industry as part of the Governor's Industry Cluster Initiative. The Board submitted a grant application for a Community-Base Job Training program from the Department of Labor (DOL) in March 2010. The Board was notified in June that it would be awarded \$2.8 million to provide training in Manufacturing Skill Standards Council's (MSSC) Certified Logistic Associate and Certified Logistic Technician programs. These certifications were developed by the Board and partners through a previous awarded grant from DOL. The grant will run for three years and will provide training to at least 879 individuals and aims to place 80% of completing participants.

To provide further exposure to the CLA/CLT certification programs, the Board hosted the 2010 North American Workforce Summit for Advanced Manufacturing and Logistics on September 1, 2010. This one-day event brought together individuals from industry, academia, and community organizations (e.g. Workforce Boards, Economic Development Corporations) and was attended by nearly 300 individuals from 22 states and three different countries. The keynote speakers were Jane Oates, Assistant Secretary of Employment and Training Administration at the U.S. Department of Labor and the Texas Secretary of State Hope Andrade.

The Board has been recognized for our effort in the logistics industry by two organizations, statewide by the Texas Economic Development Council (TEDC) and nationwide by the National Association of Workforce Boards (NAWB), of which the Board is a member.



In April 2010, TEDC presented the Board with a 2010 TEDC Workforce Excellence Award. The TEDC Workforce Awards recognize the exceptional contributions of a Texas community who has implemented successful workforce initiatives. Criteria for evaluation includes: innovativeness, transferability, community commitment and leverage, measured objectives, and secondary benefits.

In February 2011, the Board will be recognized at NAWB's annual conference in Washington, DC. NAWB believes that the WIB's ability to create partnerships is one of its primary functions and the endeavor that can generate the most benefit for the community. Each year NAWB offers the Theodore E. Small Workforce Partnership Award to highlight how WIBs and their partners have created innovative solutions for the workforce issues in their communities. The award has become a hallmark of excellence among WIBs.

The Board was honored for spearheading the effort to provide a highly skilled workforce for the logistics industry in North Texas. Through this effort, the Board has developed, vetted, and launched two certification programs for entry and mid-level employees in the logistics industry, as mentioned above. These nationally recognized certifications are the first of their kind for the logistics industry, a powerful economic force in North Texas.

In November of 2009, the Board learned that T.R. Reed Enterprises and Odyssey Aerospace Components, both located in Denton, were in danger of laying-off 67 employees and shutting down their business. As the economy took a turn, and being that they are in the transportation industry, they either had to become ISO certified or close their doors. The Board was able to utilize its Statewide Activity funds to provide the necessary training to the employees and allow TR Read/Odyssey to remain in business. The total budget for the project was \$84,913 - the Board contributed \$68,828 and the employers contributed \$16,085. The contract period was April 5, 2010 - August 31, 2010. ISO certification of all employees will allow T.R. Reed and Odyssey to train its entire workforce, enabling the company to continue bidding on private and government contracts related to aerospace manufacturing. This Project increased the employee skill level protecting their livelihood while putting T.R. Reed and Odyssey in position to add 30 additional skilled workers over the next 30 months.

As part of the American Recovery and Reinvestment Act, the Board utilized funding to provide training and education to local child care providers. The Quality Child Care Initiative has spent \$1,000,000 of the total allocation of \$2,351,683. The Initiative has provided participants with Child Development Credentials (CDAs) and the Director Credential. Other trainings included: Early Care and Learning and Child Development. Equipment and materials that enhanced or expanded infant and toddler programs were purchased. Over 100 staff members of child care providers have benefitted from this program.

### **Factors Affecting Financial Condition**

NCTCOG's annual budget is a management tool that assists in analyzing financial activities during the fiscal year. The annual budget is reviewed and formally adopted by the Executive Board prior to the beginning of the fiscal year. The approved annual budget is used as a control device for the General Fund while individual grant contracts are used as the control device within the Special Revenue Funds. NCTCOG's budget is approximately 74% grant funding and as new funding opportunities arise throughout the year, they are presented to the Executive Board for approval.

**Cash Management** - Cash temporarily idle during the year was invested in demand deposits, Texpool, Local Government Investment Cooperative and Texstar. Investments for fiscal year 2010 yielded income of \$406,616 for all funds mainly as a result of funding for local transportation programs.

**Risk Management** - In order to minimize the risk for loss of property and general liability risks, including workers' compensation liability for its employees, the Council participates in the Texas Municipal League Intergovernmental Risk Pool. The Texas Municipal League Intergovernmental Risk Pool consists of the Property and Liability Joint Insurance Fund and the Workers' Compensation Joint Insurance Fund. The funds are a contracting mechanism by which the Council and other members of the League are able to limit their loss through partial self-insurance.

A commercial blanket bond covering employee dishonesty is provided through the Frost Insurance Service, Inc., up to a maximum \$2,000,000 per loss.

#### **Other Information**

**Certificate of Achievement** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Central Texas Council of Governments for its comprehensive annual financial report for the fiscal year ended September 30, 2009. This was the twelfth consecutive year that NCTCOG has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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



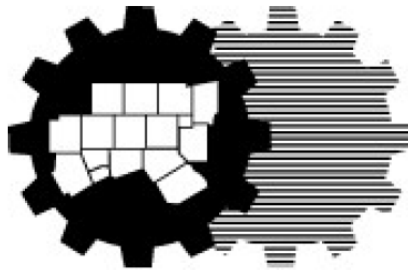
Mike Eastland  
Executive Director



Monte Mercer, CPA  
Deputy Executive Director



Shannan Ramirez  
Controller



**North Central Texas  
Council of Governments**

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## North Central Texas Council of Governments

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS**  
**2010- 2011 EXECUTIVE BOARD**

President  
**B. Glen Whitley**  
County Judge  
Tarrant County

Vice President  
**Linda Koop**  
Councilmember  
City of Dallas

Secretary-Treasurer  
**Bobbie Mitchell**  
County Commissioner  
Denton County

Past President  
**Bobby Waddle**  
Former Mayor  
City of DeSoto

Director  
**Maurine Dickey**  
County Commissioner  
Dallas County

Director  
**Ron Jensen**  
Councilmember  
City of Grand Prairie

Director  
**John Horn**  
County Judge  
Hunt County

Director  
**Bill McElhaney**  
Judge  
Wise County

Director  
**C. Shane Wilbanks**  
Mayor Pro Tem  
City of Grapevine

Director  
**Carter Burdette**  
Councilmember  
City of Fort Worth

Director  
**Cory Spillman**  
Councilmember  
City of Cedar Hill

Director  
**Holly Gray-McPherson**  
Mayor Pro Tem  
City of Roanoke

Director  
**Steve Terrell**  
Mayor  
City of Allen

Executive Director  
**R. Michael Eastland**

General Counsel  
**Jerry C. Gilmore**

**ADMINISTRATIVE STAFF**

Deputy Executive Director  
**Monte Mercer**

Director of Transportation  
**Michael R. Morris**

Director of Community Services  
**Frederic W. Keithley**

Director of Emergency Preparedness  
**Molly Thoerner**

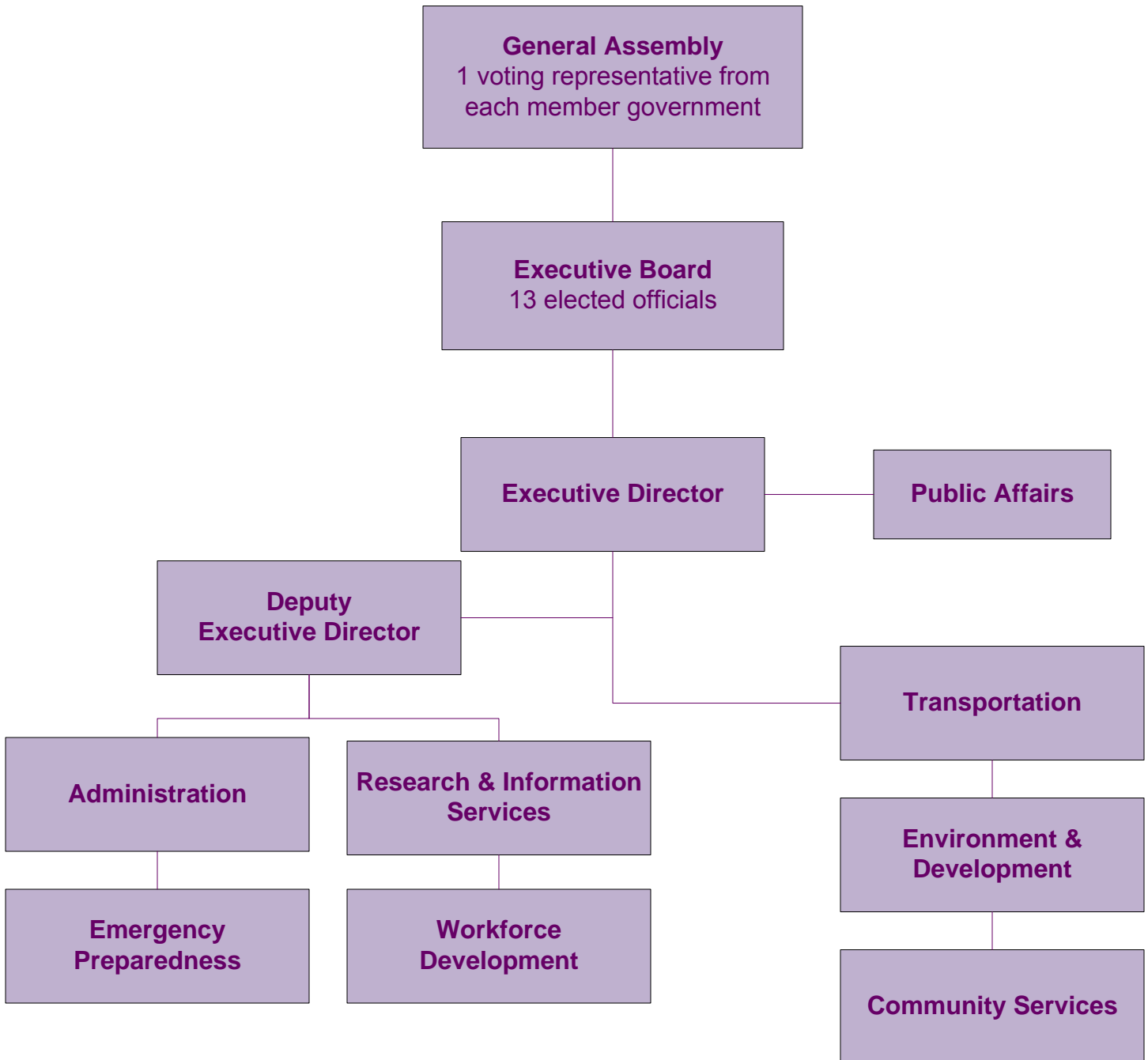
Director of Research and Information Services  
**Tim Barbee**

Director of Environment and Development  
**John Promise**

Director of Workforce Development  
**David Setzer**

# Organizational Chart

## North Central Texas Council of Governments



## Mission Statement

**W**e 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

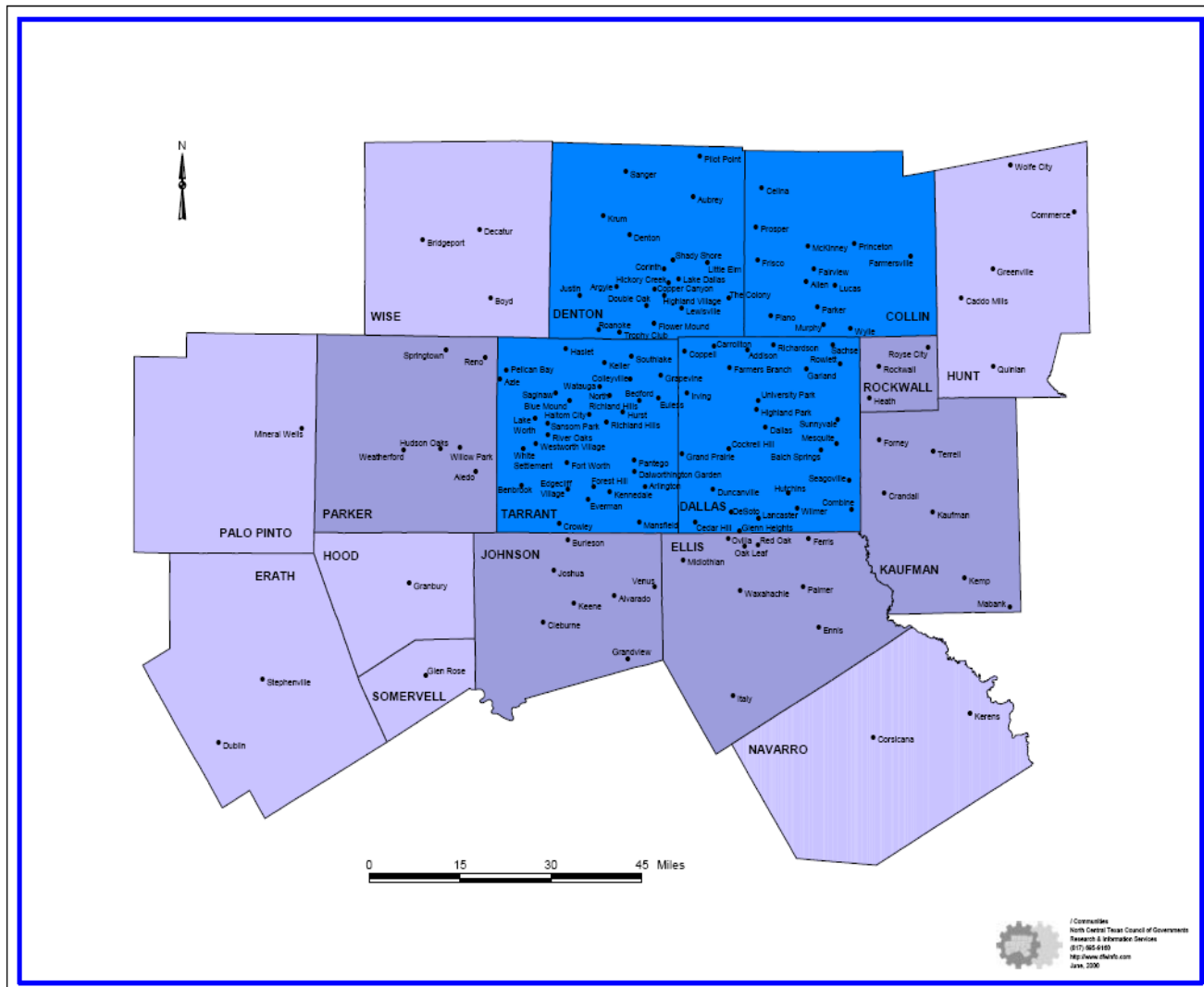
**We maintain** the highest standards of professional integrity in providing competent, technically sound products and services. Honesty and impartiality are minimum standards for all our dealings with our members, the general public, other agencies, and each other.

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.



# MAP OF REGION



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MEMBER GOVERNMENTS (241)**

**Counties (16)**

**Collin  
Dallas  
Denton  
Ellis  
Erath  
Hood**

**Hunt  
Johnson  
Kaufman  
Navarro  
Palo Pinto  
Parker**

**Rockwall  
Somervell  
Tarrant  
Wise**

**Cities (169)**

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MEMBER GOVERNMENTS (241)**

**Cities (169) - continued**

**Reno  
Rhome  
Richardson  
Richland Hills  
Rio Vista  
River Oaks  
Roanoke  
Rockwall  
Rowlett  
Royce City  
Runaway Bay  
Sachse  
Saginaw**

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

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

**School Districts (24)**

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

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

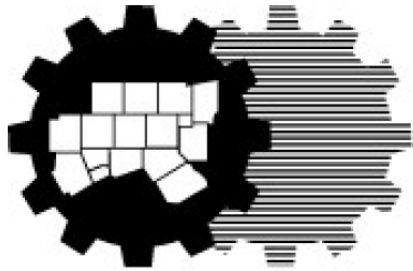
**Mesquite ISD  
Midlothian ISD  
Plano ISD  
Richardson ISD  
Rockwall ISD  
Terrell ISD  
Weatherford ISD**

**Special Districts (32)**

**Acton Municipal Utility District  
Area Metropolitan Ambulance  
Authority  
Benbrook Water and Sewer  
Authority  
Central Appraisal District  
Of Collin County  
Central Appraisal District  
Of Johnson County  
Collin County Soil & Water  
Conservation District #535  
Dallas Area Rapid Transit  
Dallas County Community  
College District  
Dallas County Flood  
Control District #1  
Dallas County Schools  
Dallas County Utility &  
Reclamation District  
Dallas County Water Control  
& Improvement District #6**

**Dallas County Park Cities  
Municipal Utility District  
Dalworth Soil & Water  
Conservation District  
Denton County Fresh  
Water District #9  
Denton County Fresh Water  
Supply District #1A  
Denton County  
Transportation Authority  
Fort Worth Transportation  
Authority  
Hunt Memorial Hospital  
District  
Johnson County Special  
Utility District  
Kaufman County  
Development District No. 1  
Lake Cities Municipal Utility  
Authority  
North Texas Tollway Authority**

**North Texas Municipal Water  
District  
Palo Pinto County Hospital  
District  
Tarrant County Regional  
Water District  
Trinity River Authority  
Trinity River Vision Authority  
Trophy Club Municipal Utility  
District #1  
Valwood Improvement  
Authority  
Weatherford College  
Wise County Water Control  
& Improvements District #1**



**North Central Texas  
Council of Governments**

The graphic features a dark purple background with various abstract elements. On the left, there are colorful zigzag lines in shades of yellow, orange, and red. The right side contains a pattern of light blue circles and white dollar signs. A dark blue rectangular box with a white border is positioned in the center, containing the text "Financial Section" in white serif font.

# Financial Section



## INDEPENDENT AUDITOR'S REPORT

To the Members of the Executive Board  
**NORTH CENTRAL TEXAS  
COUNCIL OF GOVERNMENTS**

We have audited the accompanying financial statements of the governmental activities, business type activities and each major fund of North Central Texas Council of Governments (the Council) as of and for the year ended September 30, 2010, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities and each major fund of North Central Texas Council of Governments at September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued a report dated February 18, 2011, on our consideration of the Council's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 35 through 37, respectively, are not a required part of the basic financial statements but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

North Central Texas  
Council of Governments  
February 18, 2011  
Page 2

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Council. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such data.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 18, 2011

# NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR YEAR ENDED SEPTEMBER 30, 2010

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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, 2010. 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 \$33,011,666 (*net assets*). Of this amount \$3,906,842 (unrestricted net assets) may be used to meet the government's ongoing obligations to creditors and service implementation.
- The total net assets decreased by \$11,109,355 or a 25% drop in the current year. The decrease was mainly due to ongoing Regional Transportation Council (RTC) Sustainable Development projects which expended \$11,553,220 in FY 2010. The planned spend down will continue through fiscal year 2012.
- NCTCOG's governmental funds reported combined ending fund balances of \$33,022,784, a decrease of \$10,829,450, in comparison with the prior year. Of the total fund balance, approximately 84% is restricted for local transportation projects, 1% is reserved for grants and prepaids and 15% is available for spending at the government's discretion (*unreserved, undesignated fund balance*).
- Due to a decrease in interest rates, interest income decreased \$176,132, or 30%, totaling \$406,616 for the year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,988,995, or 3% of total governmental fund expenditures.

## Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the NCTCOG's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 of the government-wide financial statements distinguish functions of the NCTCOG that are principally supported by grants and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the NCTCOG include the general fund and special revenue fund.

As there are no component units within NCTCOG, the government-wide financial statements include the general, special revenue and proprietary funds as shown on pages 10 and 11 of this report.



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2010**

---

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 12 and 14 of this report.

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

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

*Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 16-18 of this report.

**Fiduciary Funds.** Fiduciary Funds are used to account for assets held in a trustee or agency capacity. On June 24, 2010, NCTCOG entered into an agreement with the North Texas Tollway Authority (NTTA) to hold funds related to SH 161 in escrow on behalf of the NTTA. NTTA transferred these funds on June 25, 2010. The funds are governed by three agreements 1) Agreement Concerning Funds between NTTA, NCTCOG, and the Regional Transportation Council; 2) Escrow Agreement between NTTA and NCTCOG; and 3) Securities Account Control Agreement between NTTA, NCTCOG, and TexSTAR.

Under the controlling agreements, NCTCOG will hold these funds in escrow until such time as NTTA effectuates financial close for SH 161 or makes a determination not to proceed with the development of SH 161. NCTCOG is not authorized to spend or otherwise encumber these funds. These funds will be

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2010**

returned as directed by NTTA. If NTTA elects not to proceed with the development and financing of SH 161; the right to develop the project will revert to the Texas Department of Transportation.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-34 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 page 35 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 38-41 of this report.

**Government-wide Financial Analysis**

**Net Assets.** As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the NCTCOG, assets exceeded liabilities by \$33,011,666 at the close of the most recent fiscal year. Following is a summary of the government-wide Statement of Net Assets:

	2010			2009		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
<b>Assets</b>						
Current and other assets	\$ 119,526,171	\$ 91,047	\$ 119,617,218	\$ 122,602,706	\$ 68,251	\$ 122,670,957
Capital assets	1,161,862	-	1,161,862	1,558,710	-	1,558,710
Total assets	<u>120,688,033</u>	<u>91,047</u>	<u>120,779,080</u>	<u>124,161,416</u>	<u>68,251</u>	<u>124,229,667</u>
<b>Liabilities</b>						
Long-term Liabilities outstanding	1,148,386	-	1,148,386	1,094,673	-	1,094,673
Other Liabilities	86,618,122	906	86,619,028	79,013,067	906	79,013,973
Total Liabilities	<u>87,766,508</u>	<u>906</u>	<u>87,767,414</u>	<u>80,107,740</u>	<u>906</u>	<u>80,108,646</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	1,161,862	-	1,161,862	1,497,753	-	1,497,753
Restricted for grants	221,448	-	221,448	796,364	-	796,364
Restricted for local transportation projects	27,721,514	-	27,721,514	38,113,249	-	38,113,249
Unrestricted	3,816,701	90,141	3,906,842	3,646,310	67,345	3,713,655
Total net assets	<u>\$ 32,921,525</u>	<u>\$ 90,141</u>	<u>\$ 33,011,666</u>	<u>\$ 44,053,676</u>	<u>\$ 67,345</u>	<u>\$ 44,121,021</u>

- The largest portion of NCTCOG's net assets, \$27,721,514, (84%) is restricted for local projects related to transportation funded initiatives. In October 2005, NCTCOGs' Regional Transportation Council (RTC) announced the 2005 Sustainable Development Call for Projects. In April 2006, the RTC selected projects and awarded approximately \$40 million in funds to infrastructure, planning, and land banking projects which began funding at the end fiscal year 2007 continuing throughout fiscal year 2012. Current year expenses for these projects totaled \$11,553,220 and cumulative expenses through fiscal year 2010 amount to \$39,386,968. NCTCOG continues to receive additional local funds for future RTC Sustainable Development projects as scheduled. Awarded funding includes RTC local funds and anticipated local contributions from project sponsors in addition to local match funding.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2010**

- An additional portion of NCTCOG's net assets, \$1,161,862, (4%) reflects its investment in capital assets (e.g., equipment) less any debt used to acquire those assets that is still outstanding. NCTCOG uses these assets to provide grant related services; they are restricted for specific use related to grant services; consequently, these assets are not available for future spending.
- Net assets restricted for grants, \$221,448, (1%) are funds that have limitations for use as specified by the funding agencies.
- The remaining balance of net assets totaling \$3,906,842, (11%) is considered unrestricted and may be used to meet the government's ongoing obligations to creditors and for service implementation.

**Change in Net Assets.** For the year ended September 30, 2010, the Agency's net assets decreased by \$11,109,355. Following is a summary of the government-wide Statement of Activities:

	2010			2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>						
<b>Program Revenues</b>						
Federal Grant	\$ 12,842,963	\$ -	\$ 12,842,963	\$ 3,391,827	\$ -	\$ 3,391,827
State Administered grants	123,357,424	-	123,357,424	115,989,167	-	115,989,167
Local revenue & In-kind	22,639,979	2,010,262	24,650,241	21,644,684	1,583,339	23,228,023
<b>Total Program Revenues</b>	<b>158,840,366</b>	<b>2,010,262</b>	<b>160,850,628</b>	<b>141,025,678</b>	<b>1,583,339</b>	<b>142,609,017</b>
<b>General Revenues:</b>						
Membership Fees	654,835	-	654,835	645,519	-	645,519
Interest Income	406,616	-	406,616	582,748	-	582,748
<b>Total General Revenue</b>	<b>1,061,451</b>	<b>-</b>	<b>1,061,451</b>	<b>1,228,267</b>	<b>-</b>	<b>1,228,267</b>
<b>Total Revenue</b>	<b>159,901,817</b>	<b>2,010,262</b>	<b>161,912,079</b>	<b>142,253,945</b>	<b>1,583,339</b>	<b>143,837,284</b>
<b>Expenses:</b>						
Agency management and administration	6,004,082	-	6,004,082	6,123,311	-	6,123,311
Community Services	20,488,403	-	20,488,403	22,490,067	-	22,490,067
Emergency Preparedness	2,781,337	-	2,781,337	2,435,347	-	2,435,347
Environment and development	4,614,671	-	4,614,671	5,709,613	-	5,709,613
RIS local assistance	2,487,667	1,987,466	4,475,133	3,486,236	2,861,816	6,348,052
Transportation	75,614,317	-	75,614,317	63,238,757	-	63,238,757
Workforce development	59,043,491	-	59,043,491	53,269,187	-	53,269,187
<b>Total expenses</b>	<b>171,033,968</b>	<b>1,987,466</b>	<b>173,021,434</b>	<b>156,752,518</b>	<b>2,861,816</b>	<b>159,614,334</b>
<b>Change in Net Assets</b>	<b>(11,132,151)</b>	<b>22,796</b>	<b>(11,109,355)</b>	<b>(14,498,573)</b>	<b>(1,278,477)</b>	<b>(15,777,050)</b>
<b>Net Assets - October 1</b>	<b>44,053,676</b>	<b>67,345</b>	<b>44,121,021</b>	<b>58,552,249</b>	<b>1,345,822</b>	<b>59,898,071</b>
<b>Net Assets - September 30</b>	<b>\$ 32,921,525</b>	<b>\$ 90,141</b>	<b>\$ 33,011,666</b>	<b>\$ 44,053,676</b>	<b>\$ 67,345</b>	<b>\$ 44,121,021</b>

Significant components of the net asset activity are as follows:

- Governmental activities total revenues increased by \$17,647,872 or 12% in the current year. This increase was driven by funds received from the American Reinvestment & Recovery Act of 2009.
- Governmental activities total expenses increased \$14,281,450 or 9% in the current year. Key elements of the changes are as follows:
  - Agency management and administration expenses decreased by \$119,229 or 2% when compared to 2009. This decrease relates to the completion of contract services on the Availability and Disparity Study in 2009.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2010**

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- Community services expenses decreased \$2,001,664 or 9% when compared to 2009. This was primarily due to minimal Next Generation 9-1-1 expenses in the current and no Customer Premise Equipment purchases as were incurred in 2009.
- Emergency preparedness expenses increased by \$345,990 or 14% when compared to 2009. This was mostly due to the purchase of approximately \$262 thousand in Satellite Equipment for the state.
- Environment and development expenses decreased by \$1,094,942 or 19% when compared to 2009. Fiscal year 2010 was the first year of a two-year contract for the Solid Waste program, thus, expenses were lower due to the timing of allocation of sub-grants and reimbursement requests being submitted.
- Research and information services expenses decreased by \$998,569 or 29% when compared to 2009. This is due to a limited scope in orthophotographs, with around 15 entities participating. A full scope flight with approximately 80 participating agencies occurred in 2009.
- Transportation planning expenses increased by \$12,375,560 or 20% when compared to 2009. This was primarily due to American Reinvestment & Recovery Act Grants of \$8.3 million from the Environmental Protection Agency and the Department of Energy.
- Workforce development expenses increased by \$5,774,304 or 11% when compared to 2009. This was largely due to monies received relating to the American Reinvestment & Recovery Act of 2009 Child Care and Youth programs of \$4.4 million and Adult programs of \$1.5 million.

**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, *unreserved 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 \$33,022,784 a decrease of \$10,829,450 in comparison with the prior year. Approximately 15% of this total amount (\$4,988,995) constitutes unreserved 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, unreserved fund balance of the general fund was \$4,988,995 while total general fund balance reached \$4,999,941. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 3% of total governmental fund expenditures.

**General Fund.** The fund balance of NCTCOG's general fund increased by \$112,374 during the current fiscal year. This increase is attributable to increased dues as a result of population growth, excess revenue from the Regional Training Center, and recovery of costs from other funds that the general fund covered in prior periods.

**Special Revenue Fund.** The fund balance of NCTCOG's special revenue fund decreased by \$10,941,824 during the current fiscal year. The majority of the decrease was net use of prior year fund balance for transportation related RTC Sustainable Development projects.

**General Fund Budgetary Highlights**

The difference between the original budget and final budget was a reduction in RIS local assistance expenditures and a corresponding transfer in of \$150,000 from special revenue due to the elimination of a

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2010**

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planned demographic project. This 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 results was \$12,374, less than 1% of budgeted total expenditures.

**Capital Asset and Long Term Liability Administration**

**Capital assets.** The NCTCOG's investment in capital assets for its governmental activities as of September 30, 2010, amounts to \$1,161,862 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and leasehold improvements.

	<u>2010</u>	<u>2009</u>
<u>Governmental Activities</u>		
Equipment	\$ 612,695	\$ 1,008,407
Furniture	3,845	4,625
Leasehold Improvements	<u>545,322</u>	<u>545,678</u>
Total government activities capital assets	<u>\$ 1,161,862</u>	<u>\$ 1,558,710</u>

Detailed information on the NCTCOG's capital assets can be found in Note G on pages 31-32 of this report.

**Long-term liabilities.** At the end of the current fiscal year, the NCTCOG had total long-term liabilities outstanding of \$ 1,148,386. This debt is related to accrued vacation that is payable to employees at the time of their departure from NCTCOG.

	Balance <u>September 30, 2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>September 30, 2010</u>	Due Within <u>One Year</u>
Accrued vacation	\$ 1,033,716	\$ 199,993	\$ 85,323	\$ 1,148,386	\$ 111,458
Note payable	60,957	-	60,957	-	-
Total	<u>\$ 1,094,673</u>	<u>\$ 199,993</u>	<u>\$ 146,280</u>	<u>\$ 1,148,386</u>	<u>\$ 111,458</u>

Detailed information on the long-term debt can be found in Note D on page 29 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- In accordance with the Texas Administrative Code Title 1, Part 1, Chapter 5, Rule 5.85 (g), NCTCOG remains exempt from the other requirements of Rule 5.85 in that its most populous county (Dallas) has an actual weekly wage that exceeds the state actual weekly wage by 20% or more for the previous year as determined by the Texas Workforce Commission in its Covered Employment and Wage Report (ES-200).

This exemption was considered in preparing the NCTCOG's budget for the 2010 fiscal year.

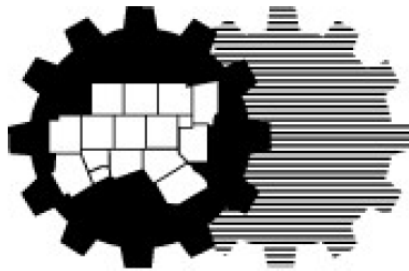
Detailed information on this exemption can be found in the Statistical Section on page 65.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2010**

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**Requests for Information**

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



**North Central Texas  
Council of Governments**

## **BASIC FINANCIAL STATEMENTS**

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

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

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



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010**

<b>ASSETS</b>	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash and cash equivalents	\$ 650	\$ -	\$ 650
Investments	90,888,686	-	90,888,686
Receivables	28,556,158	2,000	28,558,158
Internal balances	(89,047)	89,047	-
Prepays and other assets	169,724	-	169,724
Capital assets, net of accumulated depreciation	1,161,862	-	1,161,862
<b>Total Assets</b>	<b>120,688,033</b>	<b>91,047</b>	<b>120,779,080</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	24,735,469	-	24,735,469
Unearned revenue	61,882,653	906	61,883,559
Long-term liabilities			
Due within one year	111,458	-	111,458
Due in more than one year	1,036,928	-	1,036,928
<b>Total Liabilities</b>	<b>87,766,508</b>	<b>906</b>	<b>87,767,414</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,161,862	-	1,161,862
Restricted for grants	221,448	-	221,448
Restricted for local transportation projects	27,721,514	-	27,721,514
Unrestricted	3,816,701	90,141	3,906,842
<b>Total Net Assets</b>	<b>\$ 32,921,525</b>	<b>\$ 90,141</b>	<b>\$ 33,011,666</b>

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, 2010**

Functions/Programs	Expenses	Operating Grants and Contributions			Net (Expenses) Revenue and Changes in Net Assets			
		Federal Funding	State/ State Admin Funding	Local Contracts and In-kind Contributions	Primary Government			
					Governmental Activities	Business Type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities:								
Agency administration	\$ 5,227,937	\$ -	\$ 123,814	\$ 1,139,546	\$ (3,964,577)	\$ -	\$ (3,964,577)	
Agency management	776,145	-	-	15,553	(760,592)	-	(760,592)	
Community services	20,488,403	73,555	15,729,282	5,172,455	486,889	-	486,889	
Emergency preparedness	2,781,337	-	3,087,356	168,453	474,472	-	474,472	
Environment and development	4,614,671	-	1,795,328	2,686,295	(133,048)	-	(133,048)	
RIS local assistance	2,487,667	-	158,382	498,882	(1,830,403)	-	(1,830,403)	
Transportation	75,614,317	12,106,222	44,686,901	10,512,762	(8,308,432)	-	(8,308,432)	
Workforce development	59,043,491	663,186	57,776,361	2,446,033	1,842,089	-	1,842,089	
<b>Total governmental activities</b>	<b>171,033,968</b>	<b>12,842,963</b>	<b>123,357,424</b>	<b>22,639,979</b>	<b>(12,193,602)</b>	<b>-</b>	<b>(12,193,602)</b>	
Business-type activities:								
Shared services	1,987,466	-	-	2,010,262	-	22,796	22,796	
<b>Total primary government</b>	<b>\$ 173,021,434</b>	<b>\$ 12,842,963</b>	<b>\$ 123,357,424</b>	<b>\$ 24,650,241</b>	<b>\$ (12,193,602)</b>	<b>\$ 22,796</b>	<b>\$ (12,170,806)</b>	
General Revenues:								
					654,835	-	654,835	
					406,616	-	406,616	
					<b>1,061,451</b>	<b>-</b>	<b>1,061,451</b>	
					Change in net assets	(11,132,151)	22,796	(11,109,355)
					Net Assets-beginning	44,053,676	67,345	44,121,021
					Net Assets-ending	<b>\$ 32,921,525</b>	<b>\$ 90,141</b>	<b>\$ 33,011,666</b>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 650	\$ -	\$ 650
Investments	5,973,160	84,915,526	90,888,686
Accounts Receivable:			
Federal grants	-	9,449,265	9,449,265
State administered grants	-	18,794,316	18,794,316
Local grants	5,411	274,094	279,505
Other	29,422	3,650	33,072
Due from other funds	16,532,697	-	16,532,697
Prepays	10,946	79,881	90,827
Other assets	36,758	42,130	78,888
<b>TOTAL ASSETS</b>	<b><u>\$ 22,589,044</u></b>	<b><u>\$ 113,558,862</u></b>	<b><u>\$ 136,147,906</u></b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 16,614,266	\$ -	\$ 16,614,266
Accrued liabilities	67,245	7,224,419	7,291,664
Accrued payroll and employee benefits	829,539	-	829,539
Due to other funds	-	16,507,000	16,507,000
Unearned revenue	78,053	61,804,600	61,882,653
<b>TOTAL LIABILITIES</b>	<b><u>17,589,103</u></b>	<b><u>85,536,019</u></b>	<b><u>103,125,122</u></b>
<b>FUND BALANCES</b>			
RESERVED FOR:			
Prepays	10,946	79,881	90,827
Grants	-	221,448	221,448
Local transportation projects	-	27,721,514	27,721,514
UNRESERVED AND UNDESIGNATED	4,988,995	-	4,988,995
<b>TOTAL FUND BALANCES</b>	<b><u>4,999,941</u></b>	<b><u>28,022,843</u></b>	<b><u>33,022,784</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 22,589,044</u></b>	<b><u>\$ 113,558,862</u></b>	<b><u>\$ 136,147,906</u></b>

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 ASSETS  
SEPTEMBER 30, 2010**

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Amounts reported for governmental fund balance sheet (page 12) are different due to the following:

Total Fund Balance - total governmental funds	\$ 33,022,784
Add: Capital assets net of accumulated depreciation as of September 30, 2010 used in governmental activities were not current financial resources and therefore not reported in the governmental funds balance sheet (excluding Internal Service Fund).	999,218
Add: Internal Service Funds are used by management to charge the cost of certain activities, such as financing of the Geographical Information System, to individual funds. The net affect of this activity is to increase net assets.	47,909
Less: Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	<u>(1,148,386)</u>
Net assets of governmental activities (page 10)	<u><u>\$ 32,921,525</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, 2010**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Federal grants	\$ -	\$ 12,842,963	\$ 12,842,963
State administered grants	-	123,357,424	123,357,424
Membership dues	654,835	-	654,835
Local contributions	354,613	6,888,057	7,242,670
Interest income	15,106	391,510	406,616
Program income	-	341,782	341,782
In-Kind	-	15,055,527	15,055,527
<b>TOTAL REVENUES</b>	<u>1,024,554</u>	<u>158,877,263</u>	<u>159,901,817</u>
<b>EXPENDITURES</b>			
Current:			
Agency administration	3,516,597	2,633,069	6,149,666
Agency management	611,033	168	611,201
Community services	308,924	20,604,141	20,913,065
Emergency preparedness	1,355	2,917,966	2,919,321
Environment & development	75,542	4,766,637	4,842,179
Research & information services	573,167	2,114,989	2,688,156
Transportation	27,768	77,084,559	77,112,327
Workforce development	-	59,291,468	59,291,468
Capital outlay	-	198,978	198,978
	<u>5,114,386</u>	<u>169,611,975</u>	<u>174,726,361</u>
Indirect Cost Allocation	(3,614,978)	-	(3,614,978)
Contributions to Indirect Costs	(380,116)	-	(380,116)
<b>TOTAL EXPENDITURES</b>	<u>1,119,292</u>	<u>169,611,975</u>	<u>170,731,267</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(94,738)</u>	<u>(10,734,712)</u>	<u>(10,829,450)</u>
<b>OTHER FINANCING SOURCES AND USES</b>			
Transfers In	292,009	425,910	717,919
Transfers Out	(84,897)	(633,022)	(717,919)
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>	<u>207,112</u>	<u>(207,112)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	112,374	(10,941,824)	(10,829,450)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>4,887,567</u>	<u>38,964,667</u>	<u>43,852,234</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,999,941</u>	<u>\$ 28,022,843</u>	<u>\$ 33,022,784</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, 2010**

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Amounts reported for governmental activities in the statement of activities (page 11) are different due to the following:

Net change in Fund Balances - Total Governmental Funds (page 14)	\$(10,829,450)
Governmental funds report capital outlay as expenditures, however, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	198,978
Internal Service Funds are used by management to charge the cost of certain activities, such as financing of the Geographical Information System, to individual funds. This is the net change in fund balances for Internal Service Funds.	46,786
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(114,670)
Current year long-term debt principal payments on contractual obligations, are expenditures in the governmental fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	60,957
Depreciation expense on capital assets is reported in the government-wide statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	<u>(494,752)</u>
Change in net assets of governmental activities (page 11)	<u><u>\$(11,132,151)</u></u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2010**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<b>ASSETS</b>		
Accounts receivable	\$ 2,000	\$ -
Prepays and other assets	-	9
Due from other funds	89,047	-
Total current assets	<u>91,047</u>	<u>9</u>
Capital assets, net of accumulated depreciation	<u>-</u>	<u>162,644</u>
<b>TOTAL ASSETS</b>	<u>91,047</u>	<u>162,653</u>
<b>CURRENT LIABILITIES</b>		
Unearned revenue	906	-
Due to other funds	<u>-</u>	<u>114,744</u>
<b>TOTAL LIABILITIES</b>	<u>906</u>	<u>114,744</u>
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	-	162,644
Unrestricted	<u>90,141</u>	<u>(114,735)</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 90,141</u></u>	<u><u>\$ 47,909</u></u>

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2010**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<b>OPERATING REVENUES</b>		
Service charges	\$ 2,010,262	\$ 1,548,577
<b>TOTAL OPERATING REVENUES</b>	<u>2,010,262</u>	<u>1,548,577</u>
<b>OPERATING EXPENSES</b>		
Personnel	18,126	616,519
Indirect	3,127	106,375
Contract services	1,521,415	70,965
Travel	512	3,231
Depreciation	-	114,434
Other costs	444,286	590,267
<b>TOTAL OPERATING EXPENSES</b>	<u>1,987,466</u>	<u>1,501,791</u>
<b>OPERATING INCOME</b>	<u>22,796</u>	<u>46,786</u>
CHANGE IN NET ASSETS	22,796	46,786
NET ASSETS - BEGINNING OF YEAR	<u>67,345</u>	<u>1,123</u>
NET ASSETS - END OF YEAR	<u>\$ 90,141</u>	<u>\$ 47,909</u>

See accompanying notes to the basic financial statements.



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
STATEMENT OF CASH FLOWS PROPRIETARY FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2010**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from service charges	\$ 2,009,761	\$ 1,548,577
Payments to other funds for indirect and other costs	(25,422)	(918,698)
Payments to suppliers for goods and services	(1,966,213)	-
Payments to employees	(18,126)	(616,519)
	<u>-</u>	<u>13,360</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES:</b>		
Purchase of capital assets	-	(13,360)
	<u>-</u>	<u>(13,360)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
	-	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Operating income	\$ 22,796	\$ 46,786
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	-	114,434
Decrease (increase) in prepaid expenses	8,648	(9)
Decrease (increase) in accounts receivable	(501)	-
Increase (decrease) in due to other funds	(30,943)	(137,214)
Decrease in accounts payable	-	(10,637)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ -</u>	<u>\$ 13,360</u>

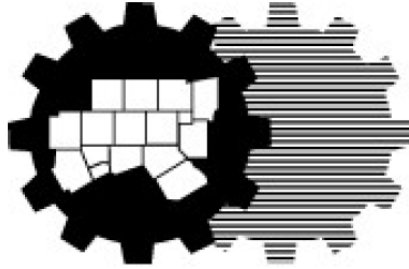
See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FOR YEAR ENDED SEPTEMBER 30, 2010**

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Temporary investments	<u>\$ 200,110,812</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 200,110,812</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 200,110,812</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 200,110,812</u></u>

See accompanying notes to the basic financial statements.



**North Central Texas  
Council of Governments**

## NOTES TO BASIC FINANCIAL STATEMENTS

### INDEX

<b>NOTE A:</b>	General Statement and Summary of Significant Accounting Policies	
1.	Reporting Entity	20
2.	Basis of Presentation	20-22
3.	Measurement Focus and Basis of Accounting	22-23
4.	Leave Policies	23-24
5.	Investments	24
6.	Encumbrances	24
7.	State Administered Grants	24
8.	Transfers	24
9.	Allocation of Employee Benefits and Indirect Costs	24
10.	Transactions Between Funds	25
11.	Capital Assets	25
12.	Risk Management	25
13.	Cash and Cash Equivalents	25
14.	Nature and Purpose of Reservations and Designations of Fund Equity	25
<b>NOTE B:</b>	Cash and Investments	
1.	Legal and Contractual Provisions Governing Deposits and Investments	26
2.	Disclosures Relating to Interest Rate Risk	27
3.	Disclosures Relating to Credit Rate Risk	27
4.	Concentration of Credit Risk	27
5.	Custodial Credit Risk	28
6.	Investment in Local Government Investment Pools	28-29
<b>NOTE C:</b>	Federal and State Administered Grant Receivables	29
<b>NOTE D:</b>	Changes in Long Term Liabilities	29
<b>NOTE E:</b>	Deferred Compensation Plan	29
<b>NOTE F:</b>	Transactions and Transfers	30
<b>NOTE G:</b>	Capital Assets	31-32
<b>NOTE H:</b>	Retirement Plan	33
<b>NOTE I:</b>	Commitments	33
<b>NOTE J:</b>	Contingencies	33-34

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

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

**General Statement**

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

**Summary of Significant Accounting Policies**

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

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

**1. Reporting Entity**

***Primary Government***

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

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

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

**2. Basis of Presentation**

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

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include operating or capital grants and contributions that are restricted

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

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

to meeting the operational or capital requirements of a particular program. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

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

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

General Fund—

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

Special Revenue Funds—

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

Proprietary Fund Type –

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

Enterprise Fund – accounts for charges to outside customers for full costs of services provided.

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

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

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

Fiduciary Fund Type –

Fiduciary funds are used to account for and report on assets held by a government in a trustee or agency capacity for individuals, private organizations, other governments, or other funds. These funds, known as the trust and agency fund types, include expendable trust, nonexpendable trust, pension trust, and agency funds. The Council has presented the following fiduciary fund:

Agency Fund – accounts for funds held in temporary investments on behalf of the North Texas Tollway Authority (NTTA). Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**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 assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

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

The accrual basis of accounting and flow of economic resources measurement focus are used in all proprietary fund types. Under the accrual basis of accounting, revenues are recognized when earned, and expenses (including depreciation) are recorded when the liability is incurred. Private-sector standards of accounting and financial reporting (as issued by the Financial Accounting Standards Board) issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for enterprise funds, subject to the same limitation. The Council has elected not to follow subsequent private-sector guidance.

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

---

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

a) Federal, State, and Local Grant Revenue

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

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

b) Member Government Dues

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

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

c) Local Contributed Cash

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

d) In-Kind and Contributed Services

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

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

**4. Leave Policies**

Employees eligible for leave include (1) full-time employees and (2) part-time employees that have been employed by the Council for one year and work a minimum of 20 hours per week.

During the first five years of employment, a full-time employee accrues ten (10) days of vacation leave per year. During the second five years of employment, an employee accrues fifteen (15) days per year, and after ten years of employment, twenty (20) days per year. During the first five years of employment, an eligible part-time employee accrues five (5) days of vacation leave per year, seven and one-half (7.5) days the second five years, and ten (10) days per year thereafter. The maximum of unused vacation leave a full-time and eligible part-time employee may accumulate is the number



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

of days, which the employee would accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for review in the personnel manual. The liability for accumulated vacations (\$1,148,386 at September 30, 2010) for governmental fund types, which represents normal accumulations, has been recorded. The current portion of accrued vacation pay, which would be liquidated with expendable available resources, is not material.

The Council's sick leave policy permits the accumulation of fifteen (15) sick days per year up to a maximum of 90 days for full-time employees and seven and one-half (7.5) sick days per year up to a maximum of 45 days for eligible part-time employees. Employees are not paid for unused sick days upon termination of employment. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The General Fund is typically used to liquidate the liability for governmental activities' compensated absences. Long-term accrued compensated absences are not expected to be liquidated with expendable available financial resources and are not reported in the governmental fund financial statements.

**5. Investments**

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

**6. Encumbrances**

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

**7. State Administered Grants**

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

**8. Transfers**

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

**9. Allocation of Employee Benefits and Indirect Costs**

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

---

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

**10. Transactions Between Funds**

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

**11. Capital Assets**

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

**12. Risk Management**

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

As claims arise they are submitted to and paid by TML-IRP. During 2010, the Council contributed \$78,250 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, 2010 or any of the three preceding years ending September 30<sup>th</sup>.

**13. Cash and Cash Equivalents**

Cash of all funds is pooled into a common interest-bearing 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.

**14. Nature and Purpose of Reservations and Designations of Fund Equity**

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Unreserved fund balance is for amounts that are available for appropriations.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010**

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**NOTE B - CASH AND INVESTMENTS**

GASB 40 requires the following disclosure for investments:

**1. Legal and Contractual Provisions Governing Deposits and Investments**

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

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

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

Cash and investments as of September 30, 2010 are classified in the accompanying financial statements as follows:

**Statement of net assets:**

Primary Government	
Total cash and investments	<u>\$ 90,889,336</u>

Cash and investments as of September 30, 2010 consist of the following:

Deposits with financial institutions	\$ -
Cash on hand	650
Investments	<u>90,888,686</u>
Total cash and investments	<u>\$ 90,889,336</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010**

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**NOTE B - CASH AND INVESTMENTS (continued)**

**2. Disclosures Relating to Interest Rate Risk**

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

As of September 30, 2010, NCTCOG had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity(1)</u>
TexPool	\$ 31,622,438	30 days
Logic	436	43 days
TexStar	<u>59,265,812</u>	46 days
	<u>\$ 90,888,686</u>	

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

As of September 30, 2010 NCTCOG did not invest in any securities which are highly sensitive to interest rate fluctuations.

**3. Disclosures Relating to Credit Risk**

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

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Rating Required</u>	<u>Rating as of Year End</u>
Primary Government			
TexPool	\$ 31,622,438	A	AAAm
Logic	436	A	AAAm
TexStar	<u>59,265,812</u>	A	AAAm
Total Primary Government	<u>\$ 90,888,686</u>		

**4. Concentration of Credit Risk**

The investment policy of NCTCOG contains no limitation on the amount that can be invested in any one issuer. As of September 30, 2010 other than external investment pools, NCTCOG did not have 5% or more of its investments with any one issuer.

**NOTE B - CASH AND INVESTMENTS (continued)**

**5. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and NCTCOG's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits or investment other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. At September 30, 2010, the Council's deposits had a carrying amount of \$0 and a bank ledger balance of \$1,790,361. Pledged collateral of \$3,529,354 was available to cover the uninsured available balance.

**6. Investment in Local Government Investment Pools**

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

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

**TEXSTAR:** JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TEXSTAR under an agreement with the TEXSTAR board of directors. JPMorgan Fleming Asset Management (USA), Inc. provides investment services, and First Southwest Asset Management, Inc. provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JPMorgan Chase Bank and/or its subsidiary J.P. Morgan Investor Services Co. The primary objectives of TEXSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, diversification to avoid unreasonable or avoidable risks, and yield.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

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**NOTE B - CASH AND INVESTMENTS (continued)**

**LOGIC:** The Cooperative’s governing body is a six-member Board of Directors (the “Board”) comprised of employees, officers or elected officials of participant Government Entities or individuals who do not have a business relationship with the Cooperative and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Cooperative. The Cooperative will invest only in authorized investments under the Public Funds Investment Act. Its general investment objectives are safety of principal, liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return.

**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, 2010, is presented below. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented. Compensated absences are liquidated by all governmental funds by allocating amounts based on labor hours charged to those funds. NCTCOG had a note payable with a financial institution with monthly payments of \$4,164 which included both principal and interest. The note matured July 27, 2010 with interest at 8.25%. Interest of \$3,028 was paid in 2010.

	Balance September 30, 2009	Increases	Decreases	Balance September 30, 2010	Due Within One Year
Accrued vacation	\$ 1,033,716	\$ 199,993	\$ 85,323	\$ 1,148,386	\$ 111,458
Note payable	60,957	-	60,957	-	-
Total	<u>\$ 1,094,673</u>	<u>\$ 199,993</u>	<u>\$ 146,280</u>	<u>\$ 1,148,386</u>	<u>\$ 111,458</u>

**NOTE E - DEFERRED COMPENSATION PLAN**

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

The Council also contributes to a Section 457 deferred compensation plan for part-time employees. This plan is also administered by ICMARC. Part-time employees contributed \$45,371 during 2010. The Council contributed a matching \$13,023 as the employers match, 3.75% of gross salaries. Part-time employees are 100% vested in the plan from the first contribution.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010**

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**NOTE F - TRANSACTIONS AND TRANSFERS**

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

The following is a summary of interfund transfers at September 30, 2010:

Transfers in/out other funds:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue	\$ 66,348	Recovery of depreciation
Special Revenue Fund	General Fund	84,897	Local match dollars
Special Revenue Fund	Special Revenue Fund	341,013	State funded projects/Local match
General Fund	Special Revenue Fund	<u>225,661</u>	State funded projects
	Total	<u>\$ 717,919</u>	

Due to/from other funds:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 16,532,697	\$ -
Special Revenue Fund	-	16,507,000
Enterprise Fund	89,047	-
Internal Service Fund	<u>-</u>	<u>114,744</u>
Total	<u>\$ 16,621,744</u>	<u>\$ 16,621,744</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, 2010**

**NOTE G - CAPITAL ASSETS**

**Governmental activities:**

A summary of changes in the governmental activities capital assets for the year ended September 30, 2010, follows:

	Balance at October 1, 2009	Increases	Decreases	Balance at September 30, 2010
<b>Governmental Activities</b>				
<b><u>General Capital Assets</u></b>				
<b>Capital Assets being depreciated:</b>				
Equipment	\$ 3,560,087	\$ 143,311	\$ (9,121)	\$ 3,694,277
Furniture	466,680	-	-	466,680
Leasehold Improvements	1,872,130	55,667	-	1,927,797
Total capital assets being depreciated	<u>5,898,897</u>	<u>198,978</u>	<u>(9,121)</u>	<u>6,088,754</u>
<b>Accumulated depreciation</b>				
Equipment	2,815,398	437,949	(9,121)	3,244,226
Furniture	462,055	780	-	462,835
Leasehold Improvements	1,326,452	56,023	-	1,382,475
Total accumulated depreciation	<u>4,603,905</u>	<u>494,752</u>	<u>(9,121)</u>	<u>5,089,536</u>
Total governmental funds capital assets, net	<u>1,294,992</u>	<u>(295,774)</u>	<u>-</u>	<u>999,218</u>
<b><u>Internal Service Fund Capital Assets</u></b>				
<b>Capital assets being depreciated:</b>				
Equipment	541,637	13,360	(7,200)	547,797
Furniture	1,005	-	-	1,005
Leasehold Improvements	7,378	-	-	7,378
Total capital assets being depreciated	<u>550,020</u>	<u>13,360</u>	<u>(7,200)</u>	<u>556,180</u>
<b>Accumulated depreciation</b>				
Equipment	277,919	114,434	(7,200)	385,153
Furniture	1,005	-	-	1,005
Leasehold Improvements	7,378	-	-	7,378
Total accumulated depreciation	<u>286,302</u>	<u>114,434</u>	<u>(7,200)</u>	<u>393,536</u>
Total internal service funds capital assets, net	<u>263,718</u>	<u>(101,074)</u>	<u>-</u>	<u>162,644</u>
Governmental activities capital assets, net	<u>\$ 1,558,710</u>	<u>\$ (396,848)</u>	<u>\$ -</u>	<u>\$ 1,161,862</u>



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**NOTE G - CAPITAL ASSETS (continued)**

	Balance at October 1, 2009	Increases	Decreases/ Transfers	Balance at September 30, 2010
Business Type Activities:				
<u>Capital assets being depreciated:</u>				
Equipment	\$ 7,335,034	\$ -	\$ -	\$ 7,335,034
Total capital assets being depreciated	<u>7,335,034</u>	<u>-</u>	<u>-</u>	<u>7,335,034</u>
<u>Accumulated Depreciation:</u>				
Equipment	7,335,034	-	-	7,335,034
Total accumulated depreciation	<u>7,335,034</u>	<u>-</u>	<u>-</u>	<u>7,335,034</u>
Total Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

Governmental Activities

Agency Administration	\$ 39,750
Agency Management	2,858
Community Services	70,488
Emergency Preparedness	22,866
Environment & Development	37,674
RIS Local Assistance	31,832
Transportation	247,993
Workforce Development	41,291
Internal Service Fund	<u>114,434</u>
Total Depreciation expense-governmental activities	<u>\$ 609,186</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2010**

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**NOTE H - RETIREMENT PLAN**

ICMARC administers the Council's 401(a) retirement plan. It is a defined contribution retirement plan, which provides retirement benefits for all full-time permanent employees. The Council contributed an amount (\$2,209,557) during fiscal year 2010 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Full-time employees also contributed an amount of \$1,104,779 during 2010 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$18,983,497 including \$18,599,923 payroll covered by the plan. Employees become 40 percent (40%) vested in the Council's contributions after three full years of employment. An additional 15 percent (15%) is vested for each additional full year of employment. An employee becomes fully vested after seven years of employment. The Council's retirement plan was formed under the authority of the Council Executive Board and the Executive Board has the authority to amend/or terminate the retirement plan and/or contribution requirements at any time.

**NOTE I - COMMITMENTS**

The Council entered into non-cancellable operating leases primarily for office space and equipment. Rental expenditures under all NCTCOG operating lease agreements were \$3,716,291 for 2010.

Future minimum rental payments required under operating leases for NCTCOG and its subcontractors that have initial or remaining lease terms in excess of one year as of September 30, 2010, are as follows:

<u>Year Ending September 30</u>	
2011	\$ 3,904,350
2012	3,802,693
2013	3,517,654
2014	3,346,252
2015	3,125,342
Thereafter (2016-2022)	<u>19,059,639</u>
	<u>\$ 36,755,930</u>

**NOTE J - CONTINGENCIES**

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

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

For the year ended September 30, 2010, agency costs of various amounts were disbursed for which the audits have not been received. Based on prior experience, management believes that the Council will not incur significant losses from possible grant disallowances.

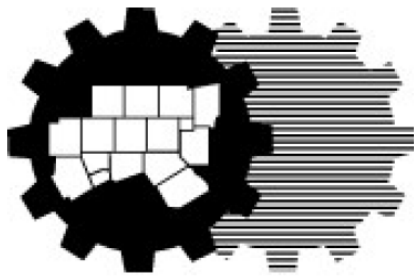
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

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**NOTE J – CONTINGENCIES (continued)**

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

**REQUIRED  
SUPPLEMENTAL  
INFORMATION**



**North Central Texas  
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
BUDGETARY COMPARISON  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget Basis Actual</u>	<u>Variance with Final Budget (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Member dues	\$ 655,135	\$ 655,135	\$ 654,835	\$ (300)
Local contributed cash	365,990	365,990	354,613	(11,377)
Interest income	54,000	54,000	15,106	(38,894)
Total revenues	<u>1,075,125</u>	<u>1,075,125</u>	<u>1,024,554</u>	<u>(50,571)</u>
<b>EXPENDITURES</b>				
Current:				
Agency administration	3,284,947	3,284,947	3,177,557	107,390
Agency management	662,881	662,881	611,431	51,450
Public affairs	404,318	404,318	340,484	63,834
RIS local assistance	776,376	626,376	574,710	51,666
Community services	343,490	343,490	309,294	34,196
Environmental & development	90,000	90,000	75,710	14,290
Transportation	20,000	20,000	27,768	(7,768)
Total current expenditures	<u>5,582,012</u>	<u>5,432,012</u>	<u>5,116,954</u>	<u>315,058</u>
Indirect cost allocation	(3,815,230)	(3,815,230)	(3,614,978)	(200,252)
Contributions to indirect costs	<u>(392,433)</u>	<u>(392,433)</u>	<u>(380,116)</u>	<u>(12,317)</u>
Total expenditures	<u>1,374,349</u>	<u>1,224,349</u>	<u>1,121,860</u>	<u>102,489</u>
Excess (deficiencies) of revenues Over/(under) expenditures	<u>(299,224)</u>	<u>(149,224)</u>	<u>(97,306)</u>	<u>51,918</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	299,224	245,224	292,009	46,785
Transfers out	-	-	(84,897)	(84,897)
Charge for use of assets	100,000	100,000	68,916	(31,084)
Indirect allocation to Special Revenue Fund	<u>(96,000)</u>	<u>(96,000)</u>	<u>(66,348)</u>	<u>29,652</u>
Total other financing sources	<u>303,224</u>	<u>249,224</u>	<u>209,680</u>	<u>(39,544)</u>
Net changes in fund balances	4,000	100,000	112,374	12,374
Fund balances - beginning	4,887,567	4,887,567	4,887,567	-
Fund balances - ending	<u>\$ 4,891,567</u>	<u>\$ 4,987,567</u>	<u>\$ 4,999,941</u>	<u>\$ 12,374</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
SEPTEMBER 30, 2010**

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**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 Revenue, Expenditures, and Changes in Fund Balance - Governmental Fund, prepared in accordance with accounting principles generally accepted in the United States (GAAP), does not include equipment usage charge.

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

<u>General Fund</u>	
Total Net Expenditures (GAAP Basis)	\$ 1,119,292
Plus Charge for use of assets	68,916
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(66,348)</u>
Total Expenditures (Budget Basis)	<u>\$ 1,121,860</u>
Total Other Sources (GAAP Basis)	\$ 207,112
Plus Charge for use of assets	68,916
Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund	<u>(66,348)</u>
Total Other Sources (Budget Basis)	<u>\$ 209,680</u>

**NOTE B: BUDGETARY CONTROLS**

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

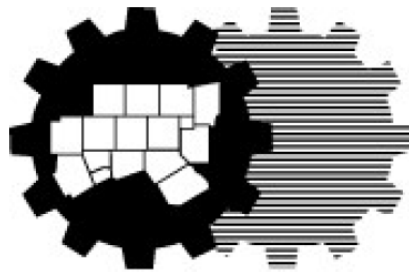
- a) Prior to October 1, the Executive Director submits to the Executive Board a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Prior to October 1, the Executive Board formally approves the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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
SEPTEMBER 30, 2010**

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- 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**

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

Such schedules include:

- Combining Schedules- Federal, State and Locally Administered Grant Funds
- Statement of Changes in Assets and Liabilities – Agency Fund
- Schedule of Indirect Cost (Budget Basis)
- Schedule of Employee Benefits
- Texas Local Government Code Chapter 391 Indirect Cost Limitations Test
- Capital Assets:

By Source  
By Function and Activity  
Changes by Function and Activity

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 FEDERAL, STATE AND LOCALLY ADMINISTERED GRANTS  
 YEAR ENDED SEPTEMBER 30, 2010**

	<u>Federal Funds Total</u>	<u>State and Locally Administered Total</u>	<u>Combined Total</u>
<b>REVENUES</b>			
Federal grants	\$ 12,842,963	\$ -	\$ 12,842,963
State administered grants	-	123,357,424	123,357,424
Local contributions	178,969	6,709,088	6,888,057
In-Kind	8,048,130	7,007,397	15,055,527
Program income	-	341,782	341,782
Interest income	-	391,510	391,510
<b>TOTAL REVENUES</b>	<u>21,070,062</u>	<u>137,807,201</u>	<u>158,877,263</u>
<b>EXPENDITURES</b>			
Current:			
Agency administration	103,757	2,529,312	2,633,069
Agency management	-	168	168
Community services	72,754	20,531,387	20,604,141
Emergency preparedness	-	2,917,966	2,917,966
Environment & development	155,445	4,611,192	4,766,637
Research & information services	4,428	2,110,561	2,114,989
Transportation	20,164,636	56,919,923	77,084,559
Workforce development	655,221	58,636,247	59,291,468
Capital Outlay	-	198,978	198,978
<b>TOTAL EXPENDITURES</b>	<u>21,156,241</u>	<u>148,455,734</u>	<u>169,611,975</u>
<b>DEFICIENCIES OF REVENUES UNDER EXPENDITURES</b>	<u>(86,179)</u>	<u>(10,648,533)</u>	<u>(10,734,712)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	88,461	337,449	425,910
Transfers Out	(2,282)	(630,740)	(633,022)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>86,179</u>	<u>(293,291)</u>	<u>(207,112)</u>
<b>DEFICIENCIES OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING USES</b>	-	(10,941,824)	(10,941,824)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>-</u>	<u>38,964,667</u>	<u>38,964,667</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 28,022,843</u>	<u>\$ 28,022,843</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 FEDERAL GRANTS  
 YEAR ENDED SEPTEMBER 30, 2010**

	Federal Funds								TOTAL
	DOE	EPA	FTA	FAA	DOL	DOD	FHA	DOJ	
<b>REVENUES</b>									
Federal grants	\$4,263,663	\$4,091,315	\$3,023,847	\$571,324	\$663,186	\$67,612	\$88,461	\$73,555	\$12,842,963
State administered grants	-	-	-	-	-	-	-	-	-
Local contributions	5,025	-	143,874	30,070	-	-	-	-	178,969
In-Kind	7,006,782	(7,946)	1,026,442	-	-	22,852	-	-	8,048,130
Program income	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>11,275,470</b>	<b>4,083,369</b>	<b>4,194,163</b>	<b>601,394</b>	<b>663,186</b>	<b>90,464</b>	<b>88,461</b>	<b>73,555</b>	<b>21,070,062</b>
<b>EXPENDITURES</b>									
Current:									
Agency administration	788	119	70,913	16,447	3,967	4,475	6,249	799	103,757
Agency management	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	72,754	72,754
Emergency preparedness	-	-	-	-	-	-	-	-	-
Environment & development	-	-	-	-	-	-	155,445	-	155,445
Research & information services	-	426	-	-	3,806	53	143	-	4,428
Transportation	11,274,503	4,082,701	4,122,569	584,424	-	85,786	14,653	-	20,164,636
Workforce development	-	-	-	-	655,221	-	-	-	655,221
Capital Outlay	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>11,275,291</b>	<b>4,083,246</b>	<b>4,193,482</b>	<b>600,871</b>	<b>662,994</b>	<b>90,314</b>	<b>176,490</b>	<b>73,553</b>	<b>21,156,241</b>
<b>EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>179</b>	<b>123</b>	<b>681</b>	<b>523</b>	<b>192</b>	<b>150</b>	<b>(88,029)</b>	<b>2</b>	<b>(86,179)</b>
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	-	-	-	-	-	88,461	-	88,461
Transfers out	(179)	(123)	(681)	(523)	(192)	(150)	(432)	(2)	(2,282)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(179)</b>	<b>(123)</b>	<b>(681)</b>	<b>(523)</b>	<b>(192)</b>	<b>(150)</b>	<b>88,029</b>	<b>(2)</b>	<b>86,179</b>
<b>EXCESS/DEFICIENCIES OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
STATE AND LOCALLY ADMINISTERED FUNDS  
YEAR ENDED SEPTEMBER 30, 2010**

	State and Locally Administered Funds						
	CJD	CSEC	LOCAL		TDRA	TCEQ	
			Transportation	Other		Transportation	Other
<b>REVENUES</b>							
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State administered grants	1,874,859	6,315,496	-	-	21,361	30,031,110	1,551,459
Local contributions	380,696	-	1,061,094	4,588,688	-	65,314	-
In-Kind	-	-	694,633	-	-	-	-
Program income	-	-	-	-	-	-	-
Interest income	-	1,833	110,943	54	-	256,828	2,177
<b>TOTAL REVENUES</b>	<b>2,255,555</b>	<b>6,317,329</b>	<b>1,866,670</b>	<b>4,588,742</b>	<b>21,361</b>	<b>30,353,252</b>	<b>1,553,636</b>
<b>EXPENDITURES</b>							
Current:							
Agency administration	25,783	75,375	346,152	1,119,359	267	95,288	18,565
Agency management	-	-	-	168	-	-	-
Community services	1,694,568	6,150,763	-	83,132	-	-	-
Emergency preparedness	-	-	-	89,279	-	-	-
Environment & development	-	-	153,598	2,848,453	21,043	-	1,587,931
Research & information services	1,494	133	5,652	534,001	-	-	(116)
Transportation	-	-	11,748,489	-	-	30,878,646	-
Workforce development	-	-	-	21,873	-	-	-
Capital Outlay	12,000	87,182	-	5,995	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,733,845</b>	<b>6,313,453</b>	<b>12,253,891</b>	<b>4,702,260</b>	<b>21,310</b>	<b>30,973,934</b>	<b>1,606,380</b>
<b>EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>521,710</b>	<b>3,876</b>	<b>(10,387,221)</b>	<b>(113,518)</b>	<b>51</b>	<b>(620,682)</b>	<b>(52,744)</b>
<b>OTHER FINANCING SOURCES</b>							
Transfers in	-	-	-	235,475	-	1	11,602
Transfers out	(448,594)	(3,876)	(4,514)	(95,994)	(51)	(4,505)	(2,623)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(448,594)</b>	<b>(3,876)</b>	<b>(4,514)</b>	<b>139,481</b>	<b>(51)</b>	<b>(4,504)</b>	<b>8,979</b>
<b>EXCESS/DEFICIENCIES OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>73,116</b>	<b>-</b>	<b>(10,391,735)</b>	<b>25,963</b>	<b>-</b>	<b>(625,186)</b>	<b>(43,765)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>38,113,249</b>	<b>108,815</b>	<b>-</b>	<b>695,070</b>	<b>46,260</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 73,116</b>	<b>\$ -</b>	<b>\$ 27,721,514</b>	<b>\$ 134,778</b>	<b>\$ -</b>	<b>\$ 69,884</b>	<b>\$ 2,495</b>

TDH	DADS	GDEM	TWC	TVC	TXDOT	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
487,761	6,745,360	3,962,828	57,612,033	164,328	14,590,829	123,357,424
-	109,150	-	-	-	504,146	6,709,088
-	3,935,666	-	2,424,104	-	(47,006)	7,007,397
-	341,782	-	-	-	-	341,782
-	-	-	-	-	19,675	391,510
<u>487,761</u>	<u>11,131,958</u>	<u>3,962,828</u>	<u>60,036,137</u>	<u>164,328</u>	<u>15,067,644</u>	<u>137,807,201</u>
6,225	135,818	73,160	468,704	-	164,616	2,529,312
-	-	-	-	-	-	168
-	10,992,894	1,544,533	-	-	65,497	20,531,387
449,716	-	2,378,971	-	-	-	2,917,966
-	-	167	-	-	-	4,611,192
857	334	25,910	1,043,086	-	499,210	2,110,561
-	-	-	174	-	14,292,614	56,919,923
-	-	-	58,450,046	164,328	-	58,636,247
-	-	27,223	66,578	-	-	198,978
<u>456,798</u>	<u>11,129,046</u>	<u>4,049,964</u>	<u>60,028,588</u>	<u>164,328</u>	<u>15,021,937</u>	<u>148,455,734</u>
<u>30,963</u>	<u>2,912</u>	<u>(87,136)</u>	<u>7,549</u>	<u>-</u>	<u>45,707</u>	<u>(10,648,533)</u>
1	-	90,370	-	-	-	337,449
(30,964)	(2,912)	(3,234)	(7,549)	-	(25,924)	(630,740)
<u>(30,963)</u>	<u>(2,912)</u>	<u>87,136</u>	<u>(7,549)</u>	<u>-</u>	<u>(25,924)</u>	<u>(293,291)</u>
-	-	-	-	-	19,783	(10,941,824)
-	-	-	-	-	1,273	38,964,667
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,056</u>	<u>\$ 28,022,843</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES – AGENCY FUND  
YEAR ENDED SEPTEMBER 30, 2010**

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	<u>Balance September 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<b>Assets</b>				
Temporary investments	\$ -	\$ 200,110,812	\$ -	\$ 200,110,812
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 200,110,812</u>	<u>\$ -</u>	<u>\$ 200,110,812</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 200,110,812	\$ -	\$ 200,110,812
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ 200,110,812</u>	<u>\$ -</u>	<u>\$ 200,110,812</u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2010**

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	<u>Actual</u>	<u>Budget</u>
Salaries	\$ 1,616,090	\$ 1,793,380
Benefits	<u>639,784</u>	<u>724,407</u>
Indirect personnel	2,255,874	2,517,787
Legal	20,582	5,000
Audit	88,000	83,000
Contract services	267,871	194,995
In-region travel	3,019	4,894
Out-of-region travel	18,152	15,150
Equipment use fee	68,916	100,000
Consumable supplies	88,649	116,986
Insurance & bonding	28,217	45,000
Rent	405,626	449,767
Printing & publications	40,949	53,000
Equipment rental	206,121	232,000
Advertising	1,266	2,000
Maintenance & repairs	163,138	94,445
Employee recruitment	8,463	5,016
Communications	17,741	42,792
Postage	16,908	11,074
Subscriptions & dues	111,538	78,729
Other	<u>184,064</u>	<u>156,028</u>
 TOTAL	 3,995,094	 4,207,663
 Less: Contributions to Indirect costs	 <u>(380,116)</u>	 <u>(392,433)</u>
 NET INDIRECT COSTS	 <u>\$ 3,614,978</u>	 <u>\$ 3,815,230</u>
 Indirect costs rate computations:		
Net indirect costs	\$ <u>3,614,978</u>	\$ <u>3,815,230</u>
Direct salaries & benefits - all funds	\$ 20,951,076 = 17.25%	\$ 21,551,098 = 17.70%



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EMPLOYEE BENEFITS ALL FUNDS  
YEAR ENDED SEPTEMBER 30, 2010**

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<b>Full Time Benefits Programs</b>	<u><b>Actual</b></u>	<u><b>Projected</b></u>
Medicare insurance	\$ 253,865	\$ 266,905
Medical insurance	1,878,477	1,867,938
Worker's compensation	29,389	84,673
Flexible benefit plan	6,830	6,873
Life & disability insurance	131,940	132,752
Other benefits	70,143	120,000
Unemployment insurance	61,340	13,185
Retirement	1,952,128	2,011,896
Vacation	845,485	877,384
Sick leave	535,877	565,726
Holiday leave	731,234	693,981
Other leave	<u>111,290</u>	<u>47,694</u>
<b>TOTAL</b>	<u><u>\$ 6,607,998</u></u>	<u><u>\$ 6,689,007</u></u>

Employee benefits rate computations:

Total full-time benefits	<u>\$ 6,607,998</u>	<u>\$ 6,689,007</u>
Total regular salaries	\$ 16,495,891 = 40.06%	\$ 16,158,659 = 41.40%

Total personnel costs recap:

Salaries	\$ 16,495,891	\$ 16,158,659
Benefits	<u>6,607,998</u>	<u>6,689,007</u>
<b>Personnel - NCTCOG</b>	<u><u>\$ 23,103,889</u></u>	<u><u>\$ 22,847,666</u></u>

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST LIMITATIONS TEST  
 FISCAL YEAR 2010 ACTUAL  
 OCTOBER 1, 2009 - SEPTEMBER 30, 2010**

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<b>Total Indirect Costs</b>	<b>\$ 3,614,978</b>		
<b>Expenditures:</b>			
General Fund	5,114,386		
Special Revenue Fund	169,611,975		
Proprietary Fund	1,987,466		
Enterprise Fund	1,501,791		
Interdepartmental Transfers for Direct Charges and Indirect Costs	<u>( 5,163,510)</u>		
<b>Total Expenditures</b>	173,052,108	=	<b>2.1%</b>
<b>Less:</b>			
Pass-Through Funds <sup>(1)</sup>	( 70,967,307)		
In-Kind Expenditures	( 15,317,912)		
Contract Services	( 29,827,684)		
Capital Expenditures	<u>( 198,978)</u>		
<b>Adjusted Expenditures</b>	56,740,227	=	<b>6.4%</b>

<sup>(1)</sup> 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, 2010**

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	<u>Totals</u>
<b>CAPITAL ASSETS</b>	
Equipment	\$ 11,577,108
Furniture	467,685
Leasehold Improvements	<u>1,935,175</u>
Total Capital Assets	<u>\$ 13,979,968</u>
<b>SOURCES</b>	
NCTCOG	
Equipment	\$ 9,874,128
Furniture	94,147
Leasehold Improvements	<u>600,898</u>
	10,569,173
GRANT FUNDED	
Equipment	1,702,980
Furniture	373,538
Leasehold Improvements	<u>1,334,277</u>
	3,410,795
Less: Internal Service Fund Assets	556,180
Less: Enterprise Fund	<u>7,335,034</u>
Total General Capital Assets	<u>\$ 6,088,754</u>

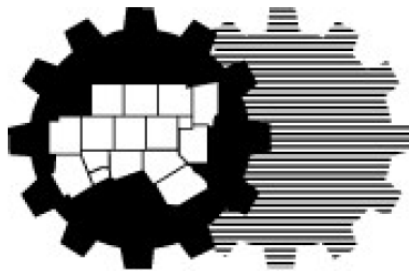
**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
AS OF SEPTEMBER 30, 2010**

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<b>CAPITAL ASSETS</b>	<u><b>Totals</b></u>
Local Assistance	\$ 1,188,120
Transportation Planning-TxDOT	617,517
Regional Information Services	1,264,710
Environmental Resources	99,054
Emergency Preparedness	215,893
Workforce Development	2,659,095
Community Services	600,545
Enterprise Fund	<u>7,335,034</u>
 Total Capital Assets	 13,979,968
 Less: Internal Service Fund	 556,180
Less: Enterprise Fund	<u>7,335,034</u>
 Total General Capital Assets	 \$ <u><u>6,088,754</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
AS OF SEPTEMBER 30, 2010**

	<u>2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>2010</u>
<b>CAPITAL ASSETS</b>				
Local assistance	\$ 1,185,086	\$ 19,355	\$ 16,321	\$ 1,188,120
Transportation planning-TxDOT	617,517	-	-	617,517
Regional information services	1,264,710	-	-	1,264,710
Environmental resources	99,054	-	-	99,054
Emergency preparedness	188,670	27,223	-	215,893
Workforce development	2,592,517	66,578	-	2,659,095
Community services	501,363	99,182	-	600,545
Enterprise fund	<u>7,335,034</u>	<u>-</u>	<u>-</u>	<u>7,335,034</u>
 Total capital assets	 13,783,951	 212,338	 16,321	 13,979,968
 Less: Internal service fund	 550,020	 13,360	 7,200	 556,180
Less: Enterprise fund	<u>7,335,034</u>	<u>-</u>	<u>-</u>	<u>7,335,034</u>
 Total General Capital Assets	 <u>\$ 5,898,897</u>	 <u>\$ 198,978</u>	 <u>\$ 9,121</u>	 <u>\$ 6,088,754</u>



**North Central Texas  
Council of Governments**



# Statistical Section

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Table #s</u></b>
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the Council's financial performance and well-being have changed over time.	<b>1, 2, 3 &amp; 4</b>
<b>Revenue Capacity</b> These tables are to contain information to help the reader assess the Council's most significant local revenue sources.	<b>5</b>
<b>Debt Capacity</b> These tables are to present information to help the reader assess the affordability of the Council's current levels of outstanding debt.	<b>6</b>
<b>Economic and Demographic Information</b> These tables offer economic and demographic indicators to help the reader understand the environment within which the Council's financial activities take place.	<b>7 &amp; 8</b>
<b>Operating Information</b> These tables contain service and infrastructure data to help the reader understand how the information in the Council's financial report relates to the services the Council provides.	<b>9, 10 &amp; 11</b>

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



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

	<b>Fiscal Year</b>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 1,161,862	\$ 1,497,753	\$ 1,255,488
Restricted	27,942,962	38,909,613	53,519,795
Unrestricted	<u>3,816,701</u>	<u>3,646,310</u>	<u>3,776,966</u>
Total governmental activities net assets	<u>\$ 32,921,525</u>	<u>\$ 44,053,676</u>	<u>\$ 58,552,249</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 1,217,307
Unrestricted	<u>90,141</u>	<u>67,345</u>	<u>128,515</u>
Total business-type activities net assets	<u>\$ 90,141</u>	<u>\$ 67,345</u>	<u>\$ 1,345,822</u>
Primary government			
Invested in capital assets, net of related debt	\$ 1,161,862	\$ 1,497,753	\$ 2,472,795
Restricted	27,942,962	38,909,613	53,519,795
Unrestricted	<u>3,906,842</u>	<u>3,713,655</u>	<u>3,905,481</u>
Total primary governmental net assets	<u>\$ 33,011,666</u>	<u>\$ 44,121,021</u>	<u>\$ 59,898,071</u>

**Source:** Comprehensive Annual Financial Report

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

TABLE 1

Fiscal Year				
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 484,470	\$ 498,220	\$ 546,788	\$ 778,657	\$ 1,170,815
40,565,985	202,931	144,383	127,788	78,233
<u>3,254,971</u>	<u>2,900,375</u>	<u>2,729,099</u>	<u>2,418,801</u>	<u>2,231,218</u>
<u><u>\$ 44,305,426</u></u>	<u><u>\$ 3,601,526</u></u>	<u><u>\$ 3,420,270</u></u>	<u><u>\$ 3,325,246</u></u>	<u><u>\$ 3,480,266</u></u>
\$ 3,759,091	\$ 6,527,148	\$ -	\$ -	\$ -
(94,171)	108,308	-	-	-
<u>\$ 3,664,920</u>	<u>\$ 6,635,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,243,561	\$ 7,025,368	\$ 546,788	\$ 778,657	\$ 1,170,815
40,565,985	202,931	144,383	127,788	78,233
<u>3,160,800</u>	<u>3,008,683</u>	<u>2,729,099</u>	<u>2,418,801</u>	<u>2,231,218</u>
<u><u>\$ 47,970,346</u></u>	<u><u>\$ 10,236,982</u></u>	<u><u>\$ 3,420,270</u></u>	<u><u>\$ 3,325,246</u></u>	<u><u>\$ 3,480,266</u></u>

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
CHANGE IN NET ASSETS, LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2010	2009	2008	2007
<b>Expenses</b>				
Governmental activities:				
Agency administration	\$ 5,227,937	\$ 5,269,854	\$ 5,355,259	\$ 4,802,438
Agency management	776,145	853,457	571,395	558,360
Community services	20,488,403	22,490,067	19,668,658	14,732,789
Emergency preparedness	2,781,337	2,435,347	4,461,768	6,766,770
Environment and development	4,614,671	5,709,613	4,343,873	5,520,315
RIS local assistance	2,487,667	3,486,236	2,979,893	2,227,484
Transportation	75,614,317	63,238,757	59,886,873	47,265,285
Workforce development	59,043,491	53,269,187	48,193,206	49,917,806
Total governmental activities expenses	<u>171,033,968</u>	<u>156,752,518</u>	<u>145,460,925</u>	<u>131,791,247</u>
Business-type activities:				
Shared service center	1,987,466	2,861,816	4,023,843	4,484,126
Total business-type activities expenses	<u>1,987,466</u>	<u>2,861,816</u>	<u>4,023,843</u>	<u>4,484,126</u>
Total primary government expenses	<u>\$ 173,021,434</u>	<u>\$ 159,614,334</u>	<u>\$ 149,484,768</u>	<u>\$ 136,275,373</u>
<b>Program Revenues</b>				
Governmental activities:				
Operating grants:				
Agency administration	\$ 123,814	\$ 100,626	\$ 78,732	\$ 829,212
Community services	15,802,837	17,634,359	14,759,657	10,043,056
Emergency preparedness	3,087,356	2,262,037	4,547,830	6,846,840
Environment and development	1,795,328	4,353,732	1,943,294	2,430,434
RIS local assistance	158,382	200,903	159,905	1,115,696
Transportation	56,793,123	42,882,386	46,223,986	29,793,889
Workforce development	58,439,547	51,946,951	50,814,449	51,347,719
Local grants and contributions	22,639,979	21,644,684	38,238,325	66,241,118
Total governmental activities program revenues	<u>158,840,366</u>	<u>141,025,678</u>	<u>156,766,178</u>	<u>168,647,964</u>
Business-type activities:				
Charges for services:				
Shared services	2,010,262	1,583,339	1,704,745	1,513,590
Total business-type activities program revenues	<u>2,010,262</u>	<u>1,583,339</u>	<u>1,704,745</u>	<u>1,513,590</u>
Total primary government program revenues	<u>\$ 160,850,628</u>	<u>\$ 142,609,017</u>	<u>\$ 158,470,923</u>	<u>\$ 170,161,554</u>
<b>Net (Expenses) Revenue</b>				
Governmental activities	\$ (12,193,602)	\$ (15,726,840)	\$ 11,305,253	\$ 36,856,717
Business-type activities	22,796	(1,278,477)	(2,319,098)	(2,970,536)
Total primary government net expenses	<u>\$ (12,170,806)</u>	<u>\$ (17,005,317)</u>	<u>\$ 8,986,155</u>	<u>\$ 33,886,181</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Membership fees	\$ 654,835	\$ 645,519	\$ 632,215	\$ 617,503
Interest on investments	406,616	582,748	2,308,855	3,230,180
Total governmental activities	<u>1,061,451</u>	<u>1,228,267</u>	<u>2,941,070</u>	<u>3,847,683</u>
Total primary government	<u>\$ 1,061,451</u>	<u>\$ 1,228,267</u>	<u>\$ 2,941,070</u>	<u>\$ 3,847,683</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ (11,132,151)	\$ (14,498,573)	\$ 14,246,323	\$ 40,704,400
Business-type activities	22,796	(1,278,477)	(2,319,098)	(2,970,536)
Total primary government	<u>\$ (11,109,355)</u>	<u>\$ (15,777,050)</u>	<u>\$ 11,927,225</u>	<u>\$ 37,733,864</u>

**Source:** Comprehensive Annual Financial Report

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

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

TABLE 2

Fiscal Year			
2006	2005	2004	2003
\$ 3,655,700	\$ 2,909,373	\$ 2,861,274	\$ 2,487,596
610,618	947,451	497,792	916,839
15,019,016	13,912,338	12,957,865	15,282,979
1,129,860	1,090,853	643,622	619,612
2,960,701	5,607,103	2,819,256	5,936,010
2,279,069	2,987,476	2,368,924	2,088,881
14,443,094	12,346,155	11,292,631	9,988,282
44,205,070	43,430,365	37,823,520	36,598,887
<u>84,303,128</u>	<u>83,231,114</u>	<u>71,264,884</u>	<u>73,919,086</u>
2,094,538	114,631	-	-
<u>2,094,538</u>	<u>114,631</u>	<u>-</u>	<u>-</u>
<u>\$ 86,397,666</u>	<u>\$ 83,345,745</u>	<u>\$ 71,264,884</u>	<u>\$ 73,919,086</u>
\$ 770,046	\$ 133,036	\$ 65,024	\$ 112,698
10,341,041	9,827,308	8,816,107	9,386,376
1,140,891	1,157,462	737,276	573,179
1,920,421	3,942,280	1,615,441	4,398,181
1,405,433	13,906	10,896	782,422
13,173,525	13,040,326	11,838,046	9,984,918
45,422,270	44,466,690	38,717,710	36,774,830
9,393,181	9,871,427	8,633,446	8,422,831
<u>83,566,808</u>	<u>82,452,435</u>	<u>70,433,946</u>	<u>70,435,435</u>
8,729,994	114,631	-	-
<u>8,729,994</u>	<u>114,631</u>	<u>-</u>	<u>-</u>
<u>\$ 92,296,802</u>	<u>\$ 82,567,066</u>	<u>\$ 70,433,946</u>	<u>\$ 70,435,435</u>
\$ (736,320)	\$ (778,679)	\$ (830,938)	\$ (3,483,651)
6,635,456	-	-	-
<u>\$ 5,899,136</u>	<u>\$ (778,679)</u>	<u>\$ (830,938)</u>	<u>\$ (3,483,651)</u>
\$ 595,578	\$ 579,019	\$ 567,314	\$ 553,086
321,998	294,684	108,604	84,930
<u>917,576</u>	<u>873,703</u>	<u>675,918</u>	<u>638,016</u>
<u>\$ 917,576</u>	<u>\$ 873,703</u>	<u>\$ 675,918</u>	<u>\$ 638,016</u>
\$ 181,256	\$ 95,024	\$ (155,020)	\$ (2,845,635)
6,635,456	-	-	-
<u>\$ 6,816,712</u>	<u>\$ 95,024</u>	<u>\$ (155,020)</u>	<u>\$ (2,845,635)</u>

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

	<b>Fiscal Year</b>			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved <sup>a</sup>	\$ 10,946	\$ 3,158	\$ 13,322	\$ 15,555
Unreserved	4,988,995	4,884,409	4,708,103	4,256,017
Total general fund	<u>\$ 4,999,941</u>	<u>\$ 4,887,567</u>	<u>\$ 4,721,425</u>	<u>\$ 4,271,572</u>
All Other Governmental Funds				
Reserved for:				
Prepaid items	\$ 79,881	\$ 55,054	\$ 47,588	\$ 48,359
Grants	221,448	796,364	645,283	437,221
Local transportation projects	27,721,514	38,113,249	52,874,512	40,148,643
Unreserved, reported in:				
Special revenue funds	-	-	-	(66,059)
Total all other governmental funds	<u>\$ 28,022,843</u>	<u>\$ 38,964,667</u>	<u>\$ 53,567,383</u>	<u>\$ 40,568,164</u>

**Source:** Comprehensive Annual Financial Report

**Notes:** <sup>a</sup>Includes encumbrances and prepaid items.

**TABLE 3**

<b>Fiscal Year</b>					
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 142,193	\$ 169,310	\$ -	\$ -	\$ 134,585	\$ 30,804
3,612,647	3,309,101	3,126,462	2,937,911	2,738,289	3,014,330
<u>\$ 3,754,840</u>	<u>\$ 3,478,411</u>	<u>\$ 3,126,462</u>	<u>\$ 2,937,911</u>	<u>\$ 2,872,874</u>	<u>\$ 3,045,134</u>
\$ 51,762	\$ 42,122	\$ -	\$ -	\$ -	\$ -
104,684	102,261	127,788	78,233	2,823,466	3,264,377
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 156,446</u>	<u>\$ 144,383</u>	<u>\$ 127,788</u>	<u>\$ 78,233</u>	<u>\$ 2,823,466</u>	<u>\$ 3,264,377</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>				
Federal grants	\$ 12,842,963	\$ 3,391,827	\$ 4,796,333	\$ 2,130,761
State administered grants	123,357,424	115,989,167	113,731,520	100,276,085
Membership dues	654,835	645,519	632,215	617,503
Local contributed cash	7,242,670	9,694,057	26,908,819	44,262,299
Interest income	406,616	582,748	2,308,855	3,230,180
Program income	341,782	445,038	436,305	463,927
In-Kind	15,055,527	11,505,589	10,893,201	21,514,892
<b>TOTAL REVENUES</b>	<u>159,901,817</u>	<u>142,253,945</u>	<u>159,707,248</u>	<u>172,495,647</u>
<b>EXPENDITURES</b>				
Current:				
Agency administration	6,149,666	6,239,753	5,380,601	4,780,155
Agency management	611,201	617,456	580,135	569,182
Community services	20,913,065	22,810,881	20,020,526	15,051,041
Emergency preparedness	2,919,321	2,555,857	4,527,038	6,892,294
Environment & development	4,842,179	5,906,678	4,380,767	5,612,603
Research & information services	2,688,156	3,660,746	3,000,855	2,215,495
Transportation	77,112,327	64,537,300	60,937,748	48,098,352
Workforce development	59,291,468	53,457,071	49,234,539	51,333,120
Capital outlay	198,978	614,578	1,423,653	374,854
	<u>174,726,361</u>	<u>160,400,320</u>	<u>149,485,862</u>	<u>134,927,096</u>
Indirect cost allocation	(3,614,978)	(3,359,333)	(2,860,926)	(2,872,021)
Contributions to indirect costs	(380,116)	(378,949)	(366,759)	(363,527)
<b>TOTAL EXPENDITURES</b>	<u>170,731,267</u>	<u>156,662,038</u>	<u>146,258,177</u>	<u>131,691,548</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(10,829,450)	(14,408,093)	13,449,071	40,804,099
<b>OTHER FINANCING SOURCES AND USES</b>				
Capital-related debt issued (note payable)	-	-	-	149,887
Transfers In	717,919	1,058,306	627,426	314,725
Transfers out	(717,919)	(1,086,787)	(627,426)	(340,564)
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>\$(10,829,450)</u></u>	<u><u>\$(14,436,574)</u></u>	<u><u>\$ 13,449,071</u></u>	<u><u>\$ 40,928,147</u></u>

TABLE 4

FISCAL YEAR					
2006	2005	2004	2003	2002	2001
\$ 695,214	\$ 311,125	\$ 232,407	\$ 378,586	\$ 1,765,186	\$ 2,199,292
73,478,413	72,269,883	61,568,093	61,634,018	50,873,075	48,977,462
595,578	579,019	567,314	553,086	539,995	508,392
4,342,999	5,383,009	4,824,658	4,917,753	5,578,536	4,910,006
321,998	294,684	108,604	84,930	101,801	324,094
484,339	554,216	557,649	534,160	693,601	542,852
4,565,843	3,934,202	3,251,139	2,970,918	3,558,333	4,385,481
<u>84,484,384</u>	<u>83,326,138</u>	<u>71,109,864</u>	<u>71,073,451</u>	<u>63,110,527</u>	<u>61,847,579</u>
3,681,798	3,301,741	2,586,675	3,641,730	3,143,333	2,236,337
636,145	959,325	1,399,249	-	-	-
15,442,386	14,097,463	13,070,752	15,447,933	12,087,518	12,073,043
1,144,842	1,144,296	687,678	659,611	37,212	-
3,020,890	5,774,954	3,024,371	6,089,303	2,968,300	6,096,092
2,323,786	3,119,094	2,525,289	2,229,493	2,067,410	1,540,746
14,761,367	12,949,745	11,831,488	10,518,459	8,600,465	8,727,264
45,410,697	43,633,788	37,847,555	36,777,116	36,078,866	32,967,594
201,959	348,945	237,546	669,279	620,857	871,219
<u>86,623,870</u>	<u>85,329,351</u>	<u>73,210,603</u>	<u>76,032,924</u>	<u>65,603,961</u>	<u>64,512,295</u>
(2,160,816)	(2,186,536)	(2,118,195)	(2,080,034)	(1,677,193)	(1,592,186)
(352,543)	(279,397)	(250,015)	(204,381)	(212,639)	(201,521)
<u>84,110,511</u>	<u>82,863,418</u>	<u>70,842,393</u>	<u>73,748,509</u>	<u>63,714,129</u>	<u>62,718,588</u>
373,873	462,720	267,471	(2,675,058)	(603,602)	(871,009)
-	-	-	-	-	-
218,893	330,534	295,458	216,998	547,427	301,154
(303,970)	(424,710)	(324,823)	(222,136)	(556,997)	(316,222)
<u>\$ 288,796</u>	<u>\$ 368,544</u>	<u>\$ 238,106</u>	<u>\$ (2,680,196)</u>	<u>\$ (613,172)</u>	<u>\$ (886,077)</u>



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

<u>Fiscal Year</u>	<u>LOCAL</u>					<u>TOTAL</u>
	<u>MemberDues</u>	<u>Interest (1)</u>	<u>Contributions (1)</u>	<u>In-Kind</u>	<u>Program</u>	
2010	\$ 654,835	\$ 406,616	\$ 7,242,670	\$ 15,055,527	\$ 341,782	\$ 23,701,430
2009	645,519	582,748	9,694,057	11,505,589	445,038	22,872,951
2008	632,215	2,308,855	26,908,819	10,893,201	436,305	41,179,395
2007	617,503	3,230,180	44,262,299	21,514,892	463,927	70,088,801
2006	595,578	321,998	4,342,999	4,565,843	484,339	10,310,757
2005	579,019	294,684	5,383,009	3,934,202	554,216	10,745,130
2004	567,314	108,604	4,824,658	3,251,139	557,649	9,309,364
2003	553,086	84,930	4,917,753	2,970,918	534,160	9,060,847
2002	539,995	101,801	5,578,536	3,558,333	693,601	10,472,266
2001	508,392	324,094	4,910,006	4,385,481	542,852	10,670,825

**Note:** (1) Includes General and Special Revenue

**TABLE 5**

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	<b>GRANTS</b>		<b>GRAND</b>
	<u>State</u>	<u>Federal</u>	<b>TOTAL</b>
\$ 123,357,424	\$ 12,842,963	\$ 136,200,387	\$ 159,901,817
115,989,167	3,391,827	119,380,994	142,253,945
113,731,520	4,796,333	118,527,853	159,707,248
100,276,085	2,130,761	102,406,846	172,495,647
73,478,413	695,214	74,173,627	84,484,384
72,269,883	311,125	72,581,008	83,326,138
61,568,093	232,407	61,800,500	71,109,864
61,634,018	378,586	62,012,604	71,073,451
50,873,075	1,765,186	52,638,261	63,110,527
48,977,462	2,199,292	51,176,754	61,847,579

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

**TABLE 6**

<u>Fiscal Year</u>	<u>Outstanding Note Payable (1)</u>	<u>Annual Payments</u>	<u>Total Revenues</u>	<u>Payments as Percent of Total Revenues</u>
2010	\$ -	\$ 60,957	\$ 159,901,817	0.0381%
2009	60,957	42,896	142,253,945	0.0302%
2008	103,853	39,469	159,707,248	0.0247%
2007	143,322	6,565	172,495,647	0.0038%

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

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

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

**TABLE 7**

Year	Estimated Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>b</sup>	School Enrollment <sup>c</sup>	Unemployment Rate <sup>d</sup>
2001	5,415,400	\$ 183,488,201,000	\$ 34,281	983,896	4.5%
2002	5,561,550	185,863,325,000	33,950	1,018,130	6.8%
2003	5,709,950	190,587,779,000	34,166	1,052,364	6.9%
2004	5,867,400	203,669,470,000	35,831	1,070,271	5.9%
2005	6,047,800	221,192,290,000	38,089	1,086,599	5.2%
2006	6,242,800	238,858,111,000	39,924	1,122,168	4.8%
2007	6,406,450	255,363,081,000	39,844	1,168,405	4.3%
2008	6,538,850	262,549,489,000	41,667	1,193,011	6.0%
2009	6,639,630	266,596,031,970 *	42,309 *	1,216,929	8.3%
2010	6,729,800 *	270,216,559,651 *	42,884 *	1,240,827	8.2% *

**Sources:** <sup>a</sup>Yearly NCTCOG Population Estimates.

<sup>b</sup>Income provided by BEA Regional Bearfacts for the Dallas-Fort Worth-Arlington, Tx Metropolitan Statistical Area

<sup>c</sup>Texas Education Agency

<sup>d</sup>Texas Workforce Commission.

**Notes:** N/A - Data not available.

**Other:** N/A - Data not available.

\* - Approximation only, as information not published yet

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

**TABLE 8**

2010		
Employer	Employees	Percentage of Total NCTCOG Employment
Wal-Mart	34,700	1.13%
American Airlines	20,700	0.67%
Bank of America	20,000	0.65%
Baylor Health Care System	19,700	0.64%
Texas Health Resources	18,700	0.61%
AT&T	17,500	0.57%
Lockheed Martin Aeronautics	14,900	0.49%
JPMorgan Chase	13,000	0.42%
HCA North Texas Division	12,300	0.40%
Verizon Communications	11,000	0.36%
Total	182,500	5.94%
Total NCTCOG Region Employees	3,072,082	

Source: 2011 Book of Lists, NCTCOG RIS

2009		
Employer	Employees	Percentage of Total NCTCOG Employment
Wal-Mart	37,100	1.21%
American Airlines	21,935	0.72%
Baylor Health Care System	18,000	0.59%
Texas Health Resources	17,485	0.57%
AT&T	14,400	0.47%
Lockheed Martin Aeronautics	14,100	0.46%
Verizon Communication	14,000	0.46%
HCA	12,300	0.40%
JPMorgan Chase	10,000	0.33%
Citi	9,100	0.30%
Total	168,420	5.51%
Total NCTCOG Region Employees	3,059,028	

Source: 2010 Book of Lists, NCTCOG RIS

2008		
Employer	Employees	Percentage of Total NCTCOG Employment
Wal-Mart	35,700	1.17%
American Airlines	25,952	0.85%
Texas Health Resources	17,203	0.56%
AT&T	16,600	0.54%
Baylor Health Care System	16,000	0.52%
Lockheed Martin Aeronautics	14,250	0.47%
Verizon Communication	14,000	0.46%
HCA	12,304	0.40%
Texas Instruments	11,000	0.36%
Kroger Foods	10,150	0.33%
Total	173,159	5.65%
Total NCTCOG Region Employees	3,062,897	

Source: Dallas Business Journal, 2009 Book of Lists

2007		
Employer	Employees	Percentage of Total NCTCOG Employment
Wal-Mart Stores Inc.	33,500	1.09%
American Airlines	25,655	0.84%
Texas Health Resources	17,299	0.56%
AT&T Inc.	16,200	0.53%
Baylor Health Care System	16,000	0.52%
Lockheed Martin Aeronautics	14,776	0.48%
Verizon Communications	13,800	0.45%
Texas Instruments	11,300	0.37%
Kroger Food Stores	10,400	0.34%
Brinker International	9,600	0.31%
Total	168,530	5.49%
Total NCTCOG Region Employees	3,071,797	

Source: Dallas Business Journal, Book of Lists 2008

2006		
Employer	Employees	Percentage of Total NCTCOG Employment
Wal-Mart Stores Inc.	31,700	1.04%
American Airlines	22,265	0.73%
Lockheed Martin Aeronautics Co.	15,085	0.50%
Baylor Healthcare System	16,065	0.53%
Texas Health Resources	13,582	0.45%
Verizon Communications	13,500	0.44%
AT&T Inc.	13,300	0.44%
Kroger Food Stores	11,500	0.38%
Albertsons Inc.	10,715	0.35%
Texas Instruments	10,400	0.34%
Total	158,112	5.21%
Total NCTCOG Region Employees	3,037,489	

Source: Dallas Business Journal, Book of Lists 2007

2005		
Employer	Employees	Percentage of Total NCTCOG Employment
American Airlines	22,077	0.75%
Wal-Mart	21,133	0.72%
Texas Health Resources	16,289	0.56%
Lockheed Martin Aeronautics	15,900	0.54%
Baylor Health Care System	15,200	0.52%
SBC Communications	13,729	0.47%
Verizon Communications	12,500	0.43%
Texas Instruments	10,600	0.36%
Albertson's	10,100	0.34%
Brinker International	10,000	0.34%
Total	147,528	5.03%
Total NCTCOG Region Employees	2,933,460	

Source: Dallas Business Journal, Book of Lists 2006

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

**TABLE 9**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Agency Management	3	3	3	3	3	3	3	3	3	3
Agency Administration	39	39	34	30	27	24	22	22	17	16
Public Affairs	4	4	4	4	4	4	4	4	4	4
Research and Information Services	32	32	31	27	26	24	24	22	17	19
Community Services	41	40	38	34	32	31	35	37	39	35
Environment & Development	23	24	26	24	24	24	26	26	28	24
Transportation	149	154	145	116	108	90	82	76	73	68
Workforce Development	22	22	24	23	28	28	27	23	20	20
Emergency Preparedness	18	13	11	9	6	6	5	2	2	-
<b>Total</b>	<b>331</b>	<b>331</b>	<b>316</b>	<b>270</b>	<b>258</b>	<b>234</b>	<b>228</b>	<b>215</b>	<b>203</b>	<b>189</b>

**Source:** Agency Annual Fiscal Program

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

Function/Program	Fiscal Year			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Local assistance	\$ 1,188,120	\$ 1,185,086	\$ 1,208,926	\$ 772,363
Transportation - TxDOT	617,517	617,517	540,975	414,588
Regional information services	1,264,710	1,264,710	1,102,440	837,499
Environmental resources	99,054	99,054	99,054	99,054
Emergency preparedness	215,893	188,670	88,164	67,451
Workforce development	2,659,095	2,592,517	2,530,547	2,076,129
Community services	600,545	501,362	376,749	151,005
Enterprise Fund	7,335,034	7,335,034	7,335,034	8,080,514
Prior Year Balance	-	-	-	-

**Source:** Comprehensive Annual Financial Report

**TABLE 10**

<b>Fiscal Year</b>						
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	583,680	\$ 580,468	\$ 473,849	\$ 446,430	\$ 391,834	\$ 616,786
	344,444	334,216	439,863	385,442	259,555	361,298
	800,347	753,631	831,112	751,799	575,022	333,733
	99,054	135,912	137,546	137,546	147,173	138,240
	59,186	39,307	39,307	39,307	36,937	-
	2,026,134	2,081,390	1,993,449	1,917,056	1,900,333	1,851,125
	130,390	164,217	275,751	275,751	229,364	201,149
	8,080,514	553,333	-	-	-	-
	3,967,800	3,967,800	3,967,800	3,967,800	3,967,800	3,967,800



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
PRESENTATION OF PAY STRUCTURE  
(UNAUDITED)**

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**TABLE 11**

In accordance with the Texas Administrative Code Title 1, Part 1, Chapter 3, Rule 3.9420, the North Central Texas Council of Governments is exempted from the other requirements of Rule 3.9420 in that its most populous county (Dallas) has an actual weekly wage that exceeds the state actual weekly wage by 20% or more for the previous year as determined by the Texas Workforce Commission in its County Employment and Wage Information Report.

The Commission's Covered Employment and Wages for Counties/State Publication for 2009 reports that the average weekly wage for the total of all work categories in the State of Texas was \$878. Dallas County's average weekly wage for all work categories was \$1,057. Thus, Dallas County's average weekly wage was 20.4% above the states average.