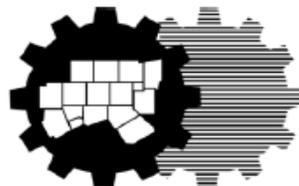


Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2013

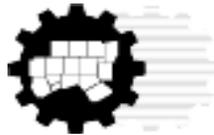


**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Executive Director

Mike Eastland

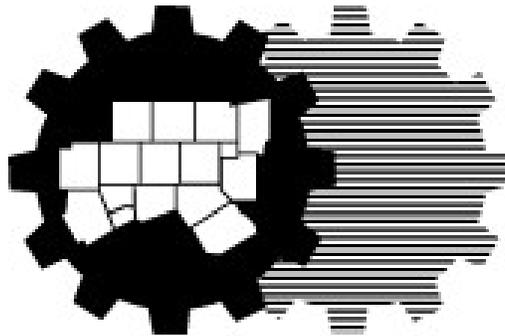


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**North Central Texas
Council of Governments**

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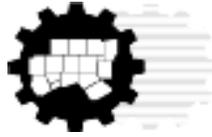
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Introductory Section



North Central Texas Council of Governments

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

February 19, 2014

Members of the Executive Board:

The Comprehensive Annual Financial Report of the North Central Texas Council of Governments (NCTCOG, 'the Council' or 'the Agency') for the fiscal year ended September 30, 2013, is hereby submitted. This report was prepared for the Agency by NCTCOG's Department of Administration. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. To the best of our knowledge and belief the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of NCTCOG as measured by the financial activity of its various funds. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Council's financial affairs have been included.

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

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

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

Organizational Profile

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

The Agency is an organization of, by, and for local governments. Its purpose is to strengthen both the individual and collective power of local governments – and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to assist in the implementation of those decisions. The NCTCOG is governed by a general assembly composed of one voting representative from each of the 237 member governments and the Executive Board, which is composed of 13 local officials elected by the General Assembly.

North Central Texas consists of a 16-county metropolitan region centered around the cities of Dallas and Fort Worth. It has a population of over 6.8 million, which is larger than 30 states, and an area of

12,800 square miles, which is larger than nine states. NCTCOG's 237 member governments are comprised of 16 counties, 166 municipalities, 24 independent school districts, and 31 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 72,440 persons during 2012 for a January 1, 2013 total estimated population of 6.7 million.

The December 2013 unadjusted unemployment rate for the 16 county NCTCOG region was 5.7%, which was slightly below the Texas rate of 6.1% and well below the comparable national figure of 6.7%.

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

New Initiatives

Transportation (TR)

During FY2013, the North Central Texas Council of Governments (NCTCOG) Transportation Department worked on a number of new initiatives. NCTCOG was awarded \$75,000 from a Federal Highway Administration (FHWA) INVEST Implementation grant. NCTCOG will use INVEST 1.0, a sustainable highways self-evaluation tool developed by FHWA, to aid in the development and evaluation of the next metropolitan transportation plan. INVEST 1.0 provides a framework for integrating a variety of sustainable transportation best practices into system-level plans and highway projects. Emphasis areas and planning analysis conducted as part of this project include development and incorporation of sustainability performance measures for a variety of system-level components, improving planning and environmental linkages data and processes, development of transportation asset management indicators, and development of infrastructure resiliency adaptation strategies.

NCTCOG was awarded \$225,000 for an FHWA Strategic Highway Research Project 2 - Implementing Eco-Logical Implementation Assistance grant. These funds will be used to assist NCTCOG in moving towards implementation of the Regional Ecosystem Framework (REF), a framework developed from a 2007 FHWA Eco-Logical grant. NCTCOG will implement the REF principles as they relate to transportation in North Central Texas by assessing mitigation and environmental outcomes at a pre-National Environmental Policy Act (NEPA) project stage and will pilot a programmatic mitigation program. Emphasis areas of this project include updating the REF, using the REF on a pilot transportation corridor feasibility study, implementing a pilot phase of the Shared Value Mitigation Program, and creating an interactive Web site.

The North Central Texas Council of Governments, in partnership with the Texas Department of Transportation (TxDOT) and the North Texas Tollway Authority (NTTA), initiated an Auto Occupancy Detection and Verification Technology Assessment to facilitate efficient operation and toll collection on the managed lanes. The region desires that a technology-based system be implemented to verify auto occupancy. The region plans to utilize advanced technology for vehicle occupancy detection and verification. NCTCOG plans to coordinate with regional partners to conduct managed-lane technology deployment tests utilizing new, innovative technologies that have the potential to collect this data.

NCTCOG initiated a partnership with TxDOT for congestion management. The goal of this partnership is to reduce ongoing congestion problems that are a major concern within the Dallas-Fort Worth region and across the state in large metropolitan areas. TxDOT and NCTCOG recognize that Transportation System Management and Operations (TSM&O) can play a significant role in relieving congestion on the transportation system. TSM&O is an essential component of congestion mitigation. It can improve the efficiency of the system by implementing strategies that reduce vehicle demand, integrate operations into roadway design, rapidly clear collisions and stalled vehicles, reduce crashes, better utilize the existing capacity through improved operations, and incorporate active traffic management to provide real-time traffic information to motorists. In partnership with TxDOT, NCTCOG has developed and will initiate efforts to pilot new and innovative congestion mitigation strategies in the Dallas-Fort Worth region that could be applicable for other areas of the region and the State. These projects are quick to implement and have measurable results.

The Enhanced Mobility of Seniors and Individuals with Disabilities Program was established in 2013 by the Federal Transit Administration as a result of Moving Ahead for Progress in the 21st Century (MAP-21). The program provides funding to serve the special transportation needs of seniors and individuals with disabilities where public transit service is insufficient, inappropriate, or unavailable. NCTCOG staff coordinated with key stakeholders to develop a funding allocation method and establish roles and responsibilities for the new program. In addition, NCTCOG created a program management plan, conducted a competitive call-for-projects and began implementing new projects.

During January 2013, the Texas Transportation Commission and the Regional Transportation Council jointly allocated \$2 million to implement a regional program to facilitate the diversification of contracts awarded by TxDOT, and to increase the under-representation of women, minorities and economically disadvantaged persons on highway construction projects, by assisting employers with their recruitment and diversity efforts. During FY2013, numerous task force meetings were held with participating agencies including TxDOT Office of Civil Rights (OCR); TxDOT Dallas District; the City of Dallas; Texas Workforce Solutions Dallas; Cedar Valley Community College – Dallas County Community College District; and CitySquare, a community-based organization. The procurement process used to select a NCTCOG consultant to oversee the program was approved in October 2013. Currently, a Statement of Work is under review by TxDOT OCR for final approval. It is anticipated this program will be initiated during the first quarter of 2014.

NCTCOG was awarded a \$75,000 grant by the Federal Highway Administration (FHWA) to conduct a Climate Change/Extreme Weather Vulnerability Risk Assessment Pilot Study on critical transportation infrastructure in the Dallas-Fort Worth Metropolitan Area. Designed as an opportunity to improve data collection, decision making, and linkages between asset management and long-range planning for critical and/or congested transportation facilities throughout the region, the study will prepare a risk assessment matrix that evaluates vulnerability through asset exposure, sensitivity, and adaptive capacity to predicted changes in weather events such as drought, extreme heat, and flash flooding. The study will also identify potential impacts and consequences to mobility, social/cultural, environmental, and quality-of-life conditions. Completed through a research partnership with the City of Dallas, Fort Worth Transportation Authority, and the University of Texas at Arlington, the results of the study will help establish an enhanced dialogue for the greater integration of vulnerability into transportation project planning and programming initiatives.

Also during FY2013, NCTCOG conducted activities to expand the regional deployment of a Capital/Operations Asset Management System designed to improve inter-agency knowledge and better track specific engineering, urban design, access, safety, mobility, financial, and right-of-way characteristics/constraints for major roadway corridors around the Dallas-Fort Worth Metropolitan Area. Several Texas Department of Transportation pilot projects of various types and in different stages of development were identified for application of the proposed information system, known as TransFACTS, and for determining the ability of asset management principles to affect infrastructure lifecycle maximization, cost reduction, and speed of implementation. These early uses of TransFACTS will help inform a process for greater integration of performance-based planning and alternative strategic investment scenarios into project evaluation and prioritization activities for future long-range transportation plans.

NCTCOG received a grant in the amount of \$552,000 from the Texas Department of Transportation through its Transportation Enhancement Call for Projects, in the Provision of Safety and Education Activities and Materials for Pedestrians and Bicycles category. The funds will be used for the development of educational materials and training to benefit the region and NCTCOG member agencies.

The Freight Congestion and Delay Study is the first of five follow-up studies recommended in Freight North Texas: The Regional Freight System Inventory to commence. Work on this study began in January 2013 and focuses on travel-time delays related to freight, including recurrent, non-recurrent, and non-transportation related delays. This effort, currently mid-way through development, has included Regional Freight Advisory Committee (R-FAC) member input and participation in the development of a survey, identification of survey participants, as well as identification of focus areas for the study. The expected outcome of this study is a listing of potential future freight benefitting projects to be included in the next Metropolitan Transportation Plan, Mobility 2040. Prioritization of the projects will be determined by R-FAC members and NCTCOG staff.

In FY2013, NCTCOG initiated the Program Oversight and Department Streamlining Program through a funding agreement with the Texas Department of Transportation. The Regional Transportation Council programmed approximately \$2.3 million for this initiative over five years to enhance procedures and management tools for coordination and oversight of transportation planning and implementation activities. This program will reduce administrative costs and help expedite project delivery through streamlining of processes and application of best practices to ensure compliance with federal and State guidelines. NCTCOG initial efforts for this project in FY2013 included development of a Draft Plan of Action and organization of internal resources to inventory and prioritize immediate needs.

NCTCOG received \$500,000 from the US Department of Energy through the Clean Cities – Implementation Initiatives to Advance Alternative Fuel Markets grant program. Entitled Moving North Texas Forward by Addressing Alternative Fuel Barriers, this project will focus on updating the State Implementation Plan (SIP); examining alternative tax collection scenarios; updating the Clean Fleet Vehicle Policy; examining regulations related to alternative refueling infrastructure; creating an alternative fuel vehicle parking program; holding fuel-specific deployment workshops and first responder training; educating fleet managers, decision makers, businesses, and schools about alternative fuels and advanced technology vehicles; and developing a fleet recognition program. Several workshops were held in FY2013 as part of this project. Staff began working on the SIP development and the Clean Fleet Vehicle policy revisions, which will include a recognition element. Additionally, staff began to examine alternative fuel taxes and collection methods as well as regulations related to alternative refueling.

NCTCOG received \$50,000 from the Texas Commission on Environmental Quality to develop Reasonable Further Progress (RFP) on-road mobile source emissions inventories, control strategy reduction estimates, and contingency plan reduction estimates for the Dallas-Fort Worth (DFW) 2008 8-hour ozone nonattainment area. The inventories will be used to support DFW RFP State Implementation Plan analysis, planning, and development. The development of the inventories shall include consideration of the requirements for transportation conformity.

NCTCOG received \$90,000 in Department of Energy funding from the Mid-America Regional Council to complete a Solar Ready II project in the Dallas-Fort Worth (DFW) region. Under this project, staff will coordinate with stakeholders including local governments, utilities, and solar industry representatives to identify region-specific obstacles to solar implementation. Once obstacles are identified, NCTCOG will work with the stakeholder group to identify appropriate best practices which could help overcome these obstacles, and will also work with local governments to identify opportunities to improve existing solar processes and policies by incorporating best practices. Through the project, NCTCOG will engage local governments in reviewing and/or revising solar-related practices. Staff has completed a review of the draft scope of services and professional services agreement and collected solar metrics to create initial “baseline” data.

Community Services (CS)

Interoperable Communications

Specific work on the four-county Overlay (Collin, Dallas, Denton, Tarrant counties) continued after its installation and testing late in 2010. This included the assignment of IDs and the development and editing of an interoperability course for first responders. The Overlay project was completed, tested, and made operational in late December 2010. However, the assignment of ID numbers is ongoing through 2014.

In addition, an instructor and student lesson plan was drafted as train the trainer material for interoperable communications introductory classes. The manuals (eight chapters each) have been edited and are in final review stages. They should be available for use as Interoperable Communications 101 in 2014.

Local public safety agencies participated in the narrow-banding project which closed the latter part of 2013. Participating agencies included Erath County Sheriff's Office, Hood county Sheriff's Office, City of Burleson, City of Grapevine, Kaufman County Sheriff's Office, City of Kaufman, City of Pantego, and the Parker County Sheriff's Office. Funds allocated to the agencies totaled \$59,891.

The Interoperable Communications Governance Committee met January 10, 2014 to review progress on the Gap Analysis Project (GAP), and potential methods for pushing out the Overlay to the 12 counties not covered by the Overlay. The meeting, examined the concept of using newer ISSIs to cover the region for interoperability. This is under review with collaboration of Motorola Inc. and Harris Communications Inc. To assist in the review and consideration of communications concepts and project implementation, a small technical advisory committee is forming and will meet in February to discuss the ISSI approach to interoperability.

A full scale exercise, Urban Shield, was conducted November 10-12, 2013 to examine many different aspects of public safety and first responder operations. Radio communications was among the many participating special operations groups that carried out various scenarios during the three-day exercise. Urban Shield pointed out many well organized and well conducted communications procedures, but some deficiencies were noted when the After Action Report was covered. To correct some of the deficiencies, a small communication training sub-committee of the Communications Governance Committee has volunteered to assist NCTCOG is determining which corrective actions to focus on first. This group will meet to place certain measures in priority in an effort to assure that radio communications is conducted without malfunctions any time in the future.

Criminal Justice Planning

In fiscal year 2013 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 new and continuation of criminal justice programs, grant application workshops, preparation of grant applications, strategic planning efforts, and to meet the administrative requirements of the Criminal Justice Division.

The Law Enforcement Analysis Portal (LEAP) project continued to progress in fiscal year 2013. The LEAP project design is being expanded to connect 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 over 100 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.

Aging Services

The Aging program experienced unprecedented fiscal and program challenges during fiscal year 2013. Largely dependent on federal revenues subject to Sequestration, it did not receive a final budget until eight months into the fiscal year. Ultimately, federal funding was reduced by approximately 2%--a smaller cut than anticipated. However, Aging was compelled to tighten eligibility criteria, as the number of older persons in the region increased by 13% during one year's time. Further, deeper reductions are anticipated during fiscal year 2014.

To diversify funding streams and better maintain service levels, Aging targeted Medicaid managed care as a prospective payer source for long-term services and supports. It applied to the Administration for Community Living for free technical assistance on building capacity to contract with Medicaid managed care and was one of nine awardees nationwide. It negotiated a contract for care transitions services with a Medicaid contractor in the Fort Worth area, for services that will begin during fiscal year 2014, and opened a dialogue with two other Medicaid contractors.

Aging continued to build its knowledge of long-term services and supports for younger persons with disabilities, with the provision of information and referral, options counseling, and case management services for people of all ages. It generated nearly \$1 million in non-Title III funding for programs that serve consumers throughout the lifespan, including nursing home relocation, Aging and Disability Resource Center, and Age Well/Live Well initiatives.

Aging continued its efforts to better quantify program outcomes and invest in programs that have a research base. It partnered with Texas Health Resources to expand the scope of its evidence-based A Matter of Balance fall prevention classes and HealthyForYou workshops, using the Stanford Chronic Disease Self-Management program.

Regional Training Center

The Regional Training Center (RTC) scheduled 154 classes for the 2013 fiscal year. This included 31 Texas Commission on Environmental Quality (TCEQ) sanctioned water/wastewater classes, 16 test preparation classes and four Stormwater Pollution Prevention during Construction classes. The Stormwater classes are done in collaboration with NCTCOG's Environmental and Development Department. For all TCEQ sanctioned classes, RTC completed the mandatory reporting required following the completion of each class.

Also scheduled were 36 administration/services classes. This included Records Management, Communicating with Confidence in the Workplace, Communication Differences in the Workplace, Dealing with Difficult People, Disaster Planning and Improving Filing Systems, DiSC: A Communication Preference Assessment, Making Meetings Matter, Managing Electronic Records, Public Safety Media Relations, Stress Management, Team Building, Customer Service, Totally Grammar and others.

RTC continued its contracted support of Texas Commission on Environmental Quality conventional testing. 48 testing sessions were conducted in the past fiscal year. As one of TCEQ's 15 official registered test centers, RTC also scheduled 15 computer-based testing sessions.

In collaboration with the University of North Texas Center for Public Management, RTC conducted seven Public Funds Investment Act Part 1 & Part 2 classes. This class continues to be one that is greatly attended and sorted after by CFOs and others statewide.

Three advanced and three regular code enforcement classes were scheduled during the past fiscal year. In addition to offering code enforcement classes, most of the classes offered through the Regional Training Center are submitted on a yearly basis to the Texas Department of State Health Services and are approved for code enforcement continuing education credits.

A series of Franklin Covey's highly coveted classes were offered, as well. Included were The 7 Habits of Highly Effective People, The Five Choices to Extraordinary Productivity and The 4

Disciplines of Execution. The most recently added, Leadership Modular Series: Building Process Excellence and Inspiring Trust were also offered.

Brown and Hofmeister LLP continued to support efforts of the Regional Training Center by conducting Planning and Zoning, Legal Issues in Employment and Supervision, and Annexation Workshops. The Planning and Zoning related classes were held onsite and offsite, as well.

RTC continued its support of grant-funded Transportation classes. Six Freeway Incident Management: First Responder and Manager's Courses were held.

New initiatives undertaken during the fiscal year included the Urban and Regional Information Systems Association (URISA) sanctioned Transportation class, GIS - Field Automation Options for Local Governments which was offered around the latter part of the fiscal year. RTC offered its first non-Transportation, non-URISA related GIS class entitled GIS 101 for Municipalities and Private Industries and also a new class entitled Records Management for Law Enforcement.

Other supervisory/leadership classes offered included Succession Planning and Leadership Development, Project Management for Non-Project Managers, Role of the Supervisor, and Coaching for Improved Work Performance. Additionally, RTC support 21 sessions of Texas Certified Professional Managers.

Regional Law Enforcement Training

During fiscal year 2013, the Regional Police Academy conducted Five Basic Peace Officer Courses and graduated 119 new law enforcement officers from throughout the NCTCOG region. The Regional Police Academy conducted more than 161 law enforcement training courses for in service officers providing 184,659 contact hours of training to 2,351 law enforcement officers.

9-1-1

The NCTCOG 9-1-1 Program completed a major project and improvement of the 9-1-1 system in 2013. Core Emergency Services IP network (ESInet) services were implemented. This was a milestone in the phased implementation of Next Generation 9-1-1 and NCTCOG is one of the first to implement this service in the country. The geographical routing capabilities allow for more accurate initial routing of 9-1-1 calls and the ability for multiple layers of contingency routing, which can save valuable time when citizens are calling 9-1-1 for emergency response.

NCTCOG also began implementation of Text to 9-1-1. The fifth in the nation and first in the state of Texas, NCTCOG worked with Verizon Wireless as one of their beta sites for this service. The service was first implemented in Wise County in January and throughout the year, over half of the 44 9-1-1 Public Safety Answering Points (PSAPs) implemented Text to 9-1-1 for Verizon Wireless customers. Participation was voluntary by the PSAPs and will continue throughout the region. Written requests have been sent to the other major carriers in the region, and NCTCOG awaits their responses. As other carriers are expected to offer the service in late 2014, NCTCOG will continue to implement with other PSAPs and carriers throughout next year.

NCTCOG 9-1-1 staff created operational policies and procedures that addressed public education, training and development of standard operating procedures for the PSAPs. These activities have been shared with the National Emergency Number Association and are currently being used as templates for the rest of the nation and will be included in national standards and informational documents. The FCC has also taken an interest in the implementation and noted NCTCOG's progress in national meetings.

The NCTCOG 9-1-1 staff has modified and implemented a "one page planning" process to increase accountability, assist with prioritization and enhance tracking of accomplishments and challenges. In addition, our annual master planning process identified program priorities for the year. NCTCOG 9-1-1 staff spent 2013 developing written project plans, business case justifications and processes. The business case justifications were provided to the Commission on State Emergency Communications to justify the forward movement of NCTCOG as an early adopter.

Emergency Preparedness (EP)

Regional Emergency Preparedness Program (REPP) Member Program: In 2013, the North Central Texas Regional Emergency Preparedness Program (REPP), managed by the Emergency Preparedness Department, continued to meet stakeholder needs through advocacy, planning assistance, training, program management and support services. Specialized programs and events, including an Integrated Weather Team workshop, regional full-scale exercise planning, local training and exercise support, management of the CASA weather radar project, and the Public Works Emergency Response Team were made possible in whole or part through the REPP.

Citizen Corps Program: Citizen preparedness, training, and education were supported by \$50,000 in Homeland Security Grant funds appropriated to NCT Citizen Corps programs in 2013. The funds also helped to sustain trained citizen volunteer teams such as Community Emergency Response Teams (CERT), Volunteers in Police Service (VIPS) and Fire Corps as they served NCT in skilled support roles such as wide area search, damage assessment, triage, and rehab. These skills were used during the May 2013 tornado outbreak.

Mitigation Program-HMGP and PDM Projects: The Emergency Preparedness Department continued to support hazard mitigation planning for twelve of sixteen NCT counties in 2013. Mitigation planning helps communities by identifying hazards and developing mitigation actions to reduce or eliminate vulnerability to those hazards. Once approved and adopted, the Hazard Mitigation Action Plans (HazMAPs) will allow participating jurisdictions to be eligible for future mitigation funding.

Safe Room Project: In July 2013, the NCTCOG Emergency Preparedness Department received \$1,395,000 to administer the Individual Safe Room Rebate Program in four NCT counties: Collin, Dallas, Denton, and Tarrant. Due to overwhelming response and an ensuing waitlist of over 7,100 individual applicants, the EP Department was granted \$930,000 in additional funding to expand the program to all sixteen NCT counties. With the initial funds, 450 individual safe room awards were approved; remaining funds will go toward awards to individuals on the waitlist. The department will continue to seek additional funding as opportunities arise.

Collaborative Adaptive Sensing of the Atmosphere (CASA WX) Member Program: The Emergency Preparedness department continued to explore financial support for the relocation of the Collaborative Adaptive Sensing of the Atmosphere (CASA WX) test bed to the Dallas Fort Worth area (DFW demonstration network). NCTCOG signed agreements with Johnson County and the City of Midlothian to serve as host sites for donated radars. The second radar in the network was installed at the University of North Texas in April 2013. The third radar in the network was installed at the City of Midlothian in December 2013.

In June 2013 the CASA WX Executive Council approved a membership program for local jurisdictions. The membership dues assessed are based on population. Local jurisdictions that opt for membership in the CASA WX program gain access to the website allowing them to see CASA WX radar data in their jurisdiction down to the neighborhood level with updates every minute. This information could reduce uncertainty during a critical time and could save lives and property. Membership dues go towards sustaining operational expenses of the radar network.

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

Environment & Development (E&D)

The overall theme for NCTCOG's environmental resource and development initiatives continues to be Sustainable Environmental Excellence or SEE. SEE is intended to guide NCTCOG's efforts, and ultimately the region's, in regards to planning for the future of this growing and changing area in a collaborative and cost-effective way for the benefit of all North Central Texas. The Department of

Environment and Development (E&D) addresses SEE through three different program areas – SEE Less Trash-Solid Waste, SEE Safe Clean and Green-Watershed Management, and SEE Development Excellence.

In the SEE Less Trash program area, the 2012-2013 biennial cycle of the Texas Commission on Environmental Quality (TCEQ) grant continued, including administration of 23 local government projects totaling approximately \$1,343,000. The Resource Conservation Council's three solid waste goal subcommittees (Time To Recycle, Stop Illegal Dumping and Assuring Capacity for Trash) administered their portions of the Regional Solid Waste Plan document. Sixteen educational/training workshops were offered in fiscal year 2013 and 74 technical assistance requests to local governments were recorded. In addition, 33 responses to inquiries into the status of the Closed Landfill Inventory were handled.

In the SEE Safe, Clean and Green Watershed Management area, meetings with committees, stakeholders and interest groups regarding the region's watersheds continued, with efforts ongoing with the City of Fort Worth to continue a Greenprinting analysis of the Lake Worth watershed. The Trinity River COMMON VISION program completed an update of regulatory mapping and modeling for the Upper Trinity River Corridor and processed approximately 12 Corridor Development Certificate (CDC) applications. The Greater Trinity River Bacteria Total Maximum Daily Load (TMDL) Implementation Plan was adopted by TCEQ in cooperation with watershed stakeholders, followed by an undertaking of an Implementation Plan for polychlorinated biphenyls (PCBs).

The Regional Stormwater Management Program continued to support over 55 local participants and provided a variety of products including training workshops, support for four seasonal campaigns, an annual storm water monitoring report, cooperative purchase opportunities, and a stormwater training video related to Illicit Discharge Detection & Elimination (IDDE). The 2013 Water Quality Management Plan for North Central Texas was adopted by NCTCOG and submitted as the annual amended plan for state and federal agency review and consideration.

In SEE Development Excellence, support for the Center of Development Excellence and the 12 Principles of Development Excellence continued. Nine presentations were made to local governments and community groups by the Vision North Texas Speakers Bureau, supported by NCTCOG staff. A 2013 conference was held in February with a focus on "Designing Healthy Communities. The SPROW (Sustainable Public Rights-of-Way) interactive website was maintained and expanded. The *Integrated Stormwater Management (iSWM) Criteria Manual* adoption process continued and several training sessions were held on Low Impact Development and stormwater pond design. A regional Public Works Roundup was conducted in May that provided all-day training sessions in many sustainability and public works related topics, and approximately 15 work group meetings were conducted to begin the process of updating the Standard Specifications for Public Works Construction document. Quarterly training sessions continued on Stormwater Pollution Prevention During Construction. A Discovery Process was completed for the Elm Fork and Lower West Fork Trinity watersheds as a part of our Cooperating Technical Partner relationship with the Federal Emergency Management Agency (FEMA), and a grant opportunity was approved by FEMA to move forward with detailed flood studies and mapping for a portion of the Village Creek Watershed. Additionally, through partnering with FEMA and TFMA (Texas Floodplain Managers Association), Environment and Development again held a Managing Floodplains through the National Flood Insurance Program four-day course and hosted the TFMA Certified Floodplain Manager (CFM) Exam. Staff also facilitated adoption of regional amendments to the 2012 International Codes for construction sectors. In addition, work began towards a review of the 2014 National Electrical Code (NEC) for proposed regional amendments as well as training sessions and discussions on adoption of the 2012 International Green Construction Code (IgCC).

Research and Information Services (RIS)

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

- A development monitoring program database, which tracts significant commercial structures and other features and now has over 23,400 records;
- Current and historical land use layers;
- Various geographic layers including city boundaries, roads, hydrology, and statistical and planning areas;
- Population, household, and employment datasets used for demographic forecasting in conjunction with the Transportation Department;
- Small-area employment information;
- Daytime population estimates; and
- Annual population and housing estimates.

The RIS Information Technology (IT) Team responded to 9,205 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.

The IT Team has continued to assist with the management and operations of several critical enterprise computer environments that support and serve data used throughout the region. These enterprise systems provide information to the public and assist in regional planning initiatives. One such system is the DFWMaps website. On this site the public can access high resolution aerial photographs and basic demographic information for the region.

The IT Team has greatly enhanced the network to support regional workforce operations through expansion and redesign of existing networks at each center that includes redundant paths and additional bandwidth. The IT Team also continues to work with The OneStar Foundation based in Austin to create a statewide web based tool for assessing the dispersion of social service organizations and funding to those agencies. This tool will be used to identify gaps in service and funding statewide to ensure Texans have access to the services they need. IT also continues to implement advanced communication and collaboration tools that allow for enhanced communication across the region. Among these systems is a Microsoft SharePoint Environment that allows for collaboration on data and documents with staff across the region.

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

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

Workforce Solutions for North Central Texas is dedicated to helping job seekers prepare for the workforce. Through the Workforce Investment Act (WIA), we are able to provide funding to individuals to gain the skills necessary for high-growth, in-demand occupations leading to successful careers. Our WIA programs are divided into three different service groups: adult, dislocated workers and youth.

2013 Numbers:

- 113,288 job seekers served
- 67,120 customers were served in our workforce centers
- 21,275 UI claimants re-employed within 10 weeks
- 6,157 children received subsidized child care
- 632 youth served

In 2013, the Mobile Workforce Unit (MWU) provided on-site services to employers and communities throughout the region at 125 events that served a total of 2,465 customers. This includes 17 employer recruiting events that served close to 700 job seekers and 6 rapid response events that provided valuable re-employment information to nearly 600 people. Additionally in 2013, the MWU provided disaster relief in West, Texas to those displaced by the massive fertilizer explosion as well as to those affected by tornados in Ennis / Hood counties.

In early 2013, we were full force in becoming a High Performance Organization, creating and implementing an environment where the employee has greater involvement and responsibility. During this process, which began in 2010, we chose to rethink the standard organizational practices, creating efficient workflow methods to be implemented in our workforce centers. In 2013 workforce deployed six performance improvement teams and trained over 100 workforce center staff. We will continue identifying and working on process / design improvements within our workforce system. We expect this will provide valuable feedback as well as validate the effectiveness of our actions and help us identify additional tactics to enable further success.

In December 2013, we successfully completed our \$2.8 million Community Based Job Training (CBJT) grant we received in 2010 from the U.S. Department of Labor to conduct training through the Certified Logistics Associate and Certified Logistics Technician programs in the Dallas/Fort Worth and Houston regions. We met all performance outcomes.

Our final CBJT outcomes are as follows:

| Measure | Target | Actual |
|------------------------------|--------|--------|
| Placement | 80% | 83.1% |
| Retention | 85% | 85.4% |
| Logistics Related Employment | 90% | 92.7% |

As of December 2013, this program had expanded into 379 authorized assessment centers in 40 states and is now recognized as an accredited course by community colleges and universities across the United States.

In April of 2012, Workforce Solutions for North Central Texas was awarded a \$4,991,839 grant from the Department of Labor (DOL). The grant is the second round of funding under the H-1B Technical Skills Training Grant Competition. The funding is currently being utilized locally to provide education, training, and job placement assistance in the fields of information technology (IT), science, technology, engineering, and math (STEM). Our grant partnership includes IBM, Lockheed Martin, AT&T, Labinal, and North Central Texas College (NCTC).

By 2016, Workforce Solutions for North Central Texas will train 4,500 individuals in courses which lead to certifications and/or industry credentials in the IT and STEM industries. This training will allow 4,300 incumbent workers to upgrade their skills and help workers advance in the career pathway; ultimately reducing the employer's reliance on foreign workers. An additional 200 long-term unemployed individuals with education and work experience in the IT and STEM industries will be trained through the project to update their skills in these rapidly evolving occupations. STEM training will be conducted through North Central Texas College and within our business partner's current operation. As of November 2013 we have trained 3,870 incumbents and 79 long-term unemployed individuals have begun training at NCTC.

Child care quality initiatives have continued to be a major focus in helping to provide a safe and developmentally appropriate environment for the children and families in our region.

FY13 Child Care Quality Initiatives Results

- 67 child care professionals completed their Child Development Associate, a nationally recognized early childhood credential
- 38 child care professionals completed the Early Childhood Management Institute and obtained the state recognized Director's credential
- Over 1,600 (duplicated) child care professionals attended early childhood continuing education trainings
- 19 child care providers participated in the technology pilot project and received Hatch iStartSmart tablets for their preschool classrooms

In 2013, WSNCT WIA Youth Program developed the Public Office Internship Initiative during the summer months. Community partners with whom we collaborated include, but are not limited to:

- Office of the Mayor; Godley, TX
- Office of the Justice of the Peace; Weatherford, TX
- Housing Authority; Denton, TX
- Department of Building and Planning; Corinth, TX
- Department of Economic Development; Ferris, TX
- Department of Economic Development; Corsicana, TX
- Visitor's Center; Corsicana, TX
- City Hall; Stephenville, TX

15 youth candidates were required to maintain certain levels of academic excellence and complete a comprehensive work readiness curriculum. Upon completion of these requirements and recommendation from their Personal Services Representative, candidates were allowed the opportunity to apply for participation. Participants of this initiative received the opportunity to compete for eight-week paid internships (fully subsidized by the WIA Youth Program) in these various public offices. In doing so, they had the opportunity to learn about the various aspects of work in the public sector, gain valuable skills and training that will assist in the furthering of their career goals, and develop/broaden their network. In addition, participants learned how working in the public sector provides a sense of accomplishment and involvement in some of today's important issues. They were provided the opportunity to experience the feeling of contributing to a bigger cause, and helping shape the future of their communities.

As worksite sponsors, employers in the public sector had the opportunity to invest in local community youth and assist in the development of a stronger workforce for tomorrow. Employers interviewed and selected their own interns based on their assessment of the individual. WSNCT Account Managers worked closely with employers to provide supervisory training and to develop individualized training plans for their interns. All wages, services, and support for this initiative were provided at no cost to the worksite. Due to the success of this pilot initiative we have decided to expand this program and serve more youth in the summer of 2014.

Over 200 local employers and 2,000 job seekers attended our 2nd annual *Hiring Red, White and You! Veterans Job Fair* on November 14 at the Ballpark in Arlington. The job fair, hosted by Workforce Solutions for North Central Texas, Workforce Solutions for Tarrant County, Workforce Solutions Greater Dallas, The Texas Veterans Commission, and The Texas Workforce Commission (TWC) was an all-day event, free to job seekers and employers. Participating employers included AT&T, Amazon, American Airlines, CVS/Caremark, JPMorgan Chase, and Lockheed Martin.

This job fair is part of TWC's *Hiring Red, White & You!* Campaign. The campaign is a statewide event with job fairs scheduled in 28 local workforce development areas and aims to connect Texas veterans with Texas employers who value the skills, experience, discipline, and other exceptional qualities inherent with a military background.

Workforce Development Recognitions

GE, located in Denton County, was honored as an Employer of the Year finalist at the 17th Annual Texas Workforce Commission Conference. This is the 2nd consecutive year that WSNCT has had an employer recognized as a top 5 finalist. GE Transportation has become an important workforce,

economic and community partner in the North Texas region. Through partnerships with two Local Workforce Development Boards—Workforce Solutions Tarrant County (Tarrant County) and Workforce Solutions for North Central Texas (North Central Texas)—the company has taken an active role in school districts working on STEM projects, and “Build Your Own” future workforce programs. The company has shown a commitment to hiring veterans and taken the lead in advancing the National Association of Manufacturers’ veterans-credentialing initiative through its National Manufacturing Institute.

When GE Transportation chose to establish a large manufacturing site in north Fort Worth on the Tarrant/Denton county line, the company approached Tarrant County and North Central Texas to develop a staffing and training model. The two Boards brought in Tarrant County College and North Central Texas College to develop a Skills Development Fund grant, which the TWC awarded in the amount of \$745,000. By the end of the first quarter of 2013, the company had hired 333 new employees, including 54 veterans. Some 259 of the new hires upgraded their skills in welding, assembly, and machining through the Skills Development Fund grant.

Also, at the 17th Annual Texas Workforce, WSNCT was specially recognized by Texas Workforce Commission (TWC) for going above and beyond a board’s responsibilities by providing TWC with the funding to develop a mobile-friendly version of its online job-matching website, WorkInTexas.com.

The new mobile-friendly WorkInTexas.com website automatically detects mobile phones and some tablets and is better designed to serve Texas job seekers by offering the most frequently used features of the full WorkInTexas.com website. The mobile version of the website offers quick, convenient access from mobile devices simply by typing www.WorkInTexas.com in the address bar.

Launched in 2004, WorkInTexas.com is free and hosts approximately 135,000 active job listings and more than 500,000 registered users. WorkInTexas.com also reached a major milestone this year when the number of jobs filled through its services surpassed 2 million.

In early 2013, in partnership with North Central Texas Council of Governments, we received for the 3rd consecutive year our Achievement of Excellence in Procurement® (AEP) award from the National Procurement Institute, Inc. (NPI). The AEP award was established by NPI in 1995 and recognizes organizational excellence in public procurement. The criteria are designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization. We were one of 43 government agencies in Texas and one of only 23 special districts in the United States to receive the award.

In August 2013, the Metroplex Technology Business Council announced Workforce Solutions for North Central Texas (WSNCT) as a Tech Titan Investment Catalyst Finalist. This award recognized our Department of Labor- H-1B Technical Skills Training Grant and our investment in the purchase and installation of an advanced CISCO Lab at North Central Texas College - Flower Mound Campus. This technology investment is designed to provide education and training assistance related to high-growth fields in which employers are currently using the H-1B non-immigrant visa program to hire foreign workers. The award recognizes achievements of cutting-edge leaders whose ideas have elevated technology in North Texas. The prestigious annual contest recognizes outstanding information technology companies and individuals in the North Texas area who have made significant contributions locally during the past year, as well as to the technology industry overall.

In 2013, Workforce Development won a Gold MarCom Award for our 2012-2013 Annual Report, “Mapping the Future” as well as an honorable mention for the Workforce Development 2012 “At a Glance”. The MarCom Awards is an international awards competition that recognizes outstanding creative achievement by marketing and communication professionals.

Factors Affecting Financial Condition

As a recipient of federal, state, and local government financial assistance, NCTCOG is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws

and regulations related to those programs. Internal controls are subject to periodic evaluation by management. NCTCOG staff continues to evaluate internal controls and implement recommendations to strengthen controls and minimize risk.

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

As part of NCTCOG's single audit, tests are made to determine the adequacy of internal control including that portion related to federal financial assistance programs, as well as to determine that NCTCOG has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended September 30, 2013, provided no instance of material weaknesses in internal control or significant violations of applicable laws and regulations.

NCTCOG's annual budget is a management tool that assists in analyzing financial activities during the fiscal year. The annual budget is reviewed and formally adopted by the Executive Board prior to the beginning of the fiscal year. The approved annual budget is used as a control device for the General Fund while individual grant contracts are used as the control device within the Special Revenue Funds. NCTCOG's fiscal year 2014 budget is approximately 81% grant funding and as new funding opportunities arise throughout the year, they are presented to the Executive Board for approval.

Other Information

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

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

Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Central Texas Council of Governments for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the fourteenth 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.



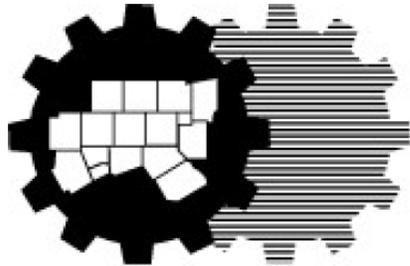
Mike Eastland
Executive Director



Monte Mercer, CPA
Deputy Executive Director



Shannan Ramirez
Assistant Director of Finance



**North Central Texas
Council of Governments**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**North Central Texas
Council of Governments**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
2013- 2014 EXECUTIVE BOARD

President
Steve Terrell
Mayor
City of Allen

Vice President
John Horn
County Judge
Hunt County

Secretary-Treasurer
Kathryn Wilemon
Councilmember
City of Arlington

Past President
Bobbie Mitchell
Councilmember
City of Dallas

Director
Clay Jenkins
County Judge
Dallas County

Director
B. Glen Whitley
County Judge
Tarrant County

Director
Marcus Knight
Mayor
City of Lancaster

Director
Dr. Larry Marshall
Councilmember
City of Benbrook

Director
Daniel Scarth
Councilmember
City of Fort Worth

Director
A.J. Mathieu
Councilmember
City of Joshua

Director
Lissa Smith
Mayor Pro Tem
City of Plano

Director
Vonciel Jones Hill
Councilmember
City of Dallas

Director
Keith Self
County Judge
Collin County

Ex Officio Member
Toni Rose
State Representative

Executive Director
R. Michael Eastland

General Counsel
William P. Remington

ADMINISTRATIVE STAFF

Deputy Executive Director
Monte Mercer

Director of Transportation
Michael R. Morris

Director of Community Services
Frederic W. Keithley

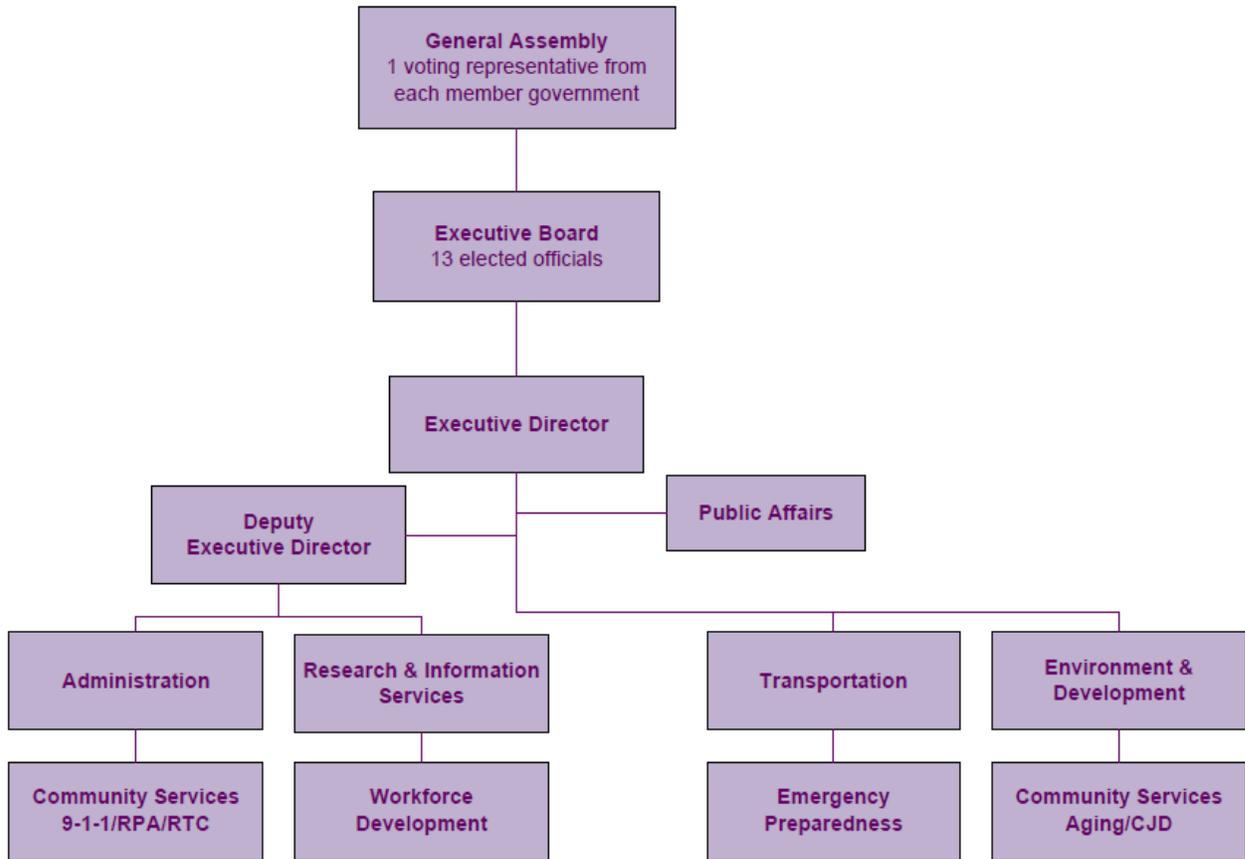
Director of Emergency Preparedness
Molly Thoerner

Director of Research and Information Services
Tim Barbee

Director of Environment and Development
Edith Marvin

Director of Workforce Development
David Setzer

Organizational Chart North Central Texas Council of Governments



Mission Statement

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

North Central Texas Council of Governments



Values:

REGIONALISM

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

GOVERNANCE

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

SERVICE

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

EMPLOYEES

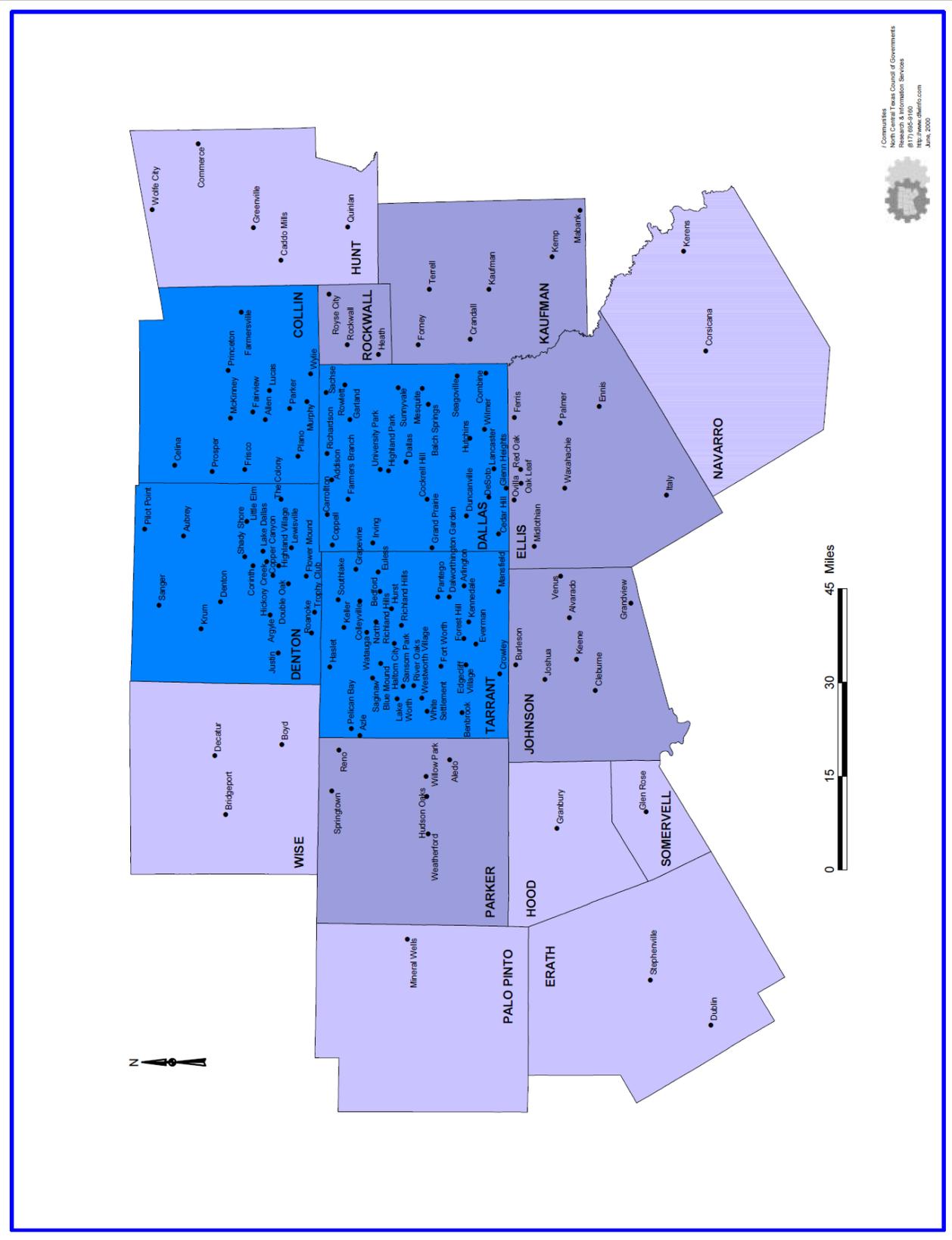
We value our employees and respect both individual excellence and dedicated teamwork. We support the principles of professional development, fair and consistent personnel practices, and competitive compensation.

ETHICS

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

INNOVATION

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



Compass
North Central Texas Council of Governments
Research & Information Services
817-685-9190
http://www.nctco.org
June, 2000



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (237)**

Counties (16)

Collin
Dallas
Denton
Ellis
Erath
Hood

Hunt
Johnson
Kaufman
Navarro
Palo Pinto
Parker

Rockwall
Somervell
Tarrant
Wise

Cities (166)

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

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

Joshua
Justin
Kaufman
Keene
Keller
Kemp
Kennedale
Kerens
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
Pantego
Paradise
Parker
Pecan Hill

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MEMBER GOVERNMENTS (237)**

Cities (166) - continued

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

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

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

School Districts (24)

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

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

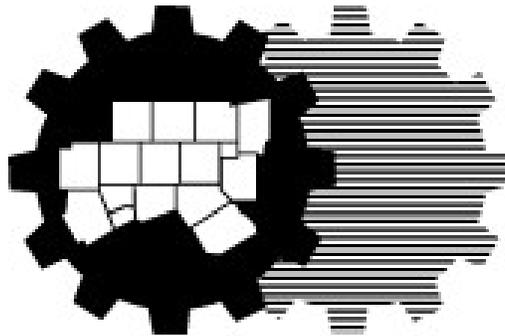
Mesquite ISD
Midlothian ISD
Plano ISD
Richardson ISD
Rockwall ISD
Terrell ISD
Weatherford ISD

Special Districts (31)

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

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

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



**North Central Texas
Council of Governments**



Financial Section



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and remaining fund information of North Central Texas Council of Governments (The Council) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and remaining fund information of the North Central Texas Council of Governments (the Council), as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

North Central Texas Council of Governments
February 19, 2014

Page 3

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

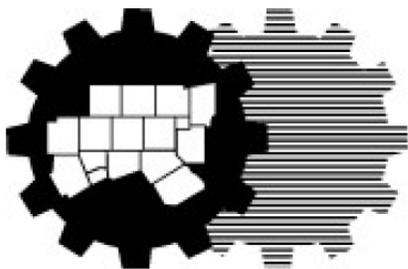
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2014, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Texas Council of Governments' internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 19, 2014



**North Central Texas
Council of Governments**

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR YEAR ENDED SEPTEMBER 30, 2013

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, 2013. 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-xv of this report.

Financial Highlights

- NCTCOG's assets exceeded liabilities at the close of the most recent fiscal year by \$11,626,204 (*net position*). Of this amount \$5,247,411 (unrestricted net position) may be used to meet the government's ongoing obligations to creditors and service implementation.
- The total net position decreased by \$130,025 or a 1% drop in the current year. The decrease was mainly due to ongoing Regional Transportation Council (RTC) projects. In FY 2013 RTC expenditures were mainly funded by \$6,778,582 received in prior years.
- NCTCOG's governmental funds reported combined ending fund balances of \$11,599,699, a decrease of \$23,384, in comparison with the prior year. Of the total fund balance, approximately 44% is restricted for local transportation projects, 4% is reserved for grants and prepaids, 45% is available for spending at the government's discretion (*unassigned*) and 7% is assigned.
- Governmental funds total revenues increased \$17,447,991 or 13% in the current year. This increase was driven by \$11 million in additional Federal Transit Administration (FTA) funding as well as \$5 million in additional funds from the Commission on State Emergency Communications (CSEC).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,266,892, 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 position* presents information on all of the NCTCOG's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the NCTCOG is improving or deteriorating.

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

Both 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.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2013**

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

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

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

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

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

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

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

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

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2013**

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

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the NCTCOG, assets exceeded liabilities by \$11,626,204 at the close of the most recent fiscal year. Following is a summary of the government-wide Statement of Net position:

| | 2013 | | | 2012 | | |
|--|-------------------------|--------------------------|----------------------|-------------------------|--------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| Assets | | | | | | |
| Current and other assets | \$ 87,495,440 | \$ 466,723 | \$ 87,962,163 | \$ 94,446,662 | \$ 68,073 | \$ 94,514,735 |
| Capital assets | 951,869 | 25,791 | 977,660 | 1,131,432 | 13,260 | 1,144,692 |
| Total assets | <u>88,447,309</u> | <u>492,514</u> | <u>88,939,823</u> | <u>95,578,094</u> | <u>81,333</u> | <u>95,659,427</u> |
| Liabilities | | | | | | |
| Long-term Liabilities outstanding | 1,262,912 | - | 1,262,912 | 1,191,094 | - | 1,191,094 |
| Other Liabilities | 75,604,785 | 445,922 | 76,050,707 | 82,711,800 | 304 | 82,712,104 |
| Total Liabilities | <u>76,867,697</u> | <u>445,922</u> | <u>77,313,619</u> | <u>83,902,894</u> | <u>304</u> | <u>83,903,198</u> |
| Net Position | | | | | | |
| Net investment in capital assets | 951,869 | 25,791 | 977,660 | 1,131,432 | 13,260 | 1,144,692 |
| Restricted for grants | 271,591 | - | 271,591 | 193,244 | - | 193,244 |
| Restricted for local transportation projects | 5,129,542 | - | 5,129,542 | 6,038,421 | - | 6,038,421 |
| Unrestricted | 5,226,610 | 20,801 | 5,247,411 | 4,312,103 | 67,769 | 4,379,872 |
| Total net position | <u>\$ 11,579,612</u> | <u>\$ 46,592</u> | <u>\$ 11,626,204</u> | <u>\$ 11,675,200</u> | <u>\$ 81,029</u> | <u>\$ 11,756,229</u> |

- A portion of NCTCOG's net position, \$5,129,542, (44%) is restricted for local projects related to transportation funded initiatives. In October 2005, NCTCOGs' Regional Transportation Council (RTC) announced the 2005 Sustainable Development Call for Projects. In April 2006, the RTC selected projects and awarded funding for infrastructure, planning, and land banking projects which began funding at the end of fiscal year 2007 continuing throughout fiscal year 2013. Current year expenses for these projects totaled \$7,718,175 and cumulative expenses through fiscal year 2013 amount to \$72,674,969, leaving a remaining \$5 million restricted for remaining projects. Funding includes RTC local funds and anticipated local contributions from project sponsors in addition to local match funding.
- An additional portion of NCTCOG's net position, \$977,660, (8%) reflects its investment in capital assets (e.g., equipment) less any debt used to acquire those assets that is still outstanding. NCTCOG uses these assets to provide grant related services, they are restricted for specific use related to grant services; consequently, these assets are not available for future spending.
- Net position restricted for grants, \$271,591, (2%) are funds that have limitations for use as specified by the funding agencies.
- The remaining balance of net position totaling \$5,247,411, (45%) is considered unrestricted and may be used to meet the government's ongoing obligations to creditors and for service implementation.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2013**

Change in Net position. For the year ended September 30, 2013, the Agency's net position decreased by \$130,025. Following is a summary of the government-wide Statement of Activities:

| | 2013 | | | 2012 | | |
|---|-------------------------|--------------------------|--------------------|-------------------------|--------------------------|--------------------|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Federal Grant | \$ 20,631,697 | \$ - | \$ 20,631,697 | \$ 10,839,413 | \$ - | \$ 10,839,413 |
| State Administered grants | 105,208,041 | - | 105,208,041 | 97,922,702 | - | 97,922,702 |
| Local revenue & In-kind | 26,477,435 | 1,833,735 | 28,311,170 | 26,132,659 | 1,939,496 | 28,072,155 |
| Total Program Revenues | 152,317,173 | 1,833,735 | 154,150,908 | 134,894,774 | 1,939,496 | 136,834,270 |
| General Revenues: | | | | | | |
| Membership Dues | 657,054 | - | 657,054 | 651,539 | - | 651,539 |
| Interest Income | 62,047 | - | 62,047 | 41,970 | - | 41,970 |
| Total General Revenue | 719,101 | - | 719,101 | 693,509 | - | 693,509 |
| Total Revenue | 153,036,274 | 1,833,735 | 154,870,009 | 135,588,283 | 1,939,496 | 137,527,779 |
| Expenses: | | | | | | |
| Agency management and administration | 6,170,047 | - | 6,170,047 | 6,035,722 | - | 6,035,722 |
| Community Services | 24,883,533 | - | 24,883,533 | 18,522,455 | - | 18,522,455 |
| Emergency Preparedness | 1,426,129 | - | 1,426,129 | 2,062,309 | - | 2,062,309 |
| Environment and development | 3,310,704 | - | 3,310,704 | 2,074,557 | - | 2,074,557 |
| RIS local assistance | 3,040,498 | 1,868,172 | 4,908,670 | 2,637,422 | 1,936,213 | 4,573,635 |
| Transportation | 55,148,280 | - | 55,148,280 | 56,170,198 | - | 56,170,198 |
| Workforce development | 59,152,671 | - | 59,152,671 | 55,962,878 | - | 55,962,878 |
| Total expenses | 153,131,862 | 1,868,172 | 155,000,034 | 143,465,541 | 1,936,213 | 145,401,754 |
| Change in Net Position before Transfers | (95,588) | (34,437) | (130,025) | (7,877,258) | 3,283 | (7,873,975) |
| Transfers in (out) | - | - | - | - | - | - |
| Change in Net Position | (95,588) | (34,437) | (130,025) | (7,877,258) | 3,283 | (7,873,975) |
| Net Position - October 1 | 11,675,200 | 81,029 | 11,756,229 | 19,552,458 | 77,746 | 19,630,204 |
| Net position - September 30 | \$ 11,579,612 | \$ 46,592 | \$ 11,626,204 | \$ 11,675,200 | \$ 81,029 | \$ 11,756,229 |

Significant components of the net position activity are as follows:

- Governmental activities total revenues increased by \$17,447,991 or 13% in the current year. This increase was driven by \$11 million in additional FTA funding for the Dallas Streetcar Project as well as \$5 million in addition funds from CSEC for the Regional EsiNet and Next Generation 911 projects.
- Governmental activities total expenses increased \$9,666,321 or 7% in the current year. Key elements of the changes are as follows:
 - Community services expenses increased \$6,361,078 or 34% compared to 2012. \$5M of this increase were expenditures for Phase One of the implementation of our Regional EsiNet and Next Generation 911.
 - Emergency preparedness expenses decreased by \$636,180 or 31% when compared to 2012. The major component of this drop were decreased expenditures relating to the Cities Readiness Initiative which was not funded into 2013.
 - Environment and development expenses increased by \$1,236,147 or 60% when compared to 2012. 2013 was the second year of a two year Solid Waste grant cycle and typically the majority of these expenses occur in year two.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2013**

- Research and Information Services expenditures increased by \$403,076 or 15% when compared with 2012. The contributing factor of this increase was a full regional aerial flight in the orthophotography program. A full flight occurs every other year.
- Transportation expenses decreased by \$1,021,918 or 2% when compared with 2012. The primary reason for this decrease was reduced expenditures of \$917,340 in the Aircheck program, \$1,729,635 in the EPA Diesel Emissions Reduction Clean Construction project, and \$185,890 in the Federal Aviation Administration area planning grant. This decrease was partially offset by increased expenditures of \$2,033,095 in TxDot Congestion Management and Air Quality grants.
- Workforce expenses increased \$3,189,793 or 6% when compared to 2012. The majority of the increase was due to increased child care expenditures. FY 2013 budgets amounts and carry over available were significantly higher in FY 2013.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the NCTCOG's governmental funds reported combined ending fund balances of \$11,599,699 a decrease of \$23,384 in comparison with the prior year. Approximately 45% of this total amount (\$5,266,892) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for use because it has already been committed to liquidate contracts and purchase orders of the prior period along with future project obligations. The general fund is the chief operating fund of the NCTCOG. At the end of the current fiscal year, the total general fund balance reached \$5,334,365. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 3% of total governmental fund expenditures.

General Fund. The fund balance of NCTCOG's general fund increased by \$249,435 during the current fiscal year.

Special Revenue Fund. The fund balance of NCTCOG's special revenue fund decreased by \$272,819 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

There were administrative adjustments made among functions that resulted in no net change in fund balance between the original and final budget. The net change in fund balance between the final budget and actual amounts resulted in an increase of \$247,835, approximately 23% of budgeted total expenditures.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2013**

Capital Asset and Long Term Liability Administration

Capital assets. The NCTCOG's investment in capital assets for its governmental activities as of September 30, 2013, amounts to \$951,869 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture, and leasehold improvements.

| | <u>2013</u> | <u>2012</u> |
|--|--------------------------|----------------------------|
| <u>Governmental Activities</u> | | |
| Equipment | \$ 373,754 | \$ 449,642 |
| Leasehold Improvements | <u>578,115</u> | <u>681,790</u> |
| Total government activities capital assets | <u><u>\$ 951,869</u></u> | <u><u>\$ 1,131,432</u></u> |

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

Long-term liabilities. At the end of the current fiscal year, the NCTCOG had total long-term liabilities outstanding of \$1,262,912. This debt is related to accrued vacation that is payable to employees at the time of their departure from NCTCOG.

| | <u>Balance September 30, 2012</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance September 30, 2013</u> | <u>Due Within One Year</u> |
|------------------|---------------------------------------|--------------------------|-------------------------|---------------------------------------|--------------------------------|
| Accrued vacation | \$ 1,191,094 | \$ 165,131 | \$ 93,313 | \$ 1,262,912 | \$ 121,506 |
| Total | <u><u>\$ 1,191,094</u></u> | <u><u>\$ 165,131</u></u> | <u><u>\$ 93,313</u></u> | <u><u>\$ 1,262,912</u></u> | <u><u>\$ 121,506</u></u> |

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

Economic Factors and Next Year's Budgets and Rates

NCTCOG membership dues are calculated based on current population of governmental units as certified annually by NCTCOG. Per capita membership dues for fiscal year 2014 is estimated at \$665,000.

NCTCOG is primarily funded by state and federal grants which fluctuate from year to year. NCTCOG total estimated revenues and program expenses for fiscal year 2014 decreased a net of \$888 thousand from fiscal year 2013. Major program changes are:

9-1-1 planning funds projected an increase of \$5.3 million from the Commission on State Emergency Communications (CSEC) of which \$3.3 million is budgeted for capital expenditures.

Emergency preparedness anticipated increased funding of \$1.6 million; \$1.2 from the Texas Department of Public Safety (TDPS) and \$400 thousand from local sources.

Environment and development estimated a \$964 thousand decrease in funding from the Texas Commission on Environmental Quality (TCEQ).

Transportation programs projected net funding decreases of \$2.4 million; predominately comprised of \$4.7 million increase from the Texas Department of Transportation (TXDOT), \$2.1 million decrease from the Texas Commission of Environmental Quality (TCEQ), \$1.3 million

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2013**

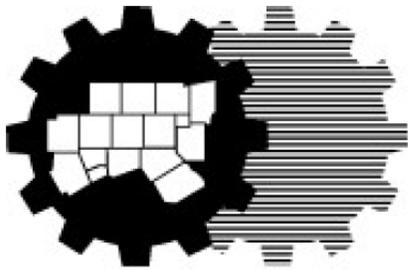
increase from the Federal Transit Authority (FTA), \$560 thousand decrease from the Environmental Protection Agency (EPA), along with decreased local contract funding of \$5.7 million.

Workforce programs estimated decreased total funding of \$4.4 million; \$3.2 million from the Texas Workforce Commission and \$1.2 million from the United States Department of Labor (USDOL).

All of these factors were considered in preparing the NCTCOG's budget for the 2014 fiscal year.

Requests for Information

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



**North Central Texas
Council of Governments**

BASIC FINANCIAL STATEMENTS

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

| | Primary Government | | |
|---|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS: | | | |
| Cash and cash equivalents | \$ 650 | \$ - | \$ 650 |
| Investments | 56,962,032 | - | 56,962,032 |
| Receivables | 30,218,766 | 466,573 | 30,685,339 |
| Prepays and other assets | 313,992 | 150 | 314,142 |
| Capital assets, net of accumulated depreciation | 951,869 | 25,791 | 977,660 |
| TOTAL ASSETS | 88,447,309 | 492,514 | 88,939,823 |
| LIABILITIES: | | | |
| Accounts payable and accrued expenses | 22,316,569 | - | 22,316,569 |
| Unearned revenue | 53,733,834 | 304 | 53,734,138 |
| Internal balances | (445,618) | 445,618 | - |
| Long-term liabilities | | | |
| Due within one year | 121,506 | - | 121,506 |
| Due in more than one year | 1,141,406 | - | 1,141,406 |
| TOTAL LIABILITIES | 76,867,697 | 445,922 | 77,313,619 |
| NET POSITION: | | | |
| Net investment in capital assets | 951,869 | 25,791 | 977,660 |
| Restricted for grants | 271,591 | - | 271,591 |
| Restricted for local transportation projects | 5,129,542 | - | 5,129,542 |
| Unrestricted | 5,226,610 | 20,801 | 5,247,411 |
| TOTAL NET POSITION | \$ 11,579,612 | \$ 46,592 | \$ 11,626,204 |

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, 2013**

| Functions/Programs | Operating Grants and Contributions | | | | Net (Expenses) Revenue and Changes in Net Position | | |
|--------------------------------------|------------------------------------|----------------------|----------------------------|---|--|--------------------------|----------------------|
| | Expenses | Federal Funding | | Local Contracts and In-kind Contributions | Primary Government | | |
| | | Federal Funding | State/ State Admin Funding | | Governmental Activities | Business Type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| Agency administration | \$ 5,463,174 | \$ - | \$ - | \$ 1,676,373 | \$ (3,786,801) | \$ - | \$ (3,786,801) |
| Agency management | 706,873 | - | - | 25,546 | (681,327) | - | (681,327) |
| Community services | 24,883,533 | 453 | 18,843,295 | 6,935,992 | 896,207 | - | 896,207 |
| Emergency preparedness | 1,426,129 | - | 872,066 | 792,809 | 238,746 | - | 238,746 |
| Environment and development | 3,310,704 | 113,089 | 2,010,188 | 1,246,826 | 59,399 | - | 59,399 |
| RIS local assistance | 3,040,498 | - | - | 1,074,113 | (1,966,385) | - | (1,966,385) |
| Transportation | 55,148,280 | 17,630,040 | 27,171,834 | 12,164,379 | 1,817,973 | - | 1,817,973 |
| Workforce development | 59,152,671 | 2,888,115 | 56,310,658 | 2,561,397 | 2,607,499 | - | 2,607,499 |
| Total governmental activities | 153,131,862 | 20,631,697 | 105,208,041 | 26,477,435 | (814,689) | - | (814,689) |
| Business-type activities: | | | | | | | |
| Shared services | 1,868,172 | - | - | 1,833,735 | - | (34,437) | (34,437) |
| Total primary government | \$ 155,000,034 | \$ 20,631,697 | \$ 105,208,041 | \$ 28,311,170 | \$ (814,689) | \$ (34,437) | \$ (849,126) |
| General Revenues: | | | | | | | |
| | | | | | | | |
| | | | | | 657,054 | - | 657,054 |
| | | | | | 62,047 | - | 62,047 |
| | | | | | 719,101 | - | 719,101 |
| | | | | | | | |
| | | | | | (95,588) | (34,437) | (130,025) |
| | | | | | | | |
| | | | | | 11,675,200 | 81,029 | 11,756,229 |
| | | | | | | | |
| | | | | | \$ 11,579,612 | \$ 46,592 | \$ 11,626,204 |

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total Governmental Funds</u> |
|--|-----------------------------|-------------------------------------|---|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 650 | \$ - | \$ 650 |
| Investments | 14,396,256 | 42,565,776 | 56,962,032 |
| Accounts Receivable: | | | |
| Federal grants | - | 6,538,740 | 6,538,740 |
| State administered grants | - | 22,346,121 | 22,346,121 |
| Local grants | - | 1,296,692 | 1,296,692 |
| Other | 32,930 | 4,283 | 37,213 |
| Due from other funds | 5,164,011 | - | 5,164,011 |
| Prepays | 31,961 | 98,930 | 130,891 |
| Other assets | 35,512 | - | 35,512 |
| TOTAL ASSETS | <u>\$ 19,661,320</u> | <u>\$ 72,850,542</u> | <u>\$ 92,511,862</u> |
| LIABILITIES: | | | |
| Accounts payable | \$ 13,686,175 | \$ - | \$ 13,686,175 |
| Accrued liabilities | 47,705 | 8,041,862 | 8,089,567 |
| Accrued payroll and employee benefits | 540,827 | - | 540,827 |
| Due to other funds | - | 4,861,760 | 4,861,760 |
| Unearned revenue | 52,248 | 53,681,586 | 53,733,834 |
| TOTAL LIABILITIES | <u>14,326,955</u> | <u>66,585,208</u> | <u>80,912,163</u> |
| FUND BALANCES: | | | |
| Nonspendable | 67,473 | 98,930 | 166,403 |
| Restricted for grants | - | 271,591 | 271,591 |
| Restricted for local transportation | - | 5,129,542 | 5,129,542 |
| Assigned | - | 765,271 | 765,271 |
| Unassigned | 5,266,892 | - | 5,266,892 |
| TOTAL FUND BALANCES | <u>5,334,365</u> | <u>6,265,334</u> | <u>11,599,699</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 19,661,320</u> | <u>\$ 72,850,542</u> | <u>\$ 92,511,862</u> |

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

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

| | |
|---|-----------------------------|
| Total Fund Balance - total governmental funds | \$ 11,599,699 |
| Add: Capital assets net of accumulated depreciation as of September 30, 2013 used in governmental activities were not current financial resources and therefore not reported in the governmental funds balance sheet (excluding Internal Service Fund). | 897,481 |
| Add: Internal Service Funds are used by management to charge the cost of certain activities, such as financing of the Geographical Information System, to individual funds. The net affect of this activity is to increase net position. | 345,344 |
| 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>(1,262,912)</u> |
| Net position of governmental activities (page 11) | <u><u>\$ 11,579,612</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, 2013**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|---|
| REVENUES: | | | |
| Federal grants | \$ - | \$ 20,631,697 | \$ 20,631,697 |
| State administered grants | - | 105,208,041 | 105,208,041 |
| Membership dues | 657,054 | - | 657,054 |
| Local contributions | 310,384 | 12,654,097 | 12,964,481 |
| In-Kind | - | 13,125,408 | 13,125,408 |
| Program income | - | 387,546 | 387,546 |
| Interest income | 10,660 | 51,387 | 62,047 |
| TOTAL REVENUES | <u>978,098</u> | <u>152,058,176</u> | <u>153,036,274</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Agency administration | 3,141,170 | 2,879,788 | 6,020,958 |
| Agency management | 570,144 | 377 | 570,521 |
| Community services | 229,984 | 25,093,058 | 25,323,042 |
| Emergency preparedness | - | 1,549,436 | 1,549,436 |
| Environment & development | 141,163 | 3,339,331 | 3,480,494 |
| Research & information services | 422,217 | 2,886,404 | 3,308,621 |
| Transportation | 73,587 | 56,852,548 | 56,926,135 |
| Workforce development | - | 59,530,189 | 59,530,189 |
| Capital outlay | 10,759 | 157,275 | 168,034 |
| | <u>4,589,024</u> | <u>152,288,406</u> | <u>156,877,430</u> |
| Indirect Cost Allocation | (3,799,890) | - | (3,799,890) |
| Contributions to Indirect Costs | (17,882) | - | (17,882) |
| TOTAL EXPENDITURES | <u>771,252</u> | <u>152,288,406</u> | <u>153,059,658</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>206,846</u> | <u>(230,230)</u> | <u>(23,384)</u> |
| OTHER FINANCING SOURCES AND USES: | | | |
| Transfers In | 68,159 | 1,171,664 | 1,239,823 |
| Transfers Out | (25,570) | (1,214,253) | (1,239,823) |
| TOTAL OTHER FINANCING SOURCES AND USES | <u>42,589</u> | <u>(42,589)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>249,435</u> | <u>(272,819)</u> | <u>(23,384)</u> |
| FUND BALANCES - BEGINNING OF YEAR | <u>5,084,930</u> | <u>6,538,153</u> | <u>11,623,083</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 5,334,365</u> | <u>\$ 6,265,334</u> | <u>\$ 11,599,699</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, 2013**

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

| | |
|--|---------------------------|
| Net change in Fund Balances - Total Governmental Funds (page 15) | \$ (23,384) |
| 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. | 168,034 |
| 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. | 218,100 |
| 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. | (71,818) |
| 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>(386,520)</u> |
| Change in net position of governmental activities (page 12) | <u><u>\$ (95,588)</u></u> |

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013**

| | <u>Business Type Activities</u> | <u>Governmental Activities</u> |
|---|-------------------------------------|--------------------------------------|
| | <u>Enterprise Fund</u> | <u>Internal Service Fund</u> |
| ASSETS | | |
| Accounts receivable | \$ 466,573 | \$ - |
| Prepays and other assets | 150 | 147,589 |
| Due from other funds | - | 143,367 |
| Total current assets | <u>466,723</u> | <u>290,956</u> |
| Capital assets, net of accumulated depreciation | <u>25,791</u> | <u>54,388</u> |
| TOTAL ASSETS | <u>492,514</u> | <u>345,344</u> |
| CURRENT LIABILITIES | | |
| Unearned revenue | 304 | - |
| Due to other funds | <u>445,618</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>445,922</u> | <u>-</u> |
| NET POSITION | | |
| Net investment in capital assets | 25,791 | 54,388 |
| Unrestricted | <u>20,801</u> | <u>290,956</u> |
| TOTAL NET POSITION | <u>\$ 46,592</u> | <u>\$ 345,344</u> |

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR YEAR ENDED SEPTEMBER 30, 2013**

| | <u>Business Type Activities</u> | <u>Governmental Activities</u> |
|----------------------------------|-------------------------------------|--------------------------------------|
| | <u>Enterprise Fund</u> | <u>Internal Service Fund</u> |
| OPERATING REVENUES | | |
| Service charges | \$ 1,833,735 | \$ 4,496,038 |
| TOTAL OPERATING REVENUES | <u>1,833,735</u> | <u>4,496,038</u> |
| OPERATING EXPENSES | | |
| Personnel | 7,752 | 747,664 |
| Indirect | 1,363 | 131,463 |
| Contract services | 1,425,077 | 130,725 |
| Travel | - | 2,643 |
| Depreciation | 9,451 | 7,432 |
| Other costs | 424,529 | 3,258,011 |
| TOTAL OPERATING EXPENSES | <u>1,868,172</u> | <u>4,277,938</u> |
| OPERATING INCOME (LOSS) | <u>(34,437)</u> | <u>218,100</u> |
| CHANGE IN NET POSITION | (34,437) | 218,100 |
| NET POSITION - BEGINNING OF YEAR | <u>81,029</u> | <u>127,244</u> |
| NET POSITION - END OF YEAR | <u>\$ 46,592</u> | <u>\$ 345,344</u> |

See accompanying notes to the basic financial statements.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR YEAR ENDED SEPTEMBER 30, 2013**

| | <u>Business Type Activities</u> | <u>Governmental Activities</u> |
|--|-------------------------------------|--------------------------------------|
| | <u>Enterprise Fund</u> | <u>Internal Service Fund</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from service charges | \$ 1,435,235 | \$ 4,496,038 |
| Payments to other funds for indirect and other costs | 444,105 | (310,640) |
| Payments to suppliers for goods and services | (1,849,606) | (3,391,379) |
| Payments to employees | (7,752) | (747,664) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>21,982</u> | <u>46,355</u> |
| CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES: | | |
| Purchase of capital assets | (21,982) | (46,355) |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(21,982)</u> | <u>(46,355)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | - | - |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>-</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ -</u> | <u>\$ -</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | |
| Operating income (loss) | \$ (34,437) | \$ 218,100 |
| Adjustment to Reconcile Operating Income (loss) to Net Cash Provided by Operating Activities: | | |
| Depreciation | 9,451 | 7,432 |
| Increase in prepaid expenses | (150) | (147,276) |
| Increase in accounts receivable | (458,145) | - |
| (Increase) decrease in due from other funds | 59,645 | (31,901) |
| Increase in due to other funds | 445,618 | - |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 21,982</u> | <u>\$ 46,355</u> |

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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

General Statement

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

Summary of Significant Accounting Policies

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

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

1. Reporting Entity

Primary Government

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

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

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

2. Basis of Presentation

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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

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

Fund Financial Statements:

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

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

General Fund—

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

Special Revenue Funds—

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

Proprietary Fund Type –

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

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

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

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

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

3. Measurement Focus and Basis of Accounting

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

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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

a) Federal, State, and Local Grant Revenue

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

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

b) Member Government Dues

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

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

c) Local Contributed Cash

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

d) In-Kind and Contributed Services

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

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

4. Leave Policies

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

Based on full time or part time accrual rates employees may accrue, during the first five years of employment, up to ten (10) days of vacation leave per year. During the second five years of employment, an employee accrues up to fifteen (15) days per year, and after ten years of employment, up to twenty (20) days per year. The maximum of unused vacation leave a full-time and eligible part-time employee may accumulate is the number of days, which the employee would

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

accumulate in three (3) years at their current accrual rate. Upon termination of employment from the Council, an employee will be paid for unused vacation leave not to exceed the maximum amount normally accrued based on hire date. Specific information related to vacation accrual is available for review in the personnel manual. The liability for accumulated vacations (\$1,262,912 at September 30, 2013) 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 for details on investments.

6. Encumbrances

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

7. State Administered Grants

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

8. Transfers

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

9. Allocation of Employee Benefits and Indirect Costs

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

**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 2013, the Council contributed \$92,758 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, 2013 or any of the three preceding years ending September 30th.

13. Cash and Cash Equivalents

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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

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

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

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

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

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

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

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

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

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

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2013**

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, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:

| | |
|----------------------------|----------------------|
| Primary Government | |
| Total cash and investments | <u>\$ 56,962,682</u> |

Cash and investments as of September 30, 2013 consist of the following:

| | |
|--------------------------------------|----------------------|
| Deposits with financial institutions | \$ - |
| Cash on hand | 650 |
| Investments | <u>56,962,032</u> |
| Total cash and investments | <u>\$ 56,962,682</u> |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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, 2013, NCTCOG had the following investments:

| <u>Investment Type</u> | <u>Amount</u> | <u>Weighted Average Maturity(1)</u> |
|------------------------|-----------------------------|---|
| TexPool | \$ 24,347,070 | 60 days |
| Logic | 438 | 55 days |
| TexStar | <u>32,614,524</u> | 51 days |
| | <u><u>\$ 56,962,032</u></u> | |

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

As of September 30, 2013 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 | \$ 24,347,070 | A | AAAm |
| Logic | 438 | A | AAAm |
| TexStar | <u>32,614,524</u> | A | AAAm |
| Total Primary Government | <u><u>\$ 56,962,032</u></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, 2013 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, 2013, the Council's deposits had a carrying amount of \$0 and a bank ledger balance of \$599,410. Pledged collateral of \$3,531,444 was available to cover the uninsured available balance, as well as \$250,000 in FDIC insurance.

6. Investment in Local Government Investment Pools

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

TexPool: The 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, 2013**

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.

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

NOTE C - FEDERAL AND STATE ADMINISTERED GRANT RECEIVABLES

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

NOTE D - CHANGES IN LONG-TERM LIABILITIES

A summary of long-term liability transactions for the year ended September 30, 2013, is presented below. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented. Compensated absences are liquidated by all governmental funds by allocating amounts based on labor hours charged to those funds.

| | Balance September 30, 2012 | Increases | Decreases | Balance September 30, 2013 | Due Within One Year |
|------------------|-------------------------------|-------------------|------------------|-------------------------------|------------------------|
| Accrued vacation | \$ 1,191,094 | \$ 165,131 | \$ 93,313 | \$ 1,262,912 | \$ 121,506 |
| Total | <u>\$ 1,191,094</u> | <u>\$ 165,131</u> | <u>\$ 93,313</u> | <u>\$ 1,262,912</u> | <u>\$ 121,506</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 \$20,685 during 2013. The Council contributed a matching \$15,627 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, 2013**

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, 2013:

Transfers in/out other funds:

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>Amount</u> | <u>Purpose</u> |
|--------------------|---------------------|---------------------|-----------------------------------|
| General Fund | Special Revenue | \$ 35,952 | Recovery of Depreciation |
| General Fund | Special Revenue | 32,207 | Local Funded Projects |
| Special Revenue | General Fund | 25,570 | Local match dollars |
| Special Revenue | Special Revenue | 1,146,094 | State funded projects/local match |
| | Total | <u>\$ 1,239,823</u> | |

Due to/from other funds:

| | <u>Due From</u> | <u>Due To</u> |
|-----------------------|---------------------|---------------------|
| General Fund | \$ 5,164,011 | \$ - |
| Special Revenue Fund | - | 4,861,760 |
| Enterprise Fund | - | 445,618 |
| Internal Service Fund | 143,367 | - |
| Total | <u>\$ 5,307,378</u> | <u>\$ 5,307,378</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, 2013**

NOTE G - CAPITAL ASSETS

Governmental activities:

A summary of changes in the governmental activities capital assets for the year ended September 30, 2013, follows:

| | Balance at October 1, 2012 | Increases | Decreases | Balance at September 30, 2013 |
|--|----------------------------------|---------------------|-----------------|-------------------------------------|
| Governmental Activities | | | | |
| <u>General Capital Assets</u> | | | | |
| Capital Assets being depreciated: | | | | |
| Equipment | \$ 4,362,955 | \$ 168,034 | \$ (9,020) | \$ 4,521,969 |
| Furniture | 466,680 | - | (82,093) | 384,587 |
| Leasehold Improvements | 2,268,614 | - | - | 2,268,614 |
| Total capital assets being depreciated | <u>7,098,249</u> | <u>168,034</u> | <u>(91,113)</u> | <u>7,175,170</u> |
| Accumulated depreciation | | | | |
| Equipment | 3,922,127 | 282,845 | (9,020) | 4,195,952 |
| Furniture | 466,680 | - | (82,093) | 384,587 |
| Leasehold Improvements | 1,593,475 | 103,675 | - | 1,697,150 |
| Total accumulated depreciation | <u>5,982,282</u> | <u>386,520</u> | <u>(91,113)</u> | <u>6,277,689</u> |
| Total governmental funds capital assets, net | <u>1,115,967</u> | <u>(218,486)</u> | <u>-</u> | <u>897,481</u> |
| <u>Internal Service Fund Capital Assets</u> | | | | |
| Capital assets being depreciated: | | | | |
| Equipment | 533,145 | 46,355 | (29,906) | 549,594 |
| Furniture | 1,005 | - | - | 1,005 |
| Leasehold Improvements | 14,671 | - | - | 14,671 |
| Total capital assets being depreciated | <u>548,821</u> | <u>46,355</u> | <u>(29,906)</u> | <u>565,270</u> |
| Accumulated depreciation | | | | |
| Equipment | 524,331 | 7,432 | (29,906) | 501,857 |
| Furniture | 1,005 | - | - | 1,005 |
| Leasehold Improvements | 8,020 | - | - | 8,020 |
| Total accumulated depreciation | <u>533,356</u> | <u>7,432</u> | <u>(29,906)</u> | <u>510,882</u> |
| Total internal service funds capital assets, net | <u>15,465</u> | <u>38,923</u> | <u>-</u> | <u>54,388</u> |
| Governmental activities capital assets, net | <u>\$ 1,131,432</u> | <u>\$ (179,563)</u> | <u>\$ -</u> | <u>\$ 951,869</u> |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE G - CAPITAL ASSETS (continued)

| | Balance at October 1, 2012 | Increases | Decreases/ Transfers | Balance at September 30, 2013 |
|--|----------------------------------|------------------|-------------------------|-------------------------------------|
| Business Type Activities: | | | | |
| <u>Capital assets being depreciated:</u> | | | | |
| Equipment | \$ 7,361,554 | \$ 21,982 | \$ - | \$ 7,383,536 |
| Total capital assets being depreciated | <u>7,361,554</u> | <u>21,982</u> | <u>-</u> | <u>7,383,536</u> |
| <u>Accumulated Depreciation:</u> | | | | |
| Equipment | 7,348,294 | 9,451 | - | 7,357,745 |
| Total accumulated depreciation | <u>7,348,294</u> | <u>9,451</u> | <u>-</u> | <u>7,357,745</u> |
| Total Business-type activities capital assets, net | <u>\$ 13,260</u> | <u>\$ 12,531</u> | <u>\$ -</u> | <u>\$ 25,791</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 | \$ 33,808 |
| Agency Management | 52 |
| Community Services | 54,069 |
| Emergency Preparedness | 13,006 |
| Environment & Development | 17,854 |
| RIS Local Assistance | 28,939 |
| Transportation | 197,376 |
| Workforce Development | 41,416 |
| Internal Service Fund | <u>7,432</u> |
| Total Depreciation expense-governmental activities | <u>\$ 393,952</u> |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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 (\$2,239,810) during fiscal year 2013 equal to twelve percent (12%) of the permanent full-time employees' gross salaries. Full-time employees also contributed an amount of \$1,119,905 during 2013 equal to six percent (6%) of gross salaries. Total Council payroll for the year was \$19,298,896 including \$18,755,531 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 \$3,928,118 for 2013.

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, 2013, are as follows:

| <u>Year Ending September 30</u> | |
|---------------------------------|----------------------|
| 2014 | \$ 3,779,655 |
| 2015 | 3,419,359 |
| 2016 | 3,028,648 |
| 2017 | 2,814,438 |
| 2018 | 2,737,667 |
| Thereafter (2019-2024) | <u>12,137,844</u> |
| | <u>\$ 27,917,611</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, 2013, 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, 2013**

NOTE J – CONTINGENCIES (continued)

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

NOTE K – FUND BALANCES

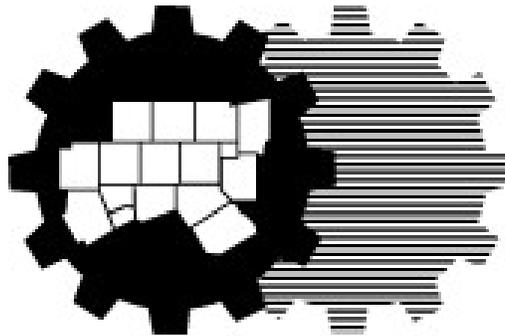
In accordance with GASB 54 the NCTCOG classifies governmental fund balances as follows:

DETAILED FUND BALANCE DISCLOSURE

| | General Fund | Major Special Revenue | | | | | TOTAL |
|-----------------------------|---------------------|-----------------------|---------------------|-----------------|-------------------|------------------|----------------------|
| | Fund | CJD | Local | TCEQ | TXWD | TXDOT | |
| FUND BALANCES: | | | | | | | |
| Non Spendable: | | | | | | | |
| Prepays | \$ 31,961 | \$ - | \$ 98,930 | \$ - | \$ - | \$ - | \$ 130,891 |
| Inventory | 35,512 | - | - | - | - | - | 35,512 |
| Restricted: | | | | | | | |
| Grants | - | 86,064 | - | 2,924 | 117,997 | 64,606 | 271,591 |
| Local Transportation | - | - | 5,129,542 | - | - | - | 5,129,542 |
| Assigned | - | - | 765,271 | - | - | - | 765,271 |
| Unassigned | 5,266,892 | - | - | - | - | - | 5,266,892 |
| TOTAL FUND BALANCES: | \$ 5,334,365 | \$ 86,064 | \$ 5,993,743 | \$ 2,924 | \$ 117,997 | \$ 64,606 | \$ 11,599,699 |

NOTE L – SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through February 19, 2014, the date the financial statements were available to be issued.



**North Central Texas
Council of Governments**

**REQUIRED
SUPPLEMENTAL
INFORMATION**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 BUDGETARY COMPARISON
 GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

| | <u>Budgeted Amounts</u> | | <u>Budget Basis Actual</u> | <u>Variance with Final Budget (Negative)</u> |
|--|-------------------------|---------------------|--------------------------------|--|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Member dues | \$ 658,354 | \$ 658,354 | \$ 657,054 | \$ (1,300) |
| Local contributed cash | 393,065 | 393,065 | 310,384 | (82,681) |
| Interest income | 10,000 | 10,000 | 10,660 | 660 |
| Total revenues | <u>1,061,419</u> | <u>1,061,419</u> | <u>978,098</u> | <u>(83,321)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Agency administration | 3,324,317 | 3,005,700 | 2,984,324 | 21,376 |
| Agency management | 733,620 | 709,620 | 570,149 | 139,471 |
| Public affairs | 178,714 | 178,714 | 156,938 | 21,776 |
| RIS local assistance | 368,393 | 428,393 | 423,075 | 5,318 |
| Community services | 370,565 | 370,565 | 230,146 | 140,419 |
| Environmental & development | 140,000 | 142,000 | 141,328 | 672 |
| Transportation | 65,000 | 75,000 | 73,590 | 1,410 |
| Capital outlay | - | 12,000 | 10,759 | 1,241 |
| Total current expenditures | <u>5,180,609</u> | <u>4,921,992</u> | <u>4,590,309</u> | <u>331,683</u> |
| Indirect cost allocation | (3,845,573) | (3,845,573) | (3,799,890) | (45,683) |
| Contributions to indirect costs | <u>(273,617)</u> | <u>(15,000)</u> | <u>(17,882)</u> | <u>2,882</u> |
| Total expenditures | <u>1,061,419</u> | <u>1,061,419</u> | <u>772,537</u> | <u>288,882</u> |
| Excess (deficiencies) of revenues Over/(under) expenditures | - | - | 205,561 | 205,561 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | - | 68,159 | 68,159 |
| Transfers out | - | - | (25,570) | (25,570) |
| Charge for use of assets | 40,000 | 40,000 | 37,237 | (2,763) |
| Indirect allocation to Special Revenue Fund | <u>(38,400)</u> | <u>(38,400)</u> | <u>(35,952)</u> | <u>2,448</u> |
| Total other financing sources | <u>1,600</u> | <u>1,600</u> | <u>43,874</u> | <u>42,274</u> |
| Net changes in fund balances | 1,600 | 1,600 | 249,435 | 247,835 |
| Fund balances - beginning | 5,084,930 | 5,084,930 | 5,084,930 | - |
| Fund balances - ending | <u>\$ 5,086,530</u> | <u>\$ 5,086,530</u> | <u>\$ 5,334,365</u> | <u>\$ 247,835</u> |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2013**

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 this equipment usage charge.

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

| <u>General Fund</u> | |
|---|-------------------|
| Total Net Expenditures (GAAP Basis) | \$ 771,252 |
| Plus Charge for use of assets | 37,237 |
| Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund | <u>(35,952)</u> |
| Total Expenditures (Budget Basis) | <u>\$ 772,537</u> |
| Total Other Sources (GAAP Basis) | \$ 42,589 |
| Plus Charge for use of assets | 37,237 |
| Less: Use of assets recovered through indirect cost allocated to Special Revenue Fund | <u>(35,952)</u> |
| Total Other Sources (Budget Basis) | <u>\$ 43,874</u> |

NOTE B: BUDGETARY CONTROLS

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2013**

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

**OTHER
SUPPLEMENTAL
INFORMATION**

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

Such schedules include:

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

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FEDERAL, STATE AND LOCALLY ADMINISTERED GRANTS
YEAR ENDED SEPTEMBER 30, 2013**

| | <u>Federal Funds Total</u> | <u>State and Locally Administered Total</u> | <u>Combined Total</u> |
|---|--------------------------------|---|-----------------------|
| REVENUES | | | |
| Federal grants | \$ 20,631,697 | \$ - | \$ 20,631,697 |
| State administered grants | - | 105,208,041 | 105,208,041 |
| Local contributions | 165,609 | 12,488,488 | 12,654,097 |
| In-Kind | 3,097,745 | 10,027,663 | 13,125,408 |
| Program income | - | 387,546 | 387,546 |
| Interest income | - | 51,387 | 51,387 |
| TOTAL REVENUES | <u>23,895,051</u> | <u>128,163,125</u> | <u>152,058,176</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Agency administration | 212,595 | 2,667,193 | 2,879,788 |
| Agency management | - | 377 | 377 |
| Community services | 234 | 25,092,824 | 25,093,058 |
| Emergency preparedness | - | 1,549,436 | 1,549,436 |
| Environment & development | 117,736 | 3,221,595 | 3,339,331 |
| Research & information services | 890 | 2,885,514 | 2,886,404 |
| Transportation | 20,861,977 | 35,990,571 | 56,852,548 |
| Workforce development | 2,860,663 | 56,669,526 | 59,530,189 |
| Capital Outlay | - | 157,275 | 157,275 |
| TOTAL EXPENDITURES | <u>24,054,095</u> | <u>128,234,311</u> | <u>152,288,406</u> |
| DEFICIENCIES OF REVENUES UNDER EXPENDITURES | <u>(159,044)</u> | <u>(71,186)</u> | <u>(230,230)</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers In | 160,744 | 1,010,920 | 1,171,664 |
| Transfers Out | (1,700) | (1,212,553) | (1,214,253) |
| TOTAL OTHER FINANCING SOURCES | <u>159,044</u> | <u>(201,633)</u> | <u>(42,589)</u> |
| DEFICIENCIES OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING USES | - | (272,819) | (272,819) |
| FUND BALANCE - BEGINNING OF YEAR | <u>-</u> | <u>6,538,153</u> | <u>6,538,153</u> |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ 6,265,334</u> | <u>\$ 6,265,334</u> |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FEDERAL GRANTS
 YEAR ENDED SEPTEMBER 30, 2013**

| | Federal Funds | | | | | | | | TOTAL |
|---|------------------|------------------|-------------------|----------------|----------------|-----------------|------------------|-------------|-------------------|
| | DOE | EPA | FTA | FEMA | FAA | HUD | DOL | DOJ | |
| REVENUES | | | | | | | | | |
| Federal grants | \$1,317,092 | \$ 652,529 | \$15,239,127 | \$ 113,089 | \$148,052 | \$273,240 | \$2,888,115 | \$ 453 | \$20,631,697 |
| State administered grants | - | - | - | - | - | - | - | - | - |
| Local contributions | - | - | 165,609 | - | - | - | - | - | 165,609 |
| In-Kind | 519,409 | 625,421 | 1,952,915 | - | - | - | - | - | 3,097,745 |
| TOTAL REVENUES | 1,836,501 | 1,277,950 | 17,357,651 | 113,089 | 148,052 | 273,240 | 2,888,115 | 453 | 23,895,051 |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| Agency administration | 7,099 | 15,598 | 143,398 | 1,085 | 7,839 | 11,176 | 26,181 | 219 | 212,595 |
| Community services | - | - | - | - | - | - | - | 234 | 234 |
| Emergency preparedness | - | - | - | - | - | - | - | - | - |
| Environment & development | - | - | - | 117,736 | - | - | - | - | 117,736 |
| Research & information services | - | - | - | - | 64 | - | 826 | - | 890 |
| Transportation | 1,847,867 | 1,262,314 | 17,265,480 | - | 147,796 | 338,520 | - | - | 20,861,977 |
| Workforce development | - | - | - | - | - | - | 2,860,663 | - | 2,860,663 |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 1,854,966 | 1,277,912 | 17,408,878 | 118,821 | 155,699 | 349,696 | 2,887,670 | 453 | 24,054,095 |
| EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES | (18,465) | 38 | (51,227) | (5,732) | (7,647) | (76,456) | 445 | - | (159,044) |
| OTHER FINANCING SOURCES | | | | | | | | | |
| Transfers in | 18,649 | - | 51,798 | 5,816 | 7,846 | 76,635 | - | - | 160,744 |
| Transfers out | (184) | (38) | (571) | (84) | (199) | (179) | (445) | - | (1,700) |
| TOTAL OTHER FINANCING SOURCES | 18,465 | (38) | 51,227 | 5,732 | 7,647 | 76,456 | (445) | - | 159,044 |
| EXCESS/DEFICIENCIES OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING USES | - | - | - | - | - | - | - | - | - |
| FUND BALANCE - BEGINNING OF YEAR | - | - | - | - | - | - | - | - | - |
| FUND BALANCE - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

**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, 2013**

| | State and Locally Administered Funds | | | | |
|---|--------------------------------------|-------------------|---------------------|-------------------|---------------|
| | CJD | CSEC | LOCAL | | TDA |
| | | | Transportation | Other | |
| REVENUES | | | | | |
| Federal grants | \$ - | \$ - | \$ - | \$ - | \$ - |
| State administered grants | 803,869 | 10,837,001 | - | - | 14,538 |
| Local contributions | 263,226 | - | 6,855,522 | 4,948,040 | - |
| In-Kind | - | - | 628,318 | - | - |
| Program income | - | - | - | - | - |
| Interest income | - | 562 | 30,713 | - | - |
| TOTAL REVENUES | 1,067,095 | 10,837,563 | 7,514,553 | 4,948,040 | 14,538 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Agency administration | 27,530 | 59,734 | 23,234 | 1,142,298 | 384 |
| Agency management | - | 377 | - | - | - |
| Community services | 969,873 | 10,675,151 | - | 43,968 | - |
| Emergency preparedness | - | - | - | 541,815 | - |
| Environment & development | - | - | - | 1,230,018 | 14,136 |
| Research & information services | 863 | 143 | 1,005 | 1,096,936 | - |
| Transportation | 1,555 | 4,092 | 7,584,092 | 5,758 | - |
| Workforce development | - | - | - | 33 | - |
| Capital Outlay | - | 95,896 | - | - | - |
| TOTAL EXPENDITURES | 999,821 | 10,835,393 | 7,608,331 | 4,060,826 | 14,520 |
| EXCESS/(DEFICIENCIES) OF REVENUES OVER/(UNDER) EXPENDITURES | 67,274 | 2,170 | (93,778) | 887,214 | 18 |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | - | - | 19,813 | 160 | - |
| Transfers out | (771) | (2,170) | (834,914) | (329,661) | (18) |
| TOTAL OTHER FINANCING SOURCES | (771) | (2,170) | (815,101) | (329,501) | (18) |
| EXCESS/DEFICIENCIES OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING USES | 66,503 | - | (908,879) | 557,713 | - |
| FUND BALANCE - BEGINNING OF YEAR | 19,561 | - | 6,038,421 | 306,488 | - |
| FUND BALANCE - END OF YEAR | \$ 86,064 | \$ - | \$ 5,129,542 | \$ 864,201 | \$ - |

State and Locally Administered Funds

| TCEQ | | DADS | TDPS | TWC | TVC | TXDOT | TXWD | Total |
|------------------|------------------|-------------------|------------------|-------------------|----------------|-------------------|-------------------|---------------------|
| Transportation | Other | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4,830,999 | 1,995,650 | 6,756,128 | 1,318,297 | 56,183,501 | 127,157 | 22,340,901 | - | 105,208,041 |
| - | - | - | - | - | - | 421,700 | - | 12,488,488 |
| - | - | 5,894,840 | 51,224 | 2,538,597 | - | 914,684 | - | 10,027,663 |
| 79,421 | - | 306,830 | - | - | - | 1,295 | - | 387,546 |
| 4,499 | 1,193 | - | - | - | - | 14,420 | - | 51,387 |
| <u>4,914,919</u> | <u>1,996,843</u> | <u>12,957,798</u> | <u>1,369,521</u> | <u>58,722,098</u> | <u>127,157</u> | <u>23,693,000</u> | <u>-</u> | <u>128,163,125</u> |
| 27,917 | 22,083 | 147,896 | 87,704 | 624,125 | 8,644 | 495,644 | - | 2,667,193 |
| - | - | - | - | - | - | - | - | 377 |
| - | - | 12,926,205 | 429,570 | - | - | 48,057 | - | 25,092,824 |
| - | - | - | 1,007,621 | - | - | - | - | 1,549,436 |
| - | 1,977,088 | - | - | 353 | - | - | - | 3,221,595 |
| 11,582 | (13) | 205 | 12,045 | 1,480,159 | - | 282,589 | - | 2,885,514 |
| 4,875,192 | (968) | 5,152 | 591 | - | - | 23,515,107 | - | 35,990,571 |
| - | - | - | - | 56,550,993 | 118,500 | - | - | 56,669,526 |
| - | - | - | - | 61,379 | - | - | - | 157,275 |
| <u>4,914,691</u> | <u>1,998,190</u> | <u>13,079,458</u> | <u>1,537,531</u> | <u>58,717,009</u> | <u>127,144</u> | <u>24,341,397</u> | <u>-</u> | <u>128,234,311</u> |
| 228 | (1,347) | (121,660) | (168,010) | 5,089 | 13 | (648,397) | - | (71,186) |
| - | 240 | 124,057 | 168,955 | - | - | 697,695 | - | 1,010,920 |
| - | (1,763) | (2,397) | (945) | (5,089) | (13) | (34,812) | - | (1,212,553) |
| - | (1,523) | 121,660 | 168,010 | (5,089) | (13) | 662,883 | - | (201,633) |
| 228 | (2,870) | - | - | - | - | 14,486 | - | (272,819) |
| 255 | 5,311 | - | - | - | - | 50,120 | 117,997 | 6,538,153 |
| <u>\$ 483</u> | <u>\$ 2,441</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 64,606</u> | <u>\$ 117,997</u> | <u>\$ 6,265,334</u> |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS (BUDGET BASIS)
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2013**

| | <u>Actual</u> | <u>Budget</u> |
|--|------------------------|------------------------|
| Salaries | \$ 1,558,631 | \$ 1,645,981 |
| Benefits | <u>645,620</u> | <u>697,894</u> |
| Indirect personnel | 2,204,251 | 2,343,875 |
| Legal | 13,730 | 20,000 |
| Audit | 91,000 | 91,000 |
| Contract services | 432,199 | 316,692 |
| Travel | 16,155 | 17,300 |
| Equipment use fee | 37,237 | 40,000 |
| Consumable supplies | 48,635 | 122,900 |
| Insurance & bonding | 31,576 | 36,200 |
| Rent | 411,824 | 450,951 |
| Printing & publications | 37,750 | 30,400 |
| Equipment rental | 8,816 | - |
| Advertising | 4,080 | 4,000 |
| Maintenance & repairs | 119,249 | 102,000 |
| Employee recruitment | 6,911 | 2,600 |
| Communications | 12,839 | 17,800 |
| Postage | 8,870 | 10,400 |
| Subscriptions & dues | 111,626 | 161,200 |
| Other | <u>221,024</u> | <u>93,255</u> |
| TOTAL | 3,817,772 | 3,860,573 |
| Less: Contributions to Indirect costs | <u>(17,882)</u> | <u>(15,000)</u> |
| NET INDIRECT COSTS | <u>\$ 3,799,890</u> | <u>\$ 3,845,573</u> |
| Indirect costs rate computations: | | |
| Net indirect costs | <u>\$ 3,799,890</u> | <u>\$ 3,845,573</u> |
| Direct salaries & benefits - all funds | \$ 21,610,945 = 17.58% | \$ 21,726,865 = 17.70% |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYEE BENEFITS ALL FUNDS
YEAR ENDED SEPTEMBER 30, 2013**

| Full Time Benefits Programs | <u>Actual</u> | <u>Projected</u> |
|--|---------------------------------|---------------------------------|
| Medicare insurance | \$ 256,621 | \$ 269,494 |
| Medical insurance | 2,105,267 | 2,017,609 |
| Worker's compensation | 56,357 | 51,571 |
| Flexible benefit plan | 7,459 | 7,147 |
| Life & disability insurance | 136,973 | 131,873 |
| Other benefits | 42,712 | 112,000 |
| Unemployment insurance | 5,387 | 22,378 |
| Retirement | 2,035,709 | 1,935,299 |
| Vacation | 964,937 | 952,711 |
| Sick leave | 547,096 | 512,371 |
| Holiday leave | 729,210 | 711,626 |
| Other leave | <u>33,751</u> | <u>48,753</u> |
| TOTAL | <u><u>\$ 6,921,479</u></u> | <u><u>\$ 6,772,832</u></u> |
| Employee benefits rate computations: | | |
| Total full-time benefits | <u>\$ 6,921,479</u> | <u>\$ 6,772,832</u> |
| Total regular salaries | \$ 16,510,632 = 41.92% | \$ 16,360,364 = 41.40% |
| Total personnel costs recap: | | |
| Salaries | \$ 16,510,632 | \$ 16,360,364 |
| Benefits | <u>6,921,479</u> | <u>6,772,832</u> |
| Personnel - NCTCOG | <u><u>\$ 23,432,111</u></u> | <u><u>\$ 23,133,196</u></u> |

**TEXAS LOCAL GOVERNMENT CODE CHAPTER 391 INDIRECT COST LIMITATIONS TEST
 FISCAL YEAR 2013 ACTUAL
 OCTOBER 1, 2012 - SEPTEMBER 30, 2013**

| | | | |
|--|---------------------|---|-------------|
| Total Indirect Costs | \$ 3,799,890 | | |
| Expenditures: | | | |
| General Fund | 4,589,024 | | |
| Special Revenue Fund | 152,288,406 | | |
| Proprietary Fund | 4,277,938 | | |
| Enterprise Fund | 1,868,172 | | |
| Interdepartmental Transfers for Direct Charges and Indirect Costs | <u>(8,295,928)</u> | | |
| Total Expenditures | 154,727,612 | = | 2.5% |
| Less: | | | |
| Pass-Through Funds ⁽¹⁾ | (49,614,573) | | |
| In-Kind Expenditures | (13,175,348) | | |
| Contract Services | (37,993,383) | | |
| Capital Expenditures | <u>(168,034)</u> | | |
| Adjusted Expenditures | 53,776,274 | = | 7.1% |

⁽¹⁾ Includes Subgrants & Subcontracts

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY SOURCE
AS OF SEPTEMBER 30, 2013**

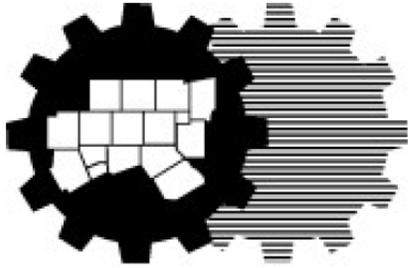
| | <u>Totals</u> |
|------------------------------------|----------------------|
| CAPITAL ASSETS | |
| Equipment | \$ 12,455,099 |
| Furniture | 385,592 |
| Leasehold Improvements | <u>2,283,285</u> |
| Total Capital Assets | <u>\$ 15,123,976</u> |
| SOURCES | |
| NCTCOG | |
| Equipment | \$ 10,001,634 |
| Furniture | 89,692 |
| Leasehold Improvements | <u>619,603</u> |
| | 10,710,929 |
| GRANT FUNDED | |
| Equipment | 2,453,465 |
| Furniture | 295,900 |
| Leasehold Improvements | <u>1,663,682</u> |
| | 4,413,047 |
| Less: Internal Service Fund Assets | 565,270 |
| Less: Enterprise Fund | <u>7,383,536</u> |
| Total General Capital Assets | <u>\$ 7,175,170</u> |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2013**

| | <u>Totals</u> |
|----------------------------------|--------------------------------|
| CAPITAL ASSETS | |
| Local Assistance | \$ 1,298,343 |
| Transportation Planning-TxDOT | 731,705 |
| Regional Information Services | 1,286,210 |
| Environmental Resources | 99,054 |
| Emergency Preparedness | 240,834 |
| Workforce Development | 3,291,296 |
| Community Services | 792,998 |
| Enterprise Fund | <u>7,383,536</u> |
| Total Capital Assets | 15,123,976 |
| Less: Internal Service Fund | 565,270 |
| Less: Enterprise Fund | <u>7,383,536</u> |
| Total General Capital Assets | \$ <u><u>7,175,170</u></u> |

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2013**

| | <u>2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>2013</u> |
|-------------------------------|---------------------|-------------------|------------------|---------------------|
| CAPITAL ASSETS | | | | |
| Local assistance | \$ 1,284,610 | \$ 57,114 | \$ 43,381 | \$ 1,298,343 |
| Transportation planning-TxDOT | 731,705 | - | - | 731,705 |
| Regional information services | 1,301,023 | - | 14,813 | 1,286,210 |
| Environmental resources | 99,054 | - | - | 99,054 |
| Emergency preparedness | 241,709 | - | 875 | 240,834 |
| Workforce development | 3,291,867 | 61,379 | 61,950 | 3,291,296 |
| Community services | 697,102 | 95,896 | - | 792,998 |
| Enterprise fund | <u>7,361,554</u> | <u>21,982</u> | <u>-</u> | <u>7,383,536</u> |
| Total capital assets | 15,008,624 | 236,371 | 121,019 | 15,123,976 |
| Less: Internal service fund | 548,821 | 46,355 | 29,906 | 565,270 |
| Less: Enterprise fund | <u>7,361,554</u> | <u>21,982</u> | <u>-</u> | <u>7,383,536</u> |
| Total General Capital Assets | <u>\$ 7,098,249</u> | <u>\$ 168,034</u> | <u>\$ 91,113</u> | <u>\$ 7,175,170</u> |



**North Central Texas
Council of Governments**



**Statistical
Section**

STATISTICAL SECTION

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

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

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

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

| | Fiscal Year | | |
|---|----------------------|----------------------|----------------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Governmental activities | | | |
| Net investment in capital assets | \$ 951,869 | \$ 1,131,432 | \$ 1,368,144 |
| Restricted | 5,401,133 | 6,231,665 | 14,061,433 |
| Unrestricted | 5,226,610 | 4,312,103 | 4,122,881 |
| Total governmental activities net position | <u>\$ 11,579,612</u> | <u>\$ 11,675,200</u> | <u>\$ 19,552,458</u> |
| Business-type activities | | | |
| Net investment in capital assets | \$ 25,791 | \$ 13,260 | \$ 22,100 |
| Unrestricted | 20,801 | 67,769 | 55,656 |
| Total business-type activities net position | <u>\$ 46,592</u> | <u>\$ 81,029</u> | <u>\$ 77,756</u> |
| Primary government | | | |
| Net investment in capital assets | \$ 977,660 | \$ 1,144,692 | \$ 1,390,244 |
| Restricted | 5,401,133 | 6,231,665 | 14,061,433 |
| Unrestricted | 5,247,411 | 4,379,872 | 4,178,537 |
| Total primary governmental net position | <u>\$ 11,626,204</u> | <u>\$ 11,756,229</u> | <u>\$ 19,630,214</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 | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| \$ 1,161,862 | \$ 1,497,753 | \$ 1,255,488 | \$ 484,470 | \$ 498,220 | \$ 546,788 | \$ 778,657 |
| 27,942,962 | 38,909,613 | 53,519,795 | 40,565,985 | 202,931 | 144,383 | 127,788 |
| 3,816,701 | 3,646,310 | 3,776,966 | 3,254,971 | 2,900,375 | 2,729,099 | 2,418,801 |
| <u>\$ 32,921,525</u> | <u>\$ 44,053,676</u> | <u>\$ 58,552,249</u> | <u>\$ 44,305,426</u> | <u>\$ 3,601,526</u> | <u>\$ 3,420,270</u> | <u>\$ 3,325,246</u> |
| \$ - | \$ - | \$ 1,217,307 | \$ 3,759,091 | \$ 6,527,148 | \$ - | \$ - |
| 90,141 | 67,345 | 128,515 | (94,171) | 108,308 | - | - |
| <u>\$ 90,141</u> | <u>\$ 67,345</u> | <u>\$ 1,345,822</u> | <u>\$ 3,664,920</u> | <u>\$ 6,635,456</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,161,862 | \$ 1,497,753 | \$ 2,472,795 | \$ 4,243,561 | \$ 7,025,368 | \$ 546,788 | \$ 778,657 |
| 27,942,962 | 38,909,613 | 53,519,795 | 40,565,985 | 202,931 | 144,383 | 127,788 |
| 3,906,842 | 3,713,655 | 3,905,481 | 3,160,800 | 3,008,683 | 2,729,099 | 2,418,801 |
| <u>\$ 33,011,666</u> | <u>\$ 44,121,021</u> | <u>\$ 59,898,071</u> | <u>\$ 47,970,346</u> | <u>\$ 10,236,982</u> | <u>\$ 3,420,270</u> | <u>\$ 3,325,246</u> |

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

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|------------------------|------------------------|
| | 2013 | 2012 | 2011 | 2010 |
| Expenses | | | | |
| Governmental activities: | | | | |
| Agency administration | \$ 5,463,174 | \$ 5,276,175 | \$ 5,201,324 | \$ 5,227,937 |
| Agency management | 706,873 | 759,547 | 848,942 | 776,145 |
| Community services | 24,883,533 | 18,522,455 | 22,909,179 | 20,488,403 |
| Emergency preparedness | 1,426,129 | 2,062,309 | 3,539,299 | 2,781,337 |
| Environment and development | 3,310,704 | 2,074,557 | 4,587,918 | 4,614,671 |
| RIS local assistance | 3,040,498 | 2,637,422 | 3,446,598 | 2,487,667 |
| Transportation | 55,148,280 | 56,170,198 | 76,151,018 | 75,614,317 |
| Workforce development | 59,152,671 | 55,962,878 | 58,952,928 | 59,043,491 |
| Total governmental activities expenses | <u>153,131,862</u> | <u>143,465,541</u> | <u>175,637,206</u> | <u>171,033,968</u> |
| Business-type activities: | | | | |
| Shared service center | 1,868,172 | 1,936,213 | 1,947,896 | 1,987,466 |
| Total business-type activities expenses | <u>1,868,172</u> | <u>1,936,213</u> | <u>1,947,896</u> | <u>1,987,466</u> |
| Total primary government expenses | <u>\$ 155,000,034</u> | <u>\$ 145,401,754</u> | <u>\$ 177,585,102</u> | <u>\$ 173,021,434</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Operating grants: | | | | |
| Agency administration | \$ - | \$ 120,965 | \$ 238,845 | \$ 123,814 |
| Community services | 18,843,748 | 13,050,047 | 17,129,937 | 15,802,837 |
| Emergency preparedness | 872,066 | 1,658,836 | 3,378,498 | 3,087,356 |
| Environment and development | 2,123,277 | 1,003,473 | 3,799,786 | 1,795,328 |
| RIS local assistance | - | - | 37,938 | 158,382 |
| Transportation | 44,801,874 | 37,113,912 | 48,336,809 | 56,793,123 |
| Workforce development | 59,198,773 | 55,814,882 | 59,195,722 | 58,439,547 |
| Local grants and contributions | 26,477,435 | 26,132,659 | 26,264,855 | 22,639,979 |
| Total governmental activities program revenues | <u>152,317,173</u> | <u>134,894,774</u> | <u>158,382,390</u> | <u>158,840,366</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Shared services | 1,833,735 | 1,939,496 | 1,939,738 | 2,010,262 |
| Total business-type activities program revenues | <u>1,833,735</u> | <u>1,939,496</u> | <u>1,939,738</u> | <u>2,010,262</u> |
| Total primary government program revenues | <u>\$ 154,150,908</u> | <u>\$ 136,834,270</u> | <u>\$ 160,322,128</u> | <u>\$ 160,850,628</u> |
| Net (Expenses) Revenue | | | | |
| Governmental activities | \$ (814,689) | \$ (8,570,767) | \$ (14,254,816) | \$ (12,193,602) |
| Business-type activities | (34,437) | 3,283 | (8,158) | 22,796 |
| Total primary government net expenses | <u>\$ (849,126)</u> | <u>\$ (8,567,484)</u> | <u>\$ (14,262,974)</u> | <u>\$ (12,170,806)</u> |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental activities: | | | | |
| Membership dues | \$ 657,054 | \$ 651,539 | \$ 663,091 | \$ 654,835 |
| Interest on investments | 62,047 | 41,970 | 218,421 | 406,616 |
| Transfers in (out) | - | - | 4,237 | - |
| Total governmental activities | <u>719,101</u> | <u>693,509</u> | <u>885,749</u> | <u>1,061,451</u> |
| Business-type activities: | | | | |
| Transfers in (out) | - | - | (4,237) | - |
| Total business-type activities | <u>-</u> | <u>-</u> | <u>(4,237)</u> | <u>-</u> |
| Total primary government | <u>\$ 719,101</u> | <u>\$ 693,509</u> | <u>\$ 881,512</u> | <u>\$ 1,061,451</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ (95,588) | \$ (7,877,258) | \$ (13,369,067) | \$ (11,132,151) |
| Business-type activities | (34,437) | 3,283 | (12,395) | 22,796 |
| Total primary government | <u>\$ (130,025)</u> | <u>\$ (7,873,975)</u> | <u>\$ (13,381,462)</u> | <u>\$ (11,109,355)</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 | | | | | |
|----|---------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|------|
| | | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| \$ | 5,269,854 | \$ 5,355,259 | \$ 4,802,438 | \$ 3,655,700 | \$ 2,909,373 | \$ 2,861,274 | |
| | 853,457 | 571,395 | 558,360 | 610,618 | 947,451 | 497,792 | |
| | 22,490,067 | 19,668,658 | 14,732,789 | 15,019,016 | 13,912,338 | 12,957,865 | |
| | 2,435,347 | 4,461,768 | 6,766,770 | 1,129,860 | 1,090,853 | 643,622 | |
| | 5,709,613 | 4,343,873 | 5,520,315 | 2,960,701 | 5,607,103 | 2,819,256 | |
| | 3,486,236 | 2,979,893 | 2,227,484 | 2,279,069 | 2,987,476 | 2,368,924 | |
| | 63,238,757 | 59,886,873 | 47,265,285 | 14,443,094 | 12,346,155 | 11,292,631 | |
| | 53,269,187 | 48,193,206 | 49,917,806 | 44,205,070 | 43,430,365 | 37,823,520 | |
| | <u>156,752,518</u> | <u>145,460,925</u> | <u>131,791,247</u> | <u>84,303,128</u> | <u>83,231,114</u> | <u>71,264,884</u> | |
| | 2,861,816 | 4,023,843 | 4,484,126 | 2,094,538 | 114,631 | - | |
| | <u>2,861,816</u> | <u>4,023,843</u> | <u>4,484,126</u> | <u>2,094,538</u> | <u>114,631</u> | <u>-</u> | |
| \$ | <u>159,614,334</u> | <u>\$ 149,484,768</u> | <u>\$ 136,275,373</u> | <u>\$ 86,397,666</u> | <u>\$ 83,345,745</u> | <u>\$ 71,264,884</u> | |
| \$ | 100,626 | \$ 78,732 | \$ 829,212 | \$ 770,046 | \$ 133,036 | \$ 65,024 | |
| | 17,634,359 | 14,759,657 | 10,043,056 | 10,341,041 | 9,827,308 | 8,816,107 | |
| | 2,262,037 | 4,547,830 | 6,846,840 | 1,140,891 | 1,157,462 | 737,276 | |
| | 4,353,732 | 1,943,294 | 2,430,434 | 1,920,421 | 3,942,280 | 1,615,441 | |
| | 200,903 | 159,905 | 1,115,696 | 1,405,433 | 13,906 | 10,896 | |
| | 42,882,386 | 46,223,986 | 29,793,889 | 13,173,525 | 13,040,326 | 11,838,046 | |
| | 51,946,951 | 50,814,449 | 51,347,719 | 45,422,270 | 44,466,690 | 38,717,710 | |
| | 21,644,684 | 38,238,325 | 66,241,118 | 9,393,181 | 9,871,427 | 8,633,446 | |
| | <u>141,025,678</u> | <u>156,766,178</u> | <u>168,647,964</u> | <u>83,566,808</u> | <u>82,452,435</u> | <u>70,433,946</u> | |
| | 1,583,339 | 1,704,745 | 1,513,590 | 8,729,994 | 114,631 | - | |
| | <u>1,583,339</u> | <u>1,704,745</u> | <u>1,513,590</u> | <u>8,729,994</u> | <u>114,631</u> | <u>-</u> | |
| \$ | <u>142,609,017</u> | <u>\$ 158,470,923</u> | <u>\$ 170,161,554</u> | <u>\$ 92,296,802</u> | <u>\$ 82,567,066</u> | <u>\$ 70,433,946</u> | |
| \$ | (15,726,840) | \$ 11,305,253 | \$ 36,856,717 | \$ (736,320) | \$ (778,679) | \$ (830,938) | |
| | (1,278,477) | (2,319,098) | (2,970,536) | 6,635,456 | - | - | |
| \$ | <u>(17,005,317)</u> | <u>\$ 8,986,155</u> | <u>\$ 33,886,181</u> | <u>\$ 5,899,136</u> | <u>\$ (778,679)</u> | <u>\$ (830,938)</u> | |
| \$ | 645,519 | \$ 632,215 | \$ 617,503 | \$ 595,578 | \$ 579,019 | \$ 567,314 | |
| | 582,748 | 2,308,855 | 3,230,180 | 321,998 | 294,684 | 108,604 | |
| | - | - | - | - | - | - | |
| | <u>1,228,267</u> | <u>2,941,070</u> | <u>3,847,683</u> | <u>917,576</u> | <u>873,703</u> | <u>675,918</u> | |
| | - | - | - | - | - | - | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | |
| \$ | <u>1,228,267</u> | <u>\$ 2,941,070</u> | <u>\$ 3,847,683</u> | <u>\$ 917,576</u> | <u>\$ 873,703</u> | <u>\$ 675,918</u> | |
| \$ | (14,498,573) | \$ 14,246,323 | \$ 40,704,400 | \$ 181,256 | \$ 95,024 | \$ (155,020) | |
| | (1,278,477) | (2,319,098) | (2,970,536) | 6,635,456 | - | - | |
| \$ | <u>(15,777,050)</u> | <u>\$ 11,927,225</u> | <u>\$ 37,733,864</u> | <u>\$ 6,816,712</u> | <u>\$ 95,024</u> | <u>\$ (155,020)</u> | |

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

| | Fiscal Year - Pre GASB 54 | | | |
|------------------------------------|----------------------------------|----------------------|----------------------|----------------------|
| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| General Fund | | | | |
| Reserved ^a | \$ 10,946 | \$ 3,158 | \$ 13,322 | \$ 15,555 |
| Unreserved | 4,988,995 | 4,884,409 | 4,708,103 | 4,256,017 |
| Total general fund | <u>\$ 4,999,941</u> | <u>\$ 4,887,567</u> | <u>\$ 4,721,425</u> | <u>\$ 4,271,572</u> |
| All Other Governmental Funds | | | | |
| Reserved for: | | | | |
| Prepaid items | \$ 79,881 | \$ 55,054 | \$ 47,588 | \$ 48,359 |
| Grants | 221,448 | 796,364 | 645,283 | 437,221 |
| Local transportation projects | 27,721,514 | 38,113,249 | 52,874,512 | 40,148,643 |
| Unreserved, reported in: | | | | |
| Special revenue funds | - | - | - | (66,059) |
| Capital projects funds | - | - | - | - |
| Total all other governmental funds | <u>\$ 28,022,843</u> | <u>\$ 38,964,667</u> | <u>\$ 53,567,383</u> | <u>\$ 40,568,164</u> |

| | Fiscal Year - Post GASB 54 | | | |
|-------------------------------------|-----------------------------------|---------------------|----------------------|----------------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| General Fund | | | | |
| Non Spendable: | | | | |
| Non Spendable | \$ 67,473 | \$ 55,616 | \$ 80,646 | \$ 47,704 |
| Spendable: | | | | |
| Unassigned | 5,266,892 | 5,029,314 | 4,918,967 | 4,952,237 |
| Total General Fund | <u>\$ 5,334,365</u> | <u>\$ 5,084,930</u> | <u>\$ 4,999,613</u> | <u>\$ 4,999,941</u> |
| All Other Governmental Funds | | | | |
| Non Spendable: | | | | |
| Non Spendable | \$ 98,930 | \$ 57,990 | \$ 36,339 | \$ 79,881 |
| Spendable: | | | | |
| Restricted for grants | 271,591 | 193,244 | 181,786 | 166,551 |
| Restricted for local transportation | 5,129,542 | 6,038,421 | 13,877,396 | 27,721,514 |
| Assigned | 765,271 | 248,498 | 204,827 | 54,897 |
| Total all other governmental funds | <u>\$ 6,265,334</u> | <u>\$ 6,538,153</u> | <u>\$ 14,300,348</u> | <u>\$ 28,022,843</u> |

Source: Comprehensive Annual Financial Report

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

TABLE 3

| Fiscal Year - Pre GASB 54 | | |
|----------------------------------|---------------------|---------------------|
| <u>2006</u> | <u>2005</u> | <u>2004</u> |
| \$ 142,193 | \$ 169,310 | \$ - |
| <u>3,612,647</u> | <u>3,309,101</u> | <u>3,126,462</u> |
| <u>\$ 3,754,840</u> | <u>\$ 3,478,411</u> | <u>\$ 3,126,462</u> |
| | | |
| \$ 51,762 | \$ 42,122 | \$ - |
| 104,684 | 102,261 | 127,788 |
| - | - | - |
| - | - | - |
| <u>\$ 156,446</u> | <u>\$ 144,383</u> | <u>\$ 127,788</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>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| REVENUES | | | | |
| Federal grants | \$ 20,631,697 | \$ 10,839,413 | \$ 12,979,109 | \$ 12,842,963 |
| State administered grants | 105,208,041 | 97,922,702 | 119,138,426 | 123,357,424 |
| Membership dues | 657,054 | 651,539 | 663,091 | 654,835 |
| Local contributed cash | 12,964,481 | 6,000,683 | 7,718,250 | 7,242,670 |
| In-Kind | 13,125,408 | 19,820,625 | 21,228,282 | 15,055,527 |
| Program income | 387,546 | 311,351 | 318,323 | 341,782 |
| Interest income | 62,047 | 41,970 | 218,421 | 406,616 |
| TOTAL REVENUES | <u>153,036,274</u> | <u>135,588,283</u> | <u>162,263,902</u> | <u>159,901,817</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Agency administration | 6,020,958 | 6,123,956 | 6,037,841 | 6,149,666 |
| Agency management | 570,521 | 522,548 | 602,541 | 611,201 |
| Community services | 25,323,042 | 18,967,988 | 23,368,882 | 20,913,065 |
| Emergency preparedness | 1,549,436 | 2,199,152 | 3,703,670 | 2,919,321 |
| Environment & development | 3,480,494 | 2,237,449 | 4,814,780 | 4,842,179 |
| Research & information services | 3,308,621 | 2,875,759 | 3,691,229 | 2,688,156 |
| Transportation | 56,926,135 | 57,792,540 | 77,753,457 | 77,112,327 |
| Workforce development | 59,530,189 | 56,271,929 | 59,235,482 | 59,291,468 |
| Capital outlay | 168,034 | 229,057 | 793,319 | 198,978 |
| | <u>156,877,430</u> | <u>147,220,378</u> | <u>180,001,201</u> | <u>174,726,361</u> |
| Indirect cost allocation | (3,799,890) | (3,634,081) | (3,718,074) | (3,614,978) |
| Contributions to indirect costs | (17,882) | (321,138) | (292,163) | (380,116) |
| TOTAL EXPENDITURES | <u>153,059,658</u> | <u>143,265,159</u> | <u>175,990,964</u> | <u>170,731,267</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | (23,384) | (7,676,876) | (13,727,062) | (10,829,450) |
| OTHER FINANCING SOURCES AND USES | | | | |
| Capital-related debt issued (note payable) | - | - | - | - |
| Transfers In | 1,239,823 | 1,144,310 | 1,234,411 | 717,919 |
| Transfers out | (1,239,823) | (1,144,310) | (1,230,174) | (717,919) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>4,237</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (23,384)</u> | <u>\$ (7,676,876)</u> | <u>\$ (13,722,825)</u> | <u>\$ (10,829,450)</u> |

TABLE 4

| FISCAL YEAR | | | | | |
|------------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|
| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
| \$ 3,391,827 | \$ 4,796,333 | \$ 2,130,761 | \$ 695,214 | \$ 311,125 | \$ 232,407 |
| 115,989,167 | 113,731,520 | 100,276,085 | 73,478,413 | 72,269,883 | 61,568,093 |
| 645,519 | 632,215 | 617,503 | 595,578 | 579,019 | 567,314 |
| 9,694,057 | 26,908,819 | 44,262,299 | 4,342,999 | 5,383,009 | 4,824,658 |
| 11,505,589 | 10,893,201 | 21,514,892 | 4,565,843 | 3,934,202 | 3,251,139 |
| 445,038 | 436,305 | 463,927 | 484,339 | 554,216 | 557,649 |
| 582,748 | 2,308,855 | 3,230,180 | 321,998 | 294,684 | 108,604 |
| <u>142,253,945</u> | <u>159,707,248</u> | <u>172,495,647</u> | <u>84,484,384</u> | <u>83,326,138</u> | <u>71,109,864</u> |
| 6,239,753 | 5,380,601 | 4,780,155 | 3,681,798 | 3,301,741 | 2,586,675 |
| 617,456 | 580,135 | 569,182 | 636,145 | 959,325 | 1,399,249 |
| 22,810,881 | 20,020,526 | 15,051,041 | 15,442,386 | 14,097,463 | 13,070,752 |
| 2,555,857 | 4,527,038 | 6,892,294 | 1,144,842 | 1,144,296 | 687,678 |
| 5,906,678 | 4,380,767 | 5,612,603 | 3,020,890 | 5,774,954 | 3,024,371 |
| 3,660,746 | 3,000,855 | 2,215,495 | 2,323,786 | 3,119,094 | 2,525,289 |
| 64,537,300 | 60,937,748 | 48,098,352 | 14,761,367 | 12,949,745 | 11,831,488 |
| 53,457,071 | 49,234,539 | 51,333,120 | 45,410,697 | 43,633,788 | 37,847,555 |
| 614,578 | 1,423,653 | 374,854 | 201,959 | 348,945 | 237,546 |
| <u>160,400,320</u> | <u>149,485,862</u> | <u>134,927,096</u> | <u>86,623,870</u> | <u>85,329,351</u> | <u>73,210,603</u> |
| (3,359,333) | (2,860,926) | (2,872,021) | (2,160,816) | (2,186,536) | (2,118,195) |
| (378,949) | (366,759) | (363,527) | (352,543) | (279,397) | (250,015) |
| <u>156,662,038</u> | <u>146,258,177</u> | <u>131,691,548</u> | <u>84,110,511</u> | <u>82,863,418</u> | <u>70,842,393</u> |
| (14,408,093) | 13,449,071 | 40,804,099 | 373,873 | 462,720 | 267,471 |
| - | - | 149,887 | - | - | - |
| 1,058,306 | 627,426 | 314,725 | 218,893 | 330,534 | 295,458 |
| (1,086,787) | (627,426) | (340,564) | (303,970) | (424,710) | (324,823) |
| <u>(28,481)</u> | <u>-</u> | <u>124,048</u> | <u>(85,077)</u> | <u>(94,176)</u> | <u>(29,365)</u> |
| <u><u>\$(14,436,574)</u></u> | <u><u>\$ 13,449,071</u></u> | <u><u>\$ 40,928,147</u></u> | <u><u>\$ 288,796</u></u> | <u><u>\$ 368,544</u></u> | <u><u>\$ 238,106</u></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> | |
| 2013 | \$ 657,054 | \$ 62,047 | \$ 12,964,481 | \$ 13,125,408 | \$ 387,546 | \$ 27,196,536 |
| 2012 | 651,539 | 41,970 | 6,000,683 | 19,820,625 | 311,351 | 26,826,168 |
| 2011 | 663,091 | 218,421 | 7,718,250 | 21,228,282 | 318,323 | 30,146,367 |
| 2010 | 654,835 | 406,616 | 7,242,670 | 15,055,527 | 341,782 | 23,701,430 |
| 2009 | 645,519 | 582,748 | 9,694,057 | 11,505,589 | 445,038 | 22,872,951 |
| 2008 | 632,215 | 2,308,855 | 26,908,819 | 10,893,201 | 436,305 | 41,179,395 |
| 2007 | 617,503 | 3,230,180 | 44,262,299 | 21,514,892 | 463,927 | 70,088,801 |
| 2006 | 595,578 | 321,998 | 4,342,999 | 4,565,843 | 484,339 | 10,310,757 |
| 2005 | 579,019 | 294,684 | 5,383,009 | 3,934,202 | 554,216 | 10,745,130 |
| 2004 | 567,314 | 108,604 | 4,824,658 | 3,251,139 | 557,649 | 9,309,364 |

Notes: (1) Includes General and Special Revenue

TABLE 5

| | | | GRAND TOTAL |
|----------------|----------------|----------------|------------------------|
| GRANTS | | | |
| <u>State</u> | <u>Federal</u> | <u>TOTAL</u> | |
| \$ 105,208,041 | \$ 20,631,697 | \$ 125,839,738 | \$ 153,036,274 |
| 97,922,702 | 10,839,413 | 108,762,115 | 135,588,283 |
| 119,138,426 | 12,979,109 | 132,117,535 | 162,263,902 |
| 123,357,424 | 12,842,963 | 136,200,387 | 159,901,817 |
| 115,989,167 | 3,391,827 | 119,380,994 | 142,253,945 |
| 113,731,520 | 4,796,333 | 118,527,853 | 159,707,248 |
| 100,276,085 | 2,130,761 | 102,406,846 | 172,495,647 |
| 73,478,413 | 695,214 | 74,173,627 | 84,484,384 |
| 72,269,883 | 311,125 | 72,581,008 | 83,326,138 |
| 61,568,093 | 232,407 | 61,800,500 | 71,109,864 |

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

TABLE 6

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

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

Note: (1) The Note Payable is for equipment for the Agency
 NCTCOG had no debt activity prior to 2007.

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

TABLE 7

| Year | Estimated Population ^a | Personal Income ^b | Per Capita Personal Income ^b | School Enrollment ^c | Unemployment Rate ^d |
|------|--------------------------------------|------------------------------|---|-----------------------------------|-----------------------------------|
| 2013 | 6,712,730 * | \$ 312,527,855,529 * | \$ 46,639 * | 1,312,126 * | 5.7% |
| 2012 | 6,640,290 | 309,155,231,000 | 46,136 | 1,289,298 | 6.7% |
| 2011 | 6,584,130 | 293,168,937,000 | 44,628 | 1,264,190 | 7.8% |
| 2010 | 6,539,950 | 267,544,467,000 | 41,462 | 1,240,827 | 8.2% |
| 2009 | 6,639,630 | 256,748,150,000 | 40,485 | 1,216,929 | 7.8% |
| 2008 | 6,538,850 | 272,171,616,000 | 43,820 | 1,193,011 | 5.1% |
| 2007 | 6,406,450 | 252,997,455,000 | 41,598 | 1,168,405 | 4.3% |
| 2006 | 6,242,800 | 239,510,993,000 | 40,303 | 1,122,168 | 4.8% |
| 2005 | 6,047,800 | 218,771,377,000 | 37,872 | 1,086,599 | 5.2% |
| 2004 | 5,867,400 | 203,669,470,000 | 35,831 | 1,070,271 | 5.9% |

Sources: ^aYearly NCTCOG Population Estimates.
^bIncome provided by BEA Regional Bearfacts for the
 Dallas-Fort Worth-Arlington, Tx Metropolitan Statistical Area, via tracer2.com
^cTexas Education Agency
^dTexas Workforce Commission, via tracer2.com

Notes: N/A - Data not available.
 * - Approximation only, as information not published yet

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

TABLE 8

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

Total NCTCOG Region Employees ^b 3,313,916

Source: ^a Dallas Business Journal, Book of Lists 2014
^b NCTCOG, RIS department

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

Total NCTCOG Region Employees ^b 3,209,334

Source: ^a Dallas Business Journal, Book of Lists 2013
^b NCTCOG, RIS department

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

Total NCTCOG Region Employees ^b 3,115,023

Source: ^a Dallas Business Journal, Book of Lists 2012
^b NCTCOG, RIS department

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

Total NCTCOG Region Employees ^b 3,072,082

Source: ^a Dallas Business Journal, Book of Lists 2011
^b NCTCOG, RIS department

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

Total NCTCOG Region Employees ^b 3,059,028

Source: ^a Dallas Business Journal, Book of Lists 2010
^b NCTCOG, RIS department

| 2008 | | |
|-----------------------------|-----------|---------------------------------------|
| Employer ^a | 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 ^b 3,062,897

Source: ^a Dallas Business Journal, Book of Lists 2009
^b NCTCOG, RIS department

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

TABLE 9

| Function/Program | Fiscal Year | | | | | | | | | |
|-----------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Agency Management | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Agency Administration | 39 | 38 | 39 | 39 | 39 | 34 | 30 | 27 | 24 | 22 |
| Public Affairs | 2 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Research and Information Services | 27 | 26 | 30 | 32 | 32 | 31 | 27 | 26 | 24 | 24 |
| Community Services | 44 | 44 | 45 | 41 | 40 | 38 | 34 | 32 | 31 | 35 |
| Environment & Development | 12 | 18 | 23 | 23 | 24 | 26 | 24 | 24 | 24 | 26 |
| Transportation | 149 | 153 | 158 | 149 | 154 | 145 | 116 | 108 | 90 | 82 |
| Workforce Development | 31 | 28 | 25 | 22 | 22 | 24 | 23 | 28 | 28 | 27 |
| Emergency Preparedness | 12 | 13 | 18 | 18 | 13 | 11 | 9 | 6 | 6 | 5 |
| Total | 319 | 326 | 345 | 331 | 331 | 316 | 270 | 258 | 234 | 228 |

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>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| Local assistance | \$ 1,298,343 | \$ 1,284,610 | \$ 1,220,486 | \$ 1,188,120 |
| Transportation - TxDOT | 731,705 | 731,705 | 726,435 | 617,517 |
| Regional information services | 1,286,210 | 1,301,023 | 1,301,023 | 1,264,710 |
| Environmental resources | 99,054 | 99,054 | 99,054 | 99,054 |
| Emergency preparedness | 240,834 | 241,709 | 241,709 | 215,893 |
| Workforce development | 3,291,296 | 3,291,867 | 3,234,064 | 2,659,095 |
| Community services | 792,998 | 697,102 | 600,545 | 600,545 |
| Enterprise Fund | 7,383,536 | 7,361,554 | 7,361,554 | 7,335,034 |
| Prior Year Balance | - | - | - | - |

Source: Comprehensive Annual Financial Report

TABLE 10

| Fiscal Year | | | | | | |
|--------------------|--------------|-------------|-------------|-------------|-------------|--|
| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | |
| \$ 1,185,086 | \$ 1,208,926 | \$ 772,363 | \$ 583,680 | \$ 580,468 | \$ 473,849 | |
| 617,517 | 540,975 | 414,588 | 344,444 | 334,216 | 439,863 | |
| 1,264,710 | 1,102,440 | 837,499 | 800,347 | 753,631 | 831,112 | |
| 99,054 | 99,054 | 99,054 | 99,054 | 135,912 | 137,546 | |
| 188,670 | 88,164 | 67,451 | 59,186 | 39,307 | 39,307 | |
| 2,592,517 | 2,530,547 | 2,076,129 | 2,026,134 | 2,081,390 | 1,993,449 | |
| 501,362 | 376,749 | 151,005 | 130,390 | 164,217 | 275,751 | |
| 7,335,034 | 7,335,034 | 8,080,514 | 8,080,514 | 553,333 | - | |
| - | - | - | 3,967,800 | 3,967,800 | 3,967,800 | |