



# Uniform Grants Management Standards Reports

Fiscal Year Ended  
September 30, 2007

North Central Texas  
Council of Governments

**NORTH CENTRAL TEXAS  
COUNCIL OF GOVERNMENTS**

**UNIFORM GRANTS MANAGEMENT  
STANDARDS REPORTS**

**YEAR ENDED SEPTEMBER 30, 2007**

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*L.L.P.*

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND OTHER MATTERS  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the basic financial statements of the North Central Texas Council of Governments (the Council) as of and for the year ended September 30, 2007, and have issued our report thereon dated February 19, 2008. 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Executive Board, management, state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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February 19, 2008

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GRANTS MANAGEMENT STANDARDS AND SCHEDULE OF EXPENDITURES OF STATE AWARDS

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

### **Compliance**

We have audited the compliance of the North Central Texas Council of Governments (the Council) with the types of compliance requirements described in the Uniform Grants Management Standards issued by the Governor's Office of Budget and Planning that are applicable to each of its major state programs for the year ended September 30, 2007. The Council's major state programs are identified in the summary of auditor's results section of the accompanying schedule of audit findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended September 30, 2007.

### **Internal Control Over Compliance**

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the North Central Texas Council of Governments as of and for the year ended September 30, 2007, and have issued our report thereon dated February 19, 2008. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Executive Board, management, state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

**WEAVER AND TIDWELL, L.L.P.**

Dallas, Texas  
February 19, 2008

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

**Section I-Summary of Auditors' Results**

**BASIC FINANCIAL STATEMENTS:**

An unqualified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified?    Yes   XNo
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)?    Yes   XNone reported

Noncompliance which is material to the basic financial statements noted?    Yes   XNo

**STATE AWARDS:**

Internal control over major programs:

- Material weakness(es) identified?    Yes   XNo
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)?    Yes   XNone reported

An unqualified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported under the Uniform Grants Management Standards?    Yes   XNo

Identification of state major programs:

State Grant Number(s)	Name of State Grant or Program
N/A	9-1-1 Grant Program
582-5-64592-003	TERP Implementation
0406CCF000	Child Care
0407CCF000	Child Care
0406CCM000	Child Care
0407CCM000	Child Care
0406CCP000	Child Care
0407CCP000	Child Care
0408CCP000	Child Care

Dollar threshold used to distinguish Between type A and type B programs: \$945,250

Auditee qualified as low-risk auditee?   X Yes    No

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

**Section II-Financial Statement Findings**

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There were no findings for the year ended September 30, 2007.

**Section III-State Awards Findings and Questioned Costs**

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major state programs, as required to be reported by Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning (1998). Where practical, findings should be organized by state agency or pass-through entity.

There were no findings for the year ended September 30, 2007.



NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

There were no findings from the year ended September 30, 2006.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 SEPTEMBER 30, 2007

State Grantor / Program Title	NCTCOG Grant Number	State Contract Number	State Expenditures
<b><u>Texas Department of Aging and Disability Services:</u></b>			
State General Revenue	568.07	2007-SGR-18	\$ 277,097
State General Revenue-House Bond RR	579.07	2007-SGRHB-18	26,617
Relocation Program	583.07	5390003186	71,347
Relocation Program	538.08	5390003186	19,041
Transition to Life in the Community	867.07	5390003186	5,777
Transition to Life in the Community	867.08	5390003186	<u>1,180</u>
<b>Total Texas Department of Aging and Disability Services</b>			<b><u>401,059</u></b>
<b><u>Texas Commission on Environmental Quality:</u></b>			
Solid Waste Coordination Grant	587.06	582-6-78041	3,379,213
Solid Waste Coordination Grant	587.08	582-8-78041	<u>60,707</u>
			<b><u>3,439,920</u></b>
Emission Inventory	711.05	582-3-58887	<b><u>43,906</u></b>
<i>Pass-through Collin County</i>			
Aircheck Texas	725.04	582-2-55082-04	4,507
Aircheck Texas	725.05		11,759
Aircheck Texas	725.07		112,184
Aircheck Texas	725.08		13,176
<i>Pass-through Dallas County</i>			
Aircheck Texas	725.04	582-2-55082-02	23,715
Aircheck Texas	725.05		34,881
Aircheck Texas	725.07		542,970
Aircheck Texas	725.08		55,495
<i>Pass-through Denton County</i>			
Aircheck Texas	725.04	582-2-55082-05	8,249
Aircheck Texas	725.05		6,511
Aircheck Texas	725.07		73,249
Aircheck Texas	725.08		8,310
<i>Pass-through Ellis County</i>			
Aircheck Texas	725.04	582-2-55082-06	3,669
Aircheck Texas	725.05		(1,086)
Aircheck Texas	725.07		73,407
Aircheck Texas	725.08		7,135
<i>Pass-through Johnson County</i>			
Aircheck Texas	725.04	582-2-55082-07	4,264
Aircheck Texas	725.05		(2,976)
Aircheck Texas	725.07		113,577
Aircheck Texas	725.08		9,687
<i>Pass-through Kaufman County</i>			
Aircheck Texas	725.04	582-2-55082-08	(2)
Aircheck Texas	725.05		27
Aircheck Texas	725.07		43,922
Aircheck Texas	725.08		3,532
<i>Pass-through Parker County</i>			
Aircheck Texas	725.04	582-2-55082-09	1,949
Aircheck Texas	725.05		(1,353)
Aircheck Texas	725.07		68,479
Aircheck Texas	725.08		4,367

(continued)

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
SEPTEMBER 30, 2007

State Grantor / Program Title	NCTCOG Grant Number	State Contract Number	State Expenditures
<i>Pass-through Rockwall County</i>			
Aircheck Texas	725.04	582-2-55082-10	826
Aircheck Texas	725.05		(124)
Aircheck Texas	725.07		28,711
Aircheck Texas	725.08		1,409
<i>Pass-through Tarrant County</i>			
Aircheck Texas	725.04	582-2-55082-03	21,062
Aircheck Texas	725.05		20,312
Aircheck Texas	725.07		365,741
Aircheck Texas	725.08		47,897
<i>Total Aircheck Texas</i>			<b><u>1,709,438</u></b>
Reg Air Quality Plan	726.07	582-7-83996	<b><u>2,194</u></b>
Texas Emmissions Reduction Plan	887.06	0918-00-118	<b><u>122,751</u></b>
TERP Implementation	893.07	582-5-64592-003	<b><u>11,513,061</u></b>
<b>Total Texas Commission on Environmental Quality</b>			<b><u>16,831,270</u></b>
<b><u>Texas State Soil &amp; Water Conservation Board:</u></b>			
Envirocast (eLife)	680.06	01-19-NCTCOG-2006	111,335
Envirocast (eLife)	680.07	06-06-07-14	159,616
<b>Total Texas State Soil &amp; Water Conservation Board</b>			<b><u>270,951</u></b>
<b><u>Office of the Governor, Criminal Justice Division:</u></b>			
Regional Police Training	655.07	SF-07-A10-14604-08	497,512
Criminal Justice Planning Fund	650.07	SF-07-I97-14372-08	302,011
Criminal Justice Planning Fund	650.08	SF-08-I97-14372-09	26,333
<b>Total Office of the Governor, Criminal Justice Division</b>			<b><u>825,856</u></b>
<b><u>Office of the Governor, Emergency Management Division:</u></b>			
Dallas Love Field Wireless	325.05	GDEM-04-ITEP-1	<b><u>(3,925)</u></b>
<b><u>Commission on State Emergency Communications:</u></b>			
9-1-1 Programs	539.05	N/A	85,626
9-1-1 Programs	539.06	N/A	(61,538)
9-1-1 Programs	539.07	N/A	3,928,759
9-1-1 Programs	539.08	N/A	273,404
<b>Total Commission on State Emergency Communications</b>			<b><u>4,226,251</u></b>
<b><u>Texas Department of Transportation:</u></b>			
<i>Texas Auto Theft Prevention Authority:</i>			
Reduce Auto Theft	663.07	SA-T05-10061-07	279,709
Reduce Auto Theft	663.08	SA-T05-10061-08	17,026
<i>Auto Theft Prevention Authority, subtotal</i>			<b><u>296,735</u></b>
<i>Texas Turnpike Authority</i>			
<i>Pass-Through North Texas Tollway Authority:</i>			
NTTA Feasibility Studies	873.05	None	<b><u>8,418</u></b>

(continued)

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
SEPTEMBER 30, 2007

State Grantor / Program Title	NCTCOG Grant Number	State Contract Number	State Expenditures
Regional Coordinated Public Trans Plan	885.06	51-6XXF7004	30,394
Regional Coordinated Public Trans Plan	885.07	51-7XXF7017	1,036
			<u>31,430</u>
<b>Total Texas Department of Transportation</b>			<u><b>336,583</b></u>
<b>State General Revenue</b>			
<i>Pass-Through Texas Workforce Commission</i>			
Food Stamps, 2007	605.07	0407FSE000	49,282
Project RIO - FY2006	629.07	0407RIO000	189,647
Child Care, CCF 2006	601.06	0406CCF000	587,253
Child Care, CCF 2007	601.07	0407CCF000	5,465,909
Child Care, CCP 2006	636.06	0406CCP000	121,190
Child Care, CCP 2007	636.07	0407CCP000	1,367,456
Child Care, CCP 2008	636.08	0408CCP000	31,437
Child Care, Local 2006	637.06	0406CCM000	42,000
Child Care, Local 2007	637.07	0407CCM000	50,000
			<u>50,000</u>
<b>Total State General Revenue</b>			<u><b>7,904,174</b></u>
<b>Department of State Health Services:</b>			
Cities Readiness Initiative	864.06	75604901242006	184,107
Cities Readiness Initiative	864.07	75604901242007	358,980
Preparedness Health Plan	864.07	75604901242007	7,970
Cities Readiness Initiative	864.08	75604901242008	7,252
			<u>7,252</u>
<b>Total Department of State Health Services</b>			<u><b>558,309</b></u>
<b>State Energy Conservation Office:</b>			
Clean Cities Coordinator	558.03	CM303	14,869
			<u>14,869</u>
<b>Total State Energy Conservation Office</b>			<u><b>14,869</b></u>
<b>Texas Veterans Commission</b>			
Texas Veterans	640.07	N/A	142,932
			<u>142,932</u>
<b>Total Texas Veterans Commission</b>			<u><b>142,932</b></u>
<b>Total Expenditures of State Awards</b>			<u><b>\$ 31,508,329</b></u>

(concluded)

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS  
SEPTEMBER 30, 2007

(1) General

The accompanying Schedule of Expenditures of State Awards presents the activity of all applicable state awards of the North Central Texas Council of Governments (Council). The Council's reporting entity is defined in Note A to the basic financial statements. State awards received directly from state agencies, as well as state awards passed through other government agencies are included on the schedule.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of State Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note A to the basic financial statements.

(3) Relationship to State Financial Reports

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related state financial reports with grantor agencies because of accruals which would be included in the next report filed with the agencies.

4) Relationship to the Basic Financial Statements

State awards revenues are reported in the Council's basic financial statements as follows:

Total revenue from federal and state administered grants	\$ 102,406,846
Less: Federally funded grant awards	<u>(70,898,517)</u>
Per Schedule of Expenditures of Federal Awards	<u><u>\$ 31,508,329</u></u>

5) Negative Amounts

Due to a revision in the calculation of administrative costs, the funding agent has retroactively calculated certain grant expenditures. As a result of this recalculation, the effected grants reflect a negative balance on the current schedule of expenditures of state awards.