

North Central Texas Council of Governments

# Uniform Grants Management Standards Reports

Fiscal Year Ended September 30, 2008

**NORTH CENTRAL TEXAS  
COUNCIL OF GOVERNMENTS**

**UNIFORM GRANTS MANAGEMENT  
STANDARDS REPORTS**

**YEAR ENDED SEPTEMBER 30, 2008**

## TABLE OF CONTENTS

	Page
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
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 on Schedule of Expenditures of State Awards	3
Schedule of Audit Findings and Questioned Costs	5
Summary of Prior Year Audit Findings	7
Schedule of Expenditures of State Awards	8
Notes to Schedule of Expenditures of State Awards	12



**WEAVER  
AND  
TIDWELL**

*L.L.P.*

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF 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, 2008, and have issued our report thereon dated February 23, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affect the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Council's financial statements that is more than inconsequential will not be prevented or detected by the Council's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a misstatement of the financial statements will not be prevented or detected by the Council's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of the section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

*Three Forest Plaza  
12221 Merit Drive  
Suite 1400  
Dallas, Texas 75251-2280  
972.490.1970  
F 972.702.8321*

WWW.WEAVERANDTIDWELL.COM

AN INDEPENDENT MEMBER OF  
BAKER TILLY  
INTERNATIONAL

OFFICES IN

DALLAS

FORT WORTH

HOUSTON

SAN ANTONIO

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 grant agreements, 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*.

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.

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

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 23, 2009



L.L.P.

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE ACCORDANCE WITH UNIFORM GRANTS MANAGEMENT STANDARDS AND ON 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, 2008. The Council's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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, 2008.

### 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 but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

Three Forest Plaza  
12221 Merit Drive  
Suite 1400  
Dallas, Texas 75251-2280  
972.490.1970  
F 972.702.8321

WWW.WEAVERANDTIDWELL.COM

AN INDEPENDENT MEMBER OF  
BAKER TILLY  
INTERNATIONAL

OFFICES IN

DALLAS

FORT WORTH

HOUSTON

SAN ANTONIO

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affect the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

#### Schedule of Expenditures of State 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, 2008, and have issued our report dated February 23, 2009. 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 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 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.

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

WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
February 23, 2009

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

**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   X  No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)?    Yes   X  None reported

Noncompliance which is material to the basic financial statements noted?    Yes   X  No

**STATE AWARDS:**

Internal control over major programs:

- Material weakness(es) identified?    Yes   X  No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)?    Yes   X  None 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   X  No

Identification of state major programs:

State Grant Number(s)	Name of State Grant or Program
N/A	9-1-1 Grant Program
582-2-55082-04	Aircheck Texas
582-2-55082-02	Aircheck Texas
582-2-55082-05	Aircheck Texas
582-2-55082-06	Aircheck Texas
582-2-55082-07	Aircheck Texas
582-2-55082-09	Aircheck Texas
582-2-55082-10	Aircheck Texas
582-2-55082-03	Aircheck Texas

Dollar threshold used to distinguish Between type A and type B programs: \$1,476,647

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, 2008

**Section II-Financial Statement Findings**

This section identifies the significant deficiencies, 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, 2008.

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

This section identifies the significant deficiencies, 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, 2008.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

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

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

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	568.08	2008-SGR-18	\$ 256,201
Relocation Program	583.08	5390003186	228,685
Texas Falls Prevention	868.08	n/a	6,017
Texas Falls Prevention	868.09	n/a	1,172
Relocation Program	583.09	5390003186	23,321
Transition to Life in the Community	867.09	5390003186	2,316
Transition to Life in the Community	867.07	5390003186	3,049
Transition to Life in the Community	867.08	5390003186	47,854
<b>Total Texas Department of Aging and Disability Services</b>			<b><u>568,615</u></b>
<b><u>Texas Commission on Environmental Quality:</u></b>			
Solid Waste Coordination Grant	587.08	582-8-78041	1,116,666
<i>Pass-through Collin County</i>			
Aircheck Texas	725.04	582-2-55082-04	(7,738)
Aircheck Texas	725.05		(15,986)
Aircheck Texas	725.07		(14,001)
Aircheck Texas	725.08		2,542,623
Aircheck Texas	725.09		66,669
<i>Pass-through Dallas County</i>			
Aircheck Texas	725.04	582-2-55082-02	(27,130)
Aircheck Texas	725.05		(56,050)
Aircheck Texas	725.07		(49,090)
Aircheck Texas	725.08		11,360,667
Aircheck Texas	725.09		320,049
<i>Pass-through Denton County</i>			
Aircheck Texas	725.04	582-2-55082-05	(5,207)
Aircheck Texas	725.05		(10,758)
Aircheck Texas	725.07		(9,422)
Aircheck Texas	725.08		2,438,582
Aircheck Texas	725.09		51,095
<i>Pass-through Ellis County</i>			
Aircheck Texas	725.04	582-2-55082-06	(1,272)
Aircheck Texas	725.05		(2,627)
Aircheck Texas	725.07		(2,301)
Aircheck Texas	725.08		748,144
Aircheck Texas	725.09		8,257
<i>Pass-through Johnson County</i>			
Aircheck Texas	725.04	582-2-55082-07	(1,253)
Aircheck Texas	725.05		(2,588)
Aircheck Texas	725.07		(2,266)
Aircheck Texas	725.08		691,304
Aircheck Texas	725.09		15,220

(continued)

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

State Grantor / Program Title	NCTCOG Grant Number	State Contract Number	State Expenditures
<i>Pass-through Kaufman County</i>			
Aircheck Texas	725.04	582-2-55082-08	(820)
Aircheck Texas	725.05		(1,694)
Aircheck Texas	725.07		(1,484)
Aircheck Texas	725.08		414,095
Aircheck Texas	725.09		11,187
<i>Pass-through Parker County</i>			
Aircheck Texas	725.04	582-2-55082-09	(896)
Aircheck Texas	725.05		(1,852)
Aircheck Texas	725.07		(1,622)
Aircheck Texas	725.08		501,110
Aircheck Texas	725.09		18,490
<i>Pass-through Rockwall County</i>			
Aircheck Texas	725.04	582-2-55082-10	(655)
Aircheck Texas	725.05		(1,353)
Aircheck Texas	725.07		(1,185)
Aircheck Texas	725.08		395,525
Aircheck Texas	725.09		14,470
<i>Pass-through Tarrant County</i>			
Aircheck Texas	725.04	582-2-55082-03	(18,610)
Aircheck Texas	725.05		(38,448)
Aircheck Texas	725.07		(33,674)
Aircheck Texas	725.08		8,329,919
Aircheck Texas	725.09		248,252
<i>Total Aircheck Texas</i>			<u>27,865,676</u>
Reg Air Quality Plan-Activity # 1	726.07	582-7-83996FY07-01	22,863
Reg Air Quality Plan-Activity # 2	726.08	582-7-83996FY08-02	12,402
			<u>35,265</u>
Texas Emissions Reduction Plan	887.06	0918-00-118	172,934
<b>Total Texas Commission on Environmental Quality</b>			<b><u>29,190,541</u></b>
<b><u>Texas State Soil &amp; Water Conservation Board:</u></b>			
Envirocast (eLife)	680.07	06-06-07-14	112,598
<b>Total Texas State Soil &amp; Water Conservation Board</b>			<b><u>112,598</u></b>
<b><u>Office of the Governor, Criminal Justice Division:</u></b>			
Regional Police Training	655.08	SF-08-A10-14604-09	498,032
State Planning Assistance Grant	301	2069301	479,627
Criminal Justice Planning Fund	650.08	SF-08-I97-14372-09	322,509
Criminal Justice Planning Fund	650.09	SF-08-I97-14372-10	29,182
<b>Total Office of the Governor, Criminal Justice Division</b>			<b><u>1,329,350</u></b>

(continued)

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

State Grantor / Program Title	NCTCOG Grant Number	State Contract Number	State Expenditures
<b><u>Commission on State Emergency Communications:</u></b>			
9-1-1 Programs	539.07	N/A	2,779,945
9-1-1 Programs	539.08	N/A	5,239,767
9-1-1 Programs	539.09	N/A	300,774
<b>Total Commission on State Emergency Communications</b>			<b><u>8,320,486</u></b>
<b><u>Texas Department of Transportation:</u></b>			
<i>Texas Auto Burglary/Theft Prevention Authority:</i> Reduce Auto Theft	663.08	SA-T05-10061-08	197,770
<i>Pass-Through:</i> Regional Coordinated Public Trans Plan	885.07	07XXF7017	58,964
Regional Coordinated Public Trans Plan	885.08	519XXF7017	2,350
			<u>61,314</u>
<b>Total Texas Department of Transportation</b>			<b><u>259,084</u></b>
<b><u>State General Revenue:</u></b>			
<i>Pass-Through Texas Workforce Commission</i> Food Stamps	605.07	0407FSE000	(2,230)
Food Stamps	605.08	0408FSE000	158,767
Project RIO	629.07	0407RIO000	2,079
Project RIO	629.08	0408RIO000	270,438
Texas Department of Transportation	633.08	0408DOT000	61,995
Texas Department of Transportation	633.09	0409DOT000	15,326
Direct Child Care Services	601.07	0407CCF000	339,341
Direct Child Care Services	601.08	0408CCF000	6,121,994
Child Care Local	637.07	0407CCM000	22,613
Child Care Local	637.08	0408CCM000	38,897
<b>Total State General Revenue</b>			<b><u>7,029,220</u></b>
<b><u>Department of Family and Protective Services:</u></b>			
<i>Pass-Through Texas Workforce Commission</i> Child Care Services-DFPS	636.08	0408CCP000	1,559,374
Child Care Services-DFPS	636.09	0409CCP000	131,461
<b>Total Department of Family and Protective Services</b>			<b><u>1,690,835</u></b>

(continued)

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

<u>State Grantor / Program Title</u>	<u>NCTCOG Grant Number</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
<b><u>Department of State Health Services:</u></b>			
Cities Readiness Initiative	864.08	2008-024595	500,588
Cities Readiness Initiative	864.09	2008-028272	36,851
<b>Total Department of State Health Services</b>			<b><u>537,439</u></b>
<b><u>State Energy Conservation Office:</u></b>			
Clean Cities Coordinator	558.08	CM822	20,650
<b>Total State Energy Conservation Office</b>			<b><u>20,650</u></b>
<b><u>Texas Veterans Commission</u></b>			
Texas Veterans	640.08	N/A	162,742
<b>Total Texas Veterans Commission</b>			<b><u>162,742</u></b>
<b>Total Expenditures of State Awards</b>			<b>\$ <u>49,221,560</u></b>

(concluded)

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
 NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

(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:

Federal Grants	\$	4,796,333
State Administered Grants		113,731,520
Less: Federally funded grant awards		<u>69,306,293</u>
Per Schedule of Expenditures of State Awards	\$	<u><u>49,221,560</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.