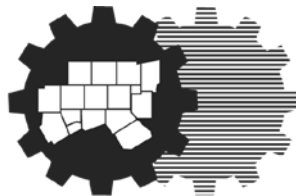


# **Uniform Grant Management Standard Reports**

**Fiscal Year Ending September 30, 2012**



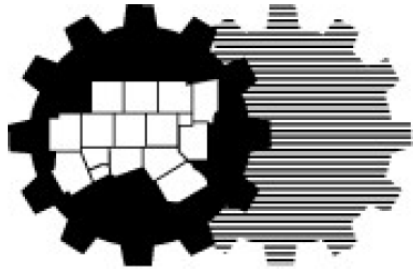
**North Central Texas  
Council of Governments**



**NORTH CENTRAL TEXAS  
COUNCIL OF GOVERNMENTS**

**UNIFORM GRANTS MANAGEMENT  
STANDARDS REPORTS**

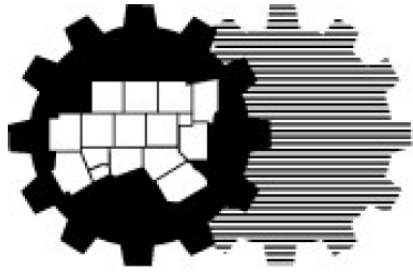
**YEAR ENDED SEPTEMBER 30, 2012**



**North Central Texas  
Council of Governments**

# CONTENTS

	Page
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	1
Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program, on Internal Control over Compliance in Accordance with Uniform Grants Management Standards and on the 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	11



**North Central Texas  
Council of Governments**



**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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Central Texas Council of Governments (the Council) as of and for the year ended September 30, 2012, which collectively comprise the Council's basic financial statements and have issued our report thereon dated February 15, 2013. 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**

Management of the Council is responsible for establishing and maintaining effective internal controls 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

North Central Texas Council of Governments  
February 15, 2013

### **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 15, 2013





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GRANTS MANAGEMENT STANDARDS AND ON THE SCHEDULE OF EXPENDITURES OF STATE AWARDS**

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

**Compliance**

We have audited North Central Texas Council of Governments' (the Council) compliance with the types of compliance requirements described in the Uniform Grants Management Standards issued by the Governor's Office of Budget and Planning that could have a direct and material effect on each of the Council's major state programs for the year ended September 30, 2012. 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 Grants 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 could have a direct and material effect on each of its major state programs for the year ended September 30, 2012.

**Internal Control Over Compliance**

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 the 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 the Uniform Grants Management Standards 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.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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

#### **Schedule of Expenditures of State Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Central Texas Council of Governments, as of and for the year ended September 30, 2012, and have issued our report thereon dated February 15, 2013, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Council's financial statements. The accompanying schedule of expenditures of state awards is presented for the purposes of additional analysis as required by Uniform Grants Management Standards, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the Council's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the Council's compliance but not to provide an opinion on the effectiveness of the Council's internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Council's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

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

WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
February 15, 2013

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**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	___ <b>X</b> No
Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)?	___ Yes	___ <b>X</b> None reported
Noncompliance which is material to the basic financial statements noted?	___ Yes	___ <b>X</b> No

**STATE AWARDS:**

Internal control over major programs:

Material weakness(es) identified?	___ Yes	___ <b>X</b> No
Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)?	___ Yes	___ <b>X</b> 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	___ <b>X</b> No
--	---------	-----------------

Identification of state major programs:

<u>State Grant Number(s)</u>	<u>Name of State Grant or Program</u>
N/A 0918-00-191	9-1-1 Programs HOV Operations

Dollar threshold used to distinguish Between type A and type B programs:	<u>\$875,528</u>
Auditee qualified as low-risk auditee?	___ <b>X</b> Yes     ___ No

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**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 *Government Auditing Standards*.

There were no findings for the year ended September 30, 2012.

**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. Where practical, findings should be organized by state agency or pass-through entity.

There were no findings for the year ended September 30, 2012.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

There were no findings from the year ended September 30, 2011.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>State Grantor / Program Title</u>	<u>NCTCOG Grant Number</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
<b><u>Texas Department of Aging and Disability Services:</u></b>			
State General Revenue	568.12	2012-SGR-18	\$ 284,705
Relocation Programs	583.12	53900-0-0000050391-M2	577,771
Relocation Programs	583.13	53900-0-0000050391-M2	45,963
Transition Assistance Services	788.11	1017167	(17)
Transition Assistance Services	789.12	1017098	9,579
Transition to Life in the Community	867.12	53900-0-0000050391-M2	131,292
Transition to Life in the Community	867.11	53900-0-0000050391-M2	1,671
Transition to Life in the Community	583.14	53900-0-0000050391-M2	<u>6,305</u>
<b>TOTAL TEXAS DEPARTMENT OF AGING AND DISABILITY SERVICES</b>			<b><u>1,057,269</u></b>
<b><u>Texas Commission on Environmental Quality:</u></b>			
Solid Waste Coordination Grant	587.10	582-10-91891	200,860
Solid Waste Coordination Grant	587.12	582-12-10157	<u>325,289</u>
<i>Solid Waste, subtotal</i>			<u>526,149</u>
Greater Trinity River TMDL Implementation Project	664.12	582-11-90502-02	135,243
Greater Trinity River TMDL Implementation Project	664.13	582-11-90502-03	<u>7,631</u>
<i>TMDL Implementation, subtotal</i>			<u>142,874</u>
<i>Pass-through Collin County</i>			
Aircheck Texas	725.12	582-9-90416-08	554,088
Aircheck Texas	725.13	582-9-90416-08	23,669
<i>Pass-through Dallas County</i>			
Aircheck Texas	725.12	582-9-90416-05	2,070,508
Aircheck Texas	725.13	582-9-90416-05	129,107
<i>Pass-through Denton County</i>			
Aircheck Texas	725.12	582-9-90416-07	383,337
Aircheck Texas	725.13	582-9-90416-07	23,026
<i>Pass-through Ellis County</i>			
Aircheck Texas	725.12	582-9-90416-09	105,672
Aircheck Texas	725.13	582-9-90416-09	2,931
<i>Pass-through Johnson County</i>			
Aircheck Texas	725.12	582-9-90416-10	78,598
Aircheck Texas	725.13	582-9-90416-10	5,662
<i>Pass-through Kaufman County</i>			
Aircheck Texas	725.12	582-9-90416-17	75,681
Aircheck Texas	725.13	582-9-90416-17	2,404
<i>Pass-through Parker County</i>			
Aircheck Texas	725.12	582-9-90416-11	77,895
Aircheck Texas	725.13	582-9-90416-11	979
<i>Pass-through Rockwall County</i>			
Aircheck Texas	725.12	582-9-90416-12	92,770
Aircheck Texas	725.13	582-9-90416-12	8,312
<i>Pass-through Tarrant County</i>			
Aircheck Texas	725.12	582-9-90416-18	1,929,644
Aircheck Texas	725.13	582-9-90416-18	<u>100,452</u>
<i>Aircheck Texas, subtotal</i>			<u>5,664,735</u>

(continued)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>State Grantor / Program Title</u>	<u>NCTCOG Grant Number</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
Air Quality Technical Assistance	726.12	582-11-13174-FY12-01	75,000
Air Quality Technical Assistance	726.12	582-11-13174-FY12-02	45,000
Air Quality Technical Assistance	726.12	582-11-13174-FY12-03	25,000
<i>Regional Air Quality, subtotal</i>			<u>145,000</u>
North Central Texas Clean School Bus (SEP)	908.08	2008-06	<u>(2,240)</u>
<b>TOTAL COMMISSION ON ENVIRONMENTAL QUALITY</b>			<b><u>6,476,518</u></b>
<b><u>Texas Department of Agriculture</u></b>			
Texas Department of Agriculture	671.12	C79207	18,803
Texas Department of Agriculture	671.13	C712207	<u>906</u>
<b>TOTAL TEXAS DEPARTMENT OF AGRICULTURE</b>			<b><u>19,709</u></b>
<b><u>Office of the Governor, Criminal Justice Division:</u></b>			
Criminal Justice Planning Fund	650.12	300 0 0466	166,656
Criminal Justice Planning Fund	650.13	N/A	12,730
Regional Police Training	655.12	SF-12-A10-14604-13	483,956
Regional Police Training	655.13	SF-13-A10-14604-14	<u>48,141</u>
<b>TOTAL OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION</b>			<b><u>711,483</u></b>
<b><u>Commission on State Emergency Communications:</u></b>			
9-1-1 Programs	539.11	N/A	1,596,215
9-1-1 Programs	539.12	N/A	3,423,929
9-1-1 Programs	539.13	N/A	<u>243,079</u>
<b>TOTAL COMMISSION ON STATE EMERGENCY COMMUNICATIONS</b>			<b><u>5,263,223</u></b>
<b><u>Texas Department of Transportation:</u></b>			
Planning Support Regional	375.09	0918-00-197	482,745
Cottonbelt (Collin County)	375.09	0918-24-161	37,185
Outer Loop (Collin County)	375.09	0918-24-174	2,904
Cottonbelt (Dallas County)	375.09	0918-45-877	163,152
IH 635 to US 380	375.09	0196-02-119	45,811
Regional Vehicle for Hire	375.09	0918-00-174	15,681
Planning Support - Tarrant	375.09	0918-00-197	32,008
Planning Support - Collin	375.09	0918-00-197	584
Planning Support - Dallas	375.09	0918-00-197	4,319
Planning Support - Denton	375.09	0918-00-197	515
Frisco - Collin County	375.09	0918-24-160	6,956
Frisco - Denton County	375.09	0918-46-233	6,159
McKinney Corridor	375.09	0918-24-162	9,634
Regional Goods Movement	907.12	02-2XXF1006	3,981
Regional Traffic Signal	933.10	02-0XXF1002	33,385
Regional Traffic Signal	933.12	02-1XXF1002	31,324
Plan Oversight Administration and Implementation Initiatives	939.11	02-1XXF1001	24,500
HOV Operations Outside DART Service Area (RTR)	945.12	0918-00-191	4,850,329
Sec 404 & Mitigation Bank	946.12	0918-00-198	196,085
Safety Assurance Reviews Sec 408 Permits	947.12	0918-00-229	<u>83,922</u>
<b>TOTAL TEXAS DEPARTMENT OF TRANSPORTATION</b>			<b><u>6,031,179</u></b>

(continued)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>State Grantor / Program Title</u>	<u>NCTCOG Grant Number</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
<b><u>State General Revenue:</u></b>			
<i>Pass-Through Texas Workforce Commission</i>			
Child Care Direct Care	601.11	0411CCF000	(1)
Child Care Direct Care	601.12	0412CCF000	4,501,970
Food Stamps	605.11	0411SNE000	30,287
Food Stamps	605.12	0412SNE000	209,051
Temporary Assistance for Needy Families	610.12	0412TAN000	267,355
Back to Work	611.10	0410BTW000	292,396
Back to Work	611.12	0412BTW000	525,713
RAG ISAMS	613.12	0412RAG000	2,184
Project RIO	629.11	0411RIO000	62,616
Child Care DFPS	636.11	0411CCP000	9,007
Child Care DFPS	636.12	0412CCP000	2,710,063
Child Care DFPS	636.13	0413CCP000	<u>251,195</u>
<b>TOTAL STATE GENERAL REVENUE</b>			<b><u>8,861,836</u></b>
<b><u>Department of State Health Services:</u></b>			
Cities Readiness Initiative 2012	864.12	2011-038539	<u>396,629</u>
<b>TOTAL DEPARTMENT OF STATE HEALTH SERVICES</b>			<b><u>396,629</u></b>
<b><u>Texas Veterans Commission</u></b>			
Texas Veterans	640.12	N/A	<u>148,428</u>
<b>TOTAL TEXAS VETERANS COMMISSION</b>			<b><u>148,428</u></b>
<b><u>Texas Water Development Board:</u></b>			
Trinity Big Fossil Grant	518	N/A	<u>218,004</u>
<b>TOTAL TEXAS WATER DEVELOPMENT BOARD</b>			<b><u>218,004</u></b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b><u>\$ 29,184,278</u></b>

(concluded)



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**NOTE 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.

**NOTE 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.

**NOTE 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.

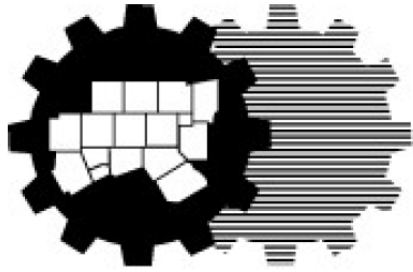
**NOTE 4. RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS**

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

Federal Grants	\$ 10,839,413
State Administered Grants	97,922,702
Less: Federally funded grant awards	<u>79,577,837</u>
Per Schedule of Expenditures of State Awards	<u><u>\$ 29,184,278</u></u>

**NOTE 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.



**North Central Texas  
Council of Governments**