



Uniform Grants Management Standards Reports

Fiscal Year Ended
September 30, 2009

North Central Texas
Council of Governments

**NORTH CENTRAL TEXAS
COUNCIL OF GOVERNMENTS**

**UNIFORM GRANTS MANAGEMENT
STANDARDS REPORTS**

YEAR ENDED SEPTEMBER 30, 2009

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**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, 2009, and have issued our report thereon dated February 22, 2010. 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.

North Central Texas Council of Governments
February 22, 2010

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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 22, 2010



**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, 2009. 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, 2009.

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.

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, 2009, and have issued our report dated February 22, 2010. 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 22, 2010

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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 No

Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? Yes None reported

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

STATE AWARDS:

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? Yes 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 No

Identification of state major programs:

<u>State Grant Number(s)</u>	<u>Name of State Grant or Program</u>
N/A	9-1-1 Grant Program
582-2-55082-02 through -10	Aircheck Texas
582-8-78041	Solid Waste Coordination Grant
582-10-91891	Solid Waste Coordination Grant
0409CCP000	Child Care DFPS
2069302	State Planning Assistance Grant
300-9-0068	Criminal Justice Planning Fund
300-9-2883	Justice Assistance Grant-AARA
SF-09-A10-14604-10; SF-10-A10-14604-11	Regional Police Training

Dollar threshold used to distinguish Between type A and type B programs: \$1,481,660

Auditee qualified as low-risk auditee? Yes No

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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, 2009.

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, 2009.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

There were no findings from the year ended September 30, 2008.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor / Program Title</u>	<u>NCTCOG Grant Number</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
<u>Texas Department of Aging and Disability Services:</u>			
State General Revenue	568.09	2008-SGR-18	\$ 262,249
Relocation Program	583.09	5390003186	283,449
* Relocation Program	583.10	5390003186	28,923
Aging & Disability Resource Center	786.09	N/A	99,486
CMS-MIPPA	787.09	N/A	18,899
Transition Assistance Services	788.09	1017167	1,441
Transition to Life in the Community	867.08	5390003186	2,483
Transition to Life in the Community	867.09	5390003186	51,014
* Transition to Life in the Community	867.10	5390003186	1,176
Texas Falls Prevention	868.09	N/A	6,742
Texas Falls Prevention	868.10	N/A	19
TOTAL TEXAS DEPARTMENT OF AGING AND DISABILITY SERVICES			755,881
<u>Texas Commission on Environmental Quality:</u>			
Solid Waste Coordination Grant	587.08	582-8-78041	3,641,369
Solid Waste Coordination Grant	587.10	582-10-91891	77,808
Solid Waste Coordination Grant, subtotal			3,719,177
<i>Pass-through Collin County</i>			
Aircheck Texas	725.09	582-2-55082-04	2,088,839
Aircheck Texas	725.10	582-2-55082-04	119,311
<i>Pass-through Dallas County</i>			
Aircheck Texas	725.09	582-2-55082-02	8,708,016
Aircheck Texas	725.10	582-2-55082-02	450,031
<i>Pass-through Denton County</i>			
Aircheck Texas	725.09	582-2-55082-05	2,064,002
Aircheck Texas	725.10	582-2-55082-05	84,883
<i>Pass-through Ellis County</i>			
Aircheck Texas	725.09	582-2-55082-06	551,115
Aircheck Texas	725.10	582-2-55082-06	22,398
<i>Pass-through Johnson County</i>			
Aircheck Texas	725.09	582-2-55082-07	526,003
Aircheck Texas	725.10	582-2-55082-07	27,403
<i>Pass-through Kaufman County</i>			
Aircheck Texas	725.09	582-2-55082-08	307,527
Aircheck Texas	725.10	582-2-55082-08	25,215
<i>Pass-through Parker County</i>			
Aircheck Texas	725.09	582-2-55082-09	411,873
Aircheck Texas	725.10	582-2-55082-09	21,523
<i>Pass-through Rockwall County</i>			
Aircheck Texas	725.09	582-2-55082-10	198,429
Aircheck Texas	725.10	582-2-55082-10	5,073
<i>Pass-through Tarrant County</i>			
Aircheck Texas	725.09	582-2-55082-03	8,160,920
Aircheck Texas	725.10	582-2-55082-03	486,709
Aircheck Texas, subtotal			24,259,270
Reg Air Quality Plan-Activity # 3	726.09	582-7-83996FY09-03	99,752
Admin of Vehicle and Technology Projects	887.06	0918-00-118	413,993
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY			28,492,192

(continued)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor / Program Title</u>	<u>NCTCOG Grant Number</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
<u>Texas State Soil & Water Conservation Board:</u>			
Map Needs Assessment	683.09	0900010962	317,519
TOTAL TEXAS STATE SOIL & WATER CONSERVATION BOARD			317,519
<u>Office of Rural and Community Affairs:</u>			
Texas Community Development	607.09	C78207	19,071
Texas Department of Rural Affairs	671.10	C79207	2,167
TOTAL OFFICE OF RURAL AND COMMUNITY AFFAIRS			21,238
<u>Office of the Governor, Criminal Justice Division:</u>			
State Planning Assistance Grant	301	2069302	526,892
Criminal Justice Planning Fund	650.09	300-9-0068	287,319
* Justice Assistance Grant-ARRA	654.09	300-9-2883	85,210
Regional Police Training	655.09	SF-09-A10-14604-10	549,222
Criminal Justice Planning Fund	650.10	N/A	26,896
Regional Police Training	655.10	SF-10-A10-14604-11	84,459
TOTAL OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION			1,559,998
<u>Commission on State Emergency Communications:</u>			
9-1-1 Programs	539.07	N/A	1,679,680
9-1-1 Programs	539.08	N/A	4,364,671
9-1-1 Programs	539.09	N/A	4,246,525
9-1-1 Programs	539.10	N/A	185,745
TOTAL COMMISSION ON STATE EMERGENCY COMMUNICATIONS			10,476,621
<u>Texas Department of Transportation:</u>			
Roadway and Rail	375.09	0918-24-174	14,863
Regional Coordinated Public Trans Plan	885.08	519XXF7017	57,650
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION			72,513
<u>State General Revenue:</u>			
<i>Pass-Through Texas Workforce Commission</i>			
Child Care Direct Care	601.08	0408CCF000	(667,006)
Child Care Direct Care	601.09	0409CCF000	5,369,727
Food Stamps	605.08	0408FSE000	(33,083)
Food Stamps	605.09	0409FSE000	129,117
RAG ISAMS	613.09	0409RAG000	2,808
Project RIO	629.08	0408RIO000	21,742
Project RIO	629.09	0409RIO000	263,495
Texas Department of Transportation	633.09	0409DOT000	(7,189)
Child Care DFPS	636.09	0409CCP000	1,770,946
Child Care DFPS	636.10	0410CCP000	169,979
Child Care Local	637.08	0408CCM000	(32,397)
Child Care Local	637.09	0409CCM000	156
TOTAL STATE GENERAL REVENUE			6,988,295

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**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor / Program Title</u>	<u>Grant Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
<u>Department of State Health Services:</u>			
Cities Readiness Initiative	864.09	2008-028272	456,942
Cities Readiness Initiative	864.10	2009-031759	57,547
TOTAL DEPARTMENT OF STATE HEALTH SERVICES			514,489
<u>State Energy Conservation Office:</u>			
Clean Cities Coordinator	558.03	CM303	(999)
Clean Cities Coordinator	558.08	CM822	39,350
TOTAL STATE ENERGY CONSERVATION OFFICE			38,351
<u>Texas Veterans Commission:</u>			
Texas Veterans	640.09	N/A	151,580
TOTAL TEXAS VETERANS COMMISSION			151,580
TOTAL EXPENDITURES OF STATE AWARDS			\$ 49,388,677

* Denotes American Recovery and Reinvestment Act of 2009 - Stimulus Funds

See accompanying independent auditor's report.
See accompanying notes to schedule of expenditures of state awards.

(concluded)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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	\$ 3,391,827
State Administered Grants	115,989,167
Less: Federally funded grant awards	<u>69,992,317</u>
Per Schedule of Expenditures of State Awards	<u><u>\$ 49,388,677</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.