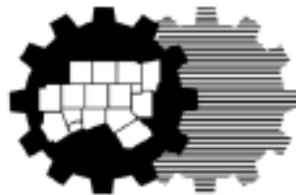


Uniform Grant Management Standards Reports

Fiscal Year Ended September 30, 2013

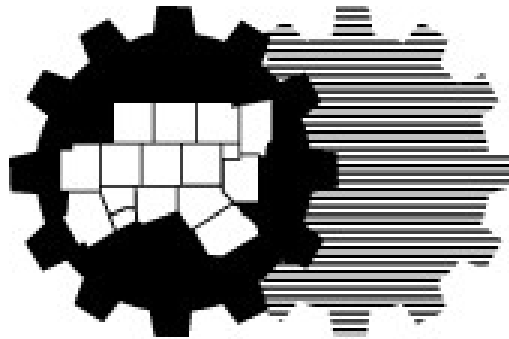


North Central Texas
Council of Governments

**NORTH CENTRAL TEXAS
COUNCIL OF GOVERNMENTS**

**UNIFORM GRANT MANAGEMENT
STANDARDS REPORTS**

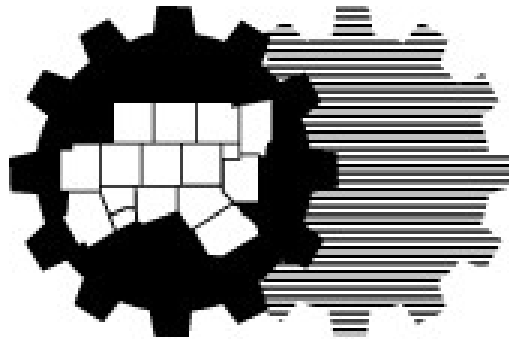
YEAR ENDED SEPTEMBER 30, 2013



**North Central Texas
Council of Governments**

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**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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated February 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
February 19, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GRANT
MANAGEMENT STANDARDS AND ON THE SCHEDULE OF EXPENDITURES OF STATE
AWARDS**

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

Report on Compliance for Each Major State Program

We have audited North Central Texas Council of Governments' (the Council) compliance with the types of compliance requirements described in the Uniform Grant 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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major state programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major state program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major State Program

In our opinion, the Council, complied, in all material respects, with the types of compliance 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, 2013.

Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control

over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Grant Management Standards, but not for the purpose of expressing an opinion on the effectiveness of 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of State Awards Required by Uniform Grant Management Standards

We have audited the financial statements of the governmental activities, the business-type activities, the, each major fund, and the remaining fund information of North Central Texas Council of Governments, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise North Central Texas Council of Governments' basic financial statements. We issued our report thereon dated September 30, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements

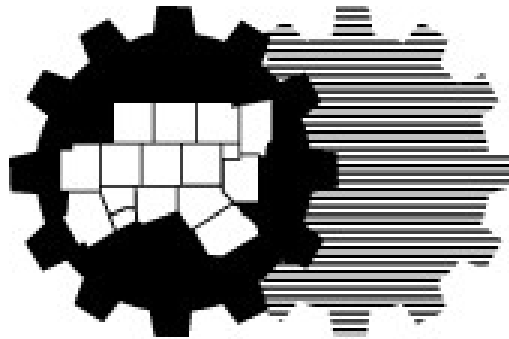
or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Grant Management Standards. 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 19, 2014



**North Central Texas
Council of Governments**

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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 Programs
582-12-10157, 582-14-40586	Solid Waste Coordination
Various	Aircheck Texas
0413CCF000	Child Care Direct Care
0412CCP000, 0413CCP000, 0414CCP000	Child Care PRS

Dollar threshold used to distinguish Between type A and type B programs: \$1,039,691

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, 2013**

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, 2013.

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, 2013.

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<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	0301013	53900-0-0000050391-M2	\$ 291,769
Relocation Programs	0301412	53900-0-0000050391-M2	772
Relocation Programs	0301413	53900-0-0000050391-M2	709,389
Relocation Programs	0301414	53900-0-0000050391-M2	68,036
Transition Assistance Services	0301612	1017098	158
Transition Assistance Services	0301613	1017098	9,655
TOTAL TEXAS DEPARTMENT OF AGING AND DISABILITY SERVICES			<u>1,079,779</u>
<u>Texas Commission on Environmental Quality:</u>			
Solid Waste Coordination Grant	0658712	582-12-10157	1,785,421
Solid Waste Coordination Grant	0658714	582-14-40586	46,256
<i>Solid Waste, subtotal</i>			<u>1,831,677</u>
Greater Trinity River TMDL Implementation Project	0666413	582-11-90502 w.o.#3	71,574
Greater Trinity River TMDL Implementation Project	0666414	582-11-90502 w.o.#4	10,696
<i>TMDL Implementation, subtotal</i>			<u>82,270</u>
<i>Pass-through Collin County</i>			
Aircheck Texas	0761Y13	582-12-20275	446,049
Aircheck Texas	0761Y14	582-12-20275	10,334
<i>Pass-through Dallas County</i>			
Aircheck Texas	0761Y13	582-12-20270	1,912,967
Aircheck Texas	0761Y14	582-12-20270	43,122
<i>Pass-through Denton County</i>			
Aircheck Texas	0761Y13	582-12-20274	403,114
Aircheck Texas	0761Y14	582-12-20274	7,611
<i>Pass-through Ellis County</i>			
Aircheck Texas	0761Y13	582-12-20276	104,975
Aircheck Texas	0761Y14	582-12-20276	5,289
<i>Pass-through Johnson County</i>			
Aircheck Texas	0761Y13	582-12-20277	91,102
Aircheck Texas	0761Y14	582-12-20277	2,660
<i>Pass-through Kaufman County</i>			
Aircheck Texas	0761Y13	582-12-20285	64,221
Aircheck Texas	0761Y14	582-12-20285	2,508
<i>Pass-through Parker County</i>			
Aircheck Texas	0761Y13	582-12-20278	68,966
Aircheck Texas	0761Y14	582-12-20278	4,083
<i>Pass-through Rockwall County</i>			
Aircheck Texas	0761Y13	582-12-20279	106,294
Aircheck Texas	0761Y14	582-12-20279	5,383
<i>Pass-through Tarrant County</i>			
Aircheck Texas	0761Y13	582-12-20287	1,523,324
Aircheck Texas	0761Y14	582-12-20287	19,222
<i>Aircheck Texas, subtotal</i>			<u>4,821,224</u>

(continued)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>State Grantor / Program Title</u>	<u>NCTCOG Grant Number</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
Air Quality Technical Assistance	0760Y12	582-11-13174-FY 13	8,935
North Central Texas Clean School Bus (SEP)	0764001	2008-006	840
TOTAL COMMISSION ON ENVIRONMENTAL QUALITY			6,744,946
 <u>Texas Department of Rural Affairs</u>			
Texas Department of Rural Affairs	0667113	C712207	14,468
Texas Department of Rural Affairs	0667114	C712207	70
TOTAL TEXAS DEPARTMENT OF RURAL AFFAIRS			14,538
 <u>Office of the Governor, Criminal Justice Division:</u>			
Criminal Justice Planning Fund	0565013	N/A	219,277
Criminal Justice Planning Fund	0565014	N/A	12,071
Regional Police Training	0565513	SF-12-A10-14604-13	526,355
Regional Police Training	0565514	SF-14-A10-14604-14	46,166
TOTAL OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION			803,869
 <u>Commission on State Emergency Communications:</u>			
9-1-1 Programs	0553900.11	N/A	6,297,132
9-1-1 Programs	0553900.12	N/A	39,267
9-1-1 Programs	0553900.13	N/A	4,267,391
9-1-1 Programs	0553903.14	N/A	233,211
TOTAL COMMISSION ON STATE EMERGENCY COMMUNICATIONS			10,837,001
 <u>Texas Department of Transportation:</u>			
Cottonbelt (Collin County)	0751001.01	0918-24-161	101,845
Outer Loop (Collin County)	0751001.04	0918-24-174	16,961
Cottonbelt (Dallas County)	0751001.06	0918-45-877	137,719
Planning Support Regional	0751001.08	0918-00-197	402,366
Planning Support - Tarrant	0751001.08	0918-00-197	12,055
Planning Support - Collin	0751001.08	0918-00-197	32,009
Planning Support - Dallas	0751001.08	0918-00-197	132,444
Planning Support - Denton	0751001.08	0918-00-197	58
IH 635 to US 380	0751002.01	0918-02-119	17,365
Regional Vehicle for Hire	0751002.02	0918-00-174	215,408
Regional Goods Movement	0783041	02-XXF1006	7,419
Regional Traffic Signal	0782010	02-0XXF1002	2,076
Regional Traffic Signal	0782013	18-0XXF1006	28,103

(continued)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>State Grantor / Program Title</u>	<u>NCTCOG Grant Number</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
HOV Operations Outside DART Service Area (RTR)	0751004	0918-00-191	3,938,614
Sec 404 & Mitigation Bank	0751005	0918-00-198	169,576
Safety Assurance Reviews Sec 408 Permits	0751006	0918-00-229	57,587
RTR Administration	0751007	0918-00-987	252,874
Regional Good Mvmt FY13	0783058	02-3XXF1009	63
Regional Aerial Photography	0783049	0918-00-178	21,943
<i>Pass-Through Texas A&M Transportation Institute:</i>			
US75 Corridor Study	07L0043	TTI 2AC 18-OXX1A003 P36002	13,626
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION			<u>5,560,111</u>
<u>State General Revenue:</u>			
<i>Pass-Through Texas Workforce Commission</i>			
Child Care Direct Care	0800313	0413CCF000	5,154,225
SNAP	0800912	0412SNE000	(12,880)
SNAP	0800913	0413SNE000	242,234
Temporary Assistance for Needy Families	0801312	0412TAN000	4,249
Temporary Assistance for Needy Families	0801313	0413TAN000	302,989
Tx Back To Work	0801512	0412BTW000	169,387
RAG ISAMS	0801713	0413RAG000	3,226
Child Care PRS	0800512	0412CCP000	3,957
Child Care PRS	0800513	0413CCP000	3,350,879
Child Care PRS	0800514	0414CCP000	270,706
TOTAL STATE GENERAL REVENUE			<u>9,488,972</u>
<u>Texas Veterans Commission</u>			
Texas Veterans	0802213	VES-13-04	127,157
TOTAL TEXAS VETERANS COMMISSION			<u>127,157</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 34,656,373</u>

(concluded)

**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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	\$ 20,631,697
State Administered Grants	105,208,041
Less: Federally funded grant awards	<u>91,183,365</u>
Per Schedule of Expenditures of State Awards	<u><u>\$ 34,656,373</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.