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A Review of

Reports Submitted by Regional Planning Commissions

September 2009

Report No. 10-002

Reports Submitted by Regional Planning Commissions

Overall Conclusion

Fifteen (62.50 percent) of the 24 regional planning commissions (RPCs) in Texas submitted all statutorily required financial, productivity, performance, audit, and salary information to the State Auditor's Office. That information was due to the State Auditor's Office between June 1, 2008, and May 31, 2009. This information is important because the annual financial reports that the RPCs submitted for this review period indicated they received \$841,655,713 in local, state, and federal funds annually.

In addition, none of the RPCs submitted all of the information components required by the Texas Administrative Code (see Appendix 2 for Texas Administrative Code requirements). For example, 14 (58.33 percent) of the 24 RPCs submitted productivity and performance reports that did not include a comparison of planned to actual performance as required by the Texas Administrative Code. It is important to note that auditors compiled the information that RPCs provided to the State Auditor's Office. Auditors did not audit the financial information the RPCs provided.

Certified public accountants (CPA) issued unqualified opinions¹ on the financial statements of all 24 RPCs. However, the CPAs identified material weaknesses in internal controls at 3 (12.50 percent) of the RPCs:

- The Alamo Area Council of Governments, see Chapter 1-A on page 5.
- The Permian Basin Regional Planning Commission, see Chapter 1-R on page 22.

Background Information

Regional planning commissions (RPCs) are governed by Chapter 391 of the Texas Local Government Code. The 24 RPCs in Texas are political subdivisions created under Texas statute to improve the health, safety, and general welfare of residents and to plan for future development. RPCs have the authority to receive state, federal, and other sources of funding to support current programs in areas such as aging, workforce development, and transportation.

Texas Local Government Code, Section 391.0095(a), requires that each RPC annually report to the State Auditor:

- The amount and source of funds received.
- The amount and source of funds expended.
- An explanation of any method the RPC used to compute an expense, including computation of any indirect costs.
- A report of the RPC's productivity and performance during the annual reporting period.
- A projection of the RPC's productivity and performance during the next annual reporting period.
- The results of an audit of the RPC's affairs prepared by an independent certified public accountant.
- A report of any assets that were disposed by the RPC.

Texas Local Government Code, Section 391.0117(e), also requires each RPC to submit to the State Auditor the RPC's salary schedule, including the salaries of all exempt positions, no later than the 45th day before the date of the beginning of the RPC's fiscal year.

The Texas Administrative Code provides specific details regarding the statutory requirements.

¹ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

- The Texoma Council of Governments, see Chapter 1-W on page 27.

According to performance information the RPCs submitted, RPCs have multiple programs and functions. According to the RPCs' audited financial statements, the two programs for which the RPCs spent the largest amounts of funds were aging and workforce development.

Nine special purpose sub-regional planning commissions were created between August 2007 and October 2008 to represent local citizens on issues related to the Trans-Texas Corridor. These sub-regional planning commissions were not included in this review.

Summary of Objective, Scope, and Methodology

The objective of this review was to determine whether RPCs have submitted reports and audits to the State Auditor's Office as required under Texas Local Government Code, Section 391.0095, and report any failure to submit reports and audits to the Governor's Office.

The scope of this review covered reports due to the State Auditor's Office between June 1, 2008, and May 31, 2009.

The methodology for this review included determining whether RPCs submitted statutorily required information due to the State Auditor's Office between June 1, 2008, and May 31, 2009. Auditors did not verify the accuracy of this information. Auditors also compiled certain information provided by the RPCs, such as the results of financial statement audits and information from productivity and performance reports.

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Detailed Results

Chapter 1

Summary of Information from Reports That Regional Planning Commissions Submitted

Fifteen (62.50 percent) of the 24 regional planning commissions (RPCs) in Texas submitted all statutorily required financial, productivity, performance, audit, and salary information to the State Auditor's Office. That information was due to the State Auditor's Office between June 1, 2008, and May 31, 2009.

None of the RPCs submitted all of the information components required by the Texas Administrative Code (see Appendix 2 for Texas Administrative Code requirements). For example, 14 (58.33 percent) of the 24 RPCs submitted productivity and performance reports that did not include a comparison of planned to actual performance as required by the Texas Administrative Code. RPCs also used various formats to provide required information to the State Auditor's Office. It is important to note that auditors compiled the information that RPCs provided to the State Auditor's Office. Auditors did not audit the financial information the RPCs provided.

Certified public accountants (CPA) issued unqualified opinions² on the financial statements of all 24 RPCs; however, the CPAs identified material weaknesses in internal controls at 3 (12.50 percent) of the RPCs:

- The Alamo Area Council of Governments, see Chapter 1-A on page 5.
- The Permian Basin Regional Planning Commission, see Chapter 1-R on page 22.
- The Texoma Council of Governments, see Chapter 1-W on page 27.

According to performance information the RPCs submitted, RPCs have multiple programs and functions. According to the RPCs' audited financial statements, the two programs for which the RPCs spent the largest amounts of funds were aging and workforce development. Appendix 4 includes general descriptions of some of the major programs that RPCs provide. Auditors used various reports that RPCs provided to compile those descriptions.

² An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Nine special purpose sub-regional planning commissions were created between August 2007 and October 2008 to represent local citizens on issues related to the Trans-Texas Corridor. These sub-regional planning commissions were not included in this review.

Table 1 summarizes RPCs' compliance with statutory requirements to submit information to the State Auditor's Office. In this table:

- "Fully Complied" indicates that the RPC submitted the statutorily required information, and the information it submitted met the supplemental requirements in the Texas Administrative Code.
- "Partially Complied" indicates that the RPC submitted the statutorily required information, but the information it submitted did not meet some or all of the supplemental requirements in the Texas Administrative Code.
- "Did Not Submit Information" indicates that the RPC did not submit the statutorily required information.

Table 1

Regional Planning Commissions' Compliance with Statutory Requirements to Submit Information to the State Auditor (For Information Due Between June 1, 2008, and May 31, 2009)								
Regional Planning Commission	Statutorily Required Information							
	Amount and Sources of Funds Received	Amount and Sources of Funds Expended	Expense and Indirect Cost Computation Information	Performance and Productivity During Reporting Period	Projected Performance and Productivity for Next Reporting Period	Results of an Audit by a Certified Public Accountant	Report of Disposed Assets	Salary Schedule
Alamo Area Council of Governments	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied
Ark-Tex Council of Governments	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Fully Complied	Fully Complied	Partially Complied	Fully Complied
Brazos Valley Council of Governments	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Partially Complied	Fully Complied
Capital Area Council of Governments	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Did Not Submit Information	Fully Complied
Central Texas Council of Governments	Fully Complied	Fully Complied	Fully Complied	Did Not Submit Information	Did Not Submit Information	Fully Complied	Fully Complied	Partially Complied
Coastal Bend Council of Governments	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied
Concho Valley Council of Governments	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Fully Complied	Partially Complied

**Regional Planning Commissions' Compliance with Statutory Requirements to Submit Information to the State Auditor
(For Information Due Between June 1, 2008, and May 31, 2009)**

Regional Planning Commission	Statutorily Required Information							
	Amount and Sources of Funds Received	Amount and Sources of Funds Expended	Expense and Indirect Cost Computation Information	Performance and Productivity During Reporting Period	Projected Performance and Productivity for Next Reporting Period	Results of an Audit by a Certified Public Accountant	Report of Disposed Assets	Salary Schedule
Deep East Texas Council of Governments	Fully Complied	Fully Complied	Fully Complied	Did Not Submit Information	Did Not Submit Information	Fully Complied	Fully Complied	Fully Complied
East Texas Council of Governments	Fully Complied	Fully Complied	Fully Complied	Did Not Submit Information	Fully Complied	Fully Complied	Fully Complied	Fully Complied
Golden Crescent Regional Planning Commission	Fully Complied	Fully Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied	Fully Complied	Fully Complied
Heart of Texas Council of Governments	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied
Houston-Galveston Area Council of Governments	Fully Complied	Fully Complied	Partially Complied	Fully Complied	Partially Complied	Fully Complied	Partially Complied	Fully Complied
Lower Rio Grande Valley Development Council	Fully Complied	Fully Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied	Fully Complied	Fully Complied
Middle Rio Grande Development Council	Fully Complied	Fully Complied	Partially Complied	Did Not Submit Information	Did Not Submit Information	Fully Complied	Fully Complied	Partially Complied
Nortex Regional Planning Commission	Fully Complied	Fully Complied	Fully Complied	Did Not Submit Information	Did Not Submit Information	Fully Complied	Did Not Submit Information	Fully Complied
North Central Texas Council of Governments	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Partially Complied	Fully Complied
Panhandle Regional Planning Commission	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied	Fully Complied
Permian Basin Regional Planning Commission	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied
Rio Grande Council of Governments	Fully Complied	Fully Complied	Partially Complied	Did Not Submit Information	Did Not Submit Information	Fully Complied	Fully Complied	Fully Complied
South East Texas Regional Planning Commission	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Partially Complied	Fully Complied
South Plains Association of Governments	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied

**Regional Planning Commissions' Compliance with Statutory Requirements to Submit Information to the State Auditor
(For Information Due Between June 1, 2008, and May 31, 2009)**

Regional Planning Commission	Statutorily Required Information							
	Amount and Sources of Funds Received	Amount and Sources of Funds Expended	Expense and Indirect Cost Computation Information	Performance and Productivity During Reporting Period	Projected Performance and Productivity for Next Reporting Period	Results of an Audit by a Certified Public Accountant	Report of Disposed Assets	Salary Schedule
South Texas Development Council	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Did Not Submit Information	Fully Complied
Texoma Council of Governments	Fully Complied	Fully Complied	Fully Complied	Partially Complied	Partially Complied	Fully Complied	Fully Complied	Fully Complied
West Central Texas Council of Governments	Fully Complied	Fully Complied	Did Not Submit Information	Partially Complied	Fully Complied	Fully Complied	Partially Complied	Fully Complied
Summary of Compliance								
Number and Percent That Fully Complied	24 (100.00%)	24 (100.00%)	16 (66.67%)	3 (12.50%)	6 (25.00%)	24 (100.00%)	15 (62.50%)	21 (87.50%)
Number and Percent That Partially Complied	0 (0.00%)	0 (0.00%)	7 (29.17%)	15 (62.50%)	13 (54.17%)	0 (0.00%)	6(25.00%)	3 (12.50%)
Number and Percent That Did Not Submit Information	0 (0.00%)	0 (0.00%)	1 (4.16%)	6 (25.00%)	5 (20.83%)	0 (0.00%)	3(12.50%)	0 (0.00%)

Source: Auditors' analysis of information that RPCs submitted.

Alamo Area Council of Governments

Alamo Area Council of Governments	
Location	San Antonio, TX
Number of Counties	12
Population	2,093,242
Number of Positions on Salary Schedule	125
Executive Director's Salary	\$147,098
Net Assets	\$7,399,967
Total Revenue	\$38,862,860
Total Expenditures	\$36,902,212
Amount of Disposed Assets	\$0
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of December 31, 2007; report of disposed assets as of December 31, 2008; and salary schedule as of September 2008. Salaries for the Executive Director position are not required to be reported.	

The Alamo Area Council of Governments submitted all statutorily required information; however, the performance data it submitted did not contain all of the components required by the Texas Administrative Code. Its reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific projected performance measure outcome information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives.

This RPC received an unqualified opinion³ on its financial statements for the fiscal year ended December 31, 2007; however, it had one material weakness in internal control over financial reporting and two material weaknesses in internal control over compliance with major federal and state award programs for the fiscal year ended December 31, 2007. The financial reporting weakness, which was also an unresolved issue from the prior year, related to this RPC's improper accounting for deferred revenue. This issue also was reported as a significant deficiency in internal control. The two material weaknesses in internal control over compliance for major federal and state programs, which were also reported as significant deficiencies, related to (1) allowable costs and subrecipient monitoring and (2) contractor suspension and debarment. The audit report also discussed an instance of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that was material to the financial statements. This instance of noncompliance related to this RPC not properly recording program income for its grants.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its Area Agency on Aging and health and welfare.

³ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Ark-Tex Council of Governments

Ark-Tex Council of Governments	
Location	Texarkana, TX
Number of Counties	9
Population	275,972
Number of Positions on Salary Schedule	63
Executive Director's Salary	\$84,718
Net Assets	\$7,094,243
Total Revenue	\$15,730,873
Total Expenditures	\$13,919,811
Amount of Disposed Assets	\$116,750
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The Ark-Tex Council of Governments submitted all statutorily required information; however, the performance data and disposed asset report it submitted did not contain all of the components required by the Texas Administrative Code. Its reports containing productivity and performance data did not include (1) a comparison of planned to actual performance and (2) an analysis of progress made toward achieving planned goals and objectives. This RPC's report on disposed assets did not include the disposition dates or final disposition prices.

This RPC received an unqualified opinion⁴ on its financial statements for the fiscal year ended September 30, 2007. Its audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its housing and urban development program and its Area Agency on Aging.

⁴ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Brazos Valley Council of Governments

Brazos Valley Council of Governments	
Location	Bryan, TX
Number of Counties	7
Population	290,849
Number of Positions on Salary Schedule	82
Executive Director's Salary	\$160,014
Net Assets	\$5,085,677
Total Revenue	\$30,026,249
Total Expenditures	\$28,365,461
Amount of Disposed Assets	\$154,580
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The Brazos Valley Council of Governments submitted all statutorily required information; however, the performance data and disposed asset report it submitted did not contain all of the components required by the Texas Administrative Code. Its reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific performance measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives. This RPC's report on disposed asset did not contain disposition dates.

This RPC received an unqualified opinion⁵ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its housing and urban development program and its workforce development program.

⁵ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Capital Area Council of Governments

Capital Area Council of Governments	
Location	Austin, TX
Number of Counties	10
Population	1,708,204
Number of Positions on Salary Schedule	60
Executive Director's Salary	Not Provided
Net Assets	\$3,618,619
Total Revenue	\$21,878,259
Total Expenditures	\$21,800,770
Amount of Disposed Assets	Information Not Submitted
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The Capital Area Council of Governments did not submit all statutorily required information. Specifically, this RPC did not submit a report of disposed assets. This RPC submitted all other statutorily required information; however, the performance data it submitted did not contain all of the components required by the Texas Administrative Code. Its reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific projected performance measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives.

This RPC received an unqualified opinion⁶ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its emergency communications program (9-1-1) and its Area Agency on Aging.

⁶ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Central Texas Council of Governments

Central Texas Council of Governments	
Location	Belton, TX
Number of Counties	7
Population	414,000
Number of Positions on Salary Schedule	119
Executive Director's Salary	\$138,996
Net Assets	\$4,718,119
Total Revenue	\$37,057,353
Total Expenditures	\$36,331,608
Amount of Disposed Assets	\$0
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of June 30, 2008; report of disposed assets as of June 30, 2008; and salary schedule as of July 2008. Salaries for the Executive Director position are not required to be reported.	

The Central Texas Council of Governments did not submit all statutorily required information. Specifically, this RPC did not submit any performance and productivity information. This RPC submitted all other statutorily required information; however, the salary schedule it submitted did not contain all of the components required by the Texas Administrative Code. Its salary schedule did not include exempt positions or information that auditors could use to compare this RPC's salary schedule to the salary schedules in the State's Position Classification Plan.

This RPC received an unqualified opinion⁷ on its financial statements for the fiscal year ended June 30, 2008; however, it had one finding for federal and state awards. Specifically, this RPC was not adequately reviewing utility rate data, which could cause the utility allowance for grant recipients to be improperly calculated.

According to this RPC's audited financial statements, its two largest sources of grants received are the U.S. Department of Housing and Urban Development and the U.S. Department of Health and Human Services.

⁷ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Coastal Bend Council of Governments

The Coastal Bend Council of Governments submitted all statutorily required information; however, the information it submitted did not contain all of the components required by the Texas Administrative Code.

Coastal Bend Council of Governments	
Location	Corpus Cristi, TX
Number of Counties	12
Population	558,325
Number of Positions on Salary Schedule	25
Executive Director's Salary	\$106,332
Net Assets	\$1,637,491
Total Revenue	\$5,591,895
Total Expenditures	\$5,354,686
Amount of Disposed Assets	\$1,149,136
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of December 31, 2007; report of disposed assets as of December 31, 2007; and salary schedule as of January 2009. Salaries for the Executive Director position are not required to be reported.	

The schedule of indirect costs did not contain a comparison of actual indirect cost allocation with the proposed indirect cost allocation plan used to establish an indirect cost rate.

This RPC's reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific projected performance measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives.

This RPC received an unqualified opinion⁸ on its financial statements for the fiscal year ended December 31, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were health and welfare and the 9-1-1 emergency communications program.

⁸ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Concho Valley Council of Governments

Concho Valley Council of Governments	
Location	San Angelo, TX
Number of Counties	13
Population	148,793
Number of Positions on Salary Schedule	146
Executive Director's Salary	\$84,848
Net Assets	\$1,003,124
Total Revenue	\$15,458,475
Total Expenditures	\$15,005,098
Amount of Disposed Assets	\$0
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The Concho Valley Council of Governments submitted all statutorily required information; however, some of the information submitted did not contain all of the components required by the Texas Administrative Code. Its reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific performance measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives. This RPC's salary schedule did not include exempt positions or information that auditors could use to compare this RPC's salary schedule to the salary schedules in the State's Position Classification Plan.

This RPC received an unqualified opinion⁹ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its Head Start program and its transportation programs.

⁹ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Deep East Texas Council of Governments

Deep East Texas
Council of Governments

Location	Jasper, TX
Number of Counties	12
Population	367,406
Number of Positions on Salary Schedule	75
Executive Director's Salary	Not Provided
Net Assets	\$2,472,936
Total Revenue	\$24,366,936
Total Expenditures	\$23,326,516
Amount of Disposed Assets	\$0

Sources: U.S. Census data, the Texas State Data Center; audited financial statements as of September 30, 2007; disposed asset report as of September 30, 2007; and salary schedule as of August 2008. Salaries for the Executive Director position are not required to be reported.

The Deep East Texas Council of Governments did not submit all statutorily required information due to the State Auditor's Office between June 1, 2008, and May 31, 2009. Specifically, this RPC did not submit any performance and productivity information. The statutorily required information that this RPC submitted contained all of the components required by the Texas Administrative Code.

This RPC received an unqualified opinion¹⁰ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were regional housing and disaster recovery.

¹⁰ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

East Texas Council of Governments

**East Texas
Council of Governments**

Location	Kilgore, Tx
Number of Counties	14
Population	801,216
Number of Positions on Salary Schedule	92
Executive Director's Salary	\$94,350
Net Assets	\$4,616,800
Total Revenue	\$40,337,238
Total Expenditures	\$39,120,504
Amount of Disposed Assets	\$229,494

Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.

The East Texas Council of Governments did not submit all statutorily required information. Specifically, this RPC did not submit performance and productivity information for the recently completed fiscal year. It submitted the remaining statutorily required information, which contained all of the information required by the Texas Administrative Code.

This RPC received an unqualified opinion¹¹ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its workforce development program and its Area Agency on Aging.

¹¹ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Golden Crescent Regional Planning Commission

Golden Crescent Regional Planning Commission	
Location	Victoria, TX
Number of Counties	7
Population	185,584
Number of Positions on Salary Schedule	32
Executive Director's Salary	\$90,766
Net Assets	\$1,359,253
Total Revenue	\$6,364,475
Total Expenditures	\$6,480,812
Amount of Disposed Assets	\$612
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of August 31, 2008; report of disposed assets as of August 31, 2008; and salary schedule as of September 2008. Salaries for the Executive Director position are not required to be reported.	

The Golden Crescent Regional Planning Commission submitted all statutorily required information; however, the schedule of indirect costs it submitted did not contain all of the components required by the Texas Administrative Code. Specifically, the schedule did not contain an explanation of the method this RPC used to compute an expense or a comparison of actual indirect cost allocations with the proposed indirect cost allocation plan used to establish the indirect cost rate.

This RPC received an unqualified opinion¹² on its financial statements for the fiscal year ended August 31, 2008. This RPC had one significant deficiency in internal control over financial reporting related to a lack of segregation of duties within incompatible functions due to the limited size of this RPC's accounting staff.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were health and welfare and public safety.

¹² An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Heart of Texas Council of Governments

Heart of Texas Council of Governments	
Location	Waco, TX
Number of Counties	6
Population	339,784
Number of Positions on Salary Schedule	29
Executive Director's Salary	Not Provided
Net Assets	\$485,437
Total Revenue	\$8,273,281
Total Expenditures	\$8,184,240
Amount of Disposed Assets	\$36,878
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The Heart of Texas Council of Governments submitted all statutorily required information; however, some of the information it submitted did not contain all of the components required by the Texas Administrative Code. Specifically, this RPC's reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific projected performance outcome measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives.

This RPC received an unqualified opinion¹³ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its Area Agency on Aging and its transportation program.

¹³ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Houston-Galveston Area Council of Governments

Houston-Galveston Area Council of Governments	
Location	Houston, TX
Number of Counties	13
Population	5,765,772
Number of Positions on Salary Schedule	152
Executive Director's Salary	Not Provided
Net Assets	\$9,115,082
Total Revenue	\$276,189,676
Total Expenditures	\$274,984,927
Amount of Disposed Assets	\$44,816
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of December 31, 2007; report of disposed assets as of December 31, 2007; and salary schedule as of January 2009. Salaries for the Executive Director position are not required to be reported.	

The Houston-Galveston Area Council of Governments submitted all statutorily required information; however, some of the information it submitted did not contain all of the components required by the Texas Administrative Code. The schedule of indirect costs did not contain a comparison of actual indirect cost allocations with the proposed indirect cost allocation plan used to establish the indirect cost rate. This RPC's report containing projected productivity and performance data did not include specific performance measure information for this RPC's programs. The report of disposed assets did not contain (1) the reason for disposition, (2) the disposition date, and (3) the final disposition price.

This RPC received an unqualified opinion¹⁴ on its financial statements for the fiscal year ended December 31, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its workforce services program and its transportation program.

¹⁴ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Lower Rio Grande Valley Development Council

Lower Rio Grande Valley Development Council	
Location	McAllen, TX
Number of Counties	3
Population	1,118,237
Number of Positions on Salary Schedule	114
Executive Director's Salary	Not Provided
Net Assets	\$2,367,878
Total Revenue	\$14,730,352
Total Expenditures	\$14,064,216
Amount of Disposed Assets	\$33,869
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of December 31, 2007; report of disposed assets as of December 31, 2008; and salary schedule as of January 2009. Salaries for the Executive Director position are not required to be reported.	

The Lower Rio Grande Valley Development Council submitted all statutorily required information; however, some of the information it submitted did not contain all of the components required by the Texas Administrative Code. The schedule of indirect costs did not contain a comparison of actual indirect cost allocations with the proposed indirect cost allocation plan used to establish the indirect cost rate.

This RPC received an unqualified opinion¹⁵ on its financial statements for the fiscal year ended December 31, 2007. This RPC had one significant deficiency in internal control over major federal and state award programs. This deficiency related to the failure of this RPC to ensure that all steel and manufactured products used in the construction of the transit administration office were manufactured in the United States.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its Area Agency on Aging and its transportation program.

¹⁵ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Middle Rio Grande Development Council

Middle Rio Grande Development Council	
Location	Carrizo Springs, TX
Number of Counties	9
Population	162,008
Number of Positions on Salary Schedule	89
Executive Director's Salary	Not Provided
Net Assets	\$3,435,287
Total Revenue	\$15,267,020
Total Expenditures	\$15,597,729
Amount of Disposed Assets	\$0
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of August 31, 2008; report of disposed assets as of August 31, 2008; and salary schedule as of September 2008. Salaries for the Executive Director position are not required to be reported.	

The Middle Rio Grande Development Council did not submit all statutorily required information. Specifically, this RPC did not submit any performance and productivity information. This RPC submitted the remaining statutorily required information; however, the information it submitted did not always include all of the components required by the Texas Administrative Code. The schedule of indirect costs did not contain a comparison of actual indirect cost allocations to the proposed indirect cost allocation plan used to establish the indirect cost rate. This RPC's salary schedule information did not include enough information for auditors to compare this RPC's salary schedule to the salary schedules in the State's Position Classification Plan.

This RPC received an unqualified opinion¹⁶ on its financial statements for the fiscal year ended August 31, 2008. The audit report included six significant deficiencies in internal control: two in internal control over financial reporting and four in internal control over compliance for major federal and state award programs. Three of the significant deficiencies in internal control over compliance for major federal and state awards were also disclosed as instances of noncompliance with *U.S. Office of Management and Budget Circular A-133* and the *State of Texas*

Single Audit Circular.

The significant deficiencies for financial reporting related to this RPC's lack of (1) documentation of management review and approval of journal entries and (2) board approval of consultant contracts in excess of \$25,000. The significant deficiencies in internal control that were also disclosed as instances of noncompliance related to (1) excess cash draws, (2) no formal bidding, and (3) lack of a complete physical inventory. The remaining significant deficiency for internal control over compliance for major federal and state award programs was related to this RPC's reclassification of grant expenditures after the expenditures had been audited and closed.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its economic opportunity programs and its public safety programs.

¹⁶ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Nortex Regional Planning Commission

Nortex Regional Planning Commission	
Location	Wichita Falls, TX
Number of Counties	11
Population	219,347
Number of Positions on Salary Schedule	28
Executive Director's Salary	\$95,120
Net Assets	\$287,685
Total Revenue	\$10,870,292
Total Expenditures	\$10,836,095
Amount of Disposed Assets	Information Not Submitted
Sources: U.S. Census data, the Texas State Data Center; audited financial statements as of September 30, 2007; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The Nortex Regional Planning Commission did not submit all statutorily required information due to the State Auditor's Office between June 1, 2008, and May 31, 2009. Specifically, this RPC did not submit information regarding performance and productivity information and a report of disposed assets. The statutorily required information this RPC submitted contained all of the components required by the Texas Administrative Code.

This RPC received an unqualified opinion¹⁷ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its workforce development program and its Area Agency on Aging.

¹⁷ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

North Central Texas Council of Governments

North Central Texas Council of Governments	
Location	Arlington, TX
Number of Counties	16
Population	6,308,939
Number of Positions on Salary Schedule	350
Executive Director's Salary	Not Provided
Net Assets	\$47,970,846
Total Revenue	\$174,009,237
Total Expenditures	\$136,275,373
Amount of Disposed Assets	\$237,406
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The North Central Texas Council of Governments submitted all statutorily required information; however, some of the information it submitted did not contain all of the components required by the Texas Administrative Code. Its reports containing productivity and performance data did not include (1) a comparison of planned to actual performance and (2) specific projected performance outcome measure information for this RPC's programs. The disposed asset report did not include the (1) acquisition date of disposed assets, (2) reason for disposal, (3) disposition date, and (4) final disposition price.

This RPC received an unqualified opinion¹⁸ on its financial statements for the fiscal year ended September 30, 2007. This RPC had a compliance finding for federal awards that related to the failure of a sub-recipient to provide adequate documentation for the use of funds related to Hurricane Katrina.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its workforce development program and its transportation program.

¹⁸ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Panhandle Regional Planning Commission

Panhandle Regional Planning Commission

Location	Amarillo, TX
Number of Counties	26
Population	411,521
Number of Positions on Salary Schedule	44
Executive Director's Salary	\$110,911
Net Assets	\$4,435,825
Total Revenue	\$22,425,283
Total Expenditures	\$22,229,698
Amount of Disposed Assets	\$224,636

Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.

The Panhandle Regional Planning Commission submitted all statutorily required information; however, some of the information it submitted did not contain all of the components required by the Texas Administrative Code. Its report containing productivity and performance data for the recently completed fiscal year did not include a comparison of planned to actual performance.

This RPC received an unqualified opinion¹⁹ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its workforce development programs and its Area Agency on Aging.

¹⁹ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Permian Basin Regional Planning Commission

Permian Basin Regional Planning Commission	
Location	Midland, TX
Number of Counties	17
Population	388,297
Number of Positions on Salary Schedule	64
Executive Director's Salary	Not Provided
Net Assets	\$352,774
Total Revenue	\$7,963,782
Total Expenditures	\$7,973,971
Amount of Disposed Assets	\$0
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The Permian Basin Regional Planning Commission submitted all statutorily required information; however, the performance data it submitted did not contain all of the components required by the Texas Administrative Code. Specifically, its reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific performance measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives.

This RPC received an unqualified opinion²⁰ on its financial statements for the fiscal year ended September 30, 2007; however, it had one material weakness in internal control over financial reporting related to the failure to properly report accounts payable. This resulted in accounts payable and expenditures being incorrectly reported in this RPC's financial statements. This RPC also did not properly bill for matching funds, which constituted a significant deficiency in internal controls over financial reporting.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its workforce development program and its Area Agency on Aging.

²⁰ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Rio Grande Council of Governments

Rio Grande Council of Governments	
Location	El Paso, TX
Number of Counties	6
Population	759,525
Number of Positions on Salary Schedule	44
Executive Director's Salary	\$109,350
Net Assets	\$598,733
Total Revenue	\$6,907,589
Total Expenditures	\$7,080,914
Amount of Disposed Assets	\$0

Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.

The Rio Grande Council of Governments did not submit all statutorily required information. Specifically, this RPC did not submit any performance and productivity information. This RPC provided the remaining statutorily required information; however, the schedule of indirect costs did not contain a comparison of actual indirect cost allocations to the proposed indirect cost allocation plan used to establish the indirect cost rate, as required by the Texas Administrative Code.

This RPC received an unqualified opinion²¹ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its Area Agency on Aging and its environmental quality programs.

²¹ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

South East Texas Regional Planning Commission

South East Texas Regional Planning Commission	
Location	Beaumont, TX
Number of Counties	3
Population	376,241
Number of Positions on Salary Schedule	81
Executive Director's Salary	Not Provided
Net Assets	\$1,461,334
Total Revenue	\$35,460,301
Total Expenditures	\$35,373,792
Amount of Disposed Assets	\$1,297,854 *
* 9-1-1 specialized equipment.	
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The South East Texas Regional Planning Commission submitted all statutorily required information; however, the performance data and disposed asset report it submitted did not contain all of the components required by the Texas Administrative Code.

This RPC's reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific projected performance outcome measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives. The disposed asset report did not contain the reason for asset disposal or the disposition date.

This RPC received an unqualified opinion²² on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its community services/affordable housing programs and its substance abuse programs.

²² An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

South Plains Association of Governments

South Plains Association of Governments	
Location	Lubbock, TX
Number of Counties	15
Population	389,476
Number of Positions on Salary Schedule	40
Executive Director's Salary	Not Provided
Net Assets	\$4,957,307
Total Revenue	\$5,106,653
Total Expenditures	\$4,860,960
Amount of Disposed Assets	\$0
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The South Plains Association of Governments submitted all statutorily required information; however, the schedule of indirect costs and performance data it submitted did not contain all of the components required by the Texas Administrative Code. This RPC's schedule of indirect costs did not contain an explanation of the method used to compute an expense or a comparison of actual indirect cost allocations with the proposed indirect cost allocation plan used to establish the indirect cost rate. This RPC's reports containing productivity and performance data did not include (1) a comparison of planned to actual performance, (2) specific performance measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives. This RPC provided projected performance measure information; however, this information was not measurable or quantified.

This RPC received an unqualified opinion²³ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its Area Agency on Aging and its emergency communication program.

²³ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

South Texas Development Council

South Texas Development Council	
Location	Laredo, TX
Number of Counties	4
Population	313,563
Number of Positions on Salary Schedule	24
Executive Director's Salary	\$140,400
Net Assets	\$897,119
Total Revenue	\$5,673,764
Total Expenditures	\$5,681,587
Amount of Disposed Assets	Information Not Submitted
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The South Texas Development Council did not submit all statutorily required information. Specifically, this RPC did not submit a report of disposed assets. This RPC submitted the remaining statutorily required information; however, the productivity and performance data it submitted did not contain all of the components required by the Texas Administrative Code. This RPC's productivity and performance reports did not include (1) a comparison of planned to actual performance, (2) specific performance measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives.

This RPC received an unqualified opinion²⁴ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its HIV intervention and prevention programs and its Area Agency on Aging.

²⁴ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Texoma Council of Governments

Texoma Council of Governments	
Location	Sherman, TX
Number of Counties	3
Population	190,228
Number of Positions on Salary Schedule	75
Executive Director's Salary	\$82,500
Net Assets	\$1,946,200
Total Revenue	\$10,109,329
Total Expenditures	\$9,624,290
Amount of Disposed Assets	\$139,387
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of April 30, 2008; report of disposed assets as of April 30, 2008; and salary schedule as of May 2009. Salaries for the Executive Director position are not required to be reported.	

The Texoma Council of Governments submitted all statutorily required information; however, the performance data it submitted did not contain all of the components required by the Texas Administrative Code. This RPC's reports containing productivity and performance data did not include a complete analysis of progress made toward achieving planned goals and objectives. Specifically, this RPC did not provide an explanation for all goals that it partially met.

This RPC received an unqualified opinion²⁵ on its financial statements for the fiscal year ended April 30, 2008; however, it had three material weaknesses in internal control over financial reporting for the fiscal year ended April 30, 2008. This RPC did not perform monthly bank reconciliations in a timely manner in accordance with established procedures, and the design of its general ledger did not match the format this RPC used for financial statement reporting. In addition, this RPC had no controls to ensure that fund balance accounts rolled forward properly, which increased the risk that errors in fund balance accounts could occur without detection.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were human services and aging and disability.

²⁵ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

West Central Texas Council of Governments

West Central Texas Council of Governments	
Location	Abilene, TX
Number of Counties	19
Population	317,851
Number of Positions on Salary Schedule	96
Executive Director's Salary	\$93,150
Net Assets	\$1,442,406
Total Revenue	\$12,994,541
Total Expenditures	\$12,856,335
Amount of Disposed Assets	\$12,406
Sources: U.S. Census data; the Texas State Data Center; audited financial statements as of September 30, 2007; report of disposed assets as of September 30, 2008; and salary schedule as of October 2008. Salaries for the Executive Director position are not required to be reported.	

The West Central Texas Council of Governments did not submit all statutorily required information. Specifically, this RPC did not submit any information regarding its expense and indirect cost computation. It submitted the remaining statutorily required information; however, its performance and productivity data and report of disposed assets did not include all of the components required by the Texas Administrative Code. This RPC's reports containing productivity and performance data for the recently completed fiscal year did not include (1) a comparison of planned to actual performance, (2) specific performance measure information for this RPC's programs, and (3) an analysis of progress made toward achieving planned goals and objectives. Its report of disposed assets did not contain (1) the acquisition date of disposed assets and (2) the disposition date.

This RPC received an unqualified opinion²⁶ on its financial statements for the fiscal year ended September 30, 2007. The audit report did not include any findings.

According to this RPC's audited financial statements, the two programs for which this RPC spent the largest amounts of funds were its employer of record services and its Area Agency on Aging.

²⁶ An unqualified opinion indicates that the financial statements are presented fairly in all material respects.

Appendices

Appendix 1

Objective, Scope, and Methodology

Objective

The objective of this review was to determine whether regional planning commissions (RPCs) have submitted reports and audits to the State Auditor's Office as required under Texas Local Government Code, Section 391.0095, and report any failure to submit reports and audits to the Governor's Office.

Scope

The scope of this review covered reports due to the State Auditor's Office between June 1, 2008, and May 31, 2009.

Methodology

The methodology for this review included determining whether RPCs submitted statutorily required information due to the State Auditor's Office between June 1, 2008, and May 31, 2009. Auditors did not verify the accuracy of this information. Auditors also compiled certain information provided by the RPCs, such as the results of financial statement audits and information from productivity and performance reports.

Information collected and reviewed included the following:

- Audited financial statements.
- Performance and productivity reports.
- Salary schedules.
- Budget and work program reports.
- Indirect cost reports.
- Disposed asset reports.

Procedures and tests conducted included the following:

- Verifying whether RPCs provided information required by the Texas Local Government Code that was due between June 1, 2008, and May 31, 2009.
- Determining whether the information that RPCs provided included all of the information components required by the Texas Administrative Code.

- Compiling certain information provided by the RPCs, such as the results of annual financial audits and productivity and performance reports.

Criteria used included the following:

- Texas Local Government Code, Chapter 391.
- Title 1, Texas Administrative Code, Sections 3.9410, 3.9420, and 3.9430.

Project Information

Fieldwork for this review was conducted from June 2009 through July 2009. This project was a review; therefore, the information in this report was not subjected to all the tests and confirmations that would be performed in an audit. However, the information in this report was subject to certain quality control procedures to help ensure accuracy. The following members of the State Auditor's staff performed the review:

- Frances Anne Hoel, CIA, CGAP (Project Manager)
- Becky Beachy, CIA, CGAP
- Katherine Koinis
- Barrett Sundberg, MPA, CIA
- Kimberly Teague, MS
- Leslie P. Ashton, CPA (Quality Control Reviewer)
- Lisa R. Collier, CPA (Assistant State Auditor)

Texas Administrative Code Requirements for Regional Planning Commissions

The following excerpts from Title 1, Texas Administrative Code, Chapter 3, set forth the components of the information that regional planning commissions (also referred to as councils of governments or COGs) are required to submit.

Section 3.9410 – Annual Financial Report Requirements

(a) Not later than nine months after the close of each COG's fiscal year, each COG shall submit a completed financial audit prepared by a certified public accountant, 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 and the provisions of OMB Circular A-133 and the State Single Audit Circular, when applicable, to CJD, the State Auditor, the Comptroller of Public Accounts, and the Legislative Budget Board, and shall make the financial audit available to each member of the Legislature.

(c) The annual financial audit shall include the following:

(1) the amount and source of funds received by the COG;

(2) the amount and source of funds expended by the COG;

(3) an explanation of any method used by the COG to compute an expense of the COG, including computation of any indirect costs of the COG; and

(4) a statement of indirect costs which compares actual indirect cost allocations with the proposed indirect cost allocation plan used to establish an indirect cost rate.

Section 3.9420 – Salary Schedules

(a) For each fiscal year, each COG shall publish a salary schedule containing a classification salary schedule for classified positions, and identifying and specifying the salaries for positions exempt from the classification salary schedule.

(b) The salary schedule adopted by the COG may not exceed, for classified positions, the state salary schedule for classified positions as prescribed by the general appropriations act adopted by the most recent legislature. A COG may adopt a salary schedule that is equal to or less than the state salary schedule.

(c) A position may only be exempted from the classification salary schedule adopted by the COG if the exemption and the salary paid for the exempt position is within the range prescribed by the general appropriations act.

(d) Wage and salary comparability will be determined from the state position classification plan, positions exempt from the state position classification plan, the State Auditor's biennial reports on state classification and pay, and the State Auditor's reports on benefits as a percentage of salary, as well as the U.S. Department of Labor's Employment Cost index and other appropriate sources, including documentation provided by the COG.

(e) Not later than the 45th day before the date of the beginning of each COG's fiscal year, each COG shall submit its salary schedule, as approved by its governing body, including the salaries of all exempt positions, to the State Auditor and shall make its salary schedule available to each member of the Legislature.

(f) If the State Auditor, subject to the Legislative Audit Committee's approval for inclusion in the audit plan under §321.013, Government Code, has recommendations to improve a COG's salary schedule or a portion thereof, the State Auditor shall report the recommendations to CJD.

(g) CJD may not allow the portion of the schedule for which the State Auditor has recommendations to go into effect until revisions or explanations are received from a COG that are satisfactory to CJD and support the recommendations from the State Auditor.

(h) This section does not apply to a COG if the most populous county that is a member of the COG has an actual average weekly wage that exceeds the state actual average weekly wage by 20% or more for the previous year as determined by the Texas Workforce Commission in its County Employment and Wage Information Report.

(1) A COG exempted from the salary provisions by this subsection shall annually file an exemption notice with the State Auditor.

(2) The exemption notice shall contain supporting information from the Texas Work Force Commission's County Employment and Wage Information Report for the applicable period.

Section 3.9430 – Productivity Reports and Disposed Assets

Not later than the last business day of the month of December of each year, each COG shall submit the following to CJD, the State Auditor, the Comptroller of Public Accounts, and the Legislative Budget Board, in a format prescribed by CJD:

(1) a report of the COG's productivity and performance during the most recently completed fiscal year, which shall include:

(A) the outcomes of the program's activities at the most detailed level reported to each sponsoring agency, including:

(i) any program output measures the COG is required to report to an entity sponsoring the program; and

(ii) any outcome measures the COG is required to report to an entity sponsoring the program;

(B) a comparison of planned performance and actual results; and

(C) an analysis of progress made toward achieving planned goals and objectives;

(2) a projection of the COG's productivity and performance during the next fiscal year based upon the COG's specified goals, objectives, and performance measures for the next fiscal year;

(3) a report of any assets disposed of by the COG, which shall include the following:

(A) an itemized list describing each disposed asset;

(B) the acquisition date of each disposed asset;

(C) the purchase price of each disposed asset;

(D) the reason for disposing of each asset;

(E) the disposition date of each disposed asset; and

(F) the final disposition price for each disposed asset;

(4) a complete annual financial statement, which shall include a list of receipts and expenditures by accounts.

Financial and Population Information Regarding Regional Planning Commissions

Regional planning commissions (RPCs) provide services in areas ranging from 26 counties (for the Panhandle Regional Planning Commission) to three counties (for the Lower Rio Grande Valley Development Council, the South East Texas Regional Planning Commission, and the Texoma Council of Governments). The North Central Texas Council of Governments serves the most citizens (6,308,939 citizens), while the Concho Valley Council of Governments serves the fewest citizens (148,793 citizens).

Table 2 shows each RPC's total revenue from all sources, total expenditures, and population. This information is reported as of each RPC's fiscal year end.

Table 2

Regional Planning Commissions' Revenues, Expenditures, and Population (As of each RPC's fiscal year end)				
Regional Planning Commission	Fiscal Year End	Total Revenue from All Sources	Total Expenditures	Population
Alamo Area Council of Governments	December 31, 2007	\$ 38,862,860	\$ 36,902,212	2,093,242
Ark-Tex Council of Governments	September 30, 2007	15,730,873	13,919,811	275,972
Brazos Valley Council of Governments	September 30, 2007	30,026,249	28,365,461	290,849
Capital Area Council of Governments	September 30, 2007	21,878,259	21,800,770	1,708,204
Central Texas Council of Governments	June 30, 2008	37,057,353	36,331,608	414,000
Coastal Bend Council of Governments	December 31, 2007	5,591,895	5,354,686	558,325
Concho Valley Council of Governments	September 30, 2007	15,458,475	15,005,098	148,793
Deep East Texas Council of Governments	September 30, 2007	24,366,936	23,326,516	367,406
East Texas Council of Governments	September 30, 2007	40,337,238	39,120,504	801,216
Golden Crescent Regional Planning Commission	August 31, 2008	6,364,475	6,480,812	185,584
Heart of Texas Council of Governments	September 30, 2007	8,273,281	8,184,240	339,784
Houston-Galveston Area Council of Governments	December 31, 2007	276,189,676	274,984,927	5,765,772
Lower Rio Grande Valley Development Council	December 31, 2007	14,730,352	14,064,216	1,118,237
Middle Rio Grande Development Council	August 31, 2008	15,267,020	15,597,729	162,008
Nortex Regional Planning Commission	September 30, 2007	10,870,292	10,836,095	219,347

**Regional Planning Commissions'
Revenues, Expenditures, and Population
(As of each RPC's fiscal year end)**

Regional Planning Commission	Fiscal Year End	Total Revenue from All Sources	Total Expenditures	Population
North Central Texas Council of Governments	September 30, 2007	174,009,237	136,275,373	6,308,939
Panhandle Regional Planning Commission	September 30, 2007	22,425,283	22,229,698	411,521
Permian Basin Regional Planning Commission	September 30, 2007	7,963,782	7,973,971	388,297
Rio Grande Council of Governments	September 30, 2007	6,907,589	7,080,914	759,525
South East Texas Regional Planning Commission	September 30, 2007	35,460,301	35,373,792	376,241
South Plains Association of Governments	September 30, 2007	5,106,653	4,860,960	389,476
South Texas Development Council	September 30, 2007	5,673,764	5,681,587	313,563
Texoma Council of Governments	April 30, 2008	10,109,329	9,624,290	190,228
West Central Texas Council of Governments	September 30, 2007	12,994,541	12,856,335	317,851
Totals		\$841,655,713	\$792,231,605	23,904,380

Sources: U.S. Census data and audited financial statements submitted by the RPCs.

Information Regarding Regional Planning Commissions' Major Programs

This appendix presents general descriptions of some of the major programs that regional planning commissions (RPCs) provide. Auditors used various reports that RPCs provided to compile these descriptions.

Area Agency on Aging Program (Categorized as Health and Welfare for some RPCs)

This program provides various services for persons who are 60 years of age or older. Services typically include transportation, meals, and benefits counseling.

Disaster Recovery

These programs provide services to citizens in the aftermath of a natural disaster. Services include housing and weatherization repairs, with a focus on senior citizens, the handicapped, and special needs populations.

Emergency Communications 9-1-1 and Public Safety Programs

These programs include maintaining, testing, and enhancing 9-1-1 systems throughout each RPC's respective region.

Environmental Quality Program

This program provides services that address issues related to the environment, economic development, and rural transportation projects.

Head Start Program

This program provides services to children and families, including preparing children for kindergarten and encouraging parental involvement in their children's activities.

Health and Welfare Programs

Health and welfare expenditures typically relate to other RPC programs such as Area Agency on Aging. For one RPC, these expenditures related to the Bexar Mental Retardation Authority, which provides services to eligible children and adults with mental retardation that include employment assistance and specialized therapies.

HIV Intervention and Prevention Program

This program provides a variety of services and opportunities for people and families affected by HIV/AIDS.

Housing and Urban Development, Community Services/Affordable Housing, and Health and Human Services Programs

Services provided by housing programs include assistance to low income residents to obtain decent, safe, and sanitary housing. The programs also may assist low income residents by providing repairs to increase energy efficiency and energy star appliances.

Substance Abuse Program

The substance abuse program provides a variety of services that address alcoholism and other drug additions. These services include outreach and education to high-risk youths and the community, and assistance in providing screening, referral, and placement services.

Transportation Program

Transportation program services may include providing non-emergency transportation for eligible clients such as senior citizens and promoting ideas that balance transportation needs with land use and environmental issues.

Workforce Development, Economic Opportunity, and Employer of Record Programs

Services provided by these programs typically include (1) job placement assistance, (2) training, and (3) subsidized or free child care to qualified workers. Other services may include assistance to employers in locating and hiring qualified employees and providing payroll services.

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Legislative Audit Committee

The Honorable David Dewhurst, Lieutenant Governor, Joint Chair
The Honorable Joe Straus III, Speaker of the House, Joint Chair
The Honorable Steve Ogden, Senate Finance Committee
The Honorable Thomas “Tommy” Williams, Member, Texas Senate
The Honorable Jim Pitts, House Appropriations Committee
The Honorable Rene Oliveira, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor

Board Chairs and Executive Directors of the Following Regional Planning Commissions

Alamo Area Council of Governments
Ark-Tex Council of Governments
Brazos Valley Council of Governments
Capital Area Council of Governments
Central Texas Council of Governments
Coastal Bend Council of Governments
Concho Valley Council of Governments
Deep East Texas Council of Governments
East Texas Council of Governments
Golden Crescent Regional Planning Commission
Heart of Texas Council of Governments
Houston-Galveston Area Council
Lower Rio Grande Valley Development Council
Middle Rio Grande Development Council
Nortex Regional Planning Commission
North Central Texas Council of Governments
Panhandle Regional Planning Commission
Permian Basin Regional Planning Commission
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