



Single Audit for
**Regional Transportation
Commission of Southern Nevada**
June 30, 2016

MOSS ADAMS_{LLP}
Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Regional Transportation Commission of Southern Nevada

Report on Compliance for the Major Federal Program

We have audited the Regional Transportation Commission of Southern Nevada's ("RTC") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the RTC's major federal programs for the year ended June 30, 2016. RTC's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of RTC's major federal 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 federal program occurred. An audit includes examining, on a test basis, evidence about RTC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Board of Commissioners
Regional Transportation Commission of Southern Nevada

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of RTC's compliance.

Opinion on the Major Federal Program

In our opinion, RTC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of RTC 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 RTC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 RTC'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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 federal 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 federal 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.

Board of Commissioners
Regional Transportation Commission of Southern Nevada

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of RTC as of and for the year ended June 30, 2016, and have issued our report thereon dated November 8, 2016 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mess Adams LLP

Albuquerque, New Mexico
November 8, 2016

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SUMMARY SCHEDULE OF PRIOR FINDINGS
JUNE 30, 2016**

None Reported

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016**

Federal Grantor/Pass-through Entity Program Title	CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation, Office of Federal Transit Administration				
Direct Programs				
Federal Transit - Formula Grants, Urbanized Area Formula Program	20.507	NV-90-X056	\$ -	\$ 720,959
Federal Transit - Formula Grants, Urbanized Area Formula Program	20.507	NV-90-X065	-	30,735
Federal Transit - Formula Grants, Urbanized Area Formula Program	20.507	NV-90-X070	-	3,905,632
Federal Transit - Formula Grants, Urbanized Area Formula Program	20.507	NV-90-X076	-	27,303,001
Federal Transit - Formula Grants, Urbanized Area Formula Program	20.507	NV-95-X007	-	1,356,869
Federal Transit - Formula Grants, Urbanized Area Formula Program	20.507	NV-95-X008	-	1,235,794
Federal Transit - Formula Grants, Urbanized Area Formula Program	20.507	NV-95-X012	-	1,806,750
Federal Transit - Formula Grants, Urbanized Area Formula Program	20.507	NV-2016-001	-	7,446,589
			<u>-</u>	<u>43,806,329</u>
Federal Transit - Capital Investment Grants, Fixed Guideway Modernization Bus and Bus Facility New Starts				
Federal Transit - Capital Investment Grants, Fixed Guideway	20.500	NV-03-0034	-	668
Federal Transit - Capital Investment Grants Bus and Bus Related Equipment and Facilities Program	20.500	NV-04-0017	-	18,953
			<u>-</u>	<u>43,825,950</u>
Total Federal Transit Cluster				
Transit Services Programs Cluster				
Job Access and Reverse Commute Program	20.516	NV-37-X024	48,220	48,220
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NV-16-X003	-	663,477
			<u>48,220</u>	<u>711,697</u>
Total Transit Services Programs Cluster				
Total U.S. Department of Transportation, Office of Federal Transit Administration Direct Programs Subtotal			<u>48,220</u>	<u>44,537,647</u>
U.S. Department of Transportation, Office of Federal Highway Administration				
Direct Programs				
Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program	20.205	NDOT PR159-15-063	-	813,021
Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program	20.205	NDOT PR326-14-844	-	360,878
Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program	20.205	NDOT PR109-15-804	-	2,052,087
Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program	20.205	NDOT PR218-13-063	-	274,513
Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program	20.205	NDOT PR382-13-015	-	71,298,572
Total U.S. Department of Transportation, Office of Federal Highway Administration Direct Programs Subtotal			<u>-</u>	<u>74,799,071</u>

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2016**

Federal Grantor/Pass-through Entity Program Title	CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation, Office of the Secretary (OST) Administration Secretariate Direct Program				
Surface Transportation Discretionary Grants for Capital Investment, TIGER Grants Transportation Investment Generating Economic Recovery	20.933	NV-79-0002	-	7,380,596
Total U.S. Department of Transportation			<u>48,220</u>	<u>126,717,314</u>
Southern Nevada Health District (SNHD) Pass-through Program				
Passed through Southern Nevada Health District Centers for Disease Control and Prevention-Community Transformation Grants Southern Nevada Partnership to Improve Community Health (PICH)	93.331	SNHD-6-PICH-INT-15-027	-	175,485
Total Expenditures of Federal Awards			<u>\$ 48,220</u>	<u>\$ 126,892,799</u>

REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 – Reporting Entity

In conformity with Nevada Revised Statutes (NRS) 378, an ordinance was adopted by the Clark County Board of County Commissioners on June 7, 1965, creating the Regional Streets and Highway Commission. On December 4, 1979, this name was revised to the Regional Transportation Commission and on September 23, 2000, the name was further revised as the Regional Transportation Commission of Southern Nevada (the “RTC”). The RTC is governed by an eight member Board of Commissioners, comprised of elected officials, as follows:

- a. Two representatives appointed from the Clark County Board of County Commissioners,
- b. Two representatives appointed from the governing board of the City of Las Vegas,
- c. One representative appointed from each of the governing boards of the Cities of Boulder City, Henderson, North Las Vegas, and Mesquite.

The RTC’s operating activities are comprised of providing both the transit system and transportation planning in southern Nevada.

Note 2 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of RTC under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of RTC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of RTC.

Note 3 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. RTC has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for the major federal program: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of the Major Federal Program

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
20.500, 20.507	Federal Transit Cluster	<i>Unmodified</i>
20.933	TIGER Grants Transportation Investment Generating Economic Recovery	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? Yes No

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

II. FINANCIAL STATEMENT FINDINGS

None Reported

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported