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Single Audit for
Regional Transportation
Commission of Southern Nevada
June 30, 2013

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.

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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 OMB CIRCULAR A-133**

Board of Commissioners
Regional Transportation Commission of Southern Nevada

Report on Compliance for Each Major Federal Program

We have audited the Regional Transportation Commission of Southern Nevada (the "RTC") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on the RTC's major federal programs for the year ended June 30, 2013. The RTC's major federal program is 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 federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the RTC's major federal program 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the RTC'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 the major federal program. However, our audit does not provide a legal determination of the RTC's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the 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, we considered the RTC's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Regional Transportation Commission of Southern Nevada (RTC) as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the RTC's basic financial statements. We issued our report thereon dated November 1, 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 federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Moss Adams LLP

Scottsdale, Arizona
December 18, 2013

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SUMMARY SCHEDULE OF PRIOR FINDINGS
JUNE 30, 2013**

| | | |
|------|---|----------|
| 12-1 | Review of depreciation and amortization schedules | Resolved |
| 12-2 | Review of bank reconciliations | Resolved |
| 12-3 | Expenses cut-off | Resolved |
| 12-4 | Transparency Act compliance | Resolved |
| 12-5 | Unallowable costs for dual billing | Resolved |
| 12-6 | DUNS verification | Resolved |

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013**

| Federal Grantor/Pass-through Entity Program Title | CFDA Number | Direct Award/ Pass-through Entity Identifying Number | Federal Expenditures |
|---|----------------|---|-------------------------|
| U.S. Department of Transportation, Office of Federal Transit Administration | | | |
| Federal Transit Cluster | | | |
| Federal Transit - Formula Grants, Urbanized Area Formula Program | 20.507 | NV-90-X056 | \$ 1,040,272 |
| Federal Transit - Formula Grants, Urbanized Area Formula Program | 20.507 | NV-90-X060 | 10,646 |
| Federal Transit - Formula Grants, Urbanized Area Formula Program | 20.507 | NV-90-X062 | 914,535 |
| Federal Transit - Formula Grants, Urbanized Area Formula Program | 20.507 | NV-90-X065 | 6,461,186 |
| Federal Transit - Formula Grants, Urbanized Area Formula Program | 20.507 | NV-90-X068 | 680,663 |
| Federal Transit - Formula Grants, Urbanized Area Formula Program | 20.507 | NV-90-X070 | 8,470,504 |
| Federal Transit - Formula Grants, Urbanized Area Formula Program | 20.507 | NV-95-X004 | 854,633 |
| Federal Transit - Formula Grants, Urbanized Area Formula Program | 20.507 | NV-95-X007 | 1,907,111 |
| | | | <u>20,339,550</u> |
| Federal Transit - Capital Investment Grants, Fixed Guideway Modernization Bus and Bus Facility New Starts | 20.500 | NV-03-0034 | 19,991 |
| Federal Transit - Capital Investment Grants, Fixed Guideway Modernization Bus and Bus Facility New Starts | 20.500 | NV-04-0011 | 1,941,013 |
| | | | <u>1,961,004</u> |
| Federal Transit - Capital Investment Grants Bus and Bus Related Equipment and Facilities Program | 20.500 | NV-04-0012 | 8,000,000 |
| Federal Transit - Capital Investment Grants Bus and Bus Related Equipment and Facilities Program | 20.500 | NV-04-0017 | 119,078 |
| Federal Transit - Capital Investment Grants Bus and Bus Related Equipment and Facilities Program | 20.500 | NV-04-0018 | 304,453 |
| Federal Transit - Capital Investment Grants Bus and Bus Related Equipment and Facilities Program | 20.500 | NV-04-0021 | 5,000,000 |
| | | | <u>13,423,531</u> |
| | | | <u>\$ 35,724,085</u> |
| Transit Services Programs Cluster | | | |
| Job Access and Reverse Commute Program | 20.516 | NV-37-X019 | \$ 116,358 |
| Job Access and Reverse Commute Program | 20.516 | NV-37-X024 | 500,309 |
| | | | <u>616,667</u> |
| New Freedom Program | 20.521 | NV-57-X003 | 2,700 |
| New Freedom Program | 20.521 | NV-57-X008 | 23,266 |
| New Freedom Program | 20.521 | NV-57-X010 | 252,039 |
| New Freedom Program | 20.521 | NV-57-X013 | 485,338 |
| | | | <u>763,343</u> |
| | | | <u>\$ 1,380,010</u> |
| Federal Transit - National Research and Technology Program | 20.514 | NV-26-0004 | \$ 21,107 |
| Passed Through State of Nevada, Department of Transportation Metropolitan Transportation Planning Grant, Metropolitan Planning Program | 20.505 | NDOT PR 367-11-802 | 649,886 |
| | | | <u>649,886</u> |
| | | | <u>\$ 37,775,087</u> |

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013**

| Federal Grantor/Pass-through Entity Program Title | CFDA Number | Direct Award/ Pass-through Entity Identifying Number | Federal Expenditures |
|---|----------------|---|-------------------------|
| U.S. Department of Transportation, Office of Federal Highway Administration | | | |
| Passed Through State of Nevada, Department of Transportation Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program | 20.205 | NDOT P120-10-063 | \$ 24,770 |
| Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program | 20.205 | NDOT P400-11-804 | 338,136 |
| Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program | 20.205 | NDOT P087-13-804 | 893,471 |
| Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program | 20.205 | NDOT PR 402-11-804 | 466,918 |
| Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program | 20.205 | NDOT PR 516-12-804 | 2,043,312 |
| Highway Planning and Construction, Federal-Aid Highway Program, Federal Lands Highway Program | 20.205 | NDOT P446-11-063 | <u>2,755,798</u> |
| <i>Total U.S. Department of Transportation, Office of Federal Highway Administration</i> | | | <u>6,522,404</u> |
| <i>Total U.S. Department of Transportation</i> | | | <u>\$ 44,297,492</u> |
| U.S. Department of Transportation, Office of the Secretary (OST) Administration Secretariate | | | |
| Surface Transportation Discretionary Grants for Capital Investment, TIGER Grants Transportation Investment Generating Economic Recovery - American Recovery and Reinvestment Act (ARRA) | 20.932 | NV-78-0001 | \$ 652,007 |
| U.S. Department of Health and Human Services (DHHS) | | | |
| Passed Through Nevada Division of Health Care Financing and Policy Medical Assistance Program | 93.778 | Contract No. 13472 | 92,420 |
| Southern Nevada Health District (SNHD) | | | |
| Passed through Southern Nevada Health District Centers for Disease Control and Prevention-Affordable Care Act- Communities Putting Prevention to Work | 93.520 | 12-032 | <u>26,000</u> |
| <i>Total federal assistance expended</i> | | | <u>\$ 45,067,919</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 schedule of expenditures of federal awards includes all expended federal financial assistance received directly from federal agencies or passes through other agencies and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, certain amounts presented in this schedule may differ from amounts presented in or used in the preparation of the RTC’s basic financial statements.

Note 3 – Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowed or limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**REGIONAL TRANSPORTATION COMMISSION
OF SOUTHERN NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *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 programs:

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

Type of Auditor's Report Issued on
Compliance for Major Programs:

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with section 510(a) of Circular A-133? Yes No

Identification of Major Programs

| <i>CFDA Numbers</i> | <i>Name of Federal Program or Cluster</i> |
|---------------------|--|
| 20.500, 20.507 | Federal Transit - Formula Grants, Urbanized Area Formula Program |
| 20.516, 20.521 | Transit Services Programs Cluster |
| 20.932 | TIGER Grants Transportation Investment Generating Economic Recovery-ARRA |

Dollar threshold used to distinguish between type A and type
B programs: \$ 1,352,038

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, 2013**

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None