

**REGIONAL TRANSPORTATION COMMISSION  
OF SOUTHERN NEVADA**

**SINGLE AUDIT**

Year ended June 30, 2020

REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
Las Vegas, Nevada

SINGLE AUDIT  
Year ended June 30, 2020

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Regional Transportation Commission of Southern Nevada  
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Regional Transportation Commission of Southern Nevada (RTC), a component unit of Clark County, Nevada, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the RTC's basic financial statements, and have issued our report thereon dated October 30, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the RTC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the RTC's internal control. Accordingly, we do not express an opinion on the effectiveness of the RTC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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(Continued)

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the RTC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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



Crowe LLP

Costa Mesa, California  
October 30, 2020

**INDEPENDENT AUDITOR'S REPORT 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  
Las Vegas, Nevada

**Report on Compliance for Each Major Federal Program**

We have audited the Regional Transportation Commission of Southern Nevada's (RTC), a component unit of Clark County, Nevada, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the RTC's major federal programs for the year ended June 30, 2020. The 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 the 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 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 for each 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 each of its major federal programs for the year ended June 30, 2020.

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(Continued)

## 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 of compliance, we considered the 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 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 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.

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 the governmental activities, business-type activities, and each major fund of the RTC as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the RTC's basic financial statements. We issued our report thereon dated October 30, 2020, 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 the Uniform Guidance 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.

*Crowe LLP*

Crowe LLP

Costa Mesa, California  
October 30, 2020

REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2020

| <u>Federal Grantor/Program or Cluster Title</u>                | <u>CFDA<br/>Number</u> | <u>Direct Program and<br/>Pass-through Grant<br/>Identifying Number</u> | <u>Federal<br/>Expenditures</u> |
|--|------------------------|---|---------------------------------|
| <b>Department of Transportation</b>                            |                        |   |                                 |
| <b>Federal Transit Administration</b>                          |                        |   |                                 |
| Direct Programs:   |                        |   |                                 |
| Federal Transit Cluster  |                        |   |                                 |
| Federal Transit - Capital Investment Grants                    | 20.500                 | NV-2019-009-00  | \$ 137,936                      |
| Federal Transit - Formula Grants                               | 20.507                 | NV-2016-003-00  | 2,231,209                       |
| Federal Transit - Formula Grants                               | 20.507                 | NV-2017-015-00  | 4,141,962                       |
| Federal Transit - Formula Grants                               | 20.507                 | NV-2019-006-00  | 35,025                          |
| Federal Transit - Formula Grants                               | 20.507                 | NV-2019-010-00  | 3,092,261                       |
| COVID-19 - Federal Transit - Formula Grants                    | 20.507                 | NV-2020-006-00  | <u>48,671,441</u>               |
|  |                        |   | 58,171,898                      |
| State of Good Repair Grants Program                            | 20.525                 | NV-2019-005-00  | 1,544,239                       |
| Bus and Bus Facilities Formula & Discretionary Programs        | 20.526                 | NV-2019-003-00  | 31,339                          |
| Bus and Bus Facilities Formula & Discretionary Programs        | 20.526                 | NV-2019-004-00  | <u>2,574,241</u>                |
|  |                        |   | <u>2,605,580</u>                |
| Total Federal Transit Cluster - Federal Transit Administration |                        |   | 62,459,653                      |
| <b>Federal Highway Administration</b>                          |                        |   |                                 |
| Passed through Nevada Department of Transportation             |                        |   |                                 |
| Highway Planning and Construction Cluster                      |                        |   |                                 |
| Highway Planning and Construction                              |                        |   |                                 |
| Highway Planning and Construction                              | 20.205                 | NDOT PR337-18-063   | 413,141                         |
| Highway Planning and Construction                              | 20.205                 | NDOT PR322-19-063   | 863,023                         |
| Highway Planning and Construction                              | 20.205                 | NDOT PR193-19-804   | 2,249,985                       |
| Highway Planning and Construction                              | 20.205                 | NDOT PR382-13-015   | 15,491,618                      |
| Highway Planning and Construction                              | 20.205                 | NDOT P649-16-800  | <u>9,743</u>                    |
| Total Highway Planning and Construction Cluster                |                        |   | <u>19,027,510</u>               |
| <b>Total Expenditures of Federal Awards</b>                    |                        |   | <b><u>\$ 81,487,163</u></b>     |

See accompanying notes to the schedule of expenditures of federal awards.

REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2020

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the RTC for the year ended June 30, 2020. 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 RTC operations, it does not present the financial position, changes in net position, or cash flows of the RTC.

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. The RTC has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 2 - MATCHING COSTS**

The nonfederal share of program costs (matching costs) are not included in the accompanying Schedule of Expenditure of Federal Awards.



REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2020

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**SECTION 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      X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes      X   No

Identification of major federal programs:

CFDA Numbers

20.500, 20.507, 20.525, 20.526

Federal Transit Cluster

20.205

Highway Planning and Construction Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$2,444,615

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes      X   No