



Central Texas Regional Mobility Authority

Single Audit Report
For the Year Ended June 30, 2014

 **PMB Helin Donovan**
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' 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*

To the Board of Directors
Central Texas Regional Mobility Authority:

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 Central Texas Regional Mobility Authority (the "Authority"), which comprise the statement of net assets, the related statements of revenues, expenses and changes in net assets and cash flows, as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

October 21, 2014

**Independent Auditors' Report on Compliance for Each Major Program
Report on Internal Control over Compliance Required By OMB
Circular A-133 and Schedule of Expenditures of Federal-Awards**

To the Board of Directors
Central Texas Regional Mobility Authority:

Report on Compliance for Each Major Federal Program

We have audited Central Texas Regional Mobility Authority's (Authority) 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 each of Authority's major federal programs for the year ended June 30, 2014. Authority'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors Responsibility

Our responsibility is to express an opinion on compliance for each of Authority'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 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 Authority'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 Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Authority 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, 2014.

Report on Internal Control over Compliance

Management of Authority 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 Authority'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 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 Authority'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.

Purpose of this Report

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 Authority, which comprise the statement of net assets, the related statements of revenues, expenses and changes in net assets and cash flows, as of and for the year ended June 30, 2014, and the related notes to the financial statements. We issued our report thereon dated October 21, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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.

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

October 21, 2014
Austin, Texas

Central Texas Regional Mobility Authority
Schedule of Expenditures of Federal Awards
June 30, 2014

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>CFDA</u>	<u>Grant Award Number</u>	<u>Federal Expenditures</u>
Highway Planning and Construction Cluster			
U.S. Department of Transportation			
<i>Pass Through from Texas Department of Transportation</i>			
Highway Planning and Construction	20.205	CSJ 0114-02-053	\$ 71,318,645
Highway Planning and Construction	20.205	CSJ 3136-01-107	37,912,724
Highway Planning and Construction	20.205	CSJ 0914-00-348	178,391
Highway Planning and Construction	20.205	CSJ 3136-01-015	832,762
Highway Planning and Construction	20.205	CSJ 3136-01-176	2,655,430
Highway Planning and Construction	20.205	CSJ 0151-05-100; 0151-05-101; 0151-05-102	2,131,354
Highway Planning and Construction	20.205	CSJ 0151-09-036; 0151-09-127; 0265-01-080; 0151-09-130; 0151-09-036	3,599,716
Highway Planning and Construction	20.205	CSJ 0700-03-077; 0113-08-060	352,976
Highway Planning and Construction	20.205	CSJ 0914-00-358; 0914-00-361	1,359,282
Highway Research and Development	20.200	CSJ 0914-00-373	379,714
Total Federal Expenditures			<u>\$ 120,720,994</u>

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

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2014

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the activity of all federal loan programs administered by Central Texas Regional Mobility Authority (the "Authority"). The Authority's organization is defined in Note 1 of the Authority's basic financial statements.

(b) Basis of Presentation

The Schedule presents total federal awards expended for each individual program in accordance with the OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

(c) Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented on the accrual basis of accounting, which is defined in Note 1 of the Authority's basic financial statements.

(2) Relationship to Federal Financial Reports

The amounts reported in the financial reports agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1 of the Authority's financial statements.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2014

Section I - Summary of Auditors' Results

A Financial Statements

Type of auditors' report issued:	Unqualified opinion
Internal control over financial reporting:	
<ul style="list-style-type: none"> • Material weakness(es) identified? No • Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported 	
Noncompliance material to financial statements noted?	No

B. Federal Awards

Internal control over compliance:	
<ul style="list-style-type: none"> • Material weakness(es) identified? No • Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported 	
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
Cluster	Highway Planning and Construction Cluster

Dollar threshold used to distinguish programs:	\$3,651,266
Auditee qualified as low-risk auditee:	Yes

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section II - Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – Summary Schedule of Prior Audit Findings

None reported