

MIAMI-DADE TRANSIT
(AN ENTERPRISE FUND OF
MIAMI-DADE COUNTY, FLORIDA)

SINGLE AUDIT REPORT
September 30, 2014

MIAMI-DADE TRANSIT
(AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)

SINGLE AUDIT REPORTS
September 30, 2014

TABLE OF CONTENTS

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1-2
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL.....	3-5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	6-7
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9-12
SUMMARY OF PRIOR AUDIT FINDINGS	13
CORRECTIVE ACTION PLAN.....	14

**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**

The Honorable Mayor and
Board of County Commissioners
Miami-Dade County, Florida

We have audited, 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, the financial statements of Miami-Dade Transit ("MDT"), an enterprise fund of Miami-Dade County, Florida (the "County"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2015. As discussed in Note 1, the financial statements present only MDT and do not purport to, and do not, present fairly the financial position of the County, the changes in its financial position, or, where applicable, its cash flows in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MDT'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 MDT's internal control. Accordingly, we do not express an opinion on the effectiveness of MDT'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.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MDT'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.


Crowe Horwath LLP

Fort Lauderdale, Florida
March 16, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL

The Honorable Mayor and
Board of County Commissioners
Miami-Dade County, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Miami-Dade Transit's (MDT), an enterprise fund of Miami-Dade County, Florida (the County), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of MDT's major federal programs or state financial assistance projects for the year ended September 30, 2014. MDT's major federal programs and state financial assistance projects 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 and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of MDT's major federal programs and state financial assistance projects 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General*, 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 or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about MDT's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

(Continued)

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

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, MDT 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 and state financial assistance projects for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of MDT 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 MDT's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project 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 state financial assistance project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, 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 MDT'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 or state financial assistance project 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 or state financial assistance project 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 or state financial assistance project 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 were not 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 OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

(Continued)

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of MDT as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise MDT's basic financial statements. We issued our report thereon dated March 16, 2015, 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 and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* 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 and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe Horwath LLP

Fort Lauderdale, Florida
June 22, 2015

MIAMI-DADE TRANSIT
 (AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
 SCHEDULE OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 Year Ended September 30, 2014

<u>Federal Grantor/State Agency</u>	<u>CFDA Number</u>	<u>Grant Identifying Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
Federal Awards				
U.S. Department of Transportation				
<i>Federal Transit Cluster - Capital Investment Grants:</i>				
ARRA 5309 Fixed Guideway	20.500	FL-56-0005	\$ 425,512	\$ -
FY2001 SECTION 3	20.500	FL-03-0210	(7,173)	-
FY 03 Bus Projects	20.500	FL-03-0232	(513,206)	-
FY2003 Section 3	20.500	FL-03-0249	(37,957)	-
NE Passenger Activity Center	20.500	FL-03-0259	(75,932)	-
Pedestrian Crossing/Overpass-South Miami	20.500	FL-03-0260	(62,671)	-
FY04 Fixed Guideway	20.500	FL-03-0267	(21,750)	-
FTA - NW 7th Avenue PAC	20.500	FL-03-0311	(100)	-
FTA - FY 06 Bus Related Activities	20.500	FL-04-0016	1,190,488	-
FTA - NW 7th Ave. Multimodal PAC-FY 06	20.500	FL-04-0017	(153,701)	-
FTA - FY 06 Fixed Guideway	20.500	FL-05-0088	(98,249)	-
FTA - FY 07 Fixed Guideway	20.500	FL-05-0095	(29,694)	-
Total Federal Transit Cluster - Capital Investment Grants			615,567	-
<i>Federal Transit Cluster - Formula Grants:</i>				
FTA - ARRA 5307 Transit Capital Assistance	20.507	FL-96-X028	6,326,551	-
FTA - Capital Funding for Busway Construction	20.507	FL-90-X350	(850,895)	-
FTA - FY2001 SECTION 5307	20.507	FL-90-X408	(172,772)	-
FTA - FY2002 SECTION 5307	20.507	FL-90-X459	(1,107,192)	-
FTA - FY2003 SECTION 5307	20.507	FL-90-X493	(74,700)	-
FTA - FY04 Formula Grant	20.507	FL-90-X513	(519,513)	-
FTA - FY05 Formula Grant	20.507	FL-90-X546	(290,213)	-
FTA - FY06 Formula Grant	20.507	FL-90-X578	(706,247)	-
FTA - FY07 Formula Grant	20.507	FL-90-X636	(660,385)	-
FTA - FY08 Formula Grant	20.507	FL-90-X674	(61,949)	-
FTA - FY09 Formula Grant	20.507	FL-90-X707	(47,787)	-
FTA - FY12 Formula Grant	20.507	FL-90-X805	75,403	-
FTA - FY13 Formula Grant	20.507	FL-90-X832	44,887	-
FTA - FY14 Formula Grant	20.507	FL-90-X843	33,211,624	-
FTA - 344 Street Park & Ride	20.507	FL-95-X035	32,683	-
FTA - University Pedestrian Overpass	20.507	FL-95-X047	220,657	-
FTA - Quail Roost Park & Ride	20.507	FL-95-X052	1,404,747	-
FTA - Bridge Inspection FY2013	20.507	FL-95-X066	525,554	-
Total Federal Transit Cluster - Formula Grants			37,350,453	-
<i>Federal Transit Cluster - State of Good Repairs Program:</i>				
FTA - FY14-5337 State of Good Repair Formula	20.525	FL-54-0006	22,788,376	-
Total Federal Transit Cluster - State of Good Repairs Program			60,754,396	-
<i>Public Transportation Research:</i>				
FTA - NW 7th Ave. Multimodal PAC-FY 02 and 03	20.514	FL-26-0017	47,500	-
FTA - Passenger Information Kiosk	20.514	FL-26-7001	(46,632)	-
Total Public Transportation Research			868	-
<i>Job Access Reverse Commute:</i>				
FTA - JARC FY 07	20.516	FL-37-X044	(254,430)	-
FTA - JARC FY 08 and 09	20.516	FL-37-X056	(1,441,343)	-
FTA - JARC FY 10 and 11	20.516	FL-37-X066	(266,242)	-
Total Job Access Reverse Commute			(1,962,015)	-
<i>Clean Fuels:</i>				
FTA - CLNF-MDT Electric Engine Cooling Systems	20.519	FL-58-0004	986,638	-
Total U.S. Department of Transportation			59,779,887	-
Total Federal Awards			\$ 59,779,887	\$ -

(Continued)

MIAMI-DADE TRANSIT
 (AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
 SCHEDULE OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 Year Ended September 30, 2014

Federal Grantor/State Agency	CSFA Number	Grant Identifying Number	Expenditures	Transfers to Subrecipients
State Financial Assistance				
Florida Department of Transportation				
<i>Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program:</i>				
Transportation Disadvantaged FY 14	55.001	AR200	\$ 8,696,077	\$ -
<i>Commuter Assistance/Rideshare Grants:</i>				
Commuter Assistance - Dade Monroe Express	55.007	APZ32	336,205	-
<i>County Incentive Grant Program:</i>				
Northeast Transit HUB Enhancements	55.008	APV19	19,039	-
Kendall Enhanced Bus Service	55.008	AP770	25,615	-
Total County Incentive Grant Program			44,654	-
<i>Public Transit Block Grant Program:</i>				
Public Transit Block Grant Program FY 2013	55.010	AQP79	11,511,178	-
Public Transit Block Grant Program FY 2014	55.010	AR388	13,578,442	-
Total Public Transit Block Grant Program			25,089,620	-
<i>Park and Ride Lot Program:</i>				
Park and Ride -Busway & 344th Street	55.011	AOM15	569,260	-
Park and Ride -FPL Kendall Drive & SW 127th Ave	55.011	AOM87	4,906	-
Total Park and Ride Lot Program			574,166	-
<i>Public Transit Service Development Program:</i>				
JPA 79th Street Max	55.012	ANR71	6,961	-
135th Street Crosstown Route	55.012	APT28	417,036	-
East West Connection Extension	55.012	APE70	81,485	-
Busway Max	55.012	AR700	84,571	-
Airport Flyer	55.012	AR889	61,369	-
Total Public Transit Service Development Program			651,422	-
<i>Transit Corridor Program:</i>				
South Miami-Dade Busway	55.013	AE199	47,784	-
Flagler Max	55.013	AQD99	923,819	-
South Dade Busway Routes	55.013	AQE14	899,471	-
Kendall Enhanced Bus Service	55.013	AQQ61	614,673	-
I-95 Express Lanes Route	55.013	AQU60	809,963	-
Route 133 Realignment to Hialeah Marketplace	55.013	AQ556	127,605	-
Total Transit Corridor Program			3,423,315	-
<i>New Starts Transit Program:</i>				
Smart Signage System	55.017	ANG77	120,000	-
Metrorail Central Control	55.017	AOP27	2,541	-
Busway Pedestrian Access Improvements	55.017	AP084	19,520	-
Urban Capital Facility Improvement	55.017	ANX67	(36,784)	-
Total New Starts Transit Program			105,277	-
<i>State Highway Project Reimbursement:</i>				
MIC Bus Plaza	55.023	AP762	170,726	-
Total Florida Department of Transportation			39,091,462	-
Total State Financial Assistance			\$ 39,091,462	\$ -

See accompanying notes to the
 Schedule of Expenditures of Federal Awards and State Financial Assistance.

MIAMI-DADE TRANSIT
(AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the activity of all federal programs and state financial assistance projects of Miami-Dade Transit (MDT) for the year ended September 30, 2014, and is presented on the accrual basis of accounting. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule only presents a selected portion of the operations of MDT, it is not intended to and does not present the financial position, changes in financial position or cash flows of MDT.

MDT did not receive any non-cash assistance, including Federal Insurance, during the fiscal year.

NOTE 2 - NEGATIVE EXPENDITURES

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.

On October 30, 2013, the Federal Transit Administration's (FTA) Financial Management Oversight Program finalized its Agreed Upon Procedures Review relating to MDT's FTA funding. The period of review ranged from 2004 through 2010. The FTA's procedures determined that MDT charged the FTA for ineligible contracts in the amount of \$4.67 million which is payable to the FTA and is included as part of the negative expenditures within the FTA Cluster of grants for the period ended September 30, 2014.

MIAMI-DADE TRANSIT
 (AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	No

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major federal programs and state projects:	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weaknesses	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a), and Chapter 10.550	No

Identification of major programs:

<u>CFDA/CSFA Number</u>	<u>Name of Program</u>
<u>Federal:</u>	
20.500/20.507/20.525	Federal Transit Cluster – including ARRA
<u>State:</u>	
55.001	Transportation Disadvantaged
55.010	Public Transit Block Grant Program
55.013	Transit Corridor

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$1,793,397
State	\$1,172,744
Auditee qualified as low-risk	Yes

(Continued)

MIAMI-DADE TRANSIT
(AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

No items noted.

(Continued)

MIAMI-DADE TRANSIT
(AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No items noted.

(Continued)

MIAMI-DADE TRANSIT
(AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2014

SECTION IV - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No items noted.

MIAMI-DADE TRANSIT
(AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2014

AUDIT REFERENCE

2013-001 Federal Reporting Controls

Recommendation: We recommend that MDT ensure that all review processes are adequately documented.

Status: Corrective action implemented.

MIAMI-DADE TRANSIT
(AN ENTERPRISE FUND OF MIAMI-DADE COUNTY, FLORIDA)
CORRECTIVE ACTION PLAN
Year Ended September 30, 2014

AUDIT REFERENCE

No items noted.