

River Parishes Transit Authority
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2020 and 2021

River Parishes Transit Authority
As of and for the Years Ended December 31, 2020 and 2021

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RIVER PARISHES TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

River Parishes Transit Authority (RPTA) is presenting the following discussion and analysis in order to provide an overall review of the financial activities. We encourage readers to consider the information presented here in conjunction with RPTA's financial statements and notes to the basic financial statements in order to enhance their understanding of the financial performance.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- Ending net position was \$626,715 – an increase of \$275,414 from the prior year.
- Operating revenues from fare box collections for the year were \$23,586, a decrease of 18% from the prior year. Operating expenses were \$1,240,318, a decrease of 9% from the prior year; resulting in a loss from operations of \$1,240,318.
- Federal, State and Local grants were \$1,502,661, an increase of \$102,029 or 7% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of four parts: Management's Discussion and Analysis, the Financial Section, Required Supplementary Information, and Other Supplemental Schedules. The Financial Section also includes notes that explain in more detail some of the information in the financial statements.

The *Basic Financial Statements* - Comparative Statement of Net Position, the Comparative Statement of Revenues, Expenses and Changes in Net Position and the Comparative Statement of Cash Flows provide both long-term and short-term information about the overall financial status. The Comparative Statement of Net Position includes all assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). This financial statement reports net assets and how they have changed. Net assets – the difference between assets and liabilities – are one way to measure financial health, or position. Over time, increases or decreases in net assets are an indicator of whether its financial health is improving or deteriorating, respectively. The Comparative Statement of Net Position also provides the basis for computing rate of return, evaluating the capital structure and assessing liquidity and financial flexibility.

All of the current year's revenue and expenses are accounted for in the Comparative Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of operations over the past year and can be used to determine whether operations have successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Comparative Statement of Cash Flows. The primary purpose of this statement is

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to provide information about cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting for operations, investing and financing activities and provides answers to such questions as where the cash come from, what was the cash used for, and what was the change in cash balance during the reporting period.

Our auditor has provided assurance in the Independent Auditor's Report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information and the Other Supplemental Schedule is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

RPTA utilizes a proprietary fund type – enterprise fund for reporting. The enterprise fund operates as does a business-type entity.

FINANCIAL ANALYSIS

The Statements of Net Position includes all of the assets and liabilities and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility.

To begin our analysis, a condensed summary of the Statement of Net Position is presented in the table below.

	2020	2021
ASSETS		
Current assets	\$ 289,743	\$ 713,753
Capital assets, net of depreciation	<u>113,457</u>	<u>246,757</u>
Total assets	<u>403,200</u>	<u>960,510</u>
LIABILITIES		
Accounts payable	51,899	333,795
NET POSITION		
Investment in capital assets, net of related debt	113,457	246,757
Unrestricted	<u>237,844</u>	<u>379,958</u>
Total net position	<u>\$ 351,301</u>	<u>\$ 626,715</u>

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There was an increase in cash and consequently an increase in accounts payable for bills to be paid after year end. There was also a large increase in due from other governments for federal, state, and local revenues recorded to be received after year end. Ending net position was \$626,715 – an increase of \$275,414. Of the total net position, \$246,757 or 39% is not available for use as it is an investment in capital assets.

A condensed summary of the Statement of Revenues, Expenses and Changes in Net Position is presented in the table below.

	2022	2021
OPERATING REVENUES	\$ 28,770	\$ 23,586
DIRECT OPERATING EXPENSES		
Administrative	133,317	90,678
Capital / Depreciation	92,857	85,307
Operating	1,130,616	1,064,333
	1,356,790	1,240,318
Income (Loss) from operations	(1,328,020)	(1,216,732)
NONOPERATING REVENUES (EXPENSES)	1,393,549	1,492,146
Increase (Decrease) in Net Position	65,529	275,414
NET POSITION-Beginning	285,772	351,301
NET POSITION-Ending	\$ 351,301	\$ 626,715

Operating revenues from fare box collections for the year decreased \$5,184 or 18%. Administrative expenses decreased \$42,639 or 32%. Operating expenses decreased by approximately \$66,000 or 6%. Non-operating revenues of Federal, State and Local grants totaled \$1,492,146 as compared to \$1,393,548 from the prior year. The increase in net position from operations for the year was \$275,414.

BUDGETARY HIGHLIGHTS

RPTA adopts a Budget no later than December 30th of each year. The budget remains in effect the entire year unless it is revised. The current year's original budget was adopted and approved at a meeting on December 10, 2020. The original budget was amended on December 9, 2021. A comparison of budget and actual follows:

	Final Budget	Actual	Variance
OPERATING REVENUES	\$ 29,000	\$ 23,586	\$ (5,414)
DIRECT OPERATING EXPENSES			
Administrative	97,860	90,678	7,185
Capital / Depreciation	92,856	85,307	7,549
Operating	1,147,486	1,064,333	83,153
	1,338,202	1,240,318	97,884
Income (Loss) from operations	(1,309,202)	(1,216,732)	92,470

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NONOPERATING REVENUES			
(EXPENSES)	1,372,522	1,492,146	119,624
Increase (Decrease) in Net Position	63,320	275,414	212,094
NET POSITION-Beginning	258,053	351,301	93,248
NET POSITION-Ending	<u>\$ 321,373</u>	<u>\$ 626,715</u>	<u>\$ 305,342</u>

In accordance with Revised Statutes the RPTA is not required as a proprietary fund to adopt a budget. The Board of Commissioners, as a management tool does adopt an annual budget of revenue, expenses and capital expenditures prepared under the accrual basis of accounting, consistent with accounting principles generally accepted in the United States of America. A budget presentation is not required and has not been included in the financial statements.

CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Balance 12/31/2020	Balance 12/31/2021
DEPRECIABLE ASSETS:		
COST		
Computer Hardware	\$ 11,876	\$ -
Fareboxes	5,014	5,014
Security equipment	26,305	26,305
Signal Communications Equip	48,959	-
Vehicles	685,790	907,724
Furniture & Fixtures	12,118	-
Total cost of depreciable assets	<u>790,063</u>	<u>939,043</u>
ACCUMULATED DEPRECIATION		
Computer Hardware	11,877	-
Fareboxes	5,014	5,014
Security equipment	26,229	26,305
Signal Communications Equip	42,435	-
Vehicles	580,771	660,967
Furniture & Fixtures	10,280	-
Total accumulated depreciation	<u>676,606</u>	<u>692,286</u>
Net capital assets	<u>\$ 113,457</u>	<u>\$ 246,757</u>

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There were additions of vehicles of \$221,934 and deletions of \$72,953 to capital assets in the current year.

Depreciation expense was recorded in various categories as follows:

Security equipment	\$ 76
Signal Communications Equip	3,554
Vehicles	80,197
Furniture & Fixtures	1,480
Total depreciation	\$85,307

Additional detailed information about capital assets is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board adopted and approved the original 2021 Budget at a meeting on December 9, 2021 as summarized below:

	2022 Budget
OPERATING REVENUES	\$ 29,500
DIRECT OPERATING EXPENSES	
Administrative	98,265
Operating	1,168,835
	1,267,100
Income (Loss) from operations	(1,309,203)
NONOPERATING REVENUES (EXPENSES)	1,147,068
Increase (Decrease) in Net Position	\$ (90,532)

CONTACTING MANAGEMENT

This Annual Financial Report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of our finances and to demonstrate accountability for the money we receive. If you have questions about this report or need additional financial information, contact:

Mr. Corey Fauchaux, Chairman
 PO Box 2444
 LaPlace, LA 70069-2444
 985-851-2900

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Report on the Audit of the Financial Statements

To the Board Members of the
River Parishes Transit Authority

Opinions

We have audited the accompanying financial statements of the business-type activities of River Parishes Transit Authority (RPTA), as of and for the years ended December 31, 2020 and 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business type activities of the RPTA as of December 31, 2020 and 2021, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the RPTA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, amount other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

The Schedule of Compensation of Payments to the Agency Heads as listed in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022, on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.

Stagni & Company

June 20, 2022
Thibodaux, Louisiana



STAGNI & COMPANY, LLC

RIVER PARISHES TRANSIT AUTHORITY

Comparative Statement of Net Position

December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 339,670	\$ 35,390
Due from other governments	374,083	254,352
Capital assets, net of depreciation	<u>246,757</u>	<u>113,457</u>
Total assets	<u>960,510</u>	<u>403,199</u>
LIABILITIES		
Accounts payable	<u>333,795</u>	<u>51,899</u>
Total liabilities	<u>333,795</u>	<u>51,899</u>
NET POSITION		
Net Invested in capital assets	246,757	113,457
Unrestricted	<u>379,958</u>	<u>237,844</u>
Total net position	<u>\$ 626,715</u>	<u>\$ 351,301</u>

See notes to the financial statements.

RIVER PARISHES TRANSIT AUTHORITY

Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Farebox Revenues	\$ 23,586	\$ 28,770
DIRECT OPERATING EXPENSES		
Administrative:		
Audit	14,781	14,200
Communications	134	106
Marketing & Advertising	313	161
Professional Services	75,000	118,375
Other	450	475
Total administrative	<u>90,678</u>	<u>133,317</u>
Depreciation	85,307	92,857
Operating:		
Purchased Transportation Services	<u>1,064,333</u>	<u>1,130,616</u>
Total operating	<u>1,064,333</u>	<u>1,130,616</u>
TOTAL DIRECT OPERATING EXPENSES	1,240,318	1,356,790
Income (Loss) from operations	(1,216,732)	(1,328,020)
NONOPERATING REVENUES (EXPENSES)		
Government Grants:		
Federal - Direct	581,875	349,315
Federal - Passed through State of LA	619,569	640,391
Local	301,217	410,926
General Government	(7,187)	(7,083)
Gain/Loss on Asset	<u>(3,328)</u>	<u>-</u>
Total nonoperating revenue (expense)	<u>1,492,146</u>	<u>1,393,549</u>
Increase (Decrease) in Net Position	275,414	65,529
NET POSITION		
Beginning of year	<u>351,301</u>	<u>285,772</u>
Ending of year	<u>\$ 626,715</u>	<u>\$ 351,301</u>

See notes to the financial statements.

RIVER PARISHES TRANSIT AUTHORITY
 Comparative Statement of Cash Flows
 For the Year Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Cash received from operations	\$ 23,586	\$ 28,770
Cash paid to suppliers and vendors	<u>(873,115)</u>	<u>(1,309,832)</u>
Net cash used in operating activities	(849,529)	(1,281,062)
Cash flows from noncapital financing activities:		
Operating subsidies received from other governments	1,286,337	1,339,017
General Government - other	<u>(10,515)</u>	<u>(7,083)</u>
Net cash used for noncapital financing activities	1,275,822	1,331,934
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(148,981)	-
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	277,312	50,872
Cash and cash equivalents - beginning of year	35,390	(15,482)
Cash and cash equivalents - end of year	<u>\$ 312,702</u>	<u>\$ 35,390</u>
Reconciliation of income (loss) from operations to net cash used in operating activities:		
Income (Loss) from operations	(1,216,732)	(1,328,020)
Adjustments to reconcile income (loss) from operations to net cash provided (used) in operating activities:		
Depreciation	85,307	92,857
Receivables that belong to operating subsidies	119,731	61,615
(Increase) Decrease in accounts receivable	(119,731)	(61,615)
Increase (Decrease) in accounts payable	281,896	(45,899)
Net cash provided (used) in operating activities	<u>\$ (849,529)</u>	<u>\$ (1,281,062)</u>
Noncash investing and financing activities:		
Loss on assets	\$ -	\$ -

See notes to the financial statements.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2021

River Parishes Transit Authority (RPTA) was created pursuant to Louisiana Revised Statute 48:1601 et seq. as a political subdivision of the state comprising all of the territory in the parishes of St. Charles, St. James, and St. John the Baptist. The purpose for which the authority is created is to plan, design, lease (as lessee), purchase, acquire, hold, own, construct, improve, have an equity in, finance, maintain, and administer a transit system within the area, to operate same or contract therefore, and to lease (as lessor) same for operation by private parties. The board of commissioners is composed of seven members whose appointments and terms of office is set forth in LRS 48:1604.

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

A. *Reporting Entity*

The RPTA is a stand-alone entity as defined by GASB Codification Section 2100, *Defining the Financial Reporting Entity*. The RPTA is neither fiscally dependent on any other local government nor does it provide specific financial benefits to or impose specific financial burdens on any other government. No other potential component units meet the criteria for inclusion in the financial statements.

B. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The basic financial statements consist of the Proprietary Fund and the related notes to the financial statements. These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The RPTA uses fund accounting to report its financial position and results of operations. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance. Rider fares are considered operating revenue.

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NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All other revenues, including federal state, and local grants, and operating subsidies are recognized as non-operating.

C. Capital Assets

Capital assets are capitalized at historical cost. Depreciation is charged to expense over the estimated useful lives of the assets once placed in service. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

CATEGORY	LIFE
FURNITURE AND OFFICE EQUIPMENT	3-10 YEARS
BUSES AND EQUIPMENT	4 YEARS

D. Net Position Classifications

In accordance with GASB Codification, net position is classified into three components – net invested in capital assets, restricted, and unrestricted. These classifications are defined as follows.

- *Net Invested in Capital Assets* – This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- *Restricted* – This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of all other net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”, as described above.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Federal, State and Local Grants

Federal, state and local grants are made available for the acquisition of public transit facilities, planning studies, buses and other transit equipment, and lease maintenance services. Unrestricted operating grants and grants restricted as to purpose, but not contingent on the actual expenditures of funds, are recognized at that point in time when the right to the funds becomes irrevocable.

Where the expenditure of funds is the prime factor for determining the eligibility for the grant proceeds, the grant is recognized at the time when the expense is incurred.

F. Cash Flows

For the purposes of the statements of cash flows, cash and cash equivalents include investments with a maturity of less than one year.

G. Budgets and Budgetary Accounting

In accordance with Revised Statutes the RPTA is not required as a proprietary fund to adopt a budget. The Board of Commissioners, as a management tool does adopt an annual budget of revenue, expenses and capital expenditures prepared under the accrual basis of accounting, consistent with accounting principles generally accepted in the United States of America. The budget is adopted by resolution of the Board of Commissioners after public hearings are conducted and public input is received. The RPTA, operating as an enterprise fund, utilizes the budget and related budgetary accounting to assure that: (1) service objectives are attained; (2) expenditures are properly controlled; and (3) adequate resources will be available to finance current operations, repay long-term liabilities and meet capital outlay requirements. A budget presentation is not required and has not been included in the financial statements.

H. Claims and Judgments

The RPTA provides for losses resulting from claims and judgments, including anticipated incremental costs. A liability for such losses is reported when it is probable that a loss has occurred, and the amount can be reasonably estimated. Actual losses may differ significantly from estimates.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

J. Operating vs. Non-Operating Revenue

Rider fares are considered operating revenue. All other revenues, including federal state, and local grants, and operating subsidies are recognized as non-operating.

Note 2 CASH AND CASH EQUIVALENTS

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At year-end, the carrying amount was \$339,670, and the bank balance of deposits was \$340,890.

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned to it. The excess over FDIC (\$250,000) of \$90,890 of the deposit balance is considered exposed to custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank.

The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in RPTA's name. There were adequate pledged securities at year end to cover this risk.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2021

Note 3 DUE FROM OTHER GOVERNMENTS

The amount recorded as due from other governments consists of:

	2020	2021
Due from other Governments:		
Federal Transit Authority	\$56,824	\$ 246,768
Louisiana DOTD	180,080	106,482
St. Charles Parish	7,032	-
St. John the Baptist Parish	10,416	20,833
Total due from other governments	\$254,352	\$374,083

Note 4 COMPENSATION OF BOARD MEMBERS

The following amounts were paid for per diems for the year to:

Board Member:	
Ms. Helen Banquer	\$ 660
Mr. Richard Drexel	600
Mr. Emile Broussard, III	420
Mr. Kerry Bourgeois	720
	\$ 2,400

Note 5 RISK MANAGEMENT

RPTA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, RPTA has purchased commercial or other insurance for the losses to which it is exposed.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2021

Note 6 CAPITAL ASSETS

Capital assets and depreciation activity for the year is as follows:

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
DEPRECIABLE ASSETS:				
COST				
Computer Hardware	\$ 11,876	\$ -	(11,876)	\$ -
Fareboxes	5,014	-	-	5,014
Security equipment	26,305	-	-	26,305
Signal Communications Equip	48,959	-	(48,959)	-
Vehicles	685,790	221,934	-	907,724
Furniture & Fixtures	12,118	-	(12,118)	-
Total cost of depreciable assets	790,063	221,934	(72,953)	939,043
ACCUMULATED DEPRECIATION				
Computer Hardware	11,877		(11,877)	-
Fareboxes	5,014	-	-	5,014
Security equipment	26,229	76	-	26,305
Signal Communications Equip	42,435	3,554	(45,989)	-
Vehicles	580,771	80,197	(1)	660,967
Furniture & Fixtures	10,280	1,480	(11,760)	-
Total accumulated depreciation	676,606	85,307	(69,627)	692,286
Net capital assets	\$ 113,457			\$ 246,757

Depreciation expense for the year was \$85,307.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2021

Note 7 DELEGATED MANAGEMENT CONTRACT

The RPTA entered into a contract with Transdev Services, Inc. whereby Transdev is responsible for performing all activities of the transit authority below the Board level. This means that Transdev will be responsible for all aspects of the public transportation system, including operations, safety, maintenance, customer care, routes and schedules, capital planning, budgeting, marketing, ridership growth, grant administration, as well as all the other typical functions of a transit authority. For the years ended December 31, 2021 and 2020, the contract requires a monthly variable rate fee of \$93.68, per revenue hour, and reimbursement of other expenditures as required by the contract.

Transdev reports to the Board of Commissioners, which sets the direction for the RPTA and is responsible for establishing policies including fares, service, and operations, as well as approval of each year's annual transportation development plan and budget.

Note 8 CONTINGENCIES AND GRANT COMMITMENTS

The RPTA receives financial assistance directly from Federal agencies, which is subject to audit and final acceptance by these agencies. In the opinion of management, amounts that might be subject to disallowance upon final audit, if any, would not have a material effect on the financial position.

The RPTA is committed to funding local matching requirements under grants for which a contractual obligation existed at the end of each year.

Note 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2022, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***OTHER SUPPLEMENTAL
SCHEDULE***

RIVER PARISHES TRANSIT AUTHORITY

**Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021**

Agency Head Name: Corey Fauchaux, Chairman

Purpose	Amount
Salary	\$0
Benefits - insurance	\$0
Benefits - retirement	\$0
Benefits - life insurance	\$0
Benefits - Medicare tax	\$0
Car Allowance	\$0
Vehicle provided by government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Continuing professional education fees	\$0
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0
Fuel	\$0
Dues	\$0
Cell Phone	\$0

**This form is used to satisfy the supplemental reporting requirement of
R.S. 24:513(A)(3)**

***REPORTS REQUIRED BY
GAO & OMB***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board Members of
River Parish Transit 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 the business-type activities of the River Parish Transit Authority as of and for the years ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated June 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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, we did not identify any deficiencies in internal control over financial reporting 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

June 20, 2022
Thibodaux, Louisiana





STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board Members of the
River Parish Transit Authority

Report On Compliance for Each Major Federal Program

We have audited the compliance of the River Parish Transit Authority (RPTA) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material on each of its major federal programs as of and for the year ended December 31, 2021. The major programs are identified in the summary of auditor's results section of the accompanying schedule of current year findings.

Management's Responsibility

Management is responsible for compliance with the requirements of 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 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 of the material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 RPTA's compliance.

Opinion on Each Major Federal Program

In our opinion, the RPTA 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 identified in the summary of auditor's results section of the accompanying schedule of current year findings for the year ended December 31, 2021.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the *Uniform Guidance*. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 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 misstatements on a timely basis. A *material weakness over compliance* is a deficiency or 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 in internal control over compliance* 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 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. This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
June 20, 2022



STAGNI & COMPANY, LLC

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. This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
June 20, 2022

River Parish Transit Authority
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/Pass-Through Entity Identifying Number	Federal Expenditures*
U.S. Department of Transportation:			
Federal Transit Administration:			
Federal Transit - Capital Investment Grants- Project Administration	20.500	LA-04-0026-00	\$17,341
Federal Transit - Capital Investment Grants- Project Administration	20.500	LA-2017-030-00	\$1,746
Federal Transit - Capital Investment Grants- Project Administration	20.500	LA-2018-017-00	\$798
Federal Transit - Capital Investment Grants- Project Administration	20.500	LA-2020-003-00	\$1,338
Federal Transit - Capital Investment Grants- Project Administration	20.500	LA-2020-011-00	\$400
Federal Transit - Capital Investment Grants- Project Administration	20.500	LA-2021-018-01	\$400
Federal Transit - Capital Investment Grants- Capital	20.500	LA-04-0013-00	\$130,761
			<u>\$152,784</u>
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-2020-003-00	\$800
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-04-0013-00	\$63,243
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-04-0026-00	\$30,190
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X359-00	\$17,386
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-2018-017-00	\$800
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-2020-011-00	\$1,600
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-2019-022-00	\$400
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-2021-018-01	\$800
Federal Transit - Formula Grants (Urbanized Area) - Operating Assistance	20.507	LA-2020-006-00	\$173,050
Federal Transit - Formula Grants (Urbanized Area) - Capital	20.507	LA-90-X376-00	\$5,000
Federal Transit - Formula Grants (Urbanized Area) - Capital	20.507	LA-2017-030-00	\$51,405
Federal Transit - Formula Grants (Urbanized Area) - Capital	20.507	LA-2018-017-00	\$17,534
Federal Transit - Formula Grants (Urbanized Area) - Planning	20.507	LA-2019-022-00	\$36,000
			<u>\$398,208</u>
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X031-00	\$10,937
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X039-00	\$12,386
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X050	\$6,560
			<u>\$29,883</u>
		Total Federal Transit Administration	\$580,875
Pass-Through Program From:			
Louisiana Department of Transportation and Development			
Federal Transit - Formula Grants for Other than Urbanized Area	20.509 *	State Project #RU-18-48-21, Federal Grant #LA-2020-007	\$334,126
Federal Transit - Formula Grants for Other than Urbanized Area	20.509 *	State Project #RU-18-48-21, Federal Grant #LA-2021-020	\$285,443
		Total U. S. Department of Transportation	<u>\$619,569</u>
		Total Expenditures of Federal Awards	<u>\$1,200,444</u>

NOTES TO THE SCHEDULE OF FEDERAL AWARDS:

* Tested as major program

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the River Parish Transit Authority, under programs of the federal government 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, it is not intended to and does not present the financial position, changes in net assets, or cash flows for the RPTA.

Note 2 - Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting, which is described in Note 1 to the financial statements. Such expenditures are recognized following the cost principles in the **Uniform Guidance**, wherein certain types of expenditures are not allowed 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. The RPTA has elected NOT to use the 10 percent de minimum indirect cost rate as allowed under Section 200.414 Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. A reconciliation of the federal expenditures to the federal revenues presented in the financial statements is outlined below:

Federal Expenditures per the Schedule of Federal Awards	\$ 1,200,444
Revenues from Other Sources/Matching to cover Expenses	<u>1,000</u>
Federal Revenues	<u>\$ 1,201,444</u>
Federal-Direct	\$ 581,875
Federal-Passed through State of LA	<u>619,569</u>
	<u>\$ 1,201,444</u>

River Parish Transit Authority
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Reports

1. The independent auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal control were disclosed during the audit of the financial statements. No material weaknesses are reported.
3. No instances of noncompliance, required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No significant deficiencies in internal control over a major award program were disclosed during the audit. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal awards programs expresses an unmodified opinion on the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs
6. There were no findings required to be reported in accordance with CFR 200.516 of the Uniform Guidance are included in this Schedule.
7. The programs tested as major programs were:

CFDA Number(s) Name of Federal Program (or Cluster)

20.500 Federal Transit Cluster– Capital Investment Grants
20.507 Federal Transit Cluster– Formula Grants (Urbanized Area

8. The threshold used to distinguish between Type A and Type B Programs as described in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was **\$750,000**.
9. The auditee is considered a 'low-risk' auditee, as defined by Uniform Guidance.

Section II - Financial Statement Findings

NONE TO REPORT

Section III Federal Award Findings and Questioned Costs

NONE TO REPORT



STAGNI & COMPANY, LLC

RIVER PARISHES TRANSIT AUTHORITY

**Statewide Agreed Upon
Procedures Report
With Schedule of Findings
and Management's Responses**

***As of and for the Year Ending
December 31, 2021***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT

River Parishes Transit Authority

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2021 – December 31, 2021

To the Board of Commissioners
River Parishes Transit Authority and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by River Parishes Transit Authority (RPTA) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. RPTA's management is responsible for those C/C areas identified in the SAUPs.

RPTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: *The policies of RPTA address all the applicable functions listed with the exception of the following:*

- 1) *The Purchasing policy does not mention how vendors are added to the vendor list.*
- 2) *RPTA has not adopted an Information Technology Disaster Recovery/Business Continuity policy.*



Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *There were no exceptions noted to any of these procedures.*

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: *We inspected the December 2021 bank statements and reconciliations and observed the evidence that they were prepared within 2 months of the statement closing date. The Bank reconciliation is included in the Secretary/Treasurer's report that is provided to each Board Member during monthly meetings. Documentation was provided that reconciling items outstanding for more than 12 months were being researched.*



Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *No exceptions noted to any of these procedures.*



Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
 - c)

Results: *No exceptions noted to any of these procedures.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing



(or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])

- b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by

- (1) an original itemized receipt that identifies precisely what was purchased,
- (2) written documentation of the business/public purpose, and
- (3) documentation of the individuals participating in meals (for meal charges only).

For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: *These procedures are not applicable.*

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *These procedures are not applicable.*



Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
 - e)

Results: *No exceptions noted to any of these procedures.*

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.



18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: *These procedures are not applicable.*

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: *Documentation was maintained that 2 of the 5 Board Members had the required ethics training during the fiscal period. There were no changes to the ethics policies during the fiscal period.*

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: *The RPTA issued no debt during the fiscal year and has no outstanding debt at the end of the fiscal year.*



Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the RPTA attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: *The notice is posted on the premises as required by R.S. 24:523.1.*

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: *We performed the procedure and discussed the results with management. No exceptions were noted.*

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Finding: *There was no evidence that any of the Board members completed sexual harassment training during the calendar year.*

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).



Results: *The RPTA does have a sexual harassment policy and complaint procedure posted on the website and on its premises as required.*

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Results: *The RPTA did not file an annual sexual harassment report; however, no incidents of harassment were noted during the fiscal year.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Stagni & Company

Thibodaux, LA
June 18, 2022



STAGNI & COMPANY, LLC
