

***River Parishes Transit Authority  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2018 and 2017***

**River Parishes Transit Authority**  
**As of and for the Years Ended December 31, 2018 and 2017**

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**RIVER PARISHES TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2018*

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 \$544,854 – an increase of \$21,312 from the prior year that included an adjustment of beginning net position of \$13,800 for correction of an estimate.
- Operating revenues from fare box collections for the year were \$36,659, an increase of 11% from the prior year. Operating expenses were \$1,310,945, down slightly by 2% from the prior year; resulting in a loss from operations of \$1,274,286.
- Federal, State and Local grants were \$1,288,607, an increase of over \$116,000 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

**RIVER PARISHES TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2018*

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 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 did 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 is the same as 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.

	2018	2017
<b>ASSETS</b>		
Current assets	\$ 422,387	\$ 263,184
Capital assets, net of depreciation	<u>344,690</u>	<u>359,592</u>
Total assets	<u>767,077</u>	<u>622,776</u>
<b>LIABILITIES</b>		
Accounts payable	222,223	99,234
<b>NET POSITION</b>		
Investment in capital assets, net of related debt	344,690	359,592
Unrestricted	<u>200,164</u>	<u>163,950</u>
Total net position	<u>\$ 544,854</u>	<u>\$ 523,542</u>

Ending net position was \$544,854 – an increase of \$21,310 that included an adjustment of beginning net position of \$13,800 for correction of an estimate.

**RIVER PARISHES TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2018*

Of the total net position, \$344,690 or 63% 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.

	<b>2018</b>	<b>2017</b>
<b>OPERATING REVENUES</b>	\$ 36,659	\$ 33,074
<b>DIRECT OPERATING EXPENSES</b>		
Administrative	83,281	91,274
Capital / Depreciation	143,393	64,480
Operating	1,084,271	1,133,744
	1,310,945	1,289,498
Income (Loss) from operations	(1,274,286)	(1,256,424)
<b>NONOPERATING REVENUES (EXPENSES)</b>	1,281,798	1,151,714
Increase (Decrease) in Net Position	7,512	(104,710)
<b>NET POSITION-Beginning Restated</b>	537,342	628,252
<b>NET POSITION-Ending</b>	\$ 544,854	\$ 523,542

Operating revenues from fare box collections for the year increased slightly. Operating expenses increased by approximately \$3,500 or 11%. Non-operating revenues of Federal, State and Local grants totaled \$1,281,798 as compared to \$1,151,714 from the prior year. The increase in net position from operations for the year was \$7,512. Beginning net position of \$13,800 was restated (increased) for correction of an estimate

**BUDGETARY HIGHLIGHTS**

RPTA adopts a Budget no later than December 30<sup>th</sup> 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 14, 2017. The original budget was amended in 2018. A comparison of budget and actual follows:

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>OPERATING REVENUES</b>	\$ 32,533	\$ 36,659	\$ 4,126
<b>DIRECT OPERATING EXPENSES</b>			
Administrative	83,734	83,292	442
Capital / Depreciation	70,349	143,393	(73,044)
Operating	1,046,643	1,084,271	(37,628)
	1,200,726	1,310,956	(110,230)
Income (Loss) from operations	(1,168,193)	(1,274,297)	(106,104)
<b>NONOPERATING REVENUES (EXPENSES)</b>	1,213,063	1,281,798	68,735
Increase (Decrease) in Net Position	44,870	7,501	(37,369)
<b>NET POSITION-Beginning</b>	282,896	523,542	-
<b>NET POSITION-Ending</b>	\$ 327,766	\$ 531,043	\$ 217,077

**RIVER PARISHES TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2018*

There were no large unfavorable variance in the comparison of the budget to actual for the year.

**CAPITAL ASSETS**

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

	Balance 12/31/2018	Balance 12/31/2017
<u>DEPRECIABLE ASSETS:</u>		
<u>COST</u>		
Computer Hardware	\$ 11,876	\$ 11,876
Fareboxes	5,014	5,014
Security equipment	26,305	26,305
Signal Communications Equip	44,704	44,704
Vehicles	685,790	557,299
Furniture & Fixtures	12,118	12,118
Total cost of depreciable assets	785,808	657,317
<u>ACCUMULATED DEPRECIATION</u>		
Computer Hardware	10,064	8,856
Fareboxes	5,014	5,014
Security equipment	25,610	24,614
Signal Communications Equip	35,014	29,192
Vehicles	358,076	224,179
Furniture & Fixtures	7,340	5,869
Total accumulated depreciation	441,118	297,724
Net capital assets	\$ 344,690	\$ 359,592

There were \$128,491 in additions to capital assets and there were no deletions in the current year.

Depreciation expense was recorded in various categories as follows:

Computer Hardware	\$ 1,209
Security equipment	996
Signal Communications Equip	5,822
Vehicles	133,897
Furniture & Fixtures	1,470
Total depreciation	\$142,394

**RIVER PARISHES TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2018*

The beginning net book value of capital assets was \$359,592. Accumulated depreciation of \$441,118 deducted from the cost of \$785,808 resulted in the ending net book value of capital assets of \$344,690.

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 2019 Budget at a meeting on December 12, 2018 as summarized below:

	<b>2019 Budget</b>
<b>OPERATING REVENUES</b>	\$ 36,396
<b>DIRECT OPERATING EXPENSES</b>	
Administrative	8,085
Capital / Depreciation	128,492
Operating	<u>1,341,492</u>
	<u>1,478,069</u>
Income (Loss) from operations	(1,441,673)
<b>NONOPERATING REVENUES (EXPENSES)</b>	1,256,027
Increase (Decrease) in Net Assets	<u>\$ (185,646)</u>

**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

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## *Independent Auditor's Report*

To the Board Members of the  
River Parish Transit Authority

### **Report on Financial Statements**

We have audited the accompanying financial statements of the business-type activities of River Parish Transit Authority, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility 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 statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud, or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the River Parish Transit Authority as of December 31, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis as listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Government 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 us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not required part of the financial statements.



To the Commissioners of the  
River Parish Transit Authority  
Independent Auditor's Report  
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The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relate 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 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 basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2019, on our consideration of the internal control over financial reporting and 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 result of that testing, and not to provide an opinion on 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 internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
June 24, 2019



**RIVER PARISHES TRANSIT AUTHORITY**

Comparative Statement of Net Position

December 31, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 186,298	\$ 150,733
Due from other governments	236,089	112,451
Capital assets, net of depreciation	<u>344,690</u>	<u>359,592</u>
Total assets	<u>767,077</u>	<u>622,776</u>
<b>LIABILITIES</b>		
Accounts payable	<u>222,223</u>	<u>99,234</u>
Total liabilities	<u>222,223</u>	<u>99,234</u>
<b>NET POSITION</b>		
Net Invested in capital assets	344,690	359,592
Unrestricted	<u>200,164</u>	<u>163,950</u>
Total net position	<u>\$ 544,854</u>	<u>\$ 523,544</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, 2018 and 2017

	2018	2017
<b>OPERATING REVENUES</b>		
Farebox Revenues	\$ 36,659	\$ 33,074
<b>DIRECT OPERATING EXPENSES</b>		
Administrative:		
Audit	14,000	13,400
Communications	82	76
Marketing & Advertising	170	24
Professional Services	68,924	73,853
Other	105	3,921
Total administrative	<u>83,281</u>	<u>91,274</u>
Depreciation	143,393	64,480
Operating:		
Purchased Transportation Services	<u>1,084,271</u>	<u>1,133,744</u>
Total operating	<u>1,084,271</u>	<u>1,133,744</u>
TOTAL DIRECT OPERATING EXPENSES	1,310,945	1,289,498
Income (Loss) from operations	(1,274,286)	(1,256,424)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Government Grants:		
Federal - Direct	513,277	474,656
Federal - Passed through State of LA	331,899	361,567
Local	443,431	336,286
General Government	<u>(6,809)</u>	<u>(20,795)</u>
Total nonoperating revenue (expense)	<u>1,281,798</u>	<u>1,151,714</u>
Increase (Decrease) in Net Position	7,512	(104,710)
<b>NET POSITION</b>		
Beginning of year, restated	<u>537,342</u>	<u>628,252</u>
Ending of year	<u>\$ 544,854</u>	<u>\$ 523,542</u>

See notes to the financial statements.

**RIVER PARISHES TRANSIT AUTHORITY**

Comparative Statement of Cash Flows  
For the Year Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from operations	\$ 36,659	\$ 33,074
Cash paid to suppliers and vendors	<u>(1,044,563)</u>	<u>(1,227,257)</u>
Net cash used in operating activities	(1,007,904)	(1,194,183)
Cash flows from noncapital financing activities:		
Operating subsidies received from other governments	1,178,769	1,300,355
General Government - other	<u>(6,809)</u>	<u>(20,795)</u>
Net cash used for noncapital financing activities	1,171,960	1,279,560
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	<u>(128,491)</u>	<u>(203,116)</u>
Net cash provided by capital and related financing activities	(128,491)	(203,116)
Net increase (decrease) in cash and cash equivalents	35,565	(117,739)
Cash and cash equivalents - beginning of year	150,733	268,472
Cash and cash equivalents - end of year	<u>\$ 186,298</u>	<u>\$ 150,733</u>
Reconciliation of income (loss) from operations to net cash used in operating activities:		
Income (Loss) from operations	(1,274,286)	(1,256,424)
Adjustments to reconcile income (loss) from operations to net cash provided (used) in operating activities:		
Depreciation	143,393	64,480
Receivables that belong to operating subsidies	123,638	(127,847)
(Increase) Decrease in accounts receivable	(123,638)	127,847
Increase (Decrease) in accounts payable	122,989	(2,239)
Net cash provided (used) in operating activities	<u>\$ (1,007,904)</u>	<u>\$ (1,194,183)</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 Year Ended December 31, 2018

**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 Year Ended December 31, 2018

**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 and under authority granted to the Board of Commissioners, an annual budget of revenue, expenses and capital expenditures is 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 Year Ended December 31, 2018

**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 \$186,298, and the bank balance of deposits was \$186,478.

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned to it. Because the total deposit balance was less than \$250,000, there was no balance 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.

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 Year Ended December 31, 2018

**Note 3      DUE FROM OTHER GOVERNMENTS**

The amount recorded as due from other governments consists of:

	2017	2018
Due from other Governments:		
Federal Transit Authority	\$214,479	\$ 174,172
Louisiana DOTD	-	26,781
St. Charles Parish	14,770	24,720
St. John the Baptist Parish	10,416	10,416
Total due from other governments	\$239,665	\$236,089

**Note 4      COMPENSATION OF BOARD MEMBERS**

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

<b>Board Member:</b>	
Ms. Helen Banquer	\$ 420
Mr. Richard Drexel	660
Ms. Robbie LeBlanc	660
Mr. Jon Dias	240
	<hr/>
	\$1,980

**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 Year Ended December 31, 2018

**Note 6 CAPITAL ASSETS**

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

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
<b><u>DEPRECIABLE ASSETS:</u></b>				
<b><u>COST</u></b>				
Computer Hardware	\$ 11,876	\$ -	\$ -	\$ 11,876
Fareboxes	5,014	-	-	5,014
Security equipment	26,305	-	-	26,305
Signal Communications Equip	44,704	-	-	44,704
Vehicles	557,299	128,491	-	685,790
Furniture & Fixtures	12,118	-	-	12,118
Total cost of depreciable assets	657,317	128,491	-	785,808
<b><u>ACCUMULATED DEPRECIATION</u></b>				
Computer Hardware	8,856	1,209	-	10,065
Fareboxes	5,014	-	-	5,014
Security equipment	24,614	996	-	25,610
Signal Communications Equip	29,192	5,822	-	35,014
Vehicles	224,179	133,897	-	358,076
Furniture & Fixtures	5,869	1,470	-	7,339
Total accumulated depreciation	297,724	143,394	-	441,118
<b>Net capital assets</b>	<b>\$ 359,592</b>			<b>\$ 344,690</b>

Depreciation expense for the year was \$143,394.

**RIVER PARISHES TRANSIT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2018

**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, 2018 and 2017, the contract requires a monthly variable rate fee of \$88.22 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      RESTATEMENT OF BEGINNING NET POSITION**

The beginning balance of net position has been adjusted due an incorrect prior year estimate of a receivable due, effective for the year beginning January 1, 2018.

Net position, 12/31/17, as previously reported	\$523,542
Correction of an estimate	<u>13,800</u>
Net position, January 1, 2018, as restated	<u><u>\$537,342</u></u>

***OTHER SUPPLEMENTAL  
SCHEDULE***

**RIVER PARISHES TRANSIT AUTHORITY**

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2018

**Agency Head Name: Corey Fauchaux, Chairman**

<b>Purpose</b>	<b>Amount</b>
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  
GOVERNMENT AUDITING STANDARDS***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of 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, 2018 and 2017, 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 24, 2019.

### ***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 24, 2019  
Thibodaux, Louisiana





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## 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, 2018. 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, 2018.

### ***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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.



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.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of RPTA as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements. We issued our report thereon dated June 24, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 24, 2019



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STAGNI & COMPANY, LLC

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**River Parish Transit Authority**

For the year ended December 31, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
<b>U.S. Department of Transportation Direct Awards:</b>			
<b>Federal Transit Administration:</b>			
<b>Federal Transit Cluster:</b>			
Federal Transit - Capital Investment Grants- Capital	20.500	LA-04-0013-00	\$28,349
Federal Transit - Capital Investment Grants- Capital	20.500	LA-90-X376-00	\$2,669
Federal Transit - Capital Investment Grants- Capital	20.500	LA-2017-030-00	\$77,978
Federal Transit - Capital Investment Grants- Project Administration	20.500	LA-04-0026-00	\$23,573
			<u>\$132,569</u>
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-04-0026-00	\$34,546
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X359-00	\$24,632
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X376-00	\$37,690
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X396-00	\$9,509
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X410-00	\$17,231
Federal Transit - Formula Grants (Urbanized Area) - Operating Assistance	20.507	LA-2017-030-0	\$26,736
Federal Transit - Formula Grants (Urbanized Area) - Operating Assistance	20.507	LA-2018-017-0	\$50,615
			<u>\$200,959</u>
<b>Total Federal Transit Cluster:</b>			<b>\$333,528</b>
<b>Transit Services Programs Cluster:</b>			
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X024-00	\$117,511
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X031-00	\$26,062
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X039-00	\$17,801
			<u>\$161,374</u>
Federal Transit - New Freedom - Operations	20.521	LA-57-X008	\$18,375
			<u>\$18,375</u>
<b>Total Transit Services Programs Cluster:</b>			<b>\$179,749</b>
<b>Total Federal Transit Administration</b>			<b>\$513,277</b>
<b>Pass-Through Program From:</b>			
<b>Louisiana Department of Transportation and Development</b>			
Federal Transit - Formula Grants for Other than Urbanized Area	20.509 *	State Project #RU-18-48-18, Federal Grant #LA-2017-013-00	\$214,008
Federal Transit - Formula Grants for Other than Urbanized Area	20.509 *	State Project #RU-18-48-19, Federal Grant #LA-18-X030	\$206,536
			<u>\$420,544</u>
<b>Total U. S. Department of Transportation</b>			<b>\$420,544</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$933,821</b>

**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 for the year ended December 31, 2018 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 for the year ending December 31, 2018. 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 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	\$ 933,821
Revenues from Other Sources/Matching to cover Expenses	<u>(88,645)</u>
Federal Revenues	<u>\$ 845,176</u>
Federal-Direct	\$ 513,277
Federal- Passed through State of LA	<u>331,899</u>
	<u>\$ 845,176</u>

**River Parish Transit Authority**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
**For the Year Ended December 31, 2018**

**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)

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**20.509 Federal Transit – Formula Grants for Other than Urbanized**

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

***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, 2018***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## AGREED-UPON PROCEDURES REPORT

River Parishes Transit Authority

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

For the Period January 1, 2018 – December 31, 2018

To the Board Members of the  
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, 2018 through December 31, 2018. RPTA's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

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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, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read 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.

**Results:** *A finding in the prior year stated that RPTA did not have policies for the functions listed:*

- *1(i) The policy for ethics does not address 1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, 2) actions to be taken if an ethics violation takes place, 3) system to monitor possible ethics violations, or 4) the requirement to attest through signature verification that all employees have read the entity's ethics policy. RPTA has updated its ethics policy to address the requirements of the Louisiana Revised Statute.*
- *Policies for 1(a) budgeting, 1(e) payroll/personnel, 1(f) contracting, 1(g) credit cards, 1(h) travel and expense reimbursement, and 1(j) debt service are not applicable. RPTA is an enterprise fund and is not required to have policies for these areas.*

### **Board or Finance Committee**

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- 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



and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit 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 unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

**Results:** *RPTA did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

### **Bank Reconciliations**

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3. Obtain a listing of client 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 selected each 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, 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:** *RPTA had a finding in the prior fiscal year related to not having written evidence that a Board member had reviewed each bank reconciliation. The Board is now provided copies of the bank statements and reconciliations in their board meeting packets. The bank reconciliations are approved during the meetings and documented in the minutes.*

### **Collections**

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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 verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* 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).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** *RPTA did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

**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 invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** *RPTA did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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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, 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).

**Results:** *These procedures are not applicable.*



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

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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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://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:** *RPTA did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

### ***Contracts***

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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.
  - 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.

**Results:** *RPTA did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*



## ***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/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/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to 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/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**Results:** *RPTA has no employees, therefore this procedure is not applicable.*

## ***Ethics***

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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 documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Results:** *RPTA did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*



## ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note 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.

**Results:** *These procedures are not applicable. RPTA has no debt.*

## ***Other***

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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 district 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:** *RPTA did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

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 24, 2019



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STAGNI & COMPANY, LLC

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