

River Parishes Transit Authority
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2017 and 2016

River Parishes Transit Authority
As of and for the Years Ended December 31, 2017 and 2016

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RIVER PARISHES TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

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 \$523,432 – a decrease of \$104,710 from the prior year.
- Operating revenues from fare box collections for the year were \$33,074, an increase of 11% from the prior year. Operating expenses were \$1,289,498, up slightly by 3% from the prior year; resulting in a loss from operations of \$1,256,424.
- Federal, State and Local grants were \$1,172,509, an increase of over \$141,000 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 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

RIVER PARISHES TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

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.

	2017	2016
ASSETS		
Current assets	\$ 263,184	\$ 508,770
Capital assets, net of depreciation	<u>359,592</u>	<u>220,953</u>
Total assets	<u>622,776</u>	<u>729,723</u>
LIABILITIES		
Accounts payable	99,234	101,473
NET POSITION		
Investment in capital assets, net of related debt	359,592	220,953
Unrestricted	<u>163,950</u>	<u>407,297</u>
Total net position	<u>\$ 523,542</u>	<u>\$ 628,252</u>

Ending net position was \$523,542 – a decrease of \$104,710 from the prior year. Of the total net position, \$359,592 or 69% is not available for use as it is an investment in capital assets.

RIVER PARISHES TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

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

	2017	2016
OPERATING REVENUES	\$ 33,074	\$29,901
DIRECT OPERATING EXPENSES		
Administrative	91,274	81,367
Capital / Depreciation	64,480	59,299
Operating	<u>1,133,744</u>	<u>1,114,810</u>
	<u>1,289,498</u>	<u>1,255,476</u>
Income (Loss) from operations	(1,256,424)	(1,225,575)
NONOPERATING REVENUES (EXPENSES)	<u>1,151,714</u>	<u>1,023,956</u>
Increase (Decrease) in Net Position	(104,710)	(201,619)
NET POSITION-Beginning	<u>628,252</u>	<u>829,871</u>
NET POSITION-Ending	<u>\$ 523,542</u>	<u>\$628,252</u>

Operating revenues from fare box collections for the year increased slightly. Operating expenses increased by approximately \$33,000 or 3%. Non-operating revenues of Federal, State and Local grants totaled \$1,151,714 as compared to \$1,023,956 from the prior year. The decrease in net position for the year was \$104,710.

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 8, 2016. The original budget was not amended in 2017. A comparison of budget and actual follows:

	Final Budget	Actual	Variance
OPERATING REVENUES	\$ 30,600	\$ 33,074	\$ 2,474
DIRECT OPERATING EXPENSES			
Administrative	89,877	91,274	(1,397)
Capital / Depreciation	64,600	64,480	120
Operating	<u>1,114,810</u>	<u>1,113,744</u>	<u>(18,934)</u>
	<u>1,269,287</u>	<u>1,289,498</u>	<u>(20,211)</u>
Income (Loss) from operations	(1,238,687)	(1,256,424)	(17,737)
NONOPERATING REVENUES (EXPENSES)	<u>1,068,781</u>	<u>1,151,714</u>	<u>82,933</u>
Increase (Decrease) in Net Position	(169,906)	(104,710)	65,196
NET POSITION-Beginning	<u>628,252</u>	<u>628,252</u>	<u>-</u>
NET POSITION-Ending	<u>\$ 458,346</u>	<u>\$ 523,542</u>	<u>\$ 65,196</u>

RIVER PARISHES TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

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 12/31/2017	Balance 12/31/2016
<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	31,190
Vehicles	557,299	367,695
Furniture & Fixtures	12,118	12,118
Total cost of depreciable assets	657,317	454,198
<u>ACCUMULATED DEPRECIATION</u>		
Computer Hardware	8,856	7,647
Fareboxes	5,014	5,014
Security equipment	24,614	20,622
Signal Communications Equip	29,192	24,497
Vehicles	224,179	171,066
Furniture & Fixtures	5,869	4,399
Total accumulated depreciation	297,724	233,245
Net capital assets	\$ 359,592	220,953

There were \$189,604 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	3,993
Signal Communications Equip	4,696
Vehicles	53,113
Furniture & Fixtures	1,470
Total depreciation	\$64,780

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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The beginning net book value of capital assets was \$220,953. Accumulated depreciation of \$297,724 deducted from the cost of \$657,317 resulted in the ending net book value of capital assets of \$359,592.

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 2018 Budget at a meeting on December 14, 2017 as summarized below:

	2018 Budget
OPERATING REVENUES	\$ 32,533
DIRECT OPERATING EXPENSES	
Administrative	7,480
Capital / Depreciation	189,604
Operating	<u>1,197,726</u>
	<u>1,397,810</u>
Income (Loss) from operations	(1,365,277)
NONOPERATING REVENUES (EXPENSES)	<u>1,410,147</u>
Increase (Decrease) in Net Assets	<u>\$ 44,870</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

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, 2017 and 2016, 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.

To the Commissioners of the
River Parish Transit Authority
Independent Auditor's Report
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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, 2017 and 2016, 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 Supplemental Schedule

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.



To the Commissioners of the
River Parish Transit Authority
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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.

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 21, 2018, 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 21, 2018



RIVER PARISHES TRANSIT AUTHORITY

Comparative Statement of Net Position
December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 150,733	\$ 268,472
Fare Receivables	-	633
Due from other governments	112,451	239,665
Capital assets, net of depreciation	359,592	220,953
Total assets	<u>622,776</u>	<u>729,723</u>
LIABILITIES		
Accounts payable	99,234	101,473
Total liabilities	<u>99,234</u>	<u>101,473</u>
NET POSITION		
Net Invested in capital assets	359,592	220,953
Unrestricted	163,950	407,297
Total net position	<u>\$ 523,542</u>	<u>\$ 628,252</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, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Farebox Revenues	\$ 33,074	\$ 29,901
DIRECT OPERATING EXPENSES		
Administrative:		
Audit	13,400	13,000
Communications	76	70
Marketing & Advertising	24	1,209
Professional Services	73,853	66,698
Other	3,921	1,057
Total administrative	<u>91,274</u>	<u>82,034</u>
Depreciation	64,480	59,299
Operating:		
Purchased Transportation Services	<u>1,133,744</u>	<u>1,114,810</u>
Total operating	<u>1,133,744</u>	<u>1,114,810</u>
TOTAL DIRECT OPERATING EXPENSES	<u>1,289,498</u>	<u>1,256,143</u>
Income (Loss) from operations	(1,256,424)	(1,226,242)
NONOPERATING REVENUES (EXPENSES)		
Government Grants:		
Federal - Direct	474,656	129,133
Federal - Passed through State of LA	361,567	530,317
Local	336,286	371,484
General Government	<u>(20,795)</u>	<u>(6,311)</u>
Total nonoperating revenue (expense)	<u>1,151,714</u>	<u>1,024,623</u>
Increase (Decrease) in Net Position	(104,710)	(201,619)
NET POSITION		
Beginning of year	628,252	829,871
Ending of year	<u>\$ 523,542</u>	<u>\$ 628,252</u>

See notes to the financial statements.

RIVER PARISHES TRANSIT AUTHORITY
Comparative Statement of Cash Flows
For the Year Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Cash received from customers	\$ 33,074	\$ 29,901
Cash paid to suppliers and vendors	<u>(1,227,257)</u>	<u>(1,197,814)</u>
Net cash used in operating activities	(1,194,183)	(1,167,913)
Cash flows from noncapital financing activities:		
Operating subsidies received from other governments	1,300,355	1,064,682
General Government - other	<u>(20,795)</u>	<u>(6,311)</u>
Net cash used for noncapital financing activities	1,279,560	1,058,371
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	<u>(203,116)</u>	<u>(54,919)</u>
Net cash provided by capital and related financing activities	(203,116)	(54,919)
Net increase (decrease) in cash and cash equivalents	(117,739)	(164,461)
Cash and cash equivalents - beginning of year	268,472	432,933
Cash and cash equivalents - end of year	<u>\$ 150,733</u>	<u>\$ 268,472</u>
Reconciliation of income (loss) from operations to net cash used in operating activities:		
Income (Loss) from operations	(1,256,424)	(1,226,242)
Adjustments to reconcile income (loss) from operations to net cash provided (used) in operating activities:		
Depreciation	64,480	59,299
Receivables that belong to operating subsidies	(127,847)	(33,749)
(Increase) Decrease in accounts receivable	127,847	33,749
Increase (Decrease) in accounts payable	<u>(2,239)</u>	<u>(970)</u>
Net cash provided (used) in operating activities	<u>\$ (1,194,183)</u>	<u>\$ (1,167,913)</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, 2017

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 14, *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 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 accounts are organized into a single proprietary fund. 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.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The RPTA applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

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. 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.

E. 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.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. 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.

G. 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.

H. Federal Grants

Federal grants are made available for the acquisition of public transit facilities, buses and other transit equipment. Unrestricted operating grants and grants restricted as to purpose, but not contingent on the actual expenditures of funds, are recognized at the 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 revenue is recognized at the time when the expense is incurred.

I. 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.

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$150,733, and the bank balance of deposits was \$151,939.

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned to it. Due the total deposit balance, 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, 2017

Note 3 ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

The amount recorded in accounts receivable and as due from other governments consists of:

	2016	2017
ACCOUNTS RECEIVABLE:		
Fare revenue	\$ 633	\$ -
Due from other Governments:		
Federal Transit Authority	\$158,203	\$ 214,479
St. Charles Parish	71,045	14,770
St. John the Baptist Parish	10,416	10,416
Total due from other governments	\$240,298	\$239,665

Note 4 COMPENSATION OF BOARD MEMBERS

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

Board Member:	
Ms. Helen Banquer	\$ 720
Mr. Richard Drexel	360
Ms. Robbie LeBlanc	720
Mr. Brent Petit	600
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
	\$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 Year Ended December 31, 2017

Note 6 **CAPITAL ASSETS**

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

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
DEPRECIABLE ASSETS:				
<u>COST</u>				
Computer Hardware	\$ 11,876	\$ -	\$ -	\$ 11,876
Fareboxes	5,014	-	-	5,014
Security equipment	26,305	-	-	26,305
Signal Communications Equip	31,190	13,515	-	44,704
Vehicles	367,695	189,604	-	557,299
Furniture & Fixtures	12,118	-	-	12,118
Total cost of depreciable assets	454,198	189,604	-	657,317
<u>ACCUMULATED DEPRECIATION</u>				
Computer Hardware	7,647	1,209	-	8,856
Fareboxes	5,014	-	-	5,014
Security equipment	20,622	3,993	-	24,614
Signal Communications Equip	24,497	4,696	-	29,192
Vehicles	171,066	53,113	-	224,179
Furniture & Fixtures	4,399	1,470	-	5,869
Total accumulated depreciation	233,245	64,480	-	297,724
Net capital assets	\$ 220,953			\$ 359,592

Depreciation expense for the year was \$64,480.

Note 7 **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.

***OTHER SUPPLEMENTAL
SCHEDULE***

RIVER PARISHES TRANSIT AUTHORITY
 Schedule of Compensation, Benefits and Other Payments to Agency Head
 For the Year Ended December 31, 2017

Agency Head Name: Brent Petit, 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	\$600
Reimbursements	\$2,740
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

***REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS***



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, 2017 and 2016, 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 21, 2018.

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.

To the Board Members of
River Parish Transit Authority
Page 2

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 21, 2018
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, 2017. 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, 2017.

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 Parish's internal control over compliance.

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.

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.



To the Board Members of the
River Parish Transit Authority
Page 3

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 21, 2018



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
River Parish Transit Authority
For the year ended December 31, 2017

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- Capital	20.500	LA-04-0013-00	\$208,478
Federal Transit - Capital Investment Grants- Project Administration	20.500	LA-04-0026-00	\$19,399
			<u>227,877</u>
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-04-0026-00	\$37,918
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X359-00	\$37,918
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X376-00	\$37,916
Federal Transit - Formula Grants (Urbanized Area) - Operating Assistance	20.507	LA-2017-030-0	\$36,563
			<u>150,315</u>
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X024-00	\$51,569
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X031-00	\$6,969
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X039-00	\$6,968
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X050-00	\$2,701
			<u>68,207</u>
Federal Transit - New Freedom - Operations	20.521	LA-57-X008	\$51,567
Federal Transit - New Freedom - Operations	20.521	LA-57-X013	\$10,915
Federal Transit - New Freedom - Operations	20.521	LA-57-X018	\$5,319
			<u>67,801</u>
Total Federal Transit Administration			514,200
Pass-Through Program From:			
Louisiana Department of Transportation and Development			
Federal Transit - Formula Grants for Other than Urbanized Area	20.509	State Project #RU-48-17, Federal Grant #LA	190,935
Federal Transit - Formula Grants for Other than Urbanized Area	20.509	State Project #RU-18-48-18, Federal Grant	170,075
Total U. S. Department of Transportation			361,010
Total Expenditures of Federal Awards			\$ 875,210

NOTES TO THE SCHEDULE OF FEDERAL AWARDS:

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, 2017 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, 2017. 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	\$ 875,210
Revenues from Other Sources/Matching to cover Expenses	<u>(38,987)</u>
Federal Revenues	<u>\$ 836,223</u>
Federal-Direct	\$ 474,656
Federal-Passed through State of LA	361,567
	<u>\$ 836,223</u>

River Parish Transit Authority
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2017

Section I - Summary of Auditor's Reports

Financial Statements

The independent auditor's report issued on the financial statements was unmodified.

- Internal Control over financial reporting:
 - Material Weaknesses Identified? **No**
 - Significant Deficiencies Identified? **No**
- Non-Compliance Material to Financial Statements noted?: **No**

Federal Awards

- Internal Control over major programs:
 - Material Weaknesses Identified?
 - Significant Deficiencies Identified?
- Type of Auditor's Report On Compliance for Major Programs:

Are their findings required to be reported in accordance with *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*? **No**

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program (or Cluster)
20.500	Federal Transit – Capital Investment Grants-Capital
20.509	Federal Transit – Formula Grants for Other than Urbanized

Section II - Financial Statement Findings

No matters were reported.

Section III Federal Award Findings and Questioned Costs

No matters were reported.



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, 2017 – December 31, 2017

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, 2017 through December 31, 2017. The District'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

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - 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**, including receiving, recording, and preparing deposits.
- 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, and (5) monitoring card usage.
- 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) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies of the RPTA address all of the applicable functions listed, with the following exceptions.

- 1(i) The policy for ethics does not address 1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121 or 2) actions to be taken if an ethics violation takes place or 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.
- There were no policies for 1(a) budgeting or 1(e) payroll/personnel or 1(f) contracting or 1(g) credit cards or 1(h) travel and expense reimbursement or 1(j) debt service.

Management's Response: Ethics Policy - 1(i) - Currently, there are no employees, however board members are required to view a 1-hour ethics training video presented by the Louisiana Board of Ethics. The other areas where there are no policies are because they are not applicable.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the



deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: The Board met monthly. The minutes do reference budget-to-actual comparisons on the General Fund or other major funds. The minutes reference approvals of bids, contracts and material purchases.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: We obtained a listing of bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched items that have been outstanding for more than 6 months reconciling as of the end of the fiscal period.

Results: We obtained bank statements and reconciliations for all months in 2017. Although there were bank reconciliations and statements provided for each month, there was not written evidence that a Board member reviewed each reconciliation.

Management's Response: The Board will for all future bank reconciliations after prepared and reviewed provide written documentation that they were reviewed.



Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: We obtained from management a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: There was one (1) collection location for testing. Each person responsible for collecting cash is bonded. Duties were segregated per the policy. The person responsible for collecting cash was not responsible for reconciling cash collections to the general ledger. The District has a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections. All deposits tested were deposited the same or next day. All of the deposits tested had supporting documentation.

7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.



Results: RPTA has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: We obtained from management a disbursement listing and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: We obtained supporting documentation for 25 disbursements. The criteria in steps 9(a), 9(b) and 9(c) were met for all 25 disbursements tested.

10. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: The persons responsible for processing payments are prohibited from adding vendors to the disbursement system. The contract bookkeeper processes payments, the supervisor is authorized to add vendors to the purchasing system.

11. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.



12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: No exceptions were identified as a result of these procedures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: No exceptions were identified as a result of these procedures.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Results: RPTA had no credit cards for the year, therefore this procedure is not applicable. We obtained management's representation that there were none

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: This procedure is not applicable.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:



- An original itemized receipt (i.e., identifies precisely what was purchased).
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: This procedure is not applicable.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained from management a travel and expense reimbursement list and management's representation that the listing is complete..

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: No exceptions were identified as a result of these procedures.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:



- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were identified as a result of these procedures.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained a listing of all contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.



- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

Results: For the 2 contracts selected, a formal written contract supports the arrangement and the amounts paid. Neither of the contracts selected were subject to public bid law. For the largest payment from each of the contracts selected for testing, the supporting invoice and related payment complied with the terms and conditions of the contract. Each of the contracts selected for testing was properly approved according to policy and the approval was reported in the board minutes.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: RPTA has no employees, therefore this procedure is not applicable. We obtained management's representation that RPTA had no employees.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

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

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether



the termination payments were made in strict accordance with policy and/or contract and approved by management.

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

25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

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

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: RPTA had no employees, however the Board members are required to maintain documentation to demonstrate that required ethics training was completed. Of the Board members tested, all had the documentation required.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: We inquired of management whether any alleged ethics violations were reported during the fiscal period. Management has received no such allegations.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: RPTA did not issue any debt during the fiscal period, therefore this procedure is not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: RPTA has no outstanding debt, therefore this procedure is not applicable.



30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: RPTA has no outstanding debt, therefore this procedure is not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: We inquired of management whether there were any misappropriations of public funds or assets. Management reported there have not been any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: The RPTA website has the required notice properly posted. We observed that RPTA has posted on its premises the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: No exceptions were identified as a result of these procedures.

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 21, 2018



STAGNI & COMPANY, LLC
