

River Parishes Transit Authority
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

River Parishes Transit Authority
As of and for the Year Ended December 31, 2013

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RIVER PARISHES TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

River Parishes Transit Authority (RPTA) is presenting the following discussion and analysis in order to provide an overall review of the financial activities for the year ended December 31, 2013. 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 \$1,281,512 – an increase of \$254,512 from the prior year.
- Operating revenues from fare box collections for the year were \$33,765. Operating expenses were \$1,069,814, resulting in a loss from operations.
- Federal, State and Local grants of \$1,290,561 adequately covered the loss.

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 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

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For the Year Ended December 31, 2013

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 Schedules 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 of RPTA.

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

	2013	2012
ASSETS		
Current assets	\$ 1,118,821	\$ 1,057,939
Capital assets, net of depreciation	249,620	51,677
Total assets	<u>1,368,441</u>	<u>1,109,616</u>
LIABILITIES		
Accounts payable	86,849	82,536
NET ASSETS		
Invested in capital assets, net of related debt	249,620	51,677
Unrestricted	<u>1,031,972</u>	<u>975,403</u>
Total net assets	<u>\$ 1,281,592</u>	<u>\$ 1,027,080</u>

Ending net assets were \$1,281,592 – an increase of \$254,512 from the prior year. Of the total net assets, \$249,620 or 19% is not available for use as it is invested in capital assets.

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

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For the Year Ended December 31, 2013

	2013	2012
OPERATING REVENUES	\$ 33,765	\$ 34,799
DIRECT OPERATING EXPENSES		
Administrative	87,318	50,473
Capital / Depreciation	44,013	29,314
Operating	<u>938,483</u>	<u>1,009,426</u>
	<u>1,069,814</u>	<u>1,089,213</u>
Income (Loss) from operations	(1,036,049)	(1,054,414)
NONOPERATING REVENUES (EXPENSES)	<u>1,290,561</u>	<u>1,047,214</u>
Increase (Decrease) in Net Assets	254,512	(7,200)
NET ASSETS-Beginning	<u>1,027,080</u>	<u>1,034,280</u>
NET ASSETS-Ending	<u>\$ 1,281,592</u>	<u>\$ 1,027,080</u>

Operating revenues from fare box collections for the year decreased slightly. Operating expenses decreased by approximately \$70,943 or 7%. Non-operating revenues of Federal, State and Local grants totaled \$1,290,561. The final increase in net assets for the year was \$254,512.

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 13, 2012. The original budget was not amended in 2013. A comparison of budget and actual follows:

	2013 Budget	Variance Amount
OPERATING REVENUES	\$ 43,000	\$ (9,235)
DIRECT OPERATING EXPENSES		
Administrative	54,860	(32,458)
Capital / Depreciation	252,000	207,987
Operating	<u>1,034,300</u>	<u>95,817</u>
	<u>1,341,160</u>	<u>271,346</u>
Income (Loss) from operations	(1,298,160)	262,111
NONOPERATING REVENUES (EXPENSES)	<u>1,285,570</u>	<u>4,991</u>
Increase (Decrease) in Net Assets	(12,590)	267,102
NET ASSETS-Beginning	<u>1,047,298</u>	<u>(20,218)</u>
NET ASSETS-Ending	<u>\$ 1,034,708</u>	<u>\$ 246,884</u>

RIVER PARISHES TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

There were no large unfavorable variance in the comparison of the budget to actual for the year 2013.

CAPITAL ASSETS

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

	Balance	Balance
	12/31/2013	12/31/2012
DEPRECIABLE ASSETS:		
<u>COST</u>		
Computer Hardware	\$ 5,834	\$ 5,834
Fareboxes	5,014	5,014
Security equipment	26,305	26,305
Signal Communications Equip	31,189	31,189
Vehicles	273,469	31,513
Furniture & Fixtures	1,826	1,826
	<hr/>	<hr/>
Total cost of depreciable assets	343,637	101,682
 ACCUMULATED DEPRECIATION		
Computer Hardware	5,056	3,889
Fareboxes	4,928	3,925
Security equipment	7,825	3,560
Signal Communications Equip	15,140	12,021
Vehicles	59,303	25,210
Furniture & Fixtures	1,765	1,400
	<hr/>	<hr/>
Total accumulated depreciation	94,017	50,004
Net capital assets	\$ 249,620	\$ 51,677

RPTA added \$241,956 to capital assets for computer and security equipment purchased. There were no assets deleted in the current year.

RIVER PARISHES TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

Depreciation expense was recorded in various categories as follows:

Computer Hardware	\$ 1,167
Fareboxes	1,003
Security equipment	4,265
Signal Communications Equip	3,119
Vehicles	34,093
Furniture & Fixtures	365
Total depreciation	\$ 44,013

The beginning net book value of capital assets was \$51,677. With the above additions to capital assets the total cost of capital assets is \$343,637. Accumulated depreciation of \$94,017 deducted from the cost resulted in the net book value of capital assets of \$249,620.

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 2014 Budget at a meeting on December 11, 2013 as summarized below:

	2014
	Budget
OPERATING REVENUES	\$ 43,000
DIRECT OPERATING EXPENSES	
Administrative	81,210
Capital / Depreciation	75,000
Operating	1,077,160
	1,233,370
Income (Loss) from operations	(1,190,370)
NONOPERATING REVENUES (EXPENSES)	919,613
Increase (Decrease) in Net Assets	(270,757)
NET ASSETS-Beginning	1,055,135
NET ASSETS-Ending	\$ 784,378

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

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. Brent Petit, 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 River Parish Transit Authority as of and for the year ended December 31, 2013 and 2012, 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 an opinion on these basic 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 financial position River Parish Transit Authority as of December 31, 2013 and 2012, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America auditing standards 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 River Parish Transit Authority's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

This schedule of expenditures of federal awards is 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, 2014, 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, 2014



RIVER PARISHES TRANSIT AUTHORITY

Comparative Statement of Net Position
December 31, 2013 and 2012

	2013	2012
ASSETS		
Cash and cash equivalents	\$ 928,914	\$ 905,292
Accounts Receivables	2,898	47,063
Due from other governments	187,009	105,584
Capital assets, net of depreciation	249,620	51,677
Total assets	<u>1,368,441</u>	<u>1,109,616</u>
LIABILITIES		
Accounts payable	<u>86,849</u>	<u>82,536</u>
Total liabilities	<u>86,849</u>	<u>82,536</u>
NET POSITION		
Net Invested in capital assets	249,620	51,677
Unrestricted	1,031,972	975,403
Total net position	<u>\$ 1,281,592</u>	<u>\$ 1,027,080</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, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Farebox Revenues	\$ 33,765	\$ 34,799
 DIRECT OPERATING EXPENSES		
Administrative:		
Audit	11,000	9,500
Communications	60	58
Marketing & Advertising	294	-
Office Supplies	108	-
Professional Services	75,443	40,438
Other	413	477
Total administrative	87,318	50,473
Depreciation	44,013	29,314
Operating:		
Purchased Transportation Services	938,483	1,009,426
Total operating	938,483	1,009,426
TOTAL DIRECT OPERATING EXPENSES	1,069,814	1,089,213
Income (Loss) from operations	(1,036,049)	(1,054,414)
 NONOPERATING REVENUES (EXPENSES)		
Government Grants:		
Federal - Direct	529,629	224,346
Federal - Passed through State of LA	443,521	565,497
Local	325,000	327,163
Insurance Proceeds	-	359
Gain/Loss on Assets	-	(65,008)
General Government	(7,589)	(5,143)
Total nonoperating revenue (expense)	1,290,561	1,047,214
Increase (Decrease) in Net Assets	254,512	(7,200)
 NET POSITION		
Beginning of year	1,027,080	1,034,280
Ending of year	\$ 1,281,592	\$ 1,027,080

See notes to the financial statements.

RIVER PARISHES TRANSIT AUTHORITY

Comparative Statement of Cash Flows
For the Year Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$ 36,663	\$ 35,769
Cash paid to suppliers and vendors	<u>(1,021,488)</u>	<u>(1,062,838)</u>
Net cash used in operating activities	(984,825)	(1,027,069)
Cash flows from noncapital financing activities:		
Operating subsidies received from other governments	1,257,992	1,574,344
Insurance Proceeds	-	46,093
General Government - other	<u>(7,589)</u>	<u>(5,143)</u>
Net cash used for noncapital financing activities	1,250,403	1,615,294
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	<u>(241,956)</u>	<u>(16,348)</u>
Net cash provided by capital and related financing activities	(241,956)	(16,348)
Net increase (decrease) in cash and cash equivalents	23,622	571,877
Cash and cash equivalents - beginning of year	905,292	333,415
Cash and cash equivalents - end of year	<u>\$ 928,914</u>	<u>\$ 905,292</u>
Reconciliation of income (loss) from operations to net cash used in operating activities:		
Income (Loss) from operations	(1,036,049)	(1,054,414)
Adjustments to reconcile income (loss) from operations to net cash provided (used) in operating activities:		
Depreciation	44,013	29,314
Receivables that belong to operating subsidies	40,158	(457,338)
(Increase) Decrease in accounts receivable	(37,260)	458,308
Increase (Decrease) in accounts payable	4,313	(2,939)
Net cash provided (used) in operating activities	<u>\$ (984,825)</u>	<u>\$ (1,027,069)</u>
Noncash investing and financing activities:		
Loss on assets	\$ -	\$ 65,008

See notes to the financial statements.

RIVER PARISHES TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

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 of the RPTA 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 has no government or fiduciary funds. 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

RIVER PARISHES TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(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.

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
BUILDINGS	20 YEARS
FURNITURE AND OFFICE EQUIPMENT	3-10 YEARS
BUSES AND EQUIPMENT	3-12 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, 2013

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 to RPTA 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, 2013

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Operating vs. Non-Operating Revenue

RPTA recognizes rider fares, contracted fare services as operating. 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 December 31, 2012 and 2013, the carrying amount was \$905,292 and \$905,292, respectively and the bank balance of deposits was \$906,422 and \$928,914.

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned to it. Of the total deposit balance, none at December 31, 2012, and \$678,914 is considered exposed to custodial credit risk at December 31, 2013. 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 time 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, 2013

Note 3 **DUE FROM OTHER GOVERNMENTS**

The amount due from other governments consists of:

	2012	2013
ACCOUNTS RECEIVABLE:		
Fare revenue	\$970	\$ 2,898
Insurance proceeds	46,093	-
Total Accounts Receivable	\$47,063	\$ 2,898
Due from other Governments:		
Federal Transit Authority	\$32,030	\$ 122,520
LA DOTD Public Transit	54,783	43,768
St. Charles Parish	18,771	20,720
Total due from other governments	\$105,584	\$187,008

Note 4 **COMPENSATION OF BOARD MEMBERS**

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

Board Member:	
Ms. Helen Banquer	\$ 660
Mr. Richard Drexel	600
Ms. Robbie LeBlanc	480
Mr. Authur Harper, Jr.	180
Mr. Brent Petit	420
	<hr/>
	\$2,340

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, 2013

Note 6 **CAPITAL ASSETS**

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

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
DEPRECIABLE ASSETS:				
COST				
Computer Hardware	\$ 5,834	\$ -	\$ -	\$ 5,834
Fareboxes	5,014	-	-	5,014
Security equipment	26,305	-	-	26,305
Signal Communications Equip	31,189	-	-	31,189
Vehicles	31,513	241,956	-	273,469
Furniture & Fixtures	1,826	-	-	1,826
Total cost of depreciable assets	101,682	241,956	-	343,637
ACCUMULATED DEPRECIATION				
Computer Hardware	3,889	1,167	-	5,056
Fareboxes	3,925	1,003	-	4,928
Security equipment	3,560	4,265	-	7,825
Signal Communications Equip	12,021	3,119	-	15,140
Vehicles	25,210	34,093	-	59,303
Furniture & Fixtures	1,400	365	-	1,765
Total accumulated depreciation	50,004	44,013	-	94,017
Net capital assets	\$ 51,677			\$ 249,620

Depreciation expense for the year ending December 31, 2012 and 2013 was \$29,314 and \$44,013, respectively.

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.

SINGLE AUDIT SECTION



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 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 governmental activities and each major fund of the River Parish Transit Authority as of and for the year ended December 31, 2013, 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, 2014.

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 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 over financial reporting 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 financial reporting 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 an instance of noncompliance that are required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2013-1.

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, 2014
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 OMB CIRCULAR A-133

To the Board Members of
River Parish Transit Authority

Reporting On Compliance for Each Major Federal Program

We have audited the River Parish Transit Authority's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the major federal programs for the year ended December 31, 2013.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those Standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct 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.

Opinion on Each Major Federal Program

In our opinion, the River Parish Transit Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

To the Board Members of
River Parish Transit Authority
Page 2

Report on Internal Control Over Compliance

Management is responsible for establishing, and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of 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 over compliance* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Stagni & Company

June 24, 2014
Thibodaux, Louisiana



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

River Parish Transit Authority

For the year ended December 31, 2013

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-04-0013-01	\$ 156,188 **
Federal Transit - Capital Investment Grants - Capital	20.500	LA-04-0026-00	7,145 **
Federal Transit - Capital Investment Grants - Project Management	20.500	LA-04-0026-00	6,878 **
			<u>170,211</u>
Federal Transit - Formula Grants (Urbanized Area) - ARRA - Prev. Maint.	20.507	LA-96-X-013 ARRA	4,687 **
Federal Transit - Formula Grants (Urbanized Area) - ARRA - Capital	20.507	LA-96-X-013 ARRA	66,000 **
Federal Transit - Formula Grants (Urbanized Area) - Preventative Maintenance	20.507	LA-90-X-343-00	64,833 **
Federal Transit - Formula Grants (Urbanized Area) - Project Administration	20.507	LA-90-X-343-00	10,000 **
Federal Transit - Formula Grants (Urbanized Area) - Preventative Maintenance	20.507	LA-90-X-359-00	27,553 **
Federal Transit - Formula Grants (Urbanized Area) - Preventative Maintenance	20.507	LA-90-X-376-00	16,715 **
			<u>189,788</u>
			<u>359,999</u> **
Federal Transit Cluster			
Federal Transit - New Freedom - Operations	20.513	LA-57-X-013-00	1,219
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X-028-00	128,361
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X-031-00	40,050
			<u>168,411</u>
			<u>169,630</u>
			<u>529,629</u>
Transit Service Program Cluster			
TOTAL FEDERAL TRANSIT ADMINISTRATION			
Pass-Through Program From:			
Louisiana Department of Transportation and Development			
Federal Transit - Formula Grants for Other than Urbanized Area	20.509	RU-18-48-12, Fed LA-18-X029	252,354 **
Federal Transit - Formula Grants for Other than Urbanized Area	20.509	RU-18-48-13, Fed LA-18-X030	191,167 **
			<u>443,521</u>
			<u>973,150</u>
Total U. S. Department of Transportation			\$ <u>973,150</u>
Total Expenditures of Federal Awards			

** - denotes audited as a Major Program

See accompanying notes to schedule of expenditures of federal awards.

River Parish Transit Authority
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2013

Section I - Summary of Auditor's Reports

Financial Statements

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

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

Federal Awards

- Internal Control over major programs:
 - Material Weaknesses Identified? **No**
 - Significant Deficiencies Identified? **No**
- Type of Auditor's Report On Compliance for Major Programs: **Unqualified**

Are their findings required to be reported in accordance with Circular A-133, Section 510(a)? **No**

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program (or Cluster)
20.500	Federal Transit – Capital Investment Grants
20.507	ARRA – Formula Grants – Preventive Maintenance
20.507	ARRA – Formula Grants – Project Management
20.507	Formula Grants – Preventative Maintenance
20.509	Formula Grants for Other than Urbanized Area

Dollar threshold used to distinguish between Type A and Type B Programs: **\$300,000**

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? **Yes**

Section II - Financial Statement Findings:

2013-1 DEPOSIT INSURANCE FOR PUBLIC UNITS

Criteria or specific requirement: Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank.

Condition found: At year-end River Parish Transit Authority has reported book balances (all deposits) of \$905,292 and the corresponding bank balances totaling \$928,914. These deposits are secured from risk by \$250,000 of federal deposit insurance. The deposits are not adequately secured under state law.

Effect: The above-mentioned state law was violated.

Cause: There was a change in the accounting oversight, and the new accountants were not aware and the bank did not oversee that this was covered.

Questioned costs: None

Recommendations: River Parish Transit Authority comply with state law in assuring that the balances in the bank accounts are properly secured.

Section III Federal Award Findings and Questioned Costs

No matters were reported.

RIVER PARISH TRANSIT AUTHORITY
CURRENT YEAR FINDINGS, RECOMMENDATIONS
AND CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2013

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:

2013-1 DEPOSIT INSURANCE FOR PUBLIC UNITS

Criteria or specific requirement: Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank.

Condition found: At year-end River Parish Transit Authority has reported book balances (all deposits) of \$905,292 and the corresponding bank balances totaling \$928,914. These deposits are secured from risk by \$250,000 of federal deposit insurance. The deposits are not adequately secured under state law.

Auditors Recommendation: River Parish Transit Authority should comply with state law in assuring that the balances in the bank accounts are properly secured by contacting bank personnel and making sure that deposits are properly collateralized.

Corrective Action Planned: As of June 15, 2004, Alan Abadie of Solutient has contacted Mr. David Blasini of Capital One Bank regarding acquiring collateral documents for the account of River Parishes Transit Authority. This requires the set-up of a Security Agreement between River Parishes Transit Authority and Capital One Bank.

Name of Contact Person:

Capital One Bank: David Blasini, CTP; Senior Vice President – Government banking; (985) 674-8113

Solutient Corporation: Alan Abadie, Jr; Accountant; (504) 304-2000 Ext. 20225

River Parish Transit Authority: Brent Petit, Board Commissioner; (504) 296-4860

Anticipated Completion Date: July 10, 2014. The next regularly scheduled RPTA Board Meeting.

***SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS:***

NO FINDINGS TO REPORT

SECTION III – MANAGEMENT LETTER COMMENTS:

*THERE IS NO MANAGEMENT LETTER ISSUED IN CONNECTION WITH THIS
REPORT.*