

REGIONAL TRANSIT AUTHORITY

SINGLE AUDIT REPORT

DECEMBER 31, 2020



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**REPORT**

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Independent Auditors' 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 of Commissioners of
Regional Transit Authority
New Orleans, Louisiana

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 Regional Transit Authority (the "RTA"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the RTA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the RTA's internal control. Accordingly, we do not express an opinion on the effectiveness of the RTA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the RTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 RTA'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caru, Riggs & Ingram, L.L.C.

June 30, 2021
Metairie, Louisiana



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**Independent Auditors' Report on Compliance for Each
Major Program and on Internal Control over
Compliance Required by The Uniform Guidance**

To the Board of Commissioners of
Regional Transit Authority
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Regional Transit Authority's (the "RTA") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect of each of the RTA's major federal programs for the year ended December 31, 2020. The RTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, RTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the RTA 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 RTA's 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 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 RTA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

We have audited the financial statements of the RTA as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated June 30, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Cam, Riggs & Ingram, L.L.C.

June 30, 2021

Metairie, Louisiana

Regional Transit Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

| Federal Grantor/Program or Cluster Title | CFDA Number | Pass-Through Identification Number | Pass-Through to Sub-Recipients | Expenditures |
|--|------------------------|---|---|---------------------|
| U.S. Department of Transportation Direct Awards | | | | |
| Federal Transit Administration – | | | | |
| Federal Transit Cluster: | | | | |
| Federal Transit Capital Investment Grants | 20.500 | | \$ - | \$ 16,200 |
| Federal Transit Formula Grants | 20.507 | | - | 18,204,196 |
| COVID-19 - Federal Transit Formula Grants | 20.507 | | - | 43,858,683 |
| State of Good Repair Grants Program | 20.525 | | - | 4,818,676 |
| Bus and Bus Facilities Formula Program | 20.526 | | - | 262,417 |
| Total Federal Transit Cluster | | | - | 67,160,172 |
| National Infrastructure Investments | 20.933 | | - | 1,230,142 |
| Total National Infrastructure Investments | | | - | 1,230,142 |
| Total U.S. Department of Transportation | | | - | 68,390,314 |
| U.S. Department of Homeland Security | | | | |
| Federal Emergency Management Agency, passed through the State of Louisiana - | | | | |
| Disaster Grants – Public Assistance (Presidentially Declared Disasters) | 97.036 | 071-UXQ34-00 | - | 25,603 |
| Total U.S. Department of Homeland Security | | | - | 25,603 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 68,415,917 |

The accompanying notes are an integral part of this statement.

Regional Transit Authority
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Note 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of the federal awards of the Regional Transit Authority (RTA) and is presented on the accrual basis of accounting. The RTA's reporting entity is defined in Note A to the RTA's financial statements for the year ended December 31, 2020. All federal awards received from federal agencies are included on the schedule.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note A to the RTA's financial statements for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. RTA did not elect to use the 10 percent (10%) de minimis indirect cost rate.

Note 3: LOANS

The RTA did not expend federal awards related to loans or loan guarantees during the year.

Note 4: FEDERALLY FUNDED INSURANCE

The RTA has no federally funded insurance.

Note 5: NONCASH ASSISTANCE

The RTA did not receive any federal noncash assistance for the year ended December 31, 2020.

Regional Transit Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| d. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| 3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| 4. The major programs tested for the year ended December 31, 2020 were: | |
| Federal Transit Administration – Federal Transit Cluster: | |
| Capital Investment Grants | 20.500 |
| Formula Grants | 20.507 |
| State of Good Repair Grants | 20.525 |
| Bus and Bus Facilities Formula | 20.526 |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$2,052,478 |
| 6. Auditee qualified as a low-risk auditee? | Yes |

Regional Transit Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

B. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

There were no findings related to the financial statements reported for the year ended December 31, 2020.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings related to major federal award programs reported for the year ended December 31, 2020.

D. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters reported for the year ended December 31, 2020.

Regional Transit Authority
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2020

A. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

There were no findings related to the financial statements reported for the year ended December 31, 2019.

B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings related to the major federal award program reported for the year ended December 31, 2019.

C. FINDINGS REALTED TO COMPLIANCE AND OTHER MATTERS

There were no findings related to compliance and other matters reported for the year ended December 31, 2019.