



REGIONAL TRANSIT AUTHORITY

SINGLE AUDIT REPORT

DECEMBER 31, 2022

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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"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the RTA's basic financial statements and have issued our report thereon dated June 30, 2023.

Report on 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 opinions 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

Report on 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*.

The Regional Transit Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the RTA's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The RTA's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Louisiana Legislative Auditor as a public document.

Carr, Rigg & Ingram, L.L.C.

June 30, 2023
Metairie, Louisiana

**Independent Auditors' Report on Compliance for Each
Major Program on Internal Control over Compliance and on the
Schedule of Expenditures of Federal Awards 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

Opinion on Each Major Federal Program

We have audited Regional Transit Authority's (the "RTA") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the RTA's major federal programs for the year ended December 31, 2022. The RTA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the RTA 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 for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the RTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the RTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the RTA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the RTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the RTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the RTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the RTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the RTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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 year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the RTA's basic financial statements. We issued our report thereon dated June 30, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Carr, Rigggs & Ingram, L.L.C.

June 30, 2023
Metairie, Louisiana

**Regional Transit Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Grantor/Program or Cluster Title	Assistance Listing 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		\$ -	\$ 58,037
Federal Transit Formula Grants	20.507		-	10,306,982
COVID-19 - Federal Transit Formula Grants	20.507		-	10,882,663
State of Good Repair Grants Program	20.525		-	1,040,293
Bus and Bus Facilities Formula Program	20.526		-	6,116,676
Total Federal Transit Cluster				28,404,651
National Infrastructure Investments	20.933		-	5,096,550
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505		-	310,988
Public Transportation Innovation	20.530		-	108,850
Total U.S. Department of Transportation				33,921,039
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	-	668,415
Total U.S. Department of Homeland Security				668,415
Total Expenditures of Federal Awards			\$ -	\$ 34,589,454

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, 2022

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, 2022. 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, 2022. 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, 2022.

Regional Transit Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

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, 2021 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
National Infrastructure Investments	20.933
5. Dollar threshold used to distinguish between type A and type B programs:	\$1,037,684
6. Auditee qualified as a low-risk auditee?	Yes

**Regional Transit Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022**

B. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

There were no findings related to the financial statements reported for the year ended December 31, 2022.

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, 2022.

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, 2022.

**Regional Transit Authority
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022**

A. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

2021-001 Significant Deficiency: Review of Information Provided to OPEB Actuary

<i>Condition:</i>	The RTA, through its third party administrator for their OPEB plan, supplied incomplete and inaccurate census data used to calculate the Total OPEB Liability and its related balances, which resulted in an under reporting of Total OPEB Liability in prior years.
<i>Recommendation:</i>	A detailed review of information provided by third party administrator should be performed by the Human Resources Department to ensure the detection and correction of any significant errors.
<i>Status:</i>	OPEB census data was not required for the year ended December 31, 2022, therefore, we were unable to observe the controls over OPEB census data.

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, 2021.

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, 2021.