



Required Communications for  
Members of

**Regional Transit Authority**

June 30, 2021



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June 30, 2021

To the Board of Commissioners  
Regional Transit Authority

Dear Commissioners:

We are pleased to present the results of our audit of the 2020 financial statements of Regional Transit Authority ("the Authority").

This report to the Commissioners summarizes our audit, the report issued and various analyses and observations related to the Authority's accounting and reporting. The document also contains the communications required by our professional standards.

The audit was designed, primarily, to express an opinion on the Authority's 2020 financial statements. We considered the Authority's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the Commissioners, expect. We received the full support and assistance of the Authority's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Commissioners, management and others within the Authority and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact Becky Hammond at 985-629-5558 or [bhammond@cricpa.com](mailto:bhammond@cricpa.com).

Very truly yours,

A handwritten signature in purple ink that reads "Becky Hammond". The signature is fluid and cursive, with a large, stylized "H" and a long, sweeping underline.

Becky Hammond, CPA, CISA, CITP, CGAP

## Required Communications

As discussed with the Commissioners and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Authority. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Commissioners, 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, in order to express an opinion on the Authority's financial statements for the year ended December 31, 2020;
- Perform federal and state single audit services as required by Title U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance");
- Communicate directly with the Commissioners and management regarding the results of our procedures;
- Address with the Commissioners and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Commissioners and management; and
- Other audit-related projects as they arise and upon request.

## Required Communications

We have audited the financial statements of Regional Transit Authority (“the Authority”) for the year ended December 31, 2020, and have issued our report thereon dated June 30, 2021. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR’S RESPONSE
<b>Auditor’s responsibility under Generally Accepted Auditing Standards</b>	<p>As stated in our engagement letter dated December 2, 2019, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)</i>. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<b>Client’s responsibility</b>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the government-wide and fund financial statements in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>
<b>Planned scope and timing of the audit</b>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<b>Management judgments and accounting estimates</b>	<p>Please see the following section titled “Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality.”</p>
<b>Potential effect on the financial statements of any significant risks and exposures</b>	<p>No such risks or exposures were noted.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</b></p>	<p>The significant accounting policies used by the RTA are described in Note 1 to the financial statements. No new accounting policies were adopted during the fiscal year as a result of the following recently issued accounting pronouncements:</p> <p>We noted no transactions entered into by the RTA during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Further, the disclosures in the RTA's financial statements are neutral, consistent, and clear.</p>
<p><b>Required Supplementary Information</b></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>
<p><b>Significant difficulties encountered in the audit</b></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p><b>Disagreements with management</b></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><b>Other findings or issues</b></p>	<p>None noted.</p>
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b></p>	<p>None noted.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<b>Corrected and uncorrected misstatements</b>	Please see the following section titled "Summary of Adjustments."
<b>Major issues discussed with management prior to retention</b>	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<b>Consultations with other accountants</b>	To our knowledge, there were no such consultations with other accountants.
<b>Written representations</b>	See "Management Representation Letter" section.
<b>Internal control deficiencies</b>	None noted
<b>Fraud and illegal acts</b>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
<b>Other information in documents containing audited financial statements</b>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<b>Significant unusual accounting transactions</b>	No significant unusual accounting transactions were noted during the year.

## Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Authority's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Commissioners may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Annual Depreciation Expense	The Authority's depreciation expense is based on the useful life of the assets and their respective book values.	X	CRI calculates the depreciation expense using the depreciation schedule obtained from client in determining that it is reasonable in relation to the financial statements taken as a whole.	The Authority's policies appear to be in accordance with all applicable accounting guidelines.
Other postemployment benefits (OPEB)	The Authority is required to report its estimated share of the OPEB liability per GASB 75.	X	The disclosure of OPEB benefits, which describes the Authority's actuarial assumptions, OPEB benefits, and employment history, is required to be reported. We evaluated the key factors and assumptions used to develop management's estimate of OPEB benefit.	The Authority's policies appear to be in accordance with all applicable accounting guidelines.

## Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality (Continued)

Litigation	The Authority is required to report the nature and amount of accrued loss contingencies.	X	The disclosure of loss contingencies, which describes the Authority's assumptions, is required to be reported. We evaluated the key factors and assumptions used to develop management's estimate of loss contingency.	The Authority's policies appear to be in accordance with all applicable accounting guidelines.
Pension Benefits	The Authority is required to report its estimated share of the pension liability per GASB 68.	X	The disclosure of pension benefits, which describes the Authority's actuarial assumptions, pension benefits, and employment history, is required to be reported. We evaluated the key factors and assumptions used to develop management's estimate of pension benefit.	The Authority's policies appear to be in accordance with all applicable accounting guidelines.



## Summary of Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Authority and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the Authority or passed (not corrected). See Schedule A for a summary of uncorrected misstatements at December 31, 2020 and Schedule B for a summary of recorded adjustments at December 31, 2020.

### Schedule A - Schedule of Uncorrected Misstatements

#### 2020-01

To correct excess accrued audit fees in prior years

Est. Liabilities Other	\$	82,600	\$	-
Net Assets		-		82,600
	\$	<u>82,600</u>	\$	<u>82,600</u>

### Schedule B - Summary of Recorded Adjustments

#### 2020-01

To correct unaccrued PM A/R and Revenue based on estimates

Rec Cap Grants Federal	\$	1,130,272	\$	-
Federal - Preventative				283,140
Account Receivable		-		847,132
	\$	<u>1,130,272</u>	\$	<u>1,130,272</u>

#### 2020-02

Nonattest entry - To correct recording of Bond Refunding

Accrued Interest Paya	\$	950,409	\$	-
Bond Issurance Costs		241,327		
Bond Issurance Costs		804,008		
Interest Expense		3,135,662		
Acc Int Pay-Capital A		3,146,823		
98 Sales Tx Rev-Debt				1
BNY Mellon Trust #613				1
BNY Mellon Trust #813				1
Bond Issuance Cost- 2				608,065
Bond Issuance Cost- 2				195,143
LT-Bonds Pay 2020A/B				282,661
Bond Refunding Gain				2,427,023
Loss on Assets-Invest				135,888
Cash-Bond Revenue Fun				1
Cash-Debt Service Fun		-		4,629,445
	\$	<u>8,278,229</u>	\$	<u>8,278,229</u>

## Summary of Adjustments

### **2020-03**

Nonattest entry: To record current year changes in OPEB

Net OPEB Assets	\$ 322,931	\$ -
OPEB-Deferred Outflow	62,325	-
Legacy Retiree Life I	189,950	-
OPEB-Deferred Inflows	648,951	-
Hospital/Medical	110,202	-
Other Miscellaneous	-	417,007
Prescripti	-	231,246
on	-	69,503
Admin Service	-	16,603
Dental & Vision	-	600,000
Life Insurance	-	
	<b>\$ 1,334,359</b>	<b>\$ 1,334,359</b>

### **2020-04**

Nonattest entry: To record GASB 68 entry for 12/31/20

Net Pension Liability	\$ 31,916,999	\$ -
Net Pension Asset	8,144,429	-
Pension Deferrals - Outflows	-	10,692,476
Pension Deferrals - Inflows	-	11,171,279
Pension	-	18,197,673
Plan	-	
	<b>\$ 40,061,428</b>	<b>\$ 40,061,428</b>

### **2020-05**

Nonattest entry: To correct starting OPEB and Pension Liability

Net OPEB Assets	\$ 423,883	\$ -
Net Pension Liability	-	423,883
	<b>\$ 423,883</b>	<b>\$ 423,883</b>

### **2020-06**

Nonattest entry - To correct recording of self insurance liabilities for 2020

Est. Liab. Structure	\$ 1,826,421	\$ -
Insurance Reserve P/O & P/I	2,177,175	-
Incurred Not Reported		3,304,513
Est. Liability Prop. Damage		699,083
	<b>\$ 4,003,596</b>	<b>\$ 4,003,596</b>

## Summary of Adjustments

### **2020-07**

Nonattest entry - To record current portion of liabilities

Est. Liab. Structure	\$ 2,482,910	\$ -
Est. Liab. Prop. Dama	289,210	-
Current Portion of Structured Settlements, Liab. & Prop		2,772,120
	<u><u>\$ 2,772,120</u></u>	<u><u>\$ 2,772,120</u></u>

### **2020-08**

To record December 2020 bond premium amortization

Bond Premium	\$ 209,860	\$ -
Interest Expense		209,860
	<u><u>\$ 209,860</u></u>	<u><u>\$ 209,860</u></u>

### **2020-09**

Nonattest entry - To adjust deferred refunding gain

Interest Expense	\$ 200,255	\$ -
Bond Refunding Gain		200,255
	<u><u>\$ 200,255</u></u>	<u><u>\$ 200,255</u></u>

### **2020-10**

Nonattest entry -To adjust Worker's Comp to true amount

Worker's Comp	\$ 255,993	\$ -
Legacy Worker's Comp		255,993
	<u><u>\$ 255,993</u></u>	<u><u>\$ 255,993</u></u>

### **2020-11**

Nonattest entry - To adjust managment fees for overpayment

A/R Transdev	\$ 734,576	\$ -
Management Service Fees		734,576
	<u><u>\$ 734,576</u></u>	<u><u>\$ 734,576</u></u>

### **2020-12**

To record expenses and related revenue for Ferry boat maintenance

Ferry Maintenance	\$ 459,156	\$ -
Ferry State Subsidy		459,156
	<u><u>\$ 459,156</u></u>	<u><u>\$ 459,156</u></u>

### QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of adjustments when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Authority's operating environment that has been identified as playing a significant role in the Authority's operations or viability.



June 30, 2021

Carr, Riggs, & Ingram, LLC  
111 Veterans Boulevard  
Suite 350  
New Orleans, LA 70005

This representation letter is provided in connection with your audits of the financial statements of the Regional Transit Authority (the RTA), which comprise the respective financial position as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 30, 2021, the following representations made to you during your audit.

### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 2, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. We are also in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the RTA is contingently liable, if any, have been properly recorded or disclosed.

### Information Provided

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the RTA from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of RTA or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the RTA and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the RTA's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the RTA's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The RTA has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations, provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards and related notes, preparation of closing entries related to pension, OPEB, case reserves and debt refunding, and assistance with the FAC filing. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.
- 27) The RTA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The RTA has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



- 29) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended, and GASBS No. 84.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 31) Investments are properly valued.
- 32) Provisions for uncollectible receivables have been properly identified and recorded.
- 33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 34) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 35) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 36) Capital assets, including intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 37) We have appropriately disclosed the RTA's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 38) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 39) With respect to the Schedule of Changes in Restricted Asset Bond Accounts and Schedule of Compensation, Benefits, and Other Payments to Agency Head:
  - a) We acknowledge our responsibility for presenting the Schedule of Changes in Restricted Asset Bond Accounts and Schedule of Compensation, Benefits, and Other Payments to Agency Head in accordance with accounting principles generally accepted in the United States of America, and we believe the Schedule of Changes in Restricted Asset Bond Accounts and Schedule of Compensation, Benefits, and Other Payments to Agency Head, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Schedule of Changes in Restricted Asset Bond Accounts and Schedule of Compensation, Benefits, and Other Payments to Agency Head have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the Schedule of Changes in Restricted Asset Bond Accounts and Schedule of Compensation, Benefits, and Other Payments to Agency Head is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.



40) With respect to federal award programs:

- a) We are responsible for understanding and complying with and have complied 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* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts

## Management Representation Letter

questioned and no known noncompliance with the direct and material compliance requirements of federal awards.

- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E), and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, if applicable.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

## Management Representation Letter

- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

  
\_\_\_\_\_  
Alex Wiggins  
Chief Executive Officer

  
\_\_\_\_\_  
Mark Major  
Deputy Chief Executive Officer

  
\_\_\_\_\_  
Gizelle Banks  
Chief Financial Officer

  
\_\_\_\_\_  
Ron Baptiste  
Director of Grants and Procurement