Regional Transit Authority

FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

CRI CARR RIGGS & INGRAM
CPAs and Advisors
CRIcpa.com

TABLE OF CONTENTS

FINANCIAL SECTION

Carr, Riggs & Ingram, LLC
111 Veterans Blvd., Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504) 837-0123 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Regional Transit Authority (the "RTA") as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the RTA's 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the RTA'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 RTA's internal control. Accordingly, we express no such opinion. An audit also 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the RTA as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the 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 Governmental 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 an opinion on the financial statements that collectively comprise the RTA's basic financial statements. The Schedules of Changes in Restricted Asset Bond Accounts and Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Changes in Restricted Asset Bond Accounts and Schedule of Compensation, Benefits, and Other Payments to Agency Head are the responsibility of management and were 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 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 Schedules of Changes in Restricted Asset Bond Accounts and Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021 on our consideration of the RTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the RTA's 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 the RTA's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

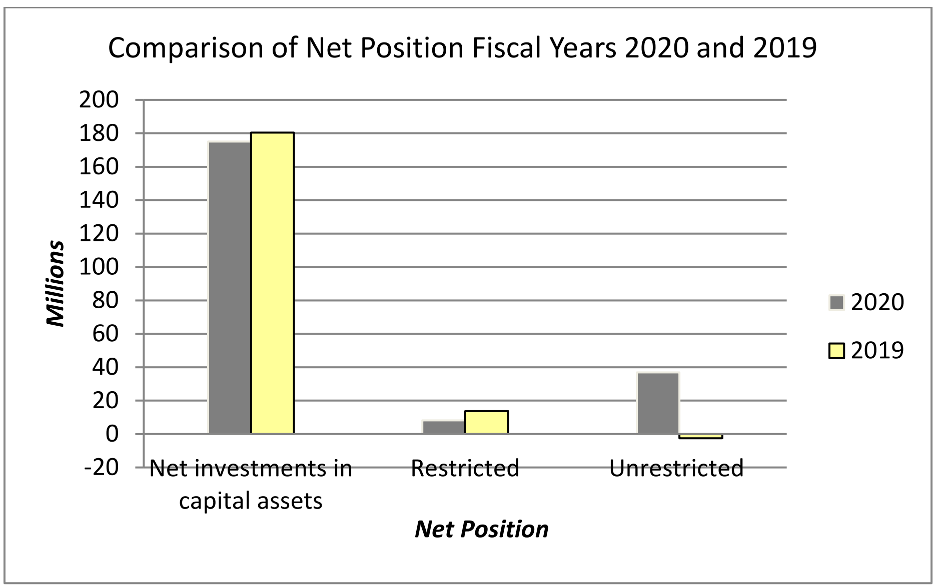
June 30, 2020
Metairie, Louisiana

This section of the Regional Transit Authority's (the "RTA") annual financial report presents a discussion and analysis of the RTA's financial performance during the fiscal years ended December 31, 2020 and 2019. Please read it in conjunction with the RTA's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

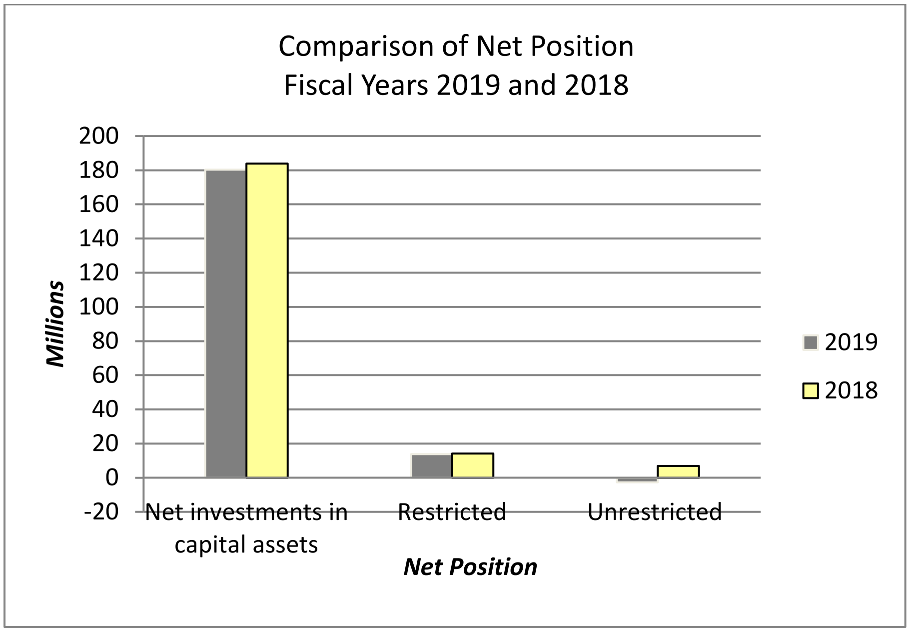
2020

In 2020, the RTA passenger fare revenue decreased over $11.2 million for the calendar year as compared to 2019. This variance is primarily due to the COVID-19 Pandemic that led to passenger fares being temporarily eliminated from March 29, 2020 to May 18, 2020. As a result of the initial impact of the stay at home order and social distancing measures, the New Orleans Regional Transit Authority experienced a decline in the utilization of RTA services, dramatic declines in RTA public ridership, fare revenues and State Sales Tax revenue. As of December 31, 2020, ridership on RTA buses, paratransit, streetcars, and ferries, continue to be dramatically below 2019 year-to-year levels. The RTA is currently operating at 80% of its normal weekday service level while meeting the public transit needs of customers. In addition to COVID-19, RTA faced hardships with Hurricane Zeta, which caused extreme weather in New Orleans.



2019

In 2019, the RTA passenger fare revenue decreased over $1.5 million for the calendar year as compared to 2018. This variance was primarily due to the Hard Rock Hotel collapse on October 12th, 2019. This collapse caused significant service disruptions especially to streetcar service on Canal Street. While 2019 bus and paratransit ridership was slightly above 2018 levels, streetcar ridership was down almost 2.5 million riders for the year. Also negatively impacting streetcar ridership but to a much lesser degree was the closure of 2 streetcar stops on the Riverfront line due to the construction of the Four Seasons Hotel. This closure was mainly for the last quarter of 2018 and the first 3 quarters of 2019.



OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: required supplementary information, including management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and other supplementary information.

The financial statements provide both long-term and short-term information about the RTA's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The RTA's financial statements are prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when a liability is incurred, regardless of the timing of related cash flows, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the RTA are included in the Statement of Net Position.

Net Position, the difference between the RTA's assets and deferred outflows of resources, and liabilities and deferred inflow of resources, is one way to measure the RTA's financial health or position. In 2020, the RTA's Net Position increased by $28.7 million. The increase in the RTA's net position during 2020 is primarily attributed to a decrease in net pension liabilities as well as the refinancing of existing long-term bonds. The RTA's total liabilities in 2020 decreased by approximately $43.5 million compared to total liabilities for 2019. In 2020, the RTA received approximately $72.5 million from the Federal Transit Administration (FTA), the Federal Emergency Management Agency (FEMA) and the State of Louisiana; and approximately $63.3 million in sales tax revenues from the City of New Orleans.

2020 Net Position

The RTA's total net position at December 31, 2020 increased to approximately $220.1 million, a 15.0% increase from December 2019 (see Table A-1). Total assets increased 2.3% to approximately $387.0 million and total liabilities decreased 22% to approximately $154.4 million. Restricted assets and capital assets decreased from December 31, 2019 values to $8.3 million and $276.3 million respectively. The unrestricted net position balance increased approximately $39.5 million from approximately $(2.6) million at December 31, 2019 to approximately $36.9 million at December 31, 2020.

2019 Net Position

The RTA's total net position at December 31, 2019 decreased to approximately $189.9 million, a 7.3% decrease from December 2018 (see Table A-1). Total assets decreased 3.6% to approximately $378.3 million and total liabilities increased 9.8% to approximately $198.8 million. Restricted assets and capital assets decreased from December 31, 2018 values to $10.19 million and $285.7 million, respectively. The unrestricted net position balance decreased approximately $10.96 million from approximately $6.8 million at December 31, 2018 to approximately $(4.16) million at December 31, 2019.

Table A-1
Regional Transit Authority's Net Position
(in thousands of dollars)

		2020		2019	Increase (Decrease)
Current assets	$	94,273	$	82,405	14.4%
Restricted assets		8,352		10,197	(18.1)%
Capital assets		276,272		285,744	(3.3)%
Net pension asset		8,144		-	100.0%
Total assets		**387,041**		**378,346**	**2.3%**
Deferred outflow of resources		**1,557**		**11,909**	**(86.9)%**
Total assets and deferred outflow of resources	**$**	**388,840**	**$**	**390,255**	**(0.4)%**
Current liabilities	$	34,752	$	44,132	(21.3)%
Long-term liabilities		119,683		153,783	(22.2)%
Total liabilities		**154,435**		**197,915**	**(22.0)%**
Deferred inflow of resources		**14,010**		**861**	**1527%**
Net position:					
Investment in capital assets		175,009		180,381	(3.0)%
Restricted		8,269		13,719	(39.7)%
Unrestricted		36,875		(2,621)	(1506.9)%
Total net position		**220,153**		**191,479**	**15.0%**
Total liabilities, deferred inflow of resources, and net position	**$**	**388,598**	**$**	**390,255**	**(0.4)%**

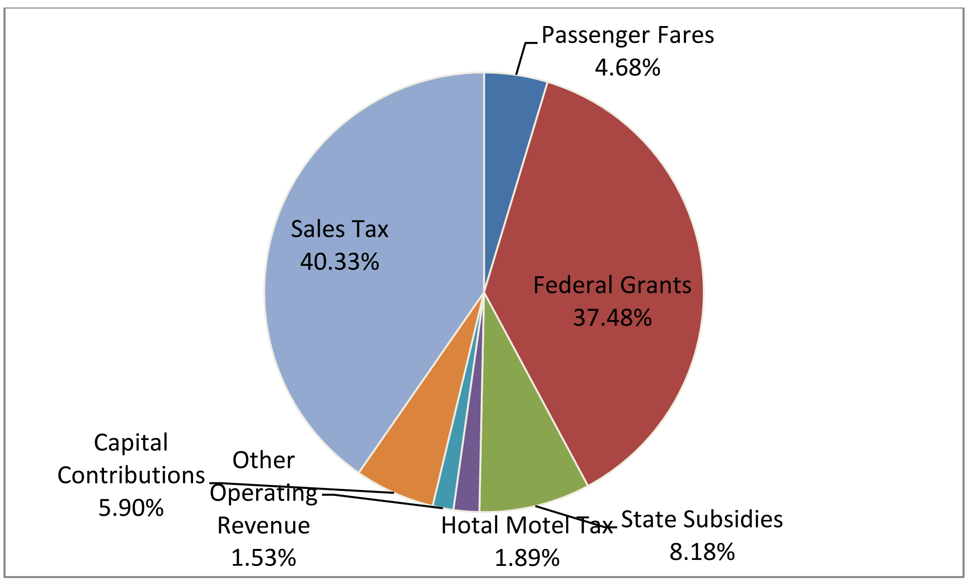
2020 Changes in Net Position

The change in net position for the year ended December 31, 2020 was approximately $28.7 million or 15% more than the year ended December 31, 2019. The RTA's operating revenues decreased 54.8% to approximately $9.5 million, and total operating expenses decreased 10.1% to approximately $123.7 million. The changes in net position are detailed in Table A-2; operating expenses are detailed in Table A-3.

Passenger fare revenues decreased 60.5% to approximately $7.3 million compared to $18.6 million in 2019. This decrease is attributed to the COVID-19 pandemic.

Non-operating revenues increased 22.7% to approximately $133.6 million. Federal funding in 2020 was $58.8 million as compared to $22.6 million in 2019 and State funding increased to $12.8 million in 2020 compared to $9.4 million in 2019.

2020 Revenue Sources



2019 Changes in Net Position

The change in net position for the year ended December 31, 2019 was approximately $15 million or 7.3% less than the year ended December 31, 2018. The RTA's operating revenues decreased by 8.2 to approximately $21 million, and total operating expenses increased 12.1% to approximately $149.6 million. The changes in net position are detailed in Table A-2; operating expenses are detailed in Table A-3.

Passenger fare revenues decreased 7.7% to approximately $18.6 million compared to $20.1 million in 2018. This decrease is attributed to This variance was primarily due to the Hard Rock Hotel collapse on October 12th, 2019. This collapse caused significant service disruptions especially to streetcar service on Canal Street. The Cemeteries segment of the Canal Streetcar line went back in full service in January 2019.

Non-operating revenues increased 3.9% to approximately $108.9 million. Federal funding in 2019 was $22.6 million as compared to $20.1 million in 2018 and State funding increased to $9.4 million in 2019 compared to $7.3 million in 2018.

2019 Revenue Sources

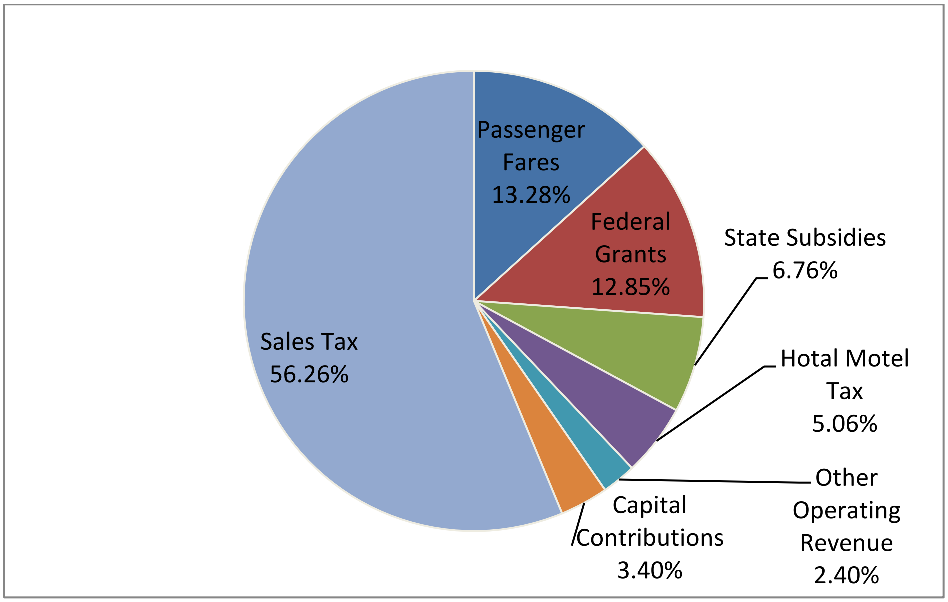


Table A-2
Regional Transit Authority's Changes in Net Position
(in thousands of dollars)

	2020	2019	Increase (Decrease)
Operating Revenues:			
Passenger fares	$ 7,337	$ 18,560	(60.5)%
Other	2,114	2,418	(12.6)%
Total operating revenues	9,481	20,965	(54.8)%
Operating Expenses:			
Operating expenses	101,201	124,541	(18.7)%
Depreciation	22,522	23,571	(4.5)%
Total operating expenses	123,723	148,112	(16.5)%
Operating loss	(114,242)	(127,134)	10.9%
Non-operating revenues-net	133,650	108,952	22.7%
Capital contributions	9,266	4,747	95.2%
Change in net position	28,674	(13,435)	313.4%
Total net position, beginning of year	191,479	204,914	(6.6)%
Total net position, end of year	$ 220,153	$ 191,479	15.0%

Table A-3
Regional Transit Authority's Operating Expenses
(in thousands of dollars)

	2020	2019	Increase (Decrease)
Labor and fringe benefits excluding post-retirement benefits	$ 11,329	$ 3,173	257.0%
Post-retirement benefits	(18,198)	22,123	(182.2)%
Depreciation	22,522	23,571	(4.5)%
Contract services	94,014	90,894	3.4%
Insurance and self-insured costs	8,690	1,114	680.1%
Materials, fuel, and supplies	3,715	5,152	(27.9)%
Utilities	1,355	1,425	(4.9)%
Taxes, other than payroll	414	458	(9.6)%
Leases	127	16	693.8%
Miscellaneous	(247)	186	(232.8)%
Total operating expenses	$ 123,723	$ 149,650	(16.5)%

2020 Capital Assets

As of December 31, 2020, the RTA had invested approximately $669.7 million in capital assets. Net of accumulated depreciation, the RTA's capital assets at December 31, 2019 totaled approximately $656.8 million. Capital additions for the year ended December 31, 2020 included approximately $4.1 million in completed construction in progress, approximately $518 thousand in furniture, bus shelters and rail equipment and $38 thousand in building upgrades and approximately $8.4 million in transportation vehicles.

2019 Capital Assets

As of December 31, 2019, the RTA had invested approximately $656.8 million in capital assets. Net of accumulated depreciation, the RTA's capital assets at December 31, 2019 totaled approximately $285 million. Capital additions for the year ended December 31, 2019 included approximately $3.2 million in completed construction in progress, approximately $671 thousand in furniture, bus shelters and rail equipment and $904 thousand in building upgrades and approximately $5.8 million in transportation vehicles.

2020 Debt Administration

On September 9, 2020 The RTA refinanced four existing bond issues, including the 1991, 2000, 2000A, 2010 issues and the Debt Service Assistance Fund Loan. These were consolidated to two bond issues which are the 2020A Sales Tax Revenue Refunding Bonds with and interest rate of approximately 5% on current interest term bonds and face value of $62,815,000, and the 2020B Sales Tax Revenue Refunding Bonds with interest rates between .55% and 1.05% on current interest term bonds. On July 29, 2020, Moody's Investor Service reviewed and assigned a rating of Aa3 to the New Orleans Regional Transit Authority Sales Tax Revenue Refunding Bonds. On July 21, 2020, S &P Global Ratings assigned a rating of A+, with a negative outlook to the Regional Transit Authority Sales Tax Revenue Refunding Bonds. On April 9, 2021, S&P Global Ratings revised their rating from A+ with a negative outlook to A+ stable.

2019 Debt Administration

During 2019, there was no unusual bond activity outside of the normal principal and interest payments based on bond amortization. No new debt was issued in the 2019 fiscal year.

ECONOMIC FACTORS

On March 12, 2020, the World Health Organization declared the current novel coronavirus ("COVID-19") outbreak to be a pandemic in the face of the global spread of the virus. By order of Louisiana Governor Edwards and New Orleans Mayor Cantrell, effective March 22, 2020, all non-essential businesses, statewide were required to be closed until Phase I reopening on June 5, 2020. As a result of the initial impact of the stay at home order and social distancing measures, the New Orleans Regional Transit Authority experienced a decline in the utilization of RTA services, dramatic declines in RTA public ridership, fare revenues and Sales Tax revenue. Ridership on all RTA modes of public transit continue to be dramatically below 2019 year-to-year levels. The RTA is currently operating at 80% of its normal weekday service level while meeting the public transit needs of customers, with full return to service scheduled for June 20, 2021.

Furthermore, RTA has experienced a negative financial impact resulting from the effects of the COVID19 outbreak and related stay-at-home orders on the national, state, and local economy, particularly in general use sales tax revenues and passenger fares. In March of 2020, RTA was awarded $43.8 million in funding under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act for Fiscal Year 2020 with and additional $26. 3 million for Fiscal Year 2021, to partially offset losses in sales tax revenues and other operational and capital costs. Management is also continuing to take various actions to prioritize and reduce costs and mitigate the risks of all its patrons and employees.

However, the Hard Rock Hotel collapse in October 2019, coupled with COVID-19 has continued to negatively impacted businesses and tourism in the area near the collapse and has caused significant service disruptions to City operations in the direct vicinity of the collapse. The COVID-19 pandemic also affected business development in 2020 from mid-March to December 31, 2020.

Future Impacts

As we enter in a post COVID-19 new normal, we anticipate that tourism will begin to flourish again, with a nearly one-billion-dollar new airport terminal that opened in early 2019, the airport expects the number of passengers flying out of the city will be roughly 18 percent greater than was projected for that point in 2013, when the project was first unveiled. Changes in the local landscape, ranging from the planned development of the last piece of an uninterrupted three-mile stretch of public riverfront slated for the downriver end of the French Quarter to a slowly-diversifying tourism economy, underscored when one of the world’s biggest technology companies unveiled plans to open a 2,000-person office in the iconic Freeport McMoRan building in the Central Business District, the single largest jobs announcement in the state's history.

Local economic development leaders continue working to diversify New Orleans' tourism-heavy economy, to include a new wave of medical construction projects that are expected to add thousands of health-services jobs over the next decade, potentially helping lift the region's low- and middle-skilled workforce. Ochsner Health System, the state's biggest nonprofit health care company, has added more than 4,400 jobs over the past five years and the $2 billion investment in the new University Medical Center and Veterans Affairs Medical Center, New Orleans' profile have all contributed to the New Orleans profile as a premier health care destination. As the City begins to recover, the Regional Transit Authority anticipates that the return to full service with increased in ridership, will help to recover passenger fares. Additionally, in April 2021, the Regional Transit Authority was awarded $59.5 million under the American Rescue Plan (ARP), for the purposes of supporting the struggling transit industry during COVID-19.

The RTA terminated its contract with Transdev Services, Inc on December 20, 2020. As a result, all public transit functions are preformed directly by RTA employees. Consequently, labor and fringe benefit expenses will increase while contract services expenses will decrease in future years.

CONTACTING THE RTA’S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the RTA’s finances and to do demonstrate the RTA’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Gizelle Johnson-Banks, CFO – Regional Transit Authority at (504) 827-8488.

December 31,		**2020**		2019
Assets				
Current assets				
Cash and cash equivalents	$	**43,188,198**	$	42,642,401
Accounts receivable, net		**46,467,445**		36,779,999
Inventories		**841,419**		-
Prepaid expenses and other assets		**3,775,816**		2,982,956
Total current assets		**94,272,878**		82,405,356
Restricted assets				
Cash				
1991 series bond trustee accounts		**-**		5,965,179
2000 and 2000A series bond trustee accounts		**-**		2,422,705
2020A and 2020B series bond trustee accounts		**6,541,055**		-
Self-insurance reserve		**1,415,000**		1,415,000
Investments				
2010 series bond trustee accounts		**396,017**		394,312
Total restricted assets		**8,352,072**		10,197,196
Noncurrent assets				
Property, buildings, and equipment, net		**276,271,863**		285,743,419
Net pension asset		**8,144,429**		-
Total noncurrent assets		**284,416,292**		285,743,419
Total Assets		**387,041,242**		378,345,971
Deferred Outflows of Resources				
Deferred charges - prepaid bond insurance		**346,701**		68,107
Pension deferrals		**131,355**		10,823,831
OPEB deferrals		**1,079,252**		1,016,927
Total deferred outflows of resources		**1,557,308**		11,908,865
Total Assets and Deferred Outflows of Resources	**$**	**388,598,550**	$	390,254,836

(Continued)

December 31,		**2020**		2019
Liabilities				
Current liabilities (payable from current assets)				
Accounts payable, accrued expenses, and deferred credits	**$**	**25,747,954**	$	14,424,205
Current portion of legal and small claims		**2,772,120**		3,151,243
Current portion of OPEB liability		**1,207,351**		1,144,409
Due to Transdev		**-**		14,427,093
Total current liabilities (payable from current assets)		**29,727,425**		33,146,950
Current liabilities (payable from restricted assets)				
Current portion of accrued bond interest		**1,031,132**		843,649
Current portion of bonds payable, net		**3,993,320**		7,686,236
Current portion of debt service assistance fund loan		**-**		2,454,732
Total current liabilities (payable from restricted assets)		**5,024,452**		10,984,617
Long-term Liabilities				
Accrued bond interest less current portion		**-**		7,358,946
Legal and small claims less current portion		**16,027,593**		15,122,432
Bonds payable less current portion, net		**97,269,480**		75,299,133
Debt service assistance fund loan less current portion		**-**		17,314,081
Net pension liability		**602,932**		32,519,931
Total OPEB liability		**5,783,026**		6,168,899
Total long-term liabilities		**119,683,031**		153,783,422
Total Liabilities		**154,434,908**		197,914,989
Deferred Inflows of Resources				
Pension deferrals		**11,196,614**		25,335
OPEB deferrals		**186,423**		835,374
Deferred refunding gain		**2,627,278**		-
Total deferred inflows of resources		**14,010,315**		860,709
Net Position				
Net investment in capital assets		**175,009,063**		180,380,768
Restricted		**8,268,941**		13,719,751
Unrestricted		**36,875,323**		(2,621,381)
Total Net Position		**220,153,327**		191,479,138
Total Liabilities, Deferred Inflows of Resources, and Net Position	**$**	**388,598,550**	$	390,254,836

(Concluded)

The accompanying notes are an integral part of these financial statements.

Regional Transit Authority
Statements of Revenues, Expenditures, and Changes in Net Position

For the years ended December 31,	**2020**	2019
Operating revenues		
Passenger fares	**$ 7,337,177**	$ 18,559,988
Other	**2,143,972**	2,417,594
Total operating revenues	**9,481,149**	20,977,582
Operating expenses		
Labor and fringe benefits excluding post-retirement benefits	**11,329,399**	3,173,389
Post-retirement benefits	**(18,197,673)**	22,123,165
Depreciation	**22,522,136**	23,571,109
Contract services	**94,014,325**	90,893,983
Insurance and self-insured costs	**8,690,162**	1,113,813
Materials, fuel, and supplies	**3,715,454**	5,151,859
Utilities	**1,354,858**	1,424,558
Taxes, other than payroll	**414,246**	457,748
Leases	**126,799**	16,433
Miscellaneous	**(246,912)**	185,937
Total operating expenses	**123,722,794**	148,111,994
Loss from operations	**(114,241,645)**	(127,134,412)
Nonoperating revenues (expenses)		
Tax revenues		
Sales tax	**63,298,117**	78,643,556
Hotel/motel tax	**2,967,939**	7,072,629
Government operating grants		
Federal subsidy	**57,848,109**	14,510,265
Federal Emergency Management Agency	**(259,960)**	1,864,128
State ferry subsidy	**10,913,502**	7,512,360
State Department of Transportation	**1,927,905**	1,931,673
Planning and technical study grants	**1,229,875**	1,589,600
Gain on sale of assets, net	**-**	-
Investment income	**258,788**	940,459
Bond issuance costs	**(1,045,335)**	-
Interest expense, net	**(3,489,328)**	(5,112,617)
Total nonoperating revenues	**133,649,612**	108,952,053
Net loss before capital contributions	**19,407,967**	(18,182,359)
Capital contributions	**9,266,222**	4,747,125
Total capital contributions	**9,266,222**	4,747,125
Increase (decrease) in net position	**28,674,189**	(13,435,234)
Net Position, Beginning of Year	**191,479,138**	204,914,372
Net Position, End of Year	**$ 220,153,327**	**$ 191,479,138**

The accompanying notes are an integral part of these statements.

For the years ended December 31,		**2020**		2019
Cash Flows From Operating Activities				
Cash received from operations	**$**	**7,187,315**	$	18,734,470
Cash received from other sources		**(7,182,824)**		2,192,790
Cash paid to employees and for related expenses		**(12,363,606)**		(5,878,625)
Cash paid to suppliers		**(104,116,393)**		(89,610,977)
Cash paid for insurance, legal claims, and related costs		**(8,164,124)**		(7,314,078)
Net cash flows used in operating activities		**(124,639,632)**		(81,876,420)
Cash Flows from Noncapital Financing Activities				
Cash received from sales tax		**70,484,015**		71,589,926
Cash received from hotel/motel tax		**5,942,307**		5,616,320
Operating subsidies received from other governments		**65,874,672**		17,464,925
Net cash flows provided by noncapital financing activities		**142,300,994**		94,671,171
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets		**(3,784,358)**		(5,623,481)
Gain on sale of capital assets		**-**		-
Capital revenues from federal grants		**(4,586,295)**		6,267,373
Deferred refunding gain		**2,627,278**		-
Bond issuance costs		**(1,045,335)**		-
Interest paid		**(10,660,791)**		(8,185,288)
Payment on debt service assistance fund		**(19,768,813)**		(2,345,884)
Repayment of bonds		**17,998,837**		(7,405,095)
Net cash flows used in capital and related financing activities		**(19,219,477)**		(17,292,375)
Cash Flows from Investing Activities				
Interest payments received		**258,788**		940,459
Net cash flows provided by investing activities		**258,788**		940,459
Net Decrease in Cash and Cash Equivalents		**(1,299,327)**		(3,557,165)
Cash and Cash Equivalents — Beginning of year		**52,839,597**		56,396,762
Cash and Cash Equivalents — End of year	**$**	**51,540,270**	$	52,839,597

(Continued)

For the years ended December 31,		**2020**		2019
Reconciliation of Loss from Operations to				
Net Cash Used in Operations				
Loss from operations	**$**	**(114,241,645)**	$	(127,134,412)
Adjustments to reconcile loss from operations				
to net cash used in operations:				
Depreciation		**22,522,136**		23,571,109
Decrease in Pension costs		**(18,197,673)**		22,123,165
Increase in OPEB costs		**(1,097,149)**		(1,105,236)
(Increase) decrease in accounts receivable		**(9,476,658)**		(40,320)
Increase in prepaid assets		**(792,860)**		(3,837)
Increase in inventory		**(841,419)**		-
Increase in accounts payable and accrued expenses		**11,323,749**		1,042,442
Increase in amounts due to Transdev		**(14,427,093)**		7,480,936
Decrease in amounts due to TMSEL		**62,942**		(1,600,000)
Increase in the provision for legal and small claims liability		**526,038**		(6,200,265)
Net Cash Used in Operating Activities	**$**	**(124,639,632)**	$	(81,866,418)
Reconciliation to Statements of Net Position				
Cash and cash equivalents for cash flow statements include:				
Cash	**$**	**43,188,198**	$	42,642,401
Restricted assets				
Cash				
Ferry operating subsidy		**-**		-
1991 series bond trustee accounts		**-**		5,965,179
1998 series bond trustee accounts		**-**		-
2000 and 2000A series bond trustee accounts		**-**		2,422,705
2020A and 2020B series bond trustee accounts		**6,541,055**		-
Self-insurance reserve		**1,415,000**		1,415,000
Investments				
2010 series bond trustee accounts		**396,017**		394,312
Total Cash and Cash Equivalents	**$**	**51,540,270**	$	52,839,597

(Concluded)

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Regional Transit Authority (RTA) of New Orleans is an independent political subdivision of the State of Louisiana created in 1979 by Act 439 of the Louisiana Legislature in order to provide mass transportation within its jurisdiction, which comprises the Greater New Orleans area. Effective July 1, 1983 under a transfer agreement among the RTA, the City of New Orleans (the City) and New Orleans Public Service, Inc. (NOPSI), the RTA assumed responsibility for all mass transit operations in Orleans Parish and acquired transit-related assets and assumed certain transit-related liabilities of NOPSI and of the City through purchase, funded by federal and local government grants, and through contributions from the City. Subsequently, the RTA has also assumed responsibility for mass transit operations of the City of Kenner and Ferry services from the State of Louisiana. The RTA's area of service presently comprises Orleans Parish, the City of Kenner in Jefferson Parish, and ferry services in St. Bernard Parish and may ultimately include future transit operations throughout the Greater New Orleans area.

The RTA is governed by an eight-member Board of Commissioners composed of appointees of the participating local governments within the RTA's jurisdiction. The Board of Commissioners establishes policies, approves the budget, controls appropriations and appoints an Executive Director responsible for administering all RTA operations and activities.

The RTA holds title to substantially all assets and controls, or is entitled to, substantially all revenue and funds used to support its operations and is solely responsible for its fiscal affairs. The Board of Commissioners is authorized to issue bonds, incur short-term debt and levy taxes upon approval of the voters in one or more of the parishes or municipalities served by the RTA.

The Regional Transit Authority of New Orleans, on July 1, 2009, approved terms on a delegated management contract with Transdev Services, Inc. (Transdev) (formerly Veolia Transportation Services, Inc). The ten-year contract (five years, with a five-year renewal option) began September 1, 2009. The renewal option of the contract was executed during the year ended December 31, 2015 and expired on September 1, 2019. Under this Delegated Management contract, Transdev was responsible for performing all activities of the transit authority below the Board level. This means that Transdev was responsible for all aspects of the public transportation system in New Orleans, including operations, safety, maintenance, customer care, routes and schedules, capital planning, budgeting, employee salaries and benefits, human resources, marketing, ridership growth, grant administration, as well as all the other typical functions of a transit authority. For the year ended December 31, 2019, the contract required a fixed monthly fee of approximately $1.82 million, a monthly variable rate fee based on transit hours, and reimbursement of other expenditures as required by the contract.

Effective September 1, 2019, the RTA awarded a revised delegated management contract to Transdev for a three year contract term with two one (1) year options to renew. Under the terms of this contract, Transdev operated and maintained transit service by means of fixed route transit bus services, streetcar transit, ferry service, complementary paratransit service provided in accordance with the requirements of the Americans with Disabilities Act of 1990 (ADA), and special services operating out of facilities owned and provided by the RTA.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Reporting Entity (Continued)

The contract required a fixed monthly fee and monthly variable rate fee based on service hours and service hour rates. For the period from September 1, 2019 to December 19, 2020, the fixed fee paid to Transdev under this agreement was approximately $1.32 million. On March 15, 2020, the contract services provided by Transdev related to the operations maintenance of the ferry service were terminated and transitioned to Labmar Ferry Services, LLC as a result of a competitive procurement process.

Effective December 20, 2020, the contract with Transdev was terminated and the RTA assumed full responsibility for the operations and maintenance of transit services and transitioned the personnel providing these transit services to RTA direct management.

The RTA is a stand-alone entity as defined by GASB Codification Section 2100 *Defining the Financial Reporting Entity.* The RTA 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 of the RTA.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the RTA conform to accounting principles generally accepted in the United States of America as applicable to governments. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when a liability is incurred, regardless of the timing of related cash flows. The RTA has no governmental or fiduciary funds. The RTA uses fund accounting to report its financial position and results of operations. The RTA's 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 businesses where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net position is appropriate for capital maintenance. The RTA's principal operating revenues are the fares charged to passengers for service.

Budgetary Information

Budgets and budgetary accounting

In accordance with Act 186 of the Louisiana Legislature and under authority granted to the Board of Commissioners of the RTA within the Regional Transit Authority Act (Act 439), 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Budgetary Information (Continued)

The budget is adopted by resolution of the Board of Commissioners after public hearings are conducted and public input is received. The RTA, 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.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and cash equivalents

The RTA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

RTA's investments are considered short-term, reported at amortized cost, and generally consist of commercial paper and U.S. Government and Agency securities. These investments are reported under restricted assets – investments on the Statement of Net Position.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain assets, principally consisting of cash, money market accounts, and short-term investments, are segregated and classified as restricted assets, which may not be used except in accordance with state regulations or contractual terms.

Property, Buildings, and Equipment, net

Property, buildings, and equipment are recorded at cost. Depreciation is charged to expense over the estimated useful lives of the assets and is determined using the straight-line method. Expenditures for maintenance and repairs which do not exceed $5,000 and materially extend the useful life of the asset are charged to expense as incurred.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The estimated useful lives used in computing depreciation are:

Buildings	5-20 years
Buses and equipment	4-20 years
Streetcars, track system, and related equipment	20-30 years
Furniture and fixtures	3-10 years
Leasehold improvements	5 years

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The RTA has several items that meet this criterion including deferred charges for prepaid bond insurance, and pension and OPEB related deferrals. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The RTA has two items that meet the criterion for this category, pension and OPEB related deferrals.

Advanced Collections

Revenue collected more than one year in advance is recognized as a liability within the financial statements.

Compensated Absences

The total liability for accrued vacation and sick leave at December 31, 2020 and 2019, included in current liabilities, was approximately $5,321,775 and $340,147, respectively.

Bonds Payable

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

Claims and Judgments

The RTA accrues 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 RTA's estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Incurred but not reported claims have been considered in determining the accrued liability. All accident and general liability claims and judgments for dates of loss from September 1, 2009, through July 31, 2012, are the responsibility of Transdev pursuant to the delegated management contract in effect during these periods. For dates of loss subsequent to August 1, 2012 and prior to September 1, 2009, the RTA is responsible.

Pensions

The RTA participates in two defined benefit pension plans as described in Note 7. For purposes of measuring the net pension asset and/or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within each plan.

Net Position Classifications

In accordance with GASB Codification, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows.

a. *Net Investment in Capital Assets* – This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.

b. *Restricted* – This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

c. *Unrestricted* – This component of net position consists of all other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt", as described above.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal and State Grants

Federal and state grants are made available to RTA for the acquisition of public transit facilities, planning studies, 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 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.

Cash Flows

For the purposes of the statement of cash flows, cash and cash equivalents include investments with an original maturity of less than one year and restricted cash.

Use of Estimates

Management of RTA has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2021. See Note 11 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

The District has implemented GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The implementation of this statement did not result in any change in the RTA's financial statements. GASB Statement No. 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to the financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. Additional information can be found in Note 5.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements (continued)

In May 2020, the Governmental Accounting Standards Board Issued Statement 95 Postponement of the Effective Dates of Certain Authoritative Guidance which was effective as of that date. As a result, previously issued statements that would have become effective in the current or future years have been postponed by a year or more. These statements address:

- Leases
- Disclosures related to debt.
- Section 457 deferred compensation plans

The RTA is evaluating the requirements of the above statements and the impact on reporting.

Note 2: CASH AND INVESTMENTS

The RTA's cash and investments consisted of the following as of December 31:

	2020		2019	
	Restricted	**Unrestricted**	**Restricted**	Unrestricted
Cash and cash equivalents	**$ 6,937,072**	**$43,188,198**	**$ 9,802,884**	$42,642,401
Investments, at amortized cost	**1,415,000**	**-**	**394,312**	-
	$ 8,352,072	**$43,188,198**	**$10,197,196**	$42,642,401

Custodial Credit Risk

Actual cash in banks and certificates of deposit as of December 31, 2020 and 2019, for restricted and unrestricted bank accounts, before outstanding checks and reconciling items, were $56,829,686 and $53,913,440, respectively. Of the total bank balances at December 31, 2020 and 2019, all amounts were covered by federal depository insurance ($250,000) or by collateral held in the RTA's name by its agent ($39,275,184 for 2020 and $37,559,127 for 2019). Actual cash in money market accounts was $7,359,265 and $7,329,196 as of December 31, 2020 and 2019, respectively, and is included in cash and cash equivalents above.

Investments

Investments are held in the name of the RTA by its agent. Statutes authorize the RTA to invest in direct U.S. Treasury obligations, bonds, debentures, notes, or other indebtedness issued or guaranteed by U.S. Government instrumentalities which are federally sponsored or federal agencies that are backed by the full faith and credit of the United States; short-term repurchase agreements; and time certificates of deposit at financial institutions, state banks and national banks having their principal offices in Louisiana.

Note 2: CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2020 and 2019, approximately $1,415,000, of restricted assets were pledged as collateral to the Louisiana Office of Workman's Compensation to maintain RTA/TMSEL's self-insurance certificate. This self-insurance certificate applies to all TMSEL employees receiving workman's compensation benefits through August 31, 2009 from the RTA. Transdev was responsible for worker's compensation claims from September 1, 2009 until December 19 2020.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. RTA has a formal investment policy that limits investment maturities to five years, unless specific authority is given to exceed, as a means of managing its exposure to fair value losses arising from increasing interest rates. In addition, the investment portfolio should remain sufficiently liquid to meet all operating requirements that may be reasonable anticipated.

Credit Risk

State law limits investments in securities issued or backed by U.S. Treasury obligations and U.S. Government instrumentalities, which are federally sponsored. RTA's investment policy does not further limit its investment choices, except that financial institutions and brokers/dealers must be authorized and meet minimum creditworthiness standards.

Note 3: ACCOUNTS RECEIVABLE, NET

Accounts receivable, net of allowance for uncollectible amounts, consisted of the following as of December 31:

	2020	2019
Sales tax	**$ 13,591,434**	$ 20,777,332
Hotel/motel tax	**597,504**	3,571,872
Federal capital grants	**12,619,614**	5,028,223
State parish transit	**627,367**	733,488
State ferry subsidy	**8,355,446**	1,690,170
Federal Emergency Management Agency	**3,616,931**	3,611,449
Passenger (transpass and visitor)	**790,151**	640,289
Kenner operating subsidy	**126,555**	101,143
Due from Transdev	**5,796,579**	-
Other	**351,615**	631,784
	46,473,196	36,785,750
Less: allowance for uncollectible amounts	**(5,751)**	(5,751)
	$ 46,467,445	$ 36,779,999

Note 4: PROPERTY, BUILDINGS, AND EQUIPMENT

A summary of changes in property, buildings, and equipment is as follows:

	January 1, 2020	Additions	Deletions	December 31, 2020
Land	$ 6,988,812	-	-	6,988,812
Buildings	285,973,945	38,071	-	286,012,016
Equipment, primarily transportation vehicles	301,452,062	8,408,176	-	309,860,238
Furniture and fixtures	57,503,974	517,961	-	58,021,935
Construction in progress	4,768,434	4,100,379	(14,007)	8,854,806
Total	656,687,227	13,064,587	(14,007)	669,737,807
Accumulated depreciation	(370,943,808)	(22,522,136)	-	(393,465,944)
	$ 285,743,419	(9,457,549)	(14,007)	276,271,863

At December 31, 2020, construction in progress additions were primarily related to the ferry terminal upgrade project, purchase of busses, and various other construction projects.

Note 5: LONG-TERM DEBT

Long-term debt consisted of the following as of December 31:

	2020	2019
2020A Sales Tax Revenue Refunding Bonds, interest rate of approximately 5% on current interest term bonds.	**$62,815,000**	$ -
2020B Sales Tax Revenue Refunding Bonds, interest rates between .55% and 1.05% on current interest term bonds.	**20,190,000**	-
1991 Series, Sales Tax Revenue Bonds, interest rates between 5.5% and 6.5% on current interest term bonds, and approximate yields of 7.0% and 7.1% on capital appreciation bonds, with annual principal debt service requirements ranging from $574,277 to $758,888, final payment due December 2021.	**-**	1,190,060
2000 Series, LCDA Revenue Bonds, variable interest rate of approximately 3.26% as of December 31, 2019, due in annual principal debt service requirements ranging from $405,712 to $1,616,700, final payment due February 2025.	**-**	11,219,412
2000A Series, LCDA Revenue Bonds, variable interest rate of 2.81% as of December 31, 2019, due in annual principal debt service requirements ranging from $1,131,000 to $1,950,656, final payment due November 2029.	**-**	16,730,856
2010 Series, Sales Tax Revenue Bonds, interest rate of 5% as of December 31, 2019, due in annual principal debt service requirements ranging from $3,080,000 to $5,755,000, final payment due December 2030.	**-**	50,505,434
Debt Service Assistance Fund Loan, interest rate of 4.64% as of December 31, 2019, due in semi-annual principal debt service requirements ranging from $74,762 to $614,777, final payment due July 2026.	**-**	19,768,813
Total debt	**83,005,000**	99,414,575
Plus: bond premium	**18,257,800**	3,339,607
Less: current maturities of long-term debt	**(3,993,320)**	(10,140,968)
Long-term debt plus bond premium less current maturities	**$ 97,269,480**	$ 92,613,214

Note 5: LONG-TERM DEBT (CONTINUED)

1991 Bond Series

On December 26, 1991, the RTA issued $23,215,733 in Sales Tax Revenue Bonds, Series 1991. These bonds were to be repaid over 30 years. The net proceeds of $22,968,624 (after original issue discount of $103,661 and payment of $143,448 in underwriting fees and costs) received by the RTA on the sale of the bonds were applied as follows: (a) $19,193,382 was deposited in a reserve fund account designated for capital projects, including, but not limited to, the St. Charles facility renovation and restoration of streetcars used on the St. Charles Avenue Streetcar line, construction of maintenance facilities for the Riverfront streetcar line and the acquisition of buses, (b) $1,513,528 was deposited in a reserve fund for payment of interest costs, (c) $1,596,845 was deposited in a reserve fund account to satisfy the reserve fund requirement of the bonds, and (d) the remaining proceeds of $664,869 were used toward the payment of issuance costs of the bonds.

The current interest and capital appreciation bonds were secured by a pledge and lien upon a portion of the RTA's sales tax revenue (one-half of one percent upon the items and services subject to the sales tax). The interest on the current interest bonds was due and payable on June 1 and December 1 of each year through December 1, 2021. The interest for the capital appreciation bonds is due and payable in series in 2012, 2015, and 2021. Consistent with the terms of the bond agreement, $1,960,000 was called mandatory redemption against the principal on December 1, 2009. For the 1991 Series, the principal balance as of December 31, 2019 was $1,190,060, of which $615,783 was due in 2020.

2000 Series and 2000A Series – LCDA Revenue Bonds

Under agreements with the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA), RTA may borrow up to $65,820,000 in funds to finance the local match portion of the costs expected to be incurred in the construction of the Canal Street Streetcar and Desire Street Streetcar Projects. The funds are provided from a portion of the proceeds of a Master Indenture Agreement and the sale of revenue bonds by LCDA. For the 2000 Series, the principal balance as of December 31, 2019 was $11,219,412, of which $1,920,500 was due in 2020. For the 2000A Series, the principal balance as of December 31, 2019 was $16,730,856, of which $1,278,600 was due in 2020

Note 5: LONG-TERM DEBT (CONTINUED)

2010 Bond Series

On October 14, 2010, the RTA issued $75,000,000 in Sales Tax Revenue Bonds, Series 2010. These bonds were to be repaid over 20 years. The net proceeds of $81,118,364, consisting of $75,000,000 face amount plus an original issue premium of $6,118,364, received by the RTA on the sale of the bonds were applied as follows: (a) $79,380,740 was deposited in a reserve fund account designated for capital projects, including, but not limited to, the construction and installation of transit facilities and transit improvements, including buses and other equipment in the City; the proceeds were invested in money market type investments, (b) $658,294 was deposited in a reserve fund for payment of the bond insurance premium, (c) $241,724 was utilized to pay bond surety, (d) $507,031 was utilized for the underwriter's discount, and (e) the remaining proceeds of $330,575 were used toward the payment of issuance costs of the bonds. For the 2010 Series, the principal balance as of December 31, 2019 was $50,505,434, of which $3,565,381 was due in 2020.

Debt Service Assistance Fund Loan (Direct Borrowing)

In October 2006, RTA and the State of Louisiana entered into a Cooperative Endeavor Agreement whereby the State agreed to lend up to $35,867,738 from State funds on deposit in the Debt Service Assistance Fund, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2007, to assist in payment of debt service requirements from 2006 through 2008 due to disruption of tax bases and revenue streams caused by Hurricane Katrina and Rita. Draw downs on the loan were made as debt service payments became due. No principal or interest was payable during the initial five year period of the loan. After the expiration of the initial five year period, the loan shall bear interest at a fixed rate of 4.64%. Principal payments on the bonds began in July 2012 and the loan will mature in July 2026. Interest is payable semi-annually on January 15 and July 15 beginning January 2012. The loan may be prepaid without penalty or premium. The Board has the right to request one extension of its obligation to begin payments under the loan not to exceed an additional five years. As of December 31, 2019, RTA had balances due of $19,768.

2020 Bond Series

On September 9, 2020, the RTA issued $62,815,000 of Sales Tax Revenue Refunding Bonds, Series 2020A (Tax-Exempt) and $20,190,000 of Sales Tax Revenue Refunding Bonds, Series 2020B (Taxable). The RTA issued the bonds to refund $89,569,627 of the outstanding Sales Tax Revenue Bonds, Series 1991, maturing December 1, 2021, LCDA Revenue Bonds, Series 2000 maturing February 1 2025 and December 1, 2029, Sales Tax Revenue Bonds, Series 2010, maturing December 1, 2030 and a Debt Service Assistance Fund Loan, maturing July 15, 2026. The net proceeds of $95.6 million (after payment of $6.3 million in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded portion of the 1991, 2000, 2010 and Debt Service Assistance series bonds. As a result, that portion of the 1991, 2000, 2010 and Debt Service Assistance series bonds are considered defeased, and the RTA has removed the liability from its accounts. At December 30, 2020, the balance of the defeased portion of the refunded bonds is summarized below.

Note 5: LONG-TERM DEBT (CONTINUED)

The advance refunding resulted in the recognition of an accounting gain of $2.6 million for the year ended December 31, 2020, and the RTA in effect reduced its aggregate debt service payments by almost $6.5 million over the next 15 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of $1.5 million.

The current interest and principal bonds were secured by a pledge and lien upon a portion of the RTA's sales tax revenue (one percent upon the items and services subject to the sales tax). For the 2020 A&B Series, the principal balance as of December 31, 2020 was $83,005,000, of which $1,475,000 is due in 2021.

Debt Service Requirements

The following represents the debt service requirements for the bond issues as of December 31, 2020:

Year Ending December 31	Series 2020 A&B Bond Principal	Series 2020 A&B Bond Interest
2021	$ 1,475,000	$ 1,031,132
2022	4,755,000	3,306,240
2023	4,790,000	3,275,333
2024	4,835,000	3,234,618
2025	4,880,000	3,186,268
2026-2030	27,355,000	12,965,500
2031-2035	34,915,000	5,407,250
	$ 83,005,000	$ 32,406,341

Balances of the defeased portion of bonds as of December 31, 2020 are as follows:

Bond Issuance	Defeased Balance
1991 Series Sales Tax Revenue Bonds	$ 574,276
2000 Series Sales Tax Revenue Bonds	9.290.012
2000A Series Sales Tax Revenue Bonds	15,451,256
2010 Series Sales Tax Revenue Bonds	46,940,000
Debt Service Assistance Loan	17,314,083
	$ 89,569,627

Note 5: LONG-TERM DEBT (CONTINUED)

Changes in Long-term Debt

Long-term debt activity for the year ended December 31, 2020 is as follows:

	January 1, 2020	Additions	Deletions	December 31, 2020	Due Within One Year
1991 Series, Sales Tax Revenue Bonds	$ 1,190,060	$ -	$ (1,190,060)	$ -	$ -
2000 Series, LCDA Revenue Bonds	11,219,412	-	(11,219,412)	-	-
2000A Series, LCDA Revenue Bonds	16,730,856	-	(16,730,856)	-	-
2010 Series, Sales Tax Revenue Bonds	50,505,434	-	(50,505,434)	-	-
2020 A&B Series Sales Tax Refunding Bonds	-	83,005,000	-	83,005,000	1,475,000
Direct Borrowing - Debt Service Assistance Fund Loan	19,768,813	-	(19,768,813)	-	-
Bond Premium	3,339,607	18,887,379	(3,969,186)	18,257,800	2,518,320
	$102,754,182	$101,892,379	$ (103,383,762)	$101,262,800	$ 3,993,320

Note 6: PENSION PLANS

The RTA is a participating employer in the cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). The RTA is also a non-employer contributing entity to the Transit Management of Southeast Louisiana (TMSEL) Retirement Income Plan, which funds employee and retiree benefits for former employees of TMSEL.

Plan Descriptions

Louisiana State Employees' Retirement System (LASERS)

Employees of the RTA are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Note 6: PENSION PLANS (CONTINUED)

Transit Management of Southeast Louisiana (TMSEL) Retirement Income Plan

In 1983, the RTA completed the purchase of the transit system from NOPSI. On that date, the RTA, TMSEL, the City of New Orleans and NOPSI entered into a benefit agreement to fund employee and retiree benefits. At the time this agreement was reached, the RTA was a public entity and TMSEL was a privately owned corporation always fully funded by the RTA. In 2004, TMSEL was designated as a political subdivision by the State of Louisiana; and in 2009, TMSEL ceased operations and the management agreement between TMSEL and RTA was terminated. In January 2012, the RTA became a 100% owner in the stock of TMSEL.

On August 31, 2009, the management contract between RTA and TMSEL expired and was replaced beginning September 1, 2009 with a new delegated management contract with Transdev Services, Inc. (formally Veolia Transportation Services, Inc). Effective September 1, 2009, all active TMSEL employees became employees of Veolia Transportation Services causing a partial termination of the Plan. As a result, TMSEL employees ceased to accrue future benefits in the TMSEL Retirement Income Plan.

The RTA contends that the TMSEL Retirement Plan is a governmental plan not subject to the provisions of ERISA. Although an official ruling is still pending from the Department of Labor as to whether the TMSEL Retirement Plan is an ERISA-governed plan or a governmental plan; the PBGC has not asserted any actions against the RTA or required the RTA to make any minimum quarterly pension funding contributions that would be required by an ERISA-governed plan. In 2014, the RTA entered into a settlement agreement which provided payments to the TMSEL Retirement plan totaling $18 million (see contributions section below and Note 9 for additional information). This agreement does not render a position on the TMSEL plan's status as a governmental plan.

At December 31, the pension plan membership consisted of the following:

	2020	2019
Inactive employees or beneficiaries currently receiving benefits	**1,286**	**1,296**
Inactive employees entitled to but not yet receiving benefits	**431**	**448**
Active employees	-	-
	1,717	**1,744**

Benefits Provided

The following is a description of the plans and their benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Note 6: PENSION PLANS (CONTINUED)

LASERS

Retirement - The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Note 6: PENSION PLANS (CONTINUED)

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service.

Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits - The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Disability Benefits - Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits - Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five

Note 6: PENSION PLANS (CONTINUED)

years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increases/Cost-of-Living Adjustments - As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

TMSEL

Retirement

All TMSEL and former NOPSI administrative employees and members of the former ATU Division 1611 over the age of 21 (age 25, if hired prior to January 1, 1985) were eligible to participate in the Plan. Effective January 1, 1998, all members of ATU Division 1560 over the age of 21 were eligible to participate in the Plan. Effective July 1, 1998, all members of IBEW Local 1700-4 over the age of 21 were eligible to participate in the Plan. Lift operators and sedan drivers were not participants of the Plan. The Plan was officially closed to new participants effective August 31, 2009. Participants are fully vested in their retirement benefits after completing five years of service (with a minimum 1,000 hours worked per year).

The normal retirement age is sixty-five. Those members who retire at age 65 are entitled to annual retirement benefits for life in an amount equal to 2.1% (multiplier) (unless otherwise specified in the Plan) of their five year average compensation times years of benefit services. The normal retirement benefit is receivable as of the first day of the subsequent month following the date a participant reaches age sixty-five (normal retirement age) and is based on the participant's compensation and years of credited service. The Plan permits early retirement at age fifty-five through sixty-four with five years of vesting service with the pension benefit amount being reduced by 3% for each year of age less than sixty-five. Members of ATU Division 1560 and IBEW Local 1700-4 can retire after 30 years of benefit service pursuant to collective bargaining agreement. Participants may elect to receive their pension benefits in the form of a single election, 50% joint and survivor, 75% joint and survivor, 100% joint and survivor and 10 year certain annuities. The Plan

Note 6: PENSION PLANS (CONTINUED)

also provides for postponed retirement. Participants severing employment prior to full vesting forfeit their benefits after incurring a permanent break in service.

If a covered active employee dies before completing the five-year vesting period, a refund of the employee's contributions with interest is made to the beneficiary. If a covered active employee dies before age fifty-five and is fully vested on that date, a survivorship pension is payable to the employee's spouse. The survivorship pension is determined as if the employee had retired on early retirement with 50% joint and survivor benefits and died after the benefits were to commence. The survivorship pension is equal to 50% of the amount the employee would have received and is payable until the death of the participant's spouse. If a covered active employee dies before age fifty-five and is fully vested on that date, but does not have a spouse, no survivorship pension is paid out. Instead, the employee’s contributions are paid out to the employee’s beneficiary.

On March 13, 2003, the Internal Revenue Service issued a favorable determination letter for the Plan granting approval of a new optional form of payment. The Reduced Annuity Lump Sum (RAWLS) provides a portion of the retirement benefit in a lump sum, plus a reduced monthly benefit. Members of ATU Division 1560 and IBEW 1700-4 are eligible for this form of benefit which is effective retroactively to January 1, 2002.

On May 7, 2008, the Internal Revenue Service issued a favorable determination letter for the Plan granting approval of the amendments proposed on May 15, 2003, May 18, 2006, and January 27, 2007.

Effective March 19, 2015, the Plan was amended to provide unreduced benefits to participants retiring from Transdev, whose combined TMSEL and Transdev service equals 30 or more years of service and who had not previously received any benefits.

On May 16, 2016, the Plan received a signed compliance statement from the Internal Revenue Service agreeing that corrective methods and revised administrative procedures implemented by the Plan as submitted in the Voluntary Correction Program (VCP) are acceptable. In conjunction with the VCP submission, the Plan Sponsor adopted amendments effective retroactive to the effective dates of the specific provisions contained in the amendments to correct all of its nonamender failures. On August 2, 2017 the Internal Revenue Service issued a favorable determination letter for the Plan granting approval for the 2015 and 2016 amendments.

Contributions

<u>**LASERS**</u>

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member’s salary and remitted to LASERS by participating employers along with employer portion of the contribution.

Note 6: PENSION PLANS (CONTINUED)

The rates in effect during the years ending June 30, 2020 and 2019 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2020	Employer Contribution Rate 2019
Regular State Employee hired before 7/01/06	Closed	7.5%	40.7%	40.1%
Regular State Employee hired after 7/01/06	Open	8.0%	40.7%	40.1%

The RTA's contractually required composite contribution rate for the period from July 1, 2019 to June 30, 2020 was 40.7%, and for the period from July 1, 2020 to December 31, 2020 was 40.1%, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the RTA were $62,813 and $105,793 for the years ended December 31, 2020 and 2019, respectively.

If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to members or their survivors are refunded to the member's beneficiaries or their estates upon cessation of any survivor's benefits.

TMSEL

TMSEL contributes such amounts as are necessary to provide assets sufficient to meet the benefits to be paid to Plan participants. The contributions of TMSEL are made in amounts, determined by an enrolled actuary, sufficient to fund the Plan's current service costs plus amortization of any unfunded amounts over 25 years. However, the Plan did not make the ERISA minimum required funding contributions for the quarters ended September 30, 2013 through December 31, 2020 due to its assertion that the TMSEL Retirement Plan is a governmental plan not subject to the provisions of ERISA (see Plan Descriptions section above).

In 2014, the RTA entered into an $18 million settlement to fund the TMSEL Retirement plan, and, accordingly, recorded $18 million in pension benefits expense, of which $10 million was funded in 2014, and the remaining $8 million was scheduled to be paid to the plan in equal installments of $1.6 million over the next five years. The RTA paid the last installment of $1.6 million during the year ended December 31, 2019. The agreement also states that this agreement does not limit the RTA's obligations to further fund the TMSEL Plan in the future.

Note 6: PENSION PLANS (CONTINUED)

Pension (Asset) Liability and Pension Expense

LASERS

At December 31, 2020 and 2019, the RTA reported a liability of $602,932 and $1,114,557, respectively, for its proportionate share of the net pension liability of LASERS. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The RTA's proportion of the net pension liability was based on a projection of the RTA's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 and 2019, the RTA's proportion was 0.007290% and 0.015384%, respectively, which was an increase of .015380% and .000399% from its proportion measured as of June 30, 2019 and 2018, respectively.

For the years ended December 31, 2020 and 2019, the RTA recognized pension expense of $77,685 and $143,710, respectively, plus the RTA's amortization of the change in proportionate share and the difference between employer contributions and proportionate share of contributions of $(157,493) and $84,666 respectively.

TMSEL

The RTA's net pension (asset) liability was measured as of December 31, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

The components of the net pension (asset) liability at December 31, 2019 and 2018 for TMSEL were as follows:

	2019	2018
Total pension liability	**$ 175,673,739**	$ 199,677,566
Fiduciary net position	**183,818,168**	168,272,192
Net pension (asset) liability	**$ (8,144,429)**	$ 31,405,374
Fiduciary net position as a percentage of the total pension liability	**104.64%**	84.27%

For the years ended December 31, 2020 and 2019, the RTA recognized pension (benefit) expense of $(18,136,499) and $21,890,166, respectively.

Note 6: PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the RTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LASERS		
Differences between expected and actual experience	$ -	$ **5,790**
Net difference between projected and actual earnings on pension plan investments	**88,137**	**-**
Changes in assumptions	**1,929**	**-**
Changes in proportion and differences between employer contributions and proportion of shared contributions	**9,591**	**279,368**
Employer contributions subsequent to the measurement date	**31,698**	**-**
Total LASERS	$ **131,355**	$ **285,158**

	Deferred Outflows of Resources	Deferred Inflows of Resources
TMSEL		
Net difference between projected and actual earnings on pension plan investments	$ -	$ **10,911,456**
Total TMSEL	$ -	$ **10,911,456**

Note 6: PENSION PLANS (CONTINUED)

At December 31, 2019, the RTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LASERS		
Differences between expected and actual experience	$ **6,844**	$ **2,316**
Net difference between projected and actual earnings on pension plan investments	**38,506**	**-**
Changes in assumptions	**9,551**	**-**
Changes in proportion and differences between employer contributions and proportion of shared contributions	**216,750**	**23,019**
Employer contributions subsequent to the measurement date	**50,332**	**-**
Total LASERS	$ **321,983**	$ **25,335**

	Deferred Outflows of Resources	Deferred Inflows of Resources
TMSEL		
Net difference between projected and actual earnings on pension plan investments	$ **10,501,848**	$ **-**
Total TMSEL	$ **10,501,848**	$ **-**

As of December 31, 2020, deferred outflows of resources of $31,698 related to pensions resulting from the RTA's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	**LASERS**	**TMSEL**	**Total**
2021	$ **(258,552)**	$ **(3,185,244)**	$ **(3,443,796)**
2022	**25,417**	**(2,896,910)**	**(2,871,493)**
2023	**27,237**	**(432,376)**	**(405,139)**
2024	**20,397**	**(4,396,926)**	**(4,376,529)**

Note 6: PENSION PLANS (CONTINUED)

Actuarial Assumptions

LASERS

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 and 2019 are as follows:

Valuation Date	June 30, 2020 and 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	2020: 7.55% per annum, net of investment expenses. 2019: 7.60% per annum, net of investment expenses.
Inflation Rate	2020: 2.3% per annum 2019: 2.5% per annum
Mortality	Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Scale. Disabled members – Mortality rates based on the RP-2014-2018 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Note 6: PENSION PLANS (CONTINUED)

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

	2020		2019	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Cash	0.24%	-0.59%	0.24%	-0.48%
Domestic equity	4.83%	4.79%	4.83%	4.31%
International equity	5.83%	5.83%	5.83%	5.26%
Domestic fixed income	2.79%	1.76%	2.79%	1.49%
International fixed income	4.49%	3.96%	4.49%	2.23%
Alternative investments	8.32%	6.69%	8.32%	7.67%
Risk Parity	6.09%	4.20%	6.09%	4.96%
Totals	6.09%	5.81%	6.09%	5.40%

Note 6: PENSION PLANS (CONTINUED)

TMSEL

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 and 2018 are as follows:

Valuation date	December 31, 2019 and 2018
Valuation method	Entry age normal cost
Inflation	Not applicable
Projected salary increases	Not applicable
Investment rate of return	7.25% for 2019, 6.06% for 2018
Mortality rates	RP-2014 separate employee and annuitant healthy tables (sex-specific) reflecting both blue and white collar data, adjusted backward to the base year (2006) using scale MP-2014. Mortality is projected forward using scale MP-2018 generationally for 2019 and MP-2017 generationally for 2018.
Expected remaining service lives	0 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 6: PENSION PLANS (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 and 2018 are summarized in the following table:

	2019		2018	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic equity	40.00%	6.40%	40.00%	6.41%
International equity	10.00%	7.05%	10.00%	6.96%
International equity	5.00%	9.00%	5.00%	9.86%
Global equity	7.50%	6.69%	7.50%	6.66%
Core fixed income	20.00%	1.15%	20.00%	1.96%
Real estate	10.50%	4.50%	10.50%	4.76%
Private equity	4.50%	10.40%	4.50%	10.41%
Cash	2.50%	0.65%	2.50%	1.16%
Totals	100.0%		100.0%	

Discount Rate

LASERS

The discount rate used to measure the total pension liability was 7.55% and 7.60% for the years ended June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TMSEL

The discount rate used to measure the total pension liability was 7.25% and 6.06% for the years ended December 31, 2019 and 2018, respectively. The projection of cash flows used to determine the discount rate assumed contributions will be made at the current contribution level of $1.6 million per year. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Note 6: PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

The change in net pension liability for the TMSEL plan for the year ended December 31, 2020 is as follows:

Change in Net Pension Liability	**Total Pension Liability**	**Plan Fiduciary Net Position**	**Net Pension Liability**
Service Cost	**$ -**	**$ -**	**$ -**
Interest on total pension liability	**11,610,357**	**-**	**11,610,357**
Net investment income	**-**	**33,453,063**	**(33,453,063)**
Changes of assumptions	**(18,735,380)**	**-**	**(18,735,380)**
Difference between expected and actual experience	**(703,776)**	**-**	**(703,776)**
Benefit payments, including refunds	**(16,175,028)**	**(16,175,028)**	**-**
Administrative expense	**-**	**(1,732,059)**	**1,732,059**
Net Change	**(24,003,827)**	**15,545,976**	**(39,549,803)**
Net Pension Liability, Beginning	**199,677,566**	**168,272,192**	**31,405,374**
Net Pension Liability, Ending	**$ 175,673,739**	**$ 183,818,168**	**$ (8,144,429)**

The change in net pension asset for the TMSEL plan for the year ended December 31, 2019 is as follows:

Change in Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service Cost	$ -	$ -	$ -
Interest on total pension liability	12,871,234	-	12,663,909
Net investment income	-	(6,677,907)	6,677,907
Changes of assumptions	18,221,638	-	18,221,638
Difference between expected and actual experience	(729,745)	-	(729,745)
Benefit payments, including refunds	(16,439,659)	(16,439,659)	-
Administrative expense	-	(1,743,128)	1,743,128
Net Change	13,923,468	(24,860,694)	38,784,162
Net Pension Liability, Beginning	185,754,098	193,132,886	(7,378,788)
Net Pension Liability, Ending	$ 199,677,566	$ 168,272,192	$ 31,405,374

Note 6: PENSION PLANS (CONTINUED)

Sensitivity of the RTA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

LASERS

The following presents the RTA's proportionate share of the Net Pension Liability of LASERS using the discount rate of 7.55%, as well as what the RTA's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.55%) or one percentage-point higher (8.55%) than the current rate:

	1.0% Decrease (6.55%)	Current Discount Rate (7.55%)	1.0% Increase (8.55%)
RTA's proportionate share of the net pension liability	$ 740,909	$ 602,932	$ 485,843

TMSEL

The following presents the RTA's Net Pension Liability for TMSEL calculated using the discount rate of 7.25%, as well as what as what the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
Net pension liability	$ 6,963,970	$ (8,144,429)	$ (21,176,303)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position in LASERS is available in the separately issued LASERS 2020 Comprehensive Annual Financial Report at www.lasersonline.org.

Detailed information about the TMSEL plan's fiduciary net position is available in the separately issued TMSEL financial Report.

Note 7: DEFERRED COMPENSATION PLAN

The RTA established the New Orleans Regional Transit Authority 457 Plan (the 457 Plan) effective September 25, 2019 in accordance with Internal Revenue Code Section 457.

The Plan, available to all full-time government employees at their option, permits participants to defer a portion of their salaries until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* no assets or liabilities of the 457 Plan are included in the RTA's financial statements.

Employees can contribute up to $19,000 annually plus additional catch-up contributions for employees age 50 or older. The RTA matches the employee voluntary contributions, limited to 50% of the employees' contributions up to 5% of employees' annual gross wages. The RTA's contributions to the plan for the year ended December 31, 2020 and 2019 were $765,530 and $97,606, respectively.

Note 8: OTHER POST EMPLOYMENT RETIREMENT BENEFITS

Plan Description

The Regional Transit Authority provides certain continuing health care and life insurance benefits for certain retired former NOPSI employees. The Transit Management of Southeast Louisiana (TMSEL) Welfare Benefit Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Regional Transit Authority. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Regional Transit Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided

Medical and dental benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Contract employees are eligible to retire at age 55 and completion of 5 years of service. Non-contract employees are eligible to retire at completion of 30 years of service. The Regional Transit Authority has several active members participating in the OPEB Plan which are former NOPSI and TMSEL members for whom the Regional Transit Authority is still responsible for retiree medical care benefit costs. The employer does not pay for retiree medical benefits after Medicare eligibility (normally age 65).

Life insurance coverage is provided to a closed group of 466 retirees (no future retirees will be eligible) and paid by the employer. The employer pays 100% of the cost of the retiree benefit payments as they become due.

Note 8: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Employees covered by benefit terms – At January 1, 2019, the following employees were covered by the medical benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	46
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	57
Total	103

Total OPEB Liability

The Regional Transit Authority's total OPEB liability of $7,313,308 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and other inputs – The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0% annually
Discount rate	2.74% annually (as of end of year measurement date)
Healthcare cost trend rates	Flat 5.5% annually
Mortality rates	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

Note 8: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

Balance at December 31, 2019	$ 7,313,308
Changes for the year:	
Service cost	11,083
Interest	184,706
Differences between expected and actual experience	215,614
Change in assumptions	410,075
Benefit payments and administrative expenses	(1,144,409)
Net changes	(322,931)
Balance at December 31, 2020	$ 6,990,377

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Regional Transit Authority, as well as what the Regional Transit Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1.0% Decrease (1.12%)	**Current Discount Rate (2.12%)**	**1.0% Increase (3.12%)**
Total OPEB liability	$ 7,550,204	$ 6,990,377	$ 6,440,931

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Regional Transit Authority, as well as what the Regional Transit Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	**Current Discount Rate (5.5%)**	**1.0% Increase (6.5%)**
Total OPEB liability	$ 6,867,453	$ 6,990,377	$ 7,122,158

Note 8: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Regional Transit Authority recognized OPEB expense of $59,997. At December 31, 2020, the Regional Transit Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 365,603	$ -
Change in assumptions and other inputs	713,649	186,423
Total	$ 1,079,252	$ 186,423

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2021	470,152
2022	266,256
2023	156,421

Note 9: COMMITMENTS AND CONTINGENCIES

Commitments

TMSEL Retirement Plan – To prevent the termination of the TMSEL Retirement Plan, which was partially terminated in 2009, the RTA entered into discussions with the PBGC for the continued funding of the plan. The ability of the RTA to control the Board of Trustees of the TMSEL Retirement Plan was a condition precedent to the negotiation of this funding agreement (See Note 6). The TMSEL Retirement Plan Board is responsible for the administration, management, and proper operation of the TMSEL Retirement Plan. The RTA was in litigation with the Board of Trustees of the TMSEL Retirement Plan, certain of the individual board members, and former counsel for the TMSEL Retirement Plan in Orleans Parish relating to the composition of the TMSEL Retirement Plan Board of Trustees as it relates to control over the TMSEL Retirement Plan. A settlement agreement between the parties was reached on December 23, 2014 and is described in Note 6. This agreement does not render a position on the TMSEL plan's status as a governmental plan. Per the agreement, the TMSEL Plan Board consists of six administrative trustees, of which four will be appointed by RTA and two will be appointed by the TMSEL Board of Directors.

Note 9: COMMITMENTS AND CONTINGENCIES (CONTINUED)

TMSEL Retirees Medical and Dental Benefits – The RTA was also a defendant in on-going litigation with former employees of NOPSI and retirees of TMSEL with respect to retiree medical and dental benefits. The RTA has asserted that the TMSEL health and welfare benefit plan is a governmental plan; and therefore, is exempt from the ERISA framework which is the basis for subject matter jurisdiction of this case. The RTA's motion to dismiss this case was granted by the trial court, specifically, the United States District Court, Eastern District of Louisiana. The trial court agreed with the RTA's assertion that the plan is exempt from ERISA and granted the RTA's motion to dismiss. The United States Court of Appeals for the Fifth Circuit affirmed that ruling upon appeal as of June 28, 2016.

Grant Commitments – As of December 31, 2020, the RTA is committed to funding local matching requirements under grants for which a contractual obligation existed at the end of each year. As of December 25, 2010, the RTA is required to match 20% of all new funding. The outstanding federal share of grants at December 31, 2020 and 2019 totals $15,772,997 and $14,865,940, respectively.

On August 29, 2005, the New Orleans region suffered significant damage to property and lives when Hurricane Katrina struck the Gulf Coast area. The RTA sustained significant damage to RTA owned facilities, buses, streetcars, other revenue vehicles, and inventory, which were flooded and/or wind damaged. The RTA recovered damages from Katrina from the Federal Emergency Management Agency (FEMA). The audits of these funds and claims recovered from FEMA are still subject to final audit and close out of the respective projects. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the RTA. During the years ended December 31, 2020 and 2019, RTA received cash reimbursements from FEMA totaling $ - and $1,635,938, respectively. Included in accounts receivable at December 31, 2020 and 2019 are $3,616,931 and $3,611,449, respectively, of reimbursements due from FEMA.

Contingencies

<u>Regulatory</u> – The RTA 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 may be subject to disallowance upon final audit, if any, would not have a material effect on the RTA's financial position.

<u>COVID-19 Uncertainties</u> – In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the RTA. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Note 10: SELF INSURANCE AND LEGAL CLAIMS

The RTA is from time to time involved in lawsuits arising in the ordinary course of its business. Management provides for a provision for claims when such amounts are known or can be estimated. All accident and general liability claims and judgments for dates of loss from September 1, 2009, through July 31, 2012, are the responsibility of Transdev pursuant to the delegated management contract in effect during these periods. For dates of loss subsequent to August 1, 2012, and prior to September 1, 2009, the RTA is responsible. Claim expenses and liabilities are reported when it is probable that the loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2020 and 2019, $18,799,713 and $18,273,675 of accrued general liability and small claim estimates were recorded to cover such claims. The long-term portion of this accrual at December 31, 2020 and 2019 was $16,027,593 and $15,122,432, respectively. The accruals, which are based upon experience with previous claims, the advice of counsel, and actuarial evaluation, are, in the opinion of management, sufficient to provide for all probable and reasonably estimable claim liabilities at December 31, 2020. It is the opinion of management, after conferring with legal counsel for the RTA, that several potential claims against the RTA have the reasonable possibility of an unfavorable outcome, with an estimated maximum possible liability to the RTA of $14,095,703.

Changes in legal and small claims liability during the years ended December 31, 2019 and 2018 were as follows:

	Beginning of year liability	Current year claims and changes in estimates	Claim payments	Balance at year end
2020	$ 18,273,675	$ 4,870,379	$ (4,344,341)	$ 18,799,713
2019	$ 24,473,940	$ (2,757,874)	$ (3,442,391)	$ 18,273,675

Note 11: RELATED PARTIES

The RTA has a standing agreement with the City of New Orleans to provide mutually beneficial services (interagency agreement). The RTA offset $1,200,000 in police and other services provided by the City against state parish transportation fund proceeds appropriated by the State of Louisiana in 2020 and 2019.

The members of the Board of Commissioners who were paid a per diem for the attendance at board meetings in calendar years 2020 and 2019 are listed below. Some commissioners elect not to receive a per diem.

Note 11: RELATED PARTIES (CONTINUED)

The amounts received by each commissioner for the year ended December 31, 2020 were as follows:

2020	Per Diem	Expense Reimbursement	Total
Flozell Daniels, Jr.	$ 1,650	$ -	$ 1,650
Mark Raymond, Jr.	2,325	-	2,325
Arthur Walton	-	-	-
Fred Neal, Jr.	2,475	-	2,475
Laura Bryan	-	-	-
Walter Tillery	2,400	-	2,400
Mostofa Sarwar	-	-	-
Sharon Wegner	2,550	-	2,550
	$ 11,400	$ -	$ 11,400

The amounts received by each commissioner for the years ended December 31, 2019 were as follows:

2019	Per Diem	Expense Reimbursement	Total
Flozell Daniels, Jr.	$ 1,200	$ 228	$ 1,428
Mark Raymond, Jr.	1,500	456	1,956
Arthur Walton	-	380	380
Fred Neal, Jr.	1,950	304	2,254
Laura Bryan	-	-	-
Walter Tillery	1,950	-	1,950
Mostofa Sarwar	-	1,904	1,904
Sharon Wegner	1,800	2,803	4,603
Earline Roth	150	-	150
	$ 8,550	$ 6,076	$ 14,626

Note 12: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2020 and determined there were no events that occurred that required disclosure.

******

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in OPEB Liability and Related Ratios

Last Three Fiscal Years

For the year ended December 31,	2020	2019	2018
TOTAL OPEB LIABILITY			
Service cost	$ 11,083	$ 8,670	$ 21,186
Interest	184,706	293,338	313,400
Change of benefit term		-	-
Differences between expected and actual experience	215,614	(372,845)	(1,667,222)
Change of assumptions	410,075	812,187	-
Benefit payments, including refunds of member contributions	(1,144,409)	(1,165,233)	(1,095,299)
Net Change in Total OPEB Liability	(322,931)	(423,883)	(2,427,935)
Total OPEB Liability - Beginning	7,313,308	7,737,191	10,165,126
Total OPEB Liability - Ending (a)	$ 6,990,377	$ 7,313,308	$ 7,737,191
Covered-employee payroll	$ 3,683,463	$ 3,541,791	N/A
Total OPEB liability as a percentage of covered-employee payroll	190%	206%	N/A

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2018, 2019, or 2020.

4.10% as of December 31, 2018, 2.74% as of December 31, 2019 and 2.12% as of December 31, 2020. The mortality table used for December 31, 2019 was changed from 1994 GAR table to the RP-2000 table.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY FOR TRANSIT MANAGEMENT OF SOUTHEAST LOUISIANA RETIREMENT INCOME PLAN

For the years ended December 31,	2020*	2019*	2018*	2017*	2016*	2015*
TOTAL PENSION LIABILITY						
Service cost	$ -	$ -	$ -	$ -	$ -	$ -
Interest	11,610,357	12,871,234	12,663,909	12,756,532	13,457,817	13,417,600
Change of benefit term	-	-	-	-	-	5,066,266
Differences between expected and actual experience	(703,776)	(729,745)	193,679	(26,948)	(648,029)	(2,886,065)
Change of assumptions	(18,735,380)	18,221,638	3,249,732	(3,454,577)	10,254,242	285,567
Benefit payments, including refunds of member contributions	(16,175,028)	(16,439,659)	(16,934,533)	(16,756,577)	(16,877,431)	(13,816,843)
Net Change in Total Pension Liability	(24,003,827)	13,923,468	(827,213)	(7,481,570)	6,186,599	2,066,525
Total Pension Liability - Beginning	199,677,566	185,754,098	186,581,311	194,062,881	187,876,282	185,809,757
Total Pension Liability - Ending (a)	$ 175,673,739	$ 199,677,566	$ 185,754,098	$ 186,581,311	$ 194,062,881	$ 187,876,282
PLAN FIDUCIARY NET POSITION						
Contributions - employer	-	-	-	-	-	18,000,000
Contributions - employee	-	-	-	-	-	-
Net investment income	33,453,063	(6,677,907)	25,289,174	14,589,683	1,257,989	17,955,244
Benefit payments, including refunds of member contributions	(16,175,028)	(16,439,659)	(16,934,533)	(16,756,577)	(16,877,431)	(13,816,843)
Administrative expense	(1,732,059)	(1,743,128)	(1,818,134)	(1,710,340)	(1,826,776)	(1,481,038)
Net Change in Plan Fiduciary Net Position	15,545,976	(24,860,694)	6,536,507	(3,877,234)	(17,446,218)	20,657,363
Plan Fiduciary Net Position - Beginning	168,272,192	193,132,886	186,596,379	190,473,613	207,919,831	187,262,468
Plan Fiduciary Net Position - Ending (b)	$ 183,818,168	$ 168,272,192	$ 193,132,886	$ 186,596,379	$ 190,473,613	$ 207,919,831
NET PENSION (ASSET) LIABILITY - ENDING (a)-(b)	$ (8,144,429)	$ 31,405,374	$ (7,378,788)	$ (15,068)	$ 3,589,268	$ (20,043,549)
Fiduciary net position as a percentage of the total pension liability	104.64%	84.27%	103.97%	100.01%	98.15%	110.67%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule: 2015 change of assumptions reflects increase in projected mortality improvement in statutory funding mortality tables. 2016 change of assumptions reflects change in discount rate from 7.50% to 6.87% and increase in projected mortality improvement in statutory funding mortality tables. 2015 plan change reflects plan amendment to extend availability of unreduced service pension to participants with 30 years of combined service with TMSEL and Transdev. 2018 change of assumptions reflects increase in investment rate of return from 7.11% blended rate to 7.25%. The 2019 change of assumption reflects the change in discount rate from 7.25% to 6.06% and a change in the statutory funding mortality projection scale. The 2020 change of assumptions reflects the change in discount rate from 6.06% to 7.25% and a change in the statutory funding mortality projection scale.

* The amounts presented were determined as of the measurement date (prior year)

Regional Transit Authority
Schedule of Proportionate Share of
Net Pension Liability for Retirement Systems
Last Six Fiscal Years

For the Year Ended June 30,	Agency's proportion of the net pension liability (asset)		Agency's proportionate share of the net pension liability (asset)		Agency's covered payroll	Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Emoloyees' Retirement System							
2020*	0.007290%	$	602,932	$	200,117	301.00%	58.00%
2019*	0.015384%	$	1,114,557	$	291,333	383.00%	62.90%
2018*	0.014990%	$	1,021,966	$	137,950	741.00%	64.30%
2017*	0.006160%	$	433,592	$	114,855	378.00%	62.50%
2016*	0.006109%	$	479,712	$	109,987	436.00%	57.70%
2015*	0.005539%	$	376,736	$	105,119	358.00%	62.70%

* The amounts presented were determined as of the measurement date (year ended June 30 for LASERS).

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

For the Year Ended December 31,	(a) Contractually or Actuarially Required Contribution		(b) Contributions in relation to the contractually or actuarially required contribution		(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Louisiana State Employees' Retirement System							
2020	$ 62,813		$ 62,813		$ -	$ 155,498	40.4%
2019	$ 105,793		$ 105,793		$ -	$ 270,000	39.2%
2018	$ 85,425		$ 85,425		$ -	$ 225,522	37.9%
2017	$ 42,324		$ 42,324		$ -	$ 114,855	36.9%
2016	$ 41,922		$ 41,922		$ -	$ 114,885	36.5%
2015	$ 38,999		$ 38,999		$ -	$ 105,403	37.0%
2014	$ 37,730		$ 37,730		$ -	$ 101,973	37.0%
Transit Management of Southeast Louisiana, Inc.							
2020	$ 9,955,481		$ -		$ 9,955,481	N/A	N/A
2019	$ 12,552,446		$ -	**	$ 12,552,446	N/A	N/A
2018	$ 11,229,807		$ -	**	$ 11,229,807	N/A	N/A
2017	$ 9,250,439	*	$ -	**	$ 9,250,439	N/A	N/A
2016	$ 5,799,714	*	$ -	**	$ 5,799,714	N/A	N/A
2015	$ 8,349,665	*	$ -	**	$ 8,349,665	N/A	N/A

**Related to multiple plan years; includes adjustments for actual contribution timing required by ERISA for meeting the minimum funding requirements; does not include additional interest for late payment*

***Contributions of $1.6 million paid in fiscal year 2015, 2016, 2017, 2018 and 2019 were applied to actuarially determined contributions for the 2013 fiscal year.*

Notes to Schedule - LASERS

Changes of Benefit Terms

For LASERS, a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

Changes of Assumptions

For LASERS, the investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.
The investment rate of return was decreased from 7.50% to 7.65% for the valuation dated June 30, 2018.

Notes to Schedule - TMSEL

Valuation date:	January 1, 2019
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Unit Credit, for actuarially determined contributions
Amortization method	Level dollar
Remaining amortization perio	All new bases are amortized over 7 years Effective period of 5 years remaining as of January 1, 2020
Asset valuation method	Assets are determined by averaging the market value as of the valuation date and the adjusted market values as of the preceding two years. The resulting value is limited to between 90% and 110% of market value of assets. Legislation provides that the averaging method is to be adjusted for expected earnings. The expected earnings are based on an assumed rate of return of 7.50%, not to exceed the applicable PPA third segment rate of 7.16%% in 2013, 6.99% in 2014, 6.81% in 2015, 6.65% in 2016, 6.48% in 2017, 6.29% in 2018, and 6.11% in 2019.
Investment rate of return	7.25%, used only for developing the actuarial value of assets, Effective interest rate of 5.28% for liabilities.
Inflation	2.00% used for review of investment rate of return
Salary increases	N/A
Cost of living adjustments	N/A

Regional Transit Authority
Schedule of Changes in Restricted Asset Bond Accounts
For the Year Ended December 31, 2020

The following summarizes the activity in the 1991 Series bond trustee accounts:

	Capital Projects and Contingency	Capital	Debt Service	Revenue	Total
BEGINNING BALANCE - January 1, 2020	$ 468,761	$ 121,246	$ 5,082,872	$ 292,300	$ 5,965,179
Cash receipts					
Transfer for principal and interest	-	-	9,043,935	-	9,043,935
Sales tax receipts	-	-	-	66,499,782	66,499,782
Investment income	-	400	4,608	9,143	14,151
Transfer	-	-	-	-	-
Total cash receipts	-	400	9,048,543	66,508,925	75,557,868
Cash disbursements					
Principal and interest payments	-	-	4,635,059	-	4,635,059
Transfer for debt service and excess	-	-	-	66,793,525	66,793,525
Transfer to bond revenue	468,761	121,646	386,262		976,669
Expense payments	-	-	9,110,094	7,700	9,117,794
Total disbursements	468,761	121,646	14,131,415	66,801,225	81,523,047

Regional Transit Authority
Schedule of Changes in Restricted Asset Bond Accounts
For the Year Ended December 31, 2020

The following summarizes the activity in the 2000 Series trustee accounts:

	Sales Tax Capital	Debt Service	Total
BEGINNING BALANCE - January 1, 2020	$ -	$ 2,422,705	$ 2,422,705
Cash receipts			
Transfer for principal and interest	-	-	-
Investment income	-	8,780	8,780
Total cash receipts	-	8,780	8,780
Cash disbursements			
Principal and interest payments	-	-	-
Transfers to debt service		11,359	11,359
Transfers to bond revenue	-	2,420,126	2,420,126
Total disbursements	-	2,431,485	2,431,485
ENDING BALANCE - December 31, 2020	**$ -**	**$ -**	**$ -**

The following summarizes the activity in the 2010 Series trustee accounts:

	Sales Tax Capital	Debt Service	Total
Beginning Balance - January 1, 2020	$ (3,198,476)	$ 3,592,788	$ 394,312
Cash receipts			
Transfer for principal and interest	-	-	-
Investment income	-	1,705	1,705
Total cash receipts	-	1,705	1,705
Cash disbursements			
Streetcar Projects		-	-
Unrealized loss	-	-	-
Realized loss	-	-	-
Expense payments	-	-	-
Total disbursements	-	-	-
Ending Balance - December 31, 2020	**$ (3,198,476)**	**$ 3,594,493**	**$ 396,017**

The following summarizes the activity in the 2020 Series trustee accounts:

	Reserve	Debt Service	Total
Beginning Balance - January 1, 2020	$ -	$ -	$ -
Cash receipts			
Bond Sale	96,406,313	-	96,406,313
Receipts 2020A/2020B Bonds	4,034,809	-	4,034,809
Sales Tax Receipts	-	1,253,066	1,253,066
Transfer for principal and interest	4,476,158	1,253,066	5,729,224
Investment income	91	23	114
Total cash receipts	104,917,371	2,506,155	107,423,526
Cash disbursements			
Streetcar Projects	-	-	-
Unrealized loss	-	-	-
Realized loss	-	-	-
Prior bond payments	96,406,313	-	96,406,313
Expense payments	4,476,158	-	4,476,158
Total disbursements	100,882,471	-	100,882,471
Ending Balance - December 31, 2020	**$ 4,034,900**	**$ 2,506,155**	**$ 6,541,055**

Regional Transit Authority
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2020

Agency Head Name: Flozell Daniels, Chairman of Board of Commissioners

PURPOSE	**AMOUNT**
Salary	$ -
Benefits-health insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-Fica & Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	1,650
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
	$ 1,650